



BORMIOLI LUIGI
GLASSMAKER

SUSTAINABILITY REPORT 2019

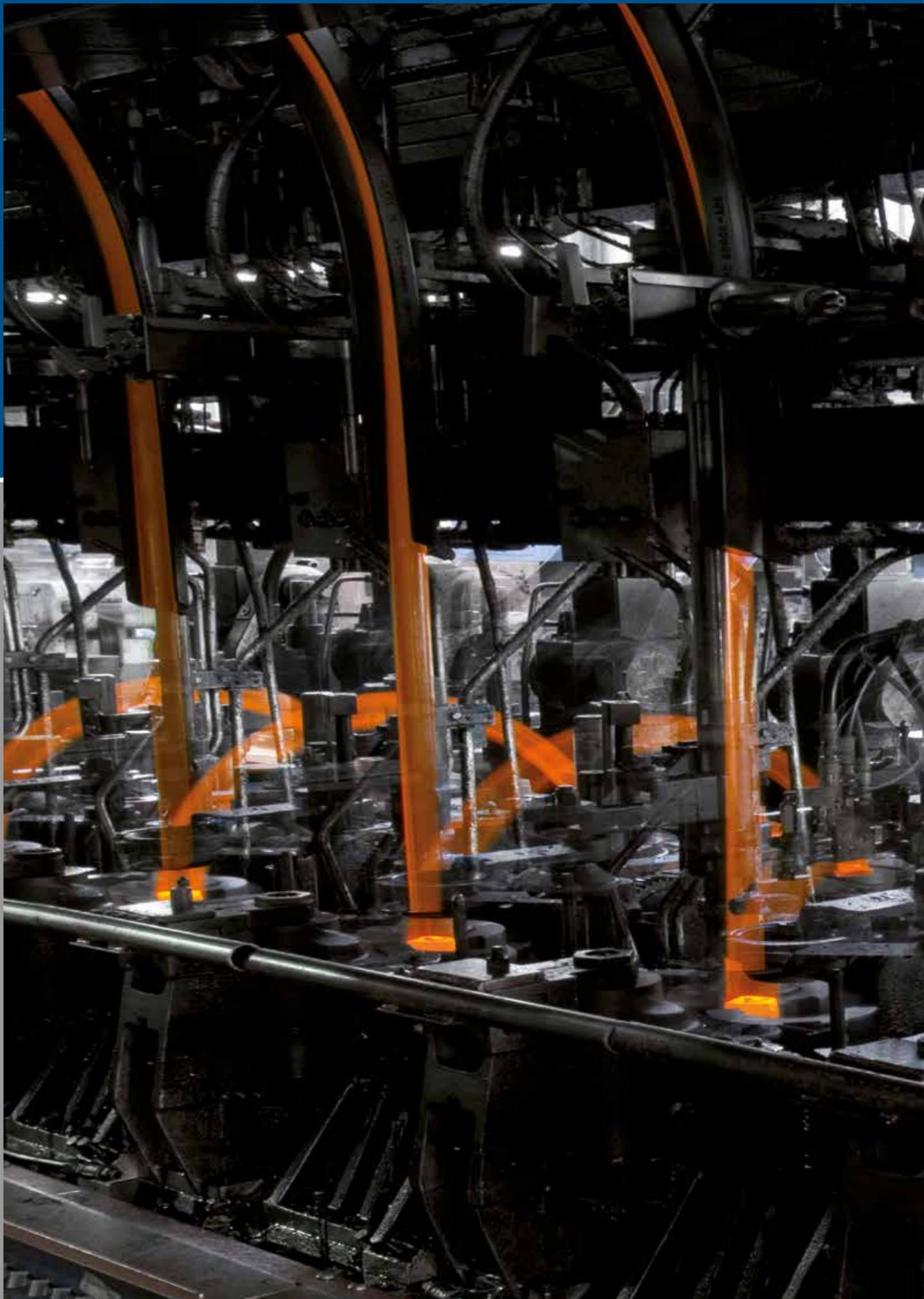


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Letter to the stakeholders

Bormioli Luigi is a world leader in the manufacturing of glass containers for perfumes, cosmetics, spirits and articles for the tableware sector.

The enthusiasm and professionalism of our employees have enabled the company to achieve ambitious business targets on a wide range of markets, reinforcing a steady, positive trend that gives us every reason to be optimistic about the future.

In terms of quantity, 2018 has witnessed the doubling of the group's turnover, thanks to the acquisition of the "BR Tableware" household division. This operation led to the founding of the main national glassmaking centre, without any undue strain to our finances.

This decision was the embodiment of senior management's strategic focus on the social, environmental and ecological issues connected with the territory. Those who are familiar with our company are already aware of the marked sensitivity of Bormioli Luigi towards the global aspects of business prospects. This attitude was deep-rooted in the company's personality and in the quality levels of our goals, long before certain neologisms became fashionable.

Forty years have passed since the Company, ahead of its competitors, made the ground-breaking change to the use of totally electric melting furnaces, accepting without hesitation the higher costs that this choice implied compared to the other technologies of the time, for the ecological advantage of dramatically lowering emissions into the atmosphere.

Still following the path of sustainability which must correlate theory and practice, we have recently designed and constructed "Ecoline" - the first line dedicated to luxury cosmetics in ecological glass - which has already received prestigious international accolades.

These few examples, chosen from a host of others, bear witness to the Company's commitment to pursuing, in an autonomous manner, a successful business model able to meet today's challenges. This document describes the progress level of our activities and how they are planned, in line with an industrial development that reflects the reasons that justified the founding of Bormioli Luigi in 1946, a company that acknowledges the dedication and efforts of all those who, in their own specific spheres of competence, cultivate greater awareness, freedom and dignity, notwithstanding the pressures involved, in the perspective of promoting cultural homogeneity.

The Chairman
Alberto Bormioli

Second Sustainability Report

With this second Sustainability Report, Bormioli Luigi continues, through its work, to demonstrate sensitivity and active adherence to sustainable development and social issues, communicating the results achieved.

Our "know-how" derived from tradition and continuous innovation alike, is managed with a high sense of responsibility at all levels.

Total respect for the workplace, the external environment, our employees and external collaborators is a cornerstone of our culture: "knowing how to be".

Additionally, since the Suppliers, our partners, are essential to ensure the global sustainability of the production chain, they are continuously involved in sharing the same paths and goals.

The ECO-Design projects for the products are the focus of our research in keeping with our underlying principles, the 3Rs: Reduce, Reuse, Recycle.

In the course of 2019, two interesting projects were completed:

a) The creation of a new anti UV glass to protect special fragrances and creams from ultraviolet rays.

b) A major production investment; both an innovative Electric Furnace (replacing an already existing one) leading to reduced specific energy consumption, and a new Production Plant bringing about considerable improvements in the work environment and an increase in production efficiency.

Currently under development is the formulation of a type of glass that replaces part of the raw material with part of the post-consumer cullet (Recycle), while leaving the transparency of the glass unchanged.

This second Sustainability Report illustrates all the improvement initiatives geared towards ever increasing sustainable development.

Finally, it is worth mentioning that, due to the Covid-19 pandemic, our Company is still striving to maintain - through organizational, procedural and technical interventions - the best possible working conditions to safeguard the health of all its workers. To this end, a Safety Protocol against the spread of the Coronavirus has been drafted, shared with the trade unions and constantly updated.

This unexpected event is markedly penalising our economic performance due to declines in Turnover and Production Activity.

il Direttore Generale
Vincenzo Di Giuseppantonio



Our sustainability figures



98%, our employees with a permanent contract.



64%, the increase in training hours provided to our employees compared to 2018



More than double, the number of workers hired compared to the previous year



2, the anti-UV solutions for fully recyclable natural product containers



Starting of production of PCR (Post Consumer Recycled) glass bottles



100% of our white glass cullet is re-used in the production process.



Start-up of the new electric furnace at the Parma plant



84%, waste sent for recycling in 2019



76%, the purchases from Italian suppliers



21, suppliers audited for quality and sustainability



1.

Bormioli Luigi:

The art of glassmaking handed down for generations

1.1.

A constantly evolving company: true to our roots with an eye towards the future

We are a company whose glassmaking art is a source of increasing pride from year to year, that renews itself with passion and commitment, that looks proudly back at tradition while setting its sights enthusiastically on the future.

Bormioli Luigi S.p.A. was established in 1946, specializing in the production of glass containers for the perfumery and cosmetics sectors. Since then it has continued to grow, becoming a leader in the international high-end product markets. Today the company operates through two main divisions: in the production plants of Parma and Abbiategrasso, Bormioli Luigi is dedicated to the development, production and sale of hollow glass products, from glass bottles for luxury perfumery, cosmetics and pharmaceuticals, to tableware such as stem glasses and tumblers in superior crystal glass. In 2019, the Deluxe Spirits division, dedicated to the design and production of bottles for the spirits sector, was sold to the newly-acquired company Bormioli Rocco¹.



What is "SUPERIOR CRYSTAL GLASS"?

The term derives from the international classification of glass made on the basis of the raw materials used. In order to enter this category, the highest quality for the household segment, the glass must contain a quantity greater than or equal to 10% of one or more of the following elements: lead oxide, zinc, barium and potassium.

The company Bormioli Luigi has decided not to use lead oxide in its products, so the crystal glass it produces is composed of barium, zinc and potassium.

Our divisions

PRESTIGE PERFUMES

This division is responsible for the design, production and sale of bottles for perfumery and cosmetics.



TABLEWARE

This division is focused on the design, production and sale of stem glasses, tumblers and carafes, and other high quality glass table accessories.

Through its two divisions, the company targets both the Italian and the international markets. In fact the company manufactures finished products, accessories and customized packaging for a large number of Italian customers - which accounted for 20% of the sales revenue in 2019 -, and international customers, particularly in Europe (72%) and North and South America (6%).

Bormioli Luigi's products mainly target three types of **customers**:

- **Industrial customers in the perfumery and cosmetics sectors** with whom the company cooperates, starting from the definition of the product and its characteristics.

- **Customers operating in the sale and distribution of glass tableware** (mostly stem glasses and tumblers), such as retailers, wholesalers, distribution and food service chains.
- **Customers operating in the sale of draught beverages for immediate consumption** such as, for example, restaurants.

Also in 2019, Bormioli Luigi's approach to work and the excellence and range of its products produced positive results from the economic and financial standpoint.

Glass and sustainability: 4 reasons for choosing it

In addition to its transparency, chemical inalterability and impermeability to liquids and gases, glass possesses numerous positive aspects, also from the sustainability perspective:



Glass is one of the safest materials **for the packaging of food, beverages, cosmetics and medicines** since it protects the substances it holds from the risk of infection, preventing microbes and bacteria from entering the container. Glass can withstand pasteurization and sterilization processes, thereby becoming a safe and sterile receptacle.



Glass can be **recycled innumerable times** and, in contrast to other materials, it can be recycled and re-used endlessly without losing its transparency, purity or quality; so glass provides an example of the **circular economy** in action, because, once produced, collected and processed, it can become a raw material for new and infinite production cycles.



If correctly disposed of, glass is a **sustainable** material because, since it can be recycled, it helps contain **greenhouse gas emissions** (CO₂), **saves energy** and the **raw materials** of which it is composed are reduced to a minimum.



Glass is an excellent material for **packaging** because, being re-usable and recyclable, it is a sustainable alternative to disposable containers.

Bormioli Luigi tableware

Bormioli's attention to excellence has led, over the years, to the development of numerous glass formulations designed to meet the needs of customers.



Used for the premium brand, Academia Vitri, T-NAX glass is the Bormioli material that makes wine glasses among the most resilient and scratch-proof on the market. T-NAX glass is the fruit of research conducted in cooperation with a prestigious American University and the most important Italian Research Centre, and it makes the glass more resistant to deterioration and 6 times more resilient to traditional glass for its entire life cycle, without showing signs of wear during due to washing.



The result of years of laboratory experimentation, SON.hyx is a superior high tech type of glass patented by Bormioli Luigi and produced with low CO₂ emission levels, and with excellent optical, mechanical and chemical properties. The production procedure used safeguards against the development of imperfections on the surface of the glass, thereby decreasing its level of fragility and improving its mechanical strength (guaranteeing resistance to over 4,000 industrial washing cycles). The stems of the glasses are reinforced with titanium and the anti-abrasion system endows the glass with surface hardness.



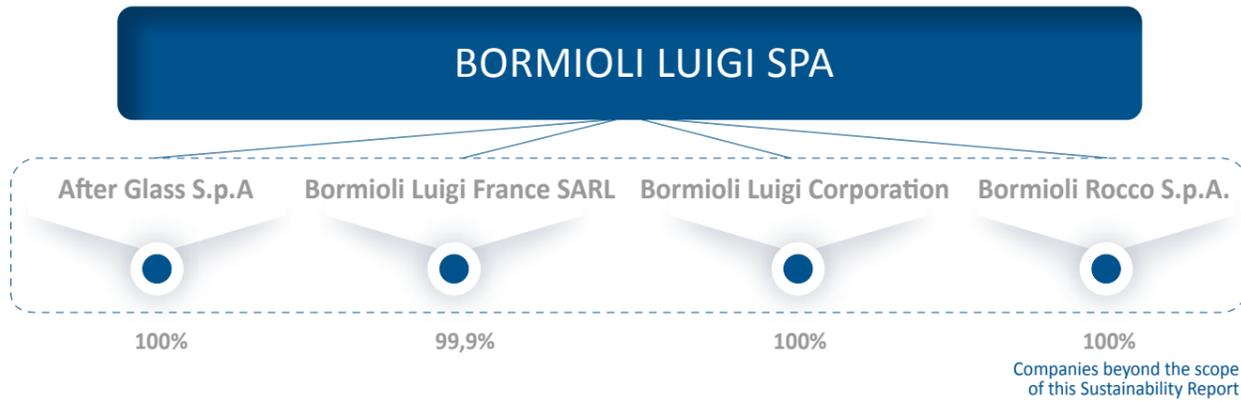
The use of new raw materials and the electric melting process enabled the Bormioli Luigi research centre to formulate another type of glass: Sparkx. Through spectrophotometric measurements, the laboratory has developed this exceptionally brilliant, transparent glass, totally free from lead and heavy metals and with an extremely low iron content, in order not to alter either the transparency or the colour efficiency of the glass.

¹ The company Bormioli Rocco S.p.A. was acquired in 2017 by Bormioli Luigi S.p.A. and is currently not included within the scope of accountability of this Report.

The Bormioli Luigi Group and its governance model

The constant growth of Bormioli Luigi S.p.A. has made it possible to think in terms of development, thanks to the **acquisition of various companies that conduct activities that are complementary and/or functional** to its own core business, so product processing can be followed in a complete and integrated manner.

As of today the company directly controls the following companies:



In particular, **After Glass S.p.A.** is a company completely dedicated to glass decorating activities with a department inside the Parma production plant, **Luigi Bormioli France S.A.R.L.** is dedicated to both sales activities and after-sales services, and to glass decoration, mainly for the French market, **Bormioli Luigi Corporation** is concerned with the sale and marketing of glass tableware and bottles for the perfumery sector and, last but not least, **Bormioli Rocco S.p.A.**, acquired in 2017, is specialized in the manufacturing of glass tableware and, since 2019, also manages the Deluxe Spirits line.

The Group, which consists of several financial, industrial operating and commercial companies, is exclusively owned by the Bormioli core family unit, and has been for many years.

In order to respond in an efficient manner to the challenges of the reference market and provide coordinated management of its work, Bormioli Luigi S.p.A. has developed a **governance model** to safeguard the value of the company in the long-term, structured along the lines of three main bodies:

- The **Shareholders' Meeting**, the expression of the corporate will, is composed of the company shareholders who, in virtue of their decision-making powers, pass resolutions on the various subjects provided for by Law, including the selection of the members of the BoD and the Board of Statutory Auditors and the approval of the Financial Statements;
- the **Board of Directors** (BoD), the corporate body responsible for managing the Company correctly and steering it towards its strategic and organizational goals;
- the **Board of Statutory Auditors** supervises effective compliance with the law and ensures that the organizational structures and the Company's internal control system are up to standard.

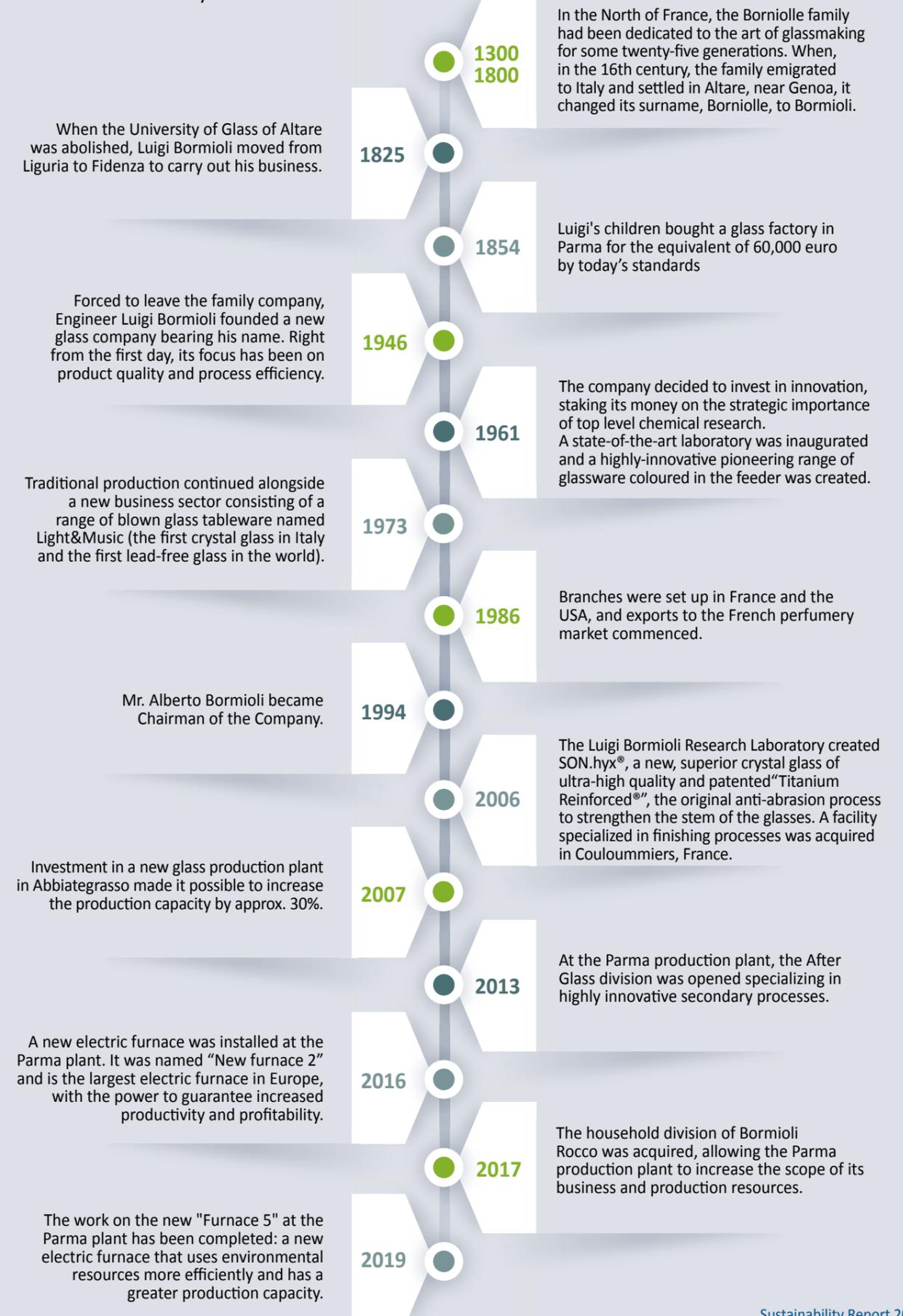
The Board of Directors, in office as of 31 December 2019, consists of 1 Chairman and 2 Directors.

Members of the Board of Directors (31 December 2019)

- Chairman** Mr. Alberto Bormioli, engineer
- Directors** Vincenzo Di Giuseppantonio, engineer
Mr. Livio Strazzera

The art of glassmaking handed down for generations

Bormioli Luigi is synonymous with passion for glassmaking since the end of the 14th century, a bond that had not been broken for over 25 generations. Quality and excellence are part of the history of this company and still the pillars on which it rests today.



1.2.

Our model: ethics and sustainable development

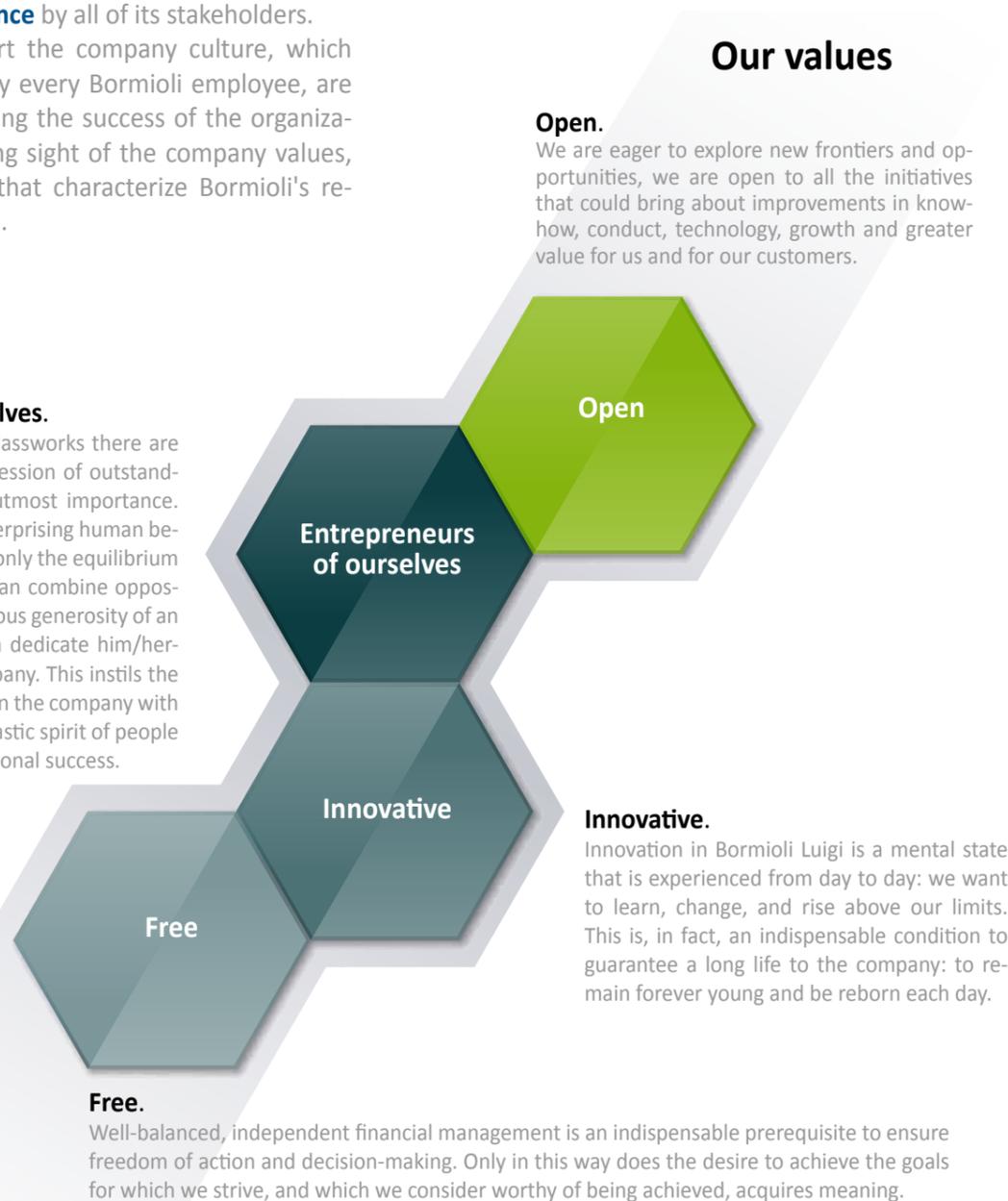
Only through the creation of a shared corporate culture based on responsibility and work ethics can we aim towards sustainable development.

Bormioli Luigi has inherent in its DNA the conviction that work ethics in the running of an enterprise is one of the main conditions for guaranteeing the success and protection of the enterprise itself. So it has two ambitions: to distinguish itself on the market as a **supplier of products of excellence** for its clientele and to be recognized as a **responsible reference** by all of its stakeholders.

The pillars that support the company culture, which is spread and shared by every Bormioli employee, are geared towards achieving the success of the organization, without ever losing sight of the company values, the behavioural rules that characterize Bormioli's responsible work method.

Entrepreneurs of ourselves.

In the complex life of the glassworks there are moments in which the expression of outstanding human skills is of the utmost importance. Only the ingenuity of an enterprising human being can develop innovation, only the equilibrium of a rational human being can combine opposing ideas, only the spontaneous generosity of an intelligent human being can dedicate him/herself to the good of the company. This instils the activity of all those working in the company with the responsible and enthusiastic spirit of people who are also enjoying a personal success.



Our mission



To create, in the **field of perfume bottles**, all the conditions for manufacturing the best possible product so that the best fragrance companies in the world will choose us as their partner, convinced of the decisive contribution we can make to the growth of their success.



To affirm, in the **household sector**, a product with unique characteristics on the market so that our range represents a constant and easily recognizable reference for all those people who identify their style with the expression of our culture's values.



To design and develop innovative **decoration technologies** for the production of decorated items suited to the most demanding requests of the reference markets.

Responsible running of the company

Bormioli Luigi decided of its own volition to draw up a **Code of Ethics** and to adopt an **Organization, Management and Control Model** pursuant to Legislative Decree 231/01, applied at the Parma and Abbiategrasso offices, aimed at promoting sustainable behaviour in its organization.

The **Code of Ethics** identifies the fundamental values and ethical/behavioural principles that must be observed by corporate bodies, employees and all those who contribute to the pursuit of the company's goals. Among the modes of behaviour referred to in the Code are **transparency, correctness, mutual respect and moral integrity** which must characterise the intentions, attitudes and actions of the entire organization. It also specifies the **safeguarding of rights** and the **integrity of people**, prohibiting discrimination, abuse and conduct offensive to personal dignity. The Code was drawn up on the basis of the conviction that ethics in the conducting of business is a prerequisite for success and for the development of the company.

The Code is also an essential element of the **Organization, Management and Control Model**, pursuant to Legislative Decree 231/01, which in addition to laying down the main rules of conduct for all of the company's employees and collaborators, also establishes the "sensitive" processes, areas and activities, (i.e. the crime risk as per 231), including aspects of health, safety and the environment, and their respective controls. **The Supervisory Body**, generally referred to as the OdV (Organismo di Vigilanza), - an independent body endowed with autonomous powers of initiative and control - is responsible for overseeing the effective application of the Model. While the Model was being defined initially, in 2011, a risk analysis was carried out on all the offices and different functions of the company, on the subject of business ethics. This analysis assessed all the crimes provided for by the regulations (e.g. corruption, illegal competition, extortion, environment, etc.) and identified the activities/functions potentially most at risk of crime (the so-called "sensitive" areas of activity), through interviews with the managers of each corporate sector.

Following the identification of areas of risk on the subject of business ethics (anti-corruption, fair competition, etc.), Bormioli carried out an evaluation of the internal control system and implemented a series of preventive measures, including:

- periodic updating of the risk assessment in the event of major changes to the organization and the introduction of new potential crimes;
- audits of the control procedures carried out quarterly by the Supervisory Body (OdV) with particular focus on the areas most at risk and for a total of about 10 audits per year;
- training and awareness-raising activities for employees;
- system for reporting irregularities ("whistleblowing") for all parties involved;
- procedures for the approval of sensitive transactions, such as gifts, cash payments, travel or purchases above a given limit.

In particular, the whistleblowing procedure was introduced in 2018, following the updating of the Model, and provided for the creation of a mailbox for the sending of reports, and specific procedures which were necessary to regulate the process of verification of any complaints received. To guarantee the dissemination of the new Model to all employees, in 2018 Bormioli started a specific training course on the theme of ethical and anti-corruption compliance, which was attended by **all of the employees**. The training continued also in 2019 with a specific module which was part of the course on quality and was mandatory for all new company employees. In this way, 100% of company personnel was trained in the two-year period 2018-2019.

As of 31 December 2019, as per the previous financial years, **no reports were received, no incidents of corruption were discovered, nor were any sanctions applied due to failure to comply with the laws and regulations in corporate or social spheres.**



1. Bormioli Luigi: the art of glassmaking, handed down for generations

Fight against discrimination, and respect for fundamental human rights in the workplace

Bormioli Luigi S.p.A. considers the psycho-physical well-being and peace of mind of its personnel strategic factors for the organization, with the power to contribute to the improvement of the productivity, effectiveness and efficiency of its internal production processes.

For this reason, the company has adopted a specific procedure, entitled "Management, training and education of personnel", which covers all the main aspects connected with the management of employees, fight against discrimination and harassment and respect for fundamental human rights in the workplace.

In this context, the Code of Ethics, shared with all the employees, also endorses the company's commitment towards creating a bright and positive workplace, in observance of the fundamental principles of inviolability, equality, freedom and personal dignity, conditions of parity, and equal opportunities for one and all.

Bormioli Luigi has implemented a series of actions designed to guarantee that these principles are respected by all employees. Periodically, specific training is conducted on the management of relations in the workplace and the optimization of human resources, and any changes to the organization of the work are made, whenever necessary. Finally, a whistleblowing system was implemented in 2018, aimed at guaranteeing Bormioli employees an effective tool for reporting offences.

In confirmation of the effectiveness of the training, prevention and whistleblowing system, in the course of the three year period 2017-2019, no cases of misconduct or discrimination were recorded.

The new IT department and attention to IT security

As of 2017, and also due to the recent acquisition of the company Bormioli Rocco, Bormioli Luigi set up a multi-year program for the harmonization of the information systems in the two companies of the Group. As an initial step, this planning provided for the consolidation of internal resources and the progressive inclusion in the company of new specialized figures, including the Chief Information Officer (CIO), head of the newly-established division.

In parallel with the consolidation of the internal structure, Bormioli Luigi has adopted an Information Technology Policy the aim of which is to regulate the use of corporate IT tools by employees and reduce the risk of misuse.

The Policy also includes the procedures drafted to prevent privacy violations, in line with the new European regulation on the processing of personal data and privacy ("General Data Protection Regulation" or "GDPR").

Last but not least, in 2019 the company carried out an IT security assessment, following which a series of preventive measures, both physical and logical, were defined to be progressively implemented in the two companies.

1.3.

Our approach to sustainability: a path in continuous evolution

We wish to continue to improve our know-how so as to develop a product that guarantees quality, ethics, environmental protection and the safeguarding of people.

Sustainability for Bormioli Luigi means **putting people first, excelling** and continuously **exceeding the expectations of our customers**, undertaking to **protect the environment** and always acting **ethically and responsibly**.

The pillars on which the company culture - disseminated and shared by every Bormioli employee - is based, aim to achieve the success of the organization, without ever losing sight of corporate values.



Putting people first means recognizing the decisive role of talents in the development of the company, and therefore creating suitable professional and personal development paths, that cultivate their ideas, passions and competences.



Proposing **excellent products** demonstrates the efforts of the company to continuously exceed the expectations of its own clientele, aiming for maximum quality throughout the various phases of production and optimizing the bond between the millennia-long tradition of the Bormioli family and the spirit of innovation that characterizes the company.



Protecting the environment means promoting the intrinsic sustainability of glass, a material that can be recycled over and over again and which offers a sure-fire guarantee of food safety; it also means that constant attention is being paid to the reduction of environmental impact through the innovation of the production process and product design.



Acting ethically and responsibly is an essential commitment for a sustainable company and translates into respect for the values laid down in the Code of Ethics, ensuring that such modes of behaviour are also shared by the partners with whom the company collaborates.

Strengthened by its own vision, in 2017 Bormioli Luigi decided to set up a **Sustainability Committee** composed of representatives from the three main corporate areas (General Manager, Environment and Safety Manager, Plant Manager, Quality Manager, Human Resources Manager and Sales Manager).

The aim of the Committee is to **plan and coordinate the implementation of company sustainability initiatives with the involvement of the entire organization**.

*The **Sustainability Development Goals (SDGs)** are the 17 goals approved in 2015 by the United Nations as part of the 2030 Agenda, a document that contains concrete guidelines to help all countries contribute to global sustainable development.*

Our contribution to the SDGs

Well aware of the role played by companies in sustainable development, the Sustainability Committee has made an analysis geared at determining the Sustainable Development Goals (SDGs) most closely connected with corporate activities, and it has defined the 7 SDGs on which the company intends to focus most closely. As reported below, all the goals selected have been associated with elements that characterize Bormioli Luigi's approach to sustainability.

PEOPLE FIRST



Promoting health and well-being

The health and well-being of our employees are our priority and this is promoted by providing them with healthy places in which to work, and by undertaking effective preventive actions. In addition to the continuous implementation of various welfare activities for our people, we also contribute to an internal solidarity fund, the aim of which is to help our employees meet health costs with a greater sense of security.

Ref. Chapter: 2.3. The commitment to health and safety in the workplace



Guaranteeing gender equality

We reject any form of gender discrimination in the employment market and we have drafted a specific corporate procedure on the matter. We are committed to eliminating discrimination in connection with recruitment, hiring and career promotion, in order to guarantee equal opportunities to all people, at all levels.

Ref. Chapter: 1.2 Responsible running of the company

EXCELLING AND EXCEEDING CUSTOMERS' EXPECTATIONS



Innovating products and processes

Innovation is a fundamental aspect for the maintenance and development of the glassmaking industry: the successes of Bormioli Luigi are the result of a constant commitment which combines decades of experience with the continual innovation of production and product development processes.

Ref. Chapter: 3.3. Poised between tradition and innovation

PROTECTING THE ENVIRONMENT



Preventing wastage of water resources

Although glass manufacturing requires a great deal of water, we undertake on a daily basis to prevent waste and, where possible, to reduce our consumption. For this reason, we have set up an industrial water purification system which enables us to reduce our water consumption by approx. 50%.

Ref. Chapter: 4.5. Attention to water resources



Increasing energy efficiency and producing energy from renewable sources

We are attentive to the adoption of the most recent production technologies in order to reduce the consumption of electrical energy through efficiency-raising actions. The year 2019 saw the completion of the construction of a new electric furnace, an activity that is part of the broader long-term project to update the plants in order to improve the energy efficiency of the production processes. Our goal is to have only electric furnaces by 2030, thereby significantly reducing our environmental impact.

Ref. Chapter: 4.3. Monitoring and control of energy consumption



Guaranteeing sustainable production models

Our constant commitment also features in our environmental policy and ISO 14001 certification and is aimed towards the continuous improvement of our consumption levels of energy and water resources, emissions and waste recycling so as to contribute to promoting the sustainable production models.

Ref. Chapter 4. The value of the environment



ACTING ETHICALLY AND RESPONSIBLY

Increasing sustainable employment and creating shared value

We believe in the creation of economic value in the long term and aim at the growth of the company in order to create value also for the territory in which we operate. We favour long-lasting relationships with our employees, we do our utmost to insert young talented people in the organization and strive to guarantee advantageous contractual conditions.

Ref. Chapter 2.1. Bormioli Luigi: a company made of people

Sustainability Report: a demonstration of accountability towards our stakeholders

The drafting of this Sustainability Report has the long-term objective of maintaining and increasingly improving transparency towards all our stakeholders.

The initial phase of this process involved a survey of Bormioli Luigi's main stakeholders, in order to identify the most relevant issues to be reported in the document.

In order to identify the primary stakeholders, the company carried out an analysis in which the company management was involved and which led to the definition of 8 main categories; this selection includes groups that can influence, or be influenced by, the activities of Bormioli Luigi to the greatest extent.

Our stakeholders



With each of these categories, Bormioli Luigi adopts different methods and channels of communication, as shown in the table below:

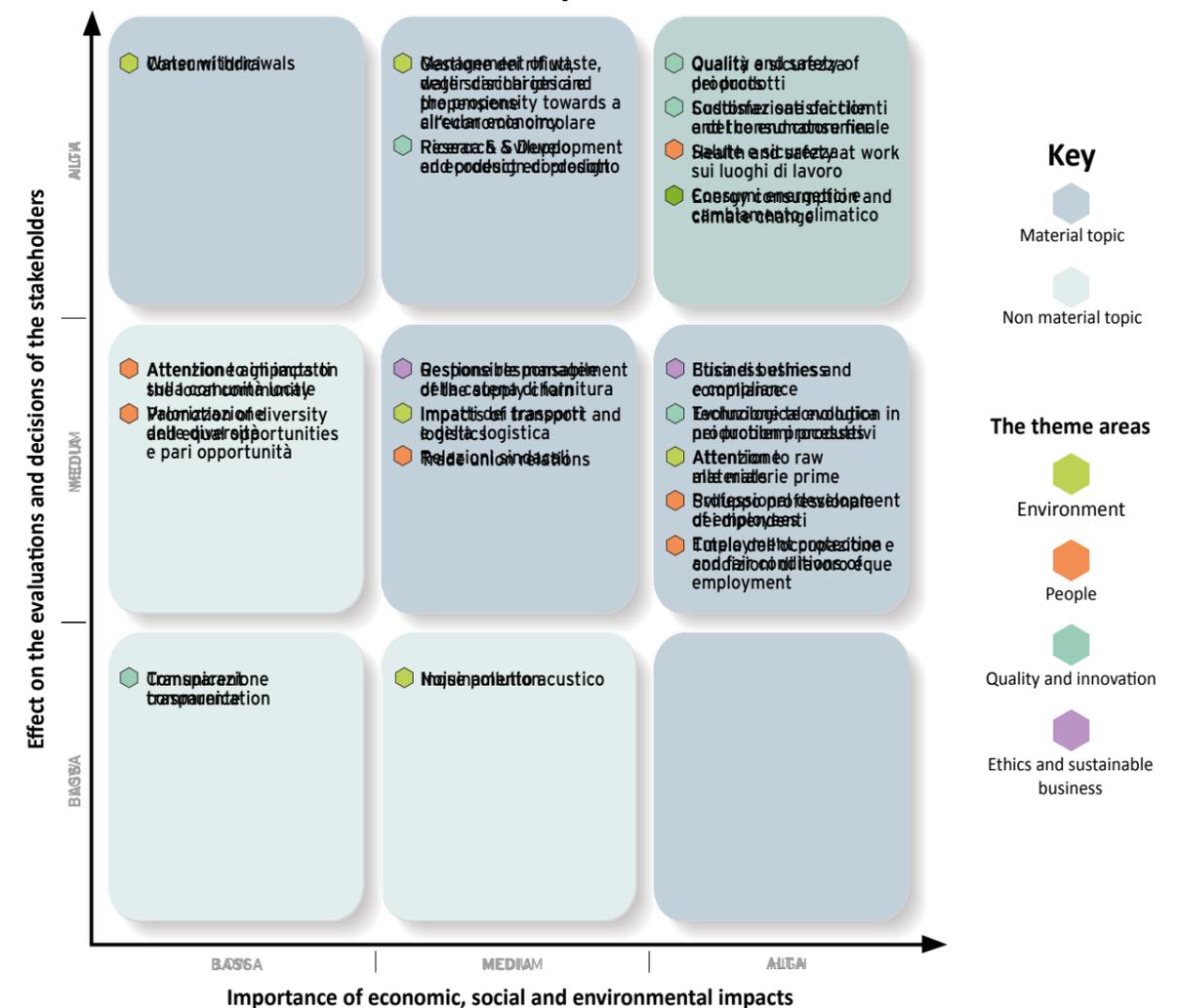
Categories of stakeholders	Frequency	Main dialogue channels
Employees	Periodic Daily	Training activities Company notice board and monitors
Shareholders	Periodic	Shareholders' Meeting
Customers	Periodic	<ul style="list-style-type: none"> - Sector trade fairs - Meetings and visits to the plants - Joint development of the product - Audits and evaluations of Bormioli Luigi by customers - E-mails, phone calls - Customer service
End consumers	Periodic	Indirect relationships through customer
Suppliers of services	Periodic	<ul style="list-style-type: none"> - Supplier qualification and auditing activities - Supplier portal, e-mails, phone calls
Suppliers of raw materials and energy	Periodic	<ul style="list-style-type: none"> - Supplier qualification and auditing activities - Supplier portal, e-mails, phone calls
Trade Unions	Periodic	Company/Trade union meetings
Lawmakers and regulatory bodies	Periodic	Dialogue and participation in work groups

In order to decide upon the layout and contents of the Sustainability Report, Bormioli Luigi launched a materiality analysis process for the purpose of identifying the issues that have a major influence on the evaluations and decisions of its stakeholders and primary importance in terms of economic, social and environmental impact. Starting from the 2018 materiality analysis, the definition of which involved the company's top management and the conducting of a context analysis, for its second year of reporting Bormioli decided to update the materiality matrix through desk research. This analysed the relevant issues for companies comparable to Bormioli Luigi, the sustainability trends emerging over the last year in the glassmaking sector as well as conducting a survey of the articles published on the company's activities during the last fiscal year.

The analysis thus conducted did not bring to light any new issues relevant to the company, compared to those that emerged in 2018. Greater attention from stakeholders was, however, highlighted in relation to two environmental issues: the use of materials and raw materials and energy consumption and related emissions. Finally, in the light of the updated materiality analysis, the "noise pollution" theme was found to be no longer material inasmuch as the analysis showed that the theme was less important for stakeholders compared to the previous version. However, the aspects related to the acoustic impact of Bormioli's production activities in the external environment will continue to be constantly managed and monitored.

The materiality matrix of Bormioli Luigi, which emerged from the above-mentioned process, is shown below

Our materiality matrix



For further details on materiality and the scope of material themes, refer to the chapter entitled "Additional information".



2. The value of people





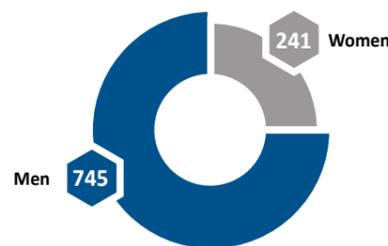
2.1. Bormioli Luigi: a company made of people

The optimization of human activity is a core value of our company. Guaranteeing a healthy, cooperative and inclusive workplace, with the power to stimulate and generate the human and professional growth of our people is, for us, not just what we want to do: it is a duty.

Bormioli's success is attributed to its people: their professional skills and experience in the glass sector are the fruit of considerable technical know-how, passion, dedication, precision and aesthetic sensitivity developed over the years. And it is thanks to all their commitment that Bormioli is able to offer such high quality products.

This is the great added value that makes Bormioli Luigi one of the leaders in the sector, and which prompts it to cultivate the talents of its employees, whose daily business is to meet customer requirements.

Employees by gender at 31/12/2019



Thanks to the company's excellent results and the constant attention it pays to the optimization of its own people, Bormioli Luigi's workforce grew by 4.6% in 2019, reaching as many as **986 employees**. In addition to these, there is also an annual average of 130 workers with temporary work contracts, mainly employed to support production activities. The company undertakes, in any case, to guarantee to temporary workers the same earnings for the same job, the same attention to safety in the workplace and the same training as employees, constantly monitoring the ratio between the salary paid to both contractual categories.

The company's efforts to guarantee long-term relationships with its employees are borne out by the fact that almost all of its personnel (equivalent to approx. 98%) have permanent contracts.

In parallel, the company offers flexible working hours, accepting requests for part-time work in order to support and accommodate, wherever possible, the needs of its workers; as of 31/12/2019 the need for this type of contract was marginal, with only 27 employees working part-time, equal to 3% of the total personnel.

Number of employees per type of contract [Disclosure GRI 102-8]

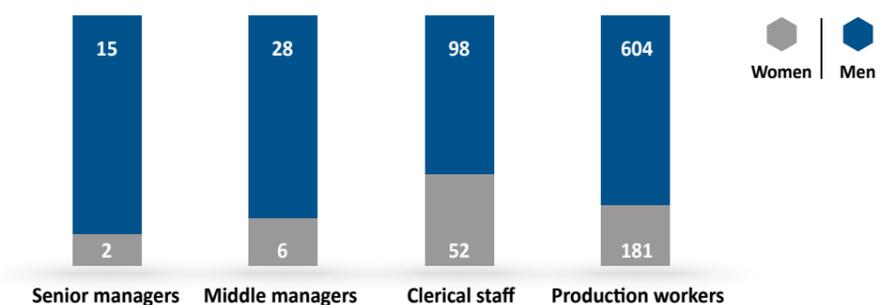
Type of contract	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Contract: permanent	720	232	952	706	222	928	733	237	975
Contract: temporary	4	0	4	13	2	15	12	4	16
Total	724	232	956	719	224	943	745	241	986

Number of employees per type of contract [Disclosure GRI 102-8]

Type of contract	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	721	213	934	716	204	920	740	219	959
Part-time	3	19	22	3	20	23	5	22	27
Total	724	232	956	719	224	943	745	241	986

Despite operating in a sector that traditionally tends to have a high percentage of male workers, Bormioli Luigi is committed to guaranteeing equal opportunities to its employees, as stated in its Code of Ethics. At 31/12/2019, about 24% of Bormioli Luigi's employees were female, the greater part of whom were employed as production workers and clerical staff. Of the company's 17 senior managers, 12% are women, all of whom work at the Parma plant.

Employees by professional category and gender 2019



Additionally, 51 (approx. 5% of the employees) are individuals belonging to the protected categories, who work as employees in both the Parma and the Abbiategrasso plants.

Another key element for maintaining a high level team of people concerns the recruitment and selection of new resources. The corporate strategy is, in fact, focused on the introduction of young talented people whose specialization and training are guaranteed within the company, especially with regard to research and development activities and specialization in the skills required to produce excellence in the glassmaking sector. Moreover, candidates are selected solely on the basis of their professional characteristics, training and experience, in line with the company's commitment to guaranteeing equal opportunities and preventing the risk of discrimination in the workplace.

In demonstration of this growth strategy, in the course of 2019 **80 new employees** were hired, corresponding to a hiring rate of 8%, twice that of 2018. In particular, the commitment to hire young people is borne out by the incoming turnover rate of young people under 30, which is considerably high (46%), and on the up compared to previous years. Those hired tend mainly to be former holders of fixed-term contracts (12 people) or temporary contracts (48 people) who have been consolidated by the company within its workforce. Moreover, the significant upward trend in new employees was accompanied by a stable outgoing turnover rate compared to 2018 (4%), mainly related to Bormioli's retirement incentives for employees in the over-50s bracket, the highest number of which - 25 - took place in 2019.

Number of employee hires [Disclosure GRI 401-1]

Age group	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years	9	0	9	20	2	22	30	6	36
30 - 50 years	4	0	4	8	2	10	21	13	34
> 50 years	1	2	3	2	1	3	6	4	10
Total	14	2	16	30	5	35	57	23	80

Incoming turnover rate² [Disclosure GRI 401-1]

Age group	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years	16%	0%	15%	30%	33%	31%	43%	67%	46%
30 - 50 years	1%	0%	1%	2%	2%	2%	7%	13%	8%
> 50 years	0%	2%	1%	1%	1%	1%	2%	3%	2%
Total	2%	1%	2%	4%	2%	4%	8%	10%	8%

Number of employees who have left the company [Disclosure GRI 401-1]

Age group	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years	4	0	4	0	1	1	5	0	5
30 - 50 years	9	0	9	8	1	9	5	2	7
> 50 years	21	8	29	30	8	38	21	4	25
Total	34	8	42	38	10	48	31	6	37

² The incoming turnover rate is calculated as the number of employees hired in the year per age group / the number of employees at 31/12 per age group.

Outgoing turnover rate³ [Disclosure GRI 401-1]

Age group	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years	7%	0%	7%	0%	17%	1%	7%	0%	6%
30 - 50 years	3%	0%	2%	2%	1%	2%	2%	2%	2%
> 50 years	7%	7%	7%	10%	7%	9%	6%	3%	5%
Total	5%	3%	4%	5%	4%	5%	4%	2%	4%

The company has always had an open and transparent relationship with the workers' trade union representatives, convinced that long-lasting and well-balanced relationships can only be achieved through continuous exchanges and constructive dialogue. In compliance with the regulations in force, in 2019 the Joint Trade Union representatives (RSU) and the Workers' Safety Representatives (RLS) - figures chosen to represent the employees of both Bormioli Luigi plants, i.e. Parma and Abbiategrasso - were elected. The second level contract, reviewed every three years, and applied to all employees as an integration of the National Collective Labour Contract (CCNL) is fruit of this cooperation. These contracts, applied to 100% of the company's population, regulate all aspects concerning working conditions, including holidays and leave, remuneration for overtime, the organization of flexible working hours, variable participation bonuses, etc..

Furthermore, for the communication of major changes in the company organization, Bormioli complies with the regulations laid down by the CCNL (National Collective Labour Contract) for the glassmaking sector, which provides for a minimum period of notice of 30 days. With the aim of always keeping communication lines open with its workers, the company has developed an internal procedure according to which it undertakes to communicate such information to its employees approximately two months in advance. This was the case with the transfer, in 2019, of the Sales Office dedicated to the household item line from the Parma plant to the offices of the newly-acquired Bormioli Rocco plant in Fidenza. All transfers were agreed beforehand, two months in advance, with the employees involved.

Mobility management in Bormioli Luigi

For several years now, Bormioli Luigi has been backing local initiatives, with the aim of promoting among its own employees the choice of means of transport that favour sustainable mobility. In recent years it has created within the company a figure called the **Mobility Manager**, who is responsible for promoting activities geared towards optimizing the systematic movements of the employees through tools such as the home - work travel plan. In this context, during the **17th European Sustainable Mobility Week**, the Municipality of Parma awarded Bormioli Luigi the **"Mobility Management Award 2018"** for the active participation of the company and its employees in the mobility questionnaire proposed by the Municipality of Parma through Infomobility (a company whose purpose is to pinpoint and manage the problems associated with urban mobility in an integrated and innovative way, through services and operational consulting, on behalf of the Public Administration).

In 2019, with the aim of continuing the approach promoting sustainable mobility, Bormioli Luigi signed an agreement with UP2GO, a local start-up company that facilitates **company carpooling** for home-work travelling. Using a simple app, employees have the possibility to organize their own trips, making their own car available or requesting a seat in someone else's car. The advantages are threefold: reduced costs and road traffic, lower environmental impacts and easier travel for workers.

In 2019, two pure electric cars were added to the company fleet, replacing a petrol car and a dual-fuelled petrol-methane car.

Welfare in Bormioli Luigi

With the aim of continuously improving the well-being of its people, the welfare programme promoted by Bormioli Luigi was continued also in 2019. Each year the company pays all workers with permanent contracts a sum of €250 and, through a dedicated welfare platform, employees can use this sum in various spheres, from education to health, from travel to leisure. Bormioli Luigi also takes care of the cleaning of work clothes for employees who work in the machine, maintenance, mould changing and furnace departments, at both of the company's production plants.

³ The outgoing turnover rate is calculated as the number of employees who terminated their relationship during the year per age bracket/ the number of employees at 31/12 per age bracket.



2.2. Professional growth: training and development

We owe the success and excellence of the company to our people, their skills and their know-how. It is thanks to its continuous professional and personal growth that Bormioli can offer the market quality products, distinguished by their excellence and innovation. For this reason, the training and development of our people are, for us, both a moral priority and a strategic choice.

For Bormioli Luigi the training and development of human resources derive naturally from the vision of its founder, since only highly qualified and inspired people have the power to transform simple raw materials into elegantly designed glass objects of impeccable quality. So the objective of investment in training is to improve the skills of our employees at all levels, creating generations of “**master glassmakers**” in the production departments and cultivating the individual competences existing in the organization. In line with this approach, the training needs of the personnel are identified by the heads of the various departments, in cooperation with the Human Resources Area, taking into consideration the task and the role assigned, as well as the level of specialization and experience of each person. The two main types of training are:

- **On the job training**, i.e. the newly hired employee is trained for his/her new job directly “on the job”, together with a more expert colleague;
- **Classroom training**: which involves all corporate areas and concerns different topics of interest (quality, safety and the environment, Lean production philosophy, six-sigma programme, etc.).

Of the training provided in 2019, Bormioli's focus on courses dedicated to the technical-production sector is worthy of note: in line with its commitment to the quest for excellence, the courses involved both young talents and more experienced figures, providing both with skills designed to develop their professionalism. In particular, a large portion of the employees were involved in training activities related to the implementation of the **new software** adopted for the **management and monitoring of production activities**.

In line with previous years, the company has also continued to focus on **Health Safety and Environment (HSE) training**, with the aim of safeguarding the health of its workforce by raising awareness on corporate safety issues among all employees. Moreover, **all newly-hired employees** are involved in ad hoc training courses covering a wide range of topics: quality, sustainability, health and safety, environment, security, ethics and anti-corruption. Thanks to these courses, we can safely say that 100% of our employees have been trained on the above-mentioned topics.

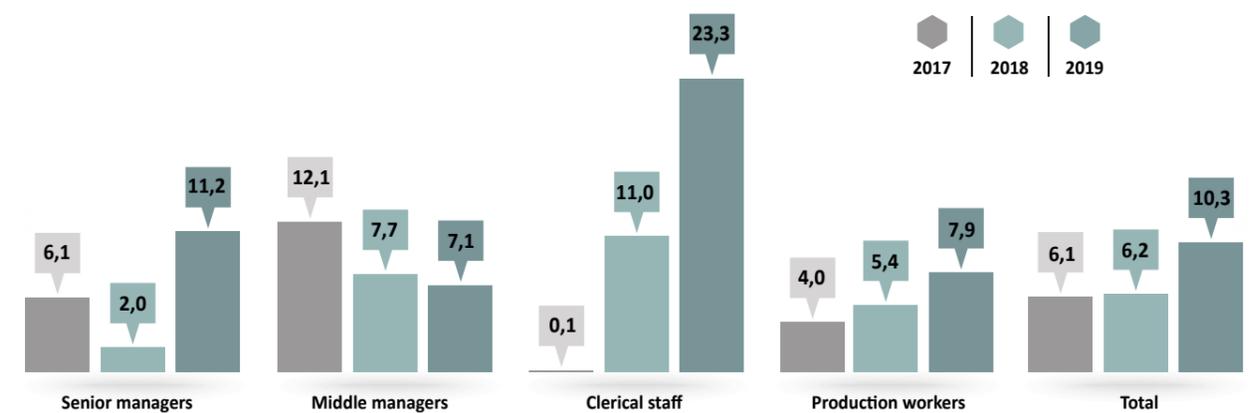
Distribution of hours of training provided to employees in 2019



Over 17,000 hours of training provided in 2019 to employees and temporary workers.

The training courses involved employees from both Bormioli Luigi plants: on average, during 2019, employees at the Parma plant received 19.7 hours of training, while those of the Abbiategrasso plant received an average of 13 hours of training. In general terms, **a total of approx. 10,000 hours of training** was provided to employees in the course of 2019, working out to **an average of 10.3 hours per worker**, a marked increase compared to the 6.2 hours of the previous year. Per capita hours for women were equivalent to 7, while for male employees they were 11.4. Training is also provided, following the same methods, to the temporary workers, who received 7,624 hours of training in the course of 2019, working out to a per capita average of 60 hours. The difference in average hours between the two types of contract is mainly due to the fact that for temporary workers, the training is concentrated in a shorter period, while the same courses are taught to employees over the course of a few years.

Average hours of training per employee⁴ [Disclosure GRI 404-1]



⁴ The total hours of training also include training on the job. Average hours of training are calculated as total hours of training provided per professional category and gender/ average number of employees in the year per professional category and gender.

2.3.

The commitment to health and safety in the workplace

We consider protecting the health of our people an essential prerequisite for all company activities, from the production departments to the offices. We do not only view safety in the workplace as a legal obligation, but first and foremost as a form of respect towards our people and their families.

Bormioli Luigi is constantly engaged in defining initiatives aimed at guaranteeing safety in the workplace and promoting a culture of prevention, which we consider a necessary prerequisite for tapping the full potential of our employees.

For the management of safety, the company has adopted an **Organization, Management and Control Model** in compliance with article 30 of Legislative Decree 81/08, based on the international standard BS OHSAS 18001:2007. This model defines the responsibilities, processes and resources necessary to ensure an efficient company prevention and protection policy, in compliance with the health and safety regulations in force, and it is valid for both Bormioli Luigi plants, in Parma and Abbiategrasso. The **Safety Policy and Manual** are integral parts of the System and are distributed and communicated to all workers (employees and temporary workers) and interested parties. Similar attention is also paid to the suppliers and ex-

ternal figures with whom Bormioli works and who visit its plants; the principles laid down in the Health and Safety Policy are designed to ensure the protection of all the people who work on the company's property, internal and external workers alike.

Bormioli Luigi also urges its workers to operate in an ethical manner, committing to maximum responsibility in terms of occupational safety and the protection of health. When assigning works, services and supplies, Bormioli verifies the technical and professional suitability of contractors and external workers and provides detailed information on the specific risks existing on the premises. At the same time, specific categories of collaborators, service providers and subcontractors are requested to draw up the DUVRI (Single Document for the Assessment of Interferential Risks), which regulates the obligations and commitments for which the contractors and the Client company are, respectively, responsible, ranging from safety equipment, to the correct identification and management of the risks identified in the workplace, to emergency management systems. To guarantee the correct implementation of this Organizational Model, periodical internal audits are held, following which any necessary corrective actions are defined.

At both Bormioli Luigi plants, the following figures are identified as being involved in the management of company security:



Employer

As holder of the work relationship, the Employer is responsible for organizing all the work activities together with all the respective safety measures.



Prevention and Protection Service (SPP)

This is the group of people, systems and means, external or internal to the company, dedicated to the prevention of and protection from occupational risks to workers.



Designated Supervisor

This is the figure that supervises the work activities and guarantees the implementation of the instructions received, ensuring that they have been properly carried out by the workers, using his/her functional power of initiative, when required.



Occupational Physician

The occupational physician cooperates with the employer in order to evaluate the risks, and is assigned by the latter to carry out health surveillance and any other tasks required.

In 2019 elections were also held, for both the Parma and the Abbiategrasso plants, to choose the **Workers' Safety Representatives (RLS)**, who represent the workers on matters of health and safety.

The setting of specific objectives with regard to health and safety in the workplace guarantee continuous improvement of **corporate performance** and, once approved by the Management, they are communicated to all personnel directly involved in their application.

The effectiveness of the Organizational Model adopted is based on a solid analysis of the health and safety risks existing, which is periodically updated and reported in the "Risk Assessment Document" (DVR). The analysis breaks down the risks per job profile and identifies the most effective prevention measures, considering as the main factors: the entity of risk, the severity of the consequences (damage to workers) and the likelihood or frequency of the consequences actually taking place. In addition, as stated in the Safety Management Manual, the identification of hazards and risk analysis are repeated in the event of major changes to voluntary or legal provisions, processes, technologies, systems, products or methods of managing activities, or as a result of serious accidents, or when the results of health surveillance demonstrate the need for them.





In this perspective, training continues to be of central importance and represents an important awareness-raising tool for all of the personnel, irrespective of the type of work contract they may have: all of the staff, whether employees or temporary workers, are trained on the health and safety issues pertinent to the job to which they are assigned. In the case of foreign workers, the Prevention and Protection Service (SPP) also ascertains whether they have enough knowledge of the Italian language to enable them to follow the training without difficulty.



Training of foreign workers

The SPP ensures, in the case of foreign workers, that the said workers have sufficient knowledge of the Italian language to enable them to learn the contents of the training activities on health and safety. Where necessary, it takes any measures required in this regard, such as providing teaching materials in a language known to the person, or providing an interpreter.

Overall, in 2019, a total of **4,377 hours of training was provided to employees and temporary workers on the subject of safety and the environment**, in order to reduce residual risks, improve general working conditions, make collaborators aware of their behavioural and legal obligations and ensure that the operating activities and prevention and protection measures envisaged are performed correctly. An additional aspect of the key value of the safety management system concerns the monitoring of accidents with a view to preventing and reducing risk factors. With regard to 2019, 35 accidents involving Bormioli Luigi employees were recorded, mainly concerning musculoskeletal pain due to the handling of the work equipment and to impacts, or to stumbling against fixed or mobile structures, mainly in the production and selection departments. Compared to previous years, the trend of the accident frequency rate (i.e. the ratio between the number of accidents and the number of hours worked) has slightly increased.

For all accidents recorded and all the reports of near misses received, the Prevention and Protection Service has carried out investigations into the causes of the events, determining any corrective measures to be adopted.

With regard to workers not employed by the company, Bormioli Luigi monitors any accidents involving workers on temporary contracts. To this end, in the three-year period 2017-2019, no accidents in the workplace were recorded.

The main indicators of health and safety in the workplace are shown below.

Health and safety indicators for employees [Disclosure GRI 403-9]

	2017	2018	2019
Work-related fatalities	0	0	0
Number of severe accidents ⁵	0	0	0
Total number of accidents	36	39	35
Hours worked	1.746.826	1.847.637	1.543.292
Severe accident frequency rate ⁶	0	0	0
Accident frequency rate ⁷	20,6	21,1	22,7

Health and safety indicators for workers with temporary work contracts [Disclosure GRI 403-9]

	2017	2018	2019
Work-related fatalities	0	0	0
Number of severe accidents	0	0	0
Total number of accidents	0	0	0
Hours worked	240.532	253.060	240.335
Severe accident frequency rate	0	0	0
Accident frequency rate	0	0	0

⁵ Serious accidents include accidents that have resulted in injuries from which the worker cannot recover, does not recover or cannot realistically be expected to fully recover to a pre-accident state of health within 6 months.

⁶ The severe accident frequency rate is calculated as the "number of severe accidents recorded in a year / hours worked in the year x 1,000,000".

⁷ The accident frequency rate is calculated as the "number of accidents recorded in a year / hours worked in the year x 1,000,000".



3.

The value of **quality**
and **innovation**



3.1.

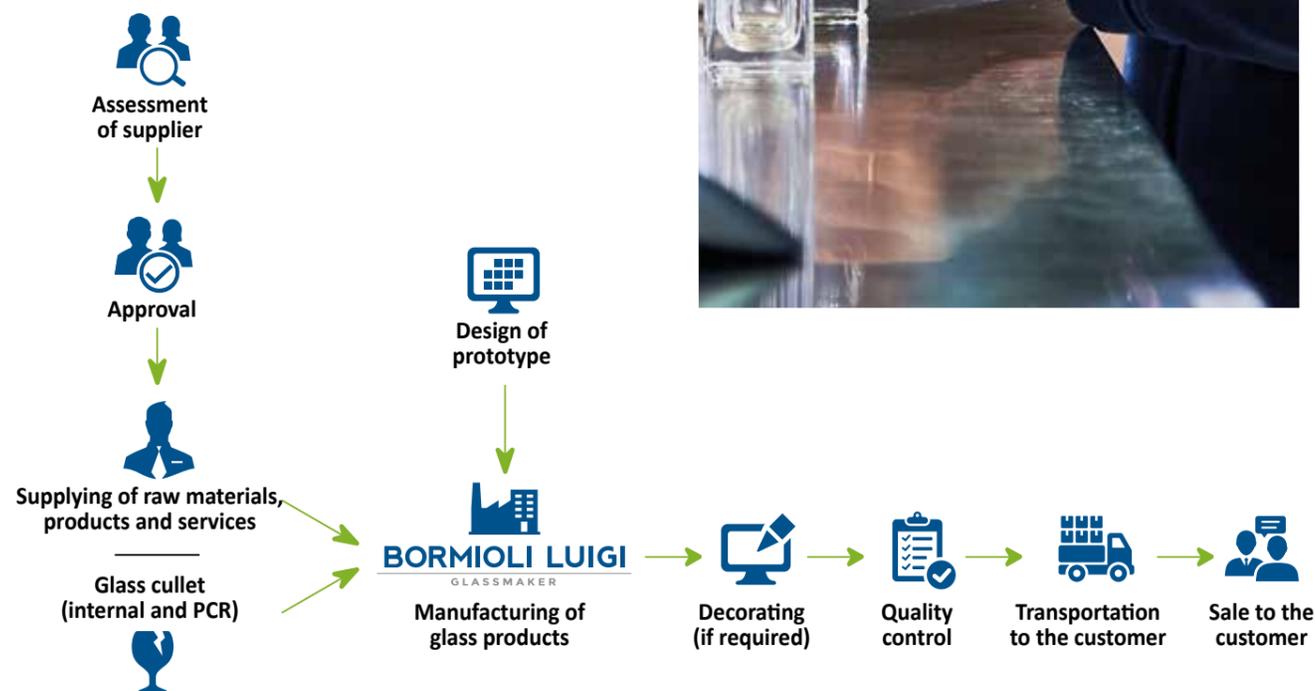
The customer at the centre: an excellent product, a bond of trust

For over 70 years, our *mission* has been focused on the customer: offering the market products of excellence means seeking the highest quality in supplier management, innovation processes, production and sales activities.

Quality for Bormioli Luigi is a synonym of excellence and means guaranteeing to the customer the highest standards throughout every phase of the value chain: from supplier selection to the distribution of the finished product.

In order to guarantee these results, in 1996 the company decided to adopt a certified Quality Management System (SGQ) ISO 9001 oriented towards defining a business model based on the continuous satisfaction of the customer's needs. The System includes a Quality Policy and annual Quality Objectives linked to measurable improvement actions which also envisage the involvement of the employees through training courses dedicated to the ISO 9001 standard, of variable content and length, depending on the job profile and corporate role held by the employee.

The key to the success of Bormioli's products is strictly connected with the application of the highest quality standards in every phase of the production and distribution chain.



The **supplier assessment phase** is considered particularly strategic, so Bormioli Luigi only looks for, assesses and selects suppliers that guarantee very precise characteristics, such as the quality offered, and technical, economic and performance criteria. Such precision is not only reserved for partners who provide critical elements for the manufacturing of the product, such as the raw materials and the materials that make up the finished product and its packaging, but for all of the collaborators needed to guarantee business continuity.

High quality standards are also required during the **prototype design phase** – an activity that is entirely conducted at the Parma plant – during which the key requirements of the product are defined. Depending on the type of product involved, perfumery containers or household items, the activities for defining product requirements are specific and different. In the first case, the customers are from the industrial sector and need to make specific models of their own design with precise dimensional and aesthetic characteristics. Here the customer becomes an active part of the design phase, the utmost expression of the bond between the experience and decades-long expertise of Bormioli Luigi and the customer's requests and first-hand knowledge of the market. In the case of household items, on the other hand, the characteristics of the articles are defined on the basis of a product brief presented by the Marketing Area. This is periodically verified (through laboratory tests, examination of product documents, and drawings) with a view to verifying that the customer's requirements have been met and making any modifications, if required.

During the effective manufacturing of the products the activities involved in the actual production cycle are carried out, from the preparation of the mix of raw materials to the finished product and its customization, if any (decorations, lacquering, the application of accessories, etc.). And it is during this very creation process that the consolidated experience of the company finds its maximum expression of quality.

The last phase involves the **control of the quality and conformity of the products**, for the approval of the finished product prior to shipping. This check includes sampling for each batch of finished product, which is subjected to a series of controls of the glass quality specifications (colouring, absence of aesthetic and functional defects, dimensions, etc.) and resistance to impacts. In 2019, Bormioli Luigi carried out an average of **485 internal controls per day** before releasing the products. The company has drawn up procedures to identify and monitor products that do not conform to specifications, which contain actions that even range to recalling the product from the customer after delivery.

Given the nature and value of Bormioli products, great attention is dedicated also to the **distribution phase**. During this phase, which is organized by third-party suppliers, the method of transport (preferably intermodal whenever possible) is not the only consideration, but also the quality of the packaging, in order to guarantee that the product will remain intact. In the case of the perfume division, the **type of packaging** is defined together with the customer in order to ensure maximum protection of the product and, whenever possible, a reduction in environmental impact: for example, in cooperation with some of its customers, Bormioli Luigi has developed reusable thermoformed packaging, which is returned to Bormioli Luigi to be used again for the next production runs, so as to reduce consumption in the packaging required for logistics activities.

Quality control includes constant **monitoring of customer satisfaction** with reference to the products created: criteria examined include both the direct feedback of the sales personnel and the trends of particular indicators connected with customer loyalty, turnover, complaint analysis the results of any audits conducted by customers.

Bormioli Luigi also fills in the questionnaires provided by customers designed to assess their performance in five main areas: level of quality provided, capacity for innovation, corporate social responsibility (CSR) policy, price and observance of delivery deadlines; the results of these questionnaires and the assessment received from the customer provide valuable performance indicators for continuous improvement.

Bormioli Luigi has also joined two international platforms: Ecovadis and Sedex, confirming their commitment to sustainability issues and their attention to the reporting of their social, environmental and governance practices.

The filling in of questionnaires and their being registered on these platforms:

- provides Bormioli customers with a tool for measuring performance and comparing it to that of other operators in the sector,
- allows Bormioli Luigi to work on improving its sustainability performance, by defining actions in the selected areas of improvement.

ecovadis
Business Sustainability Ratings

EcoVadis is the world's most trusted provider of business sustainability ratings, and of intelligence and collaborative performance improvement tools for global supply chains. Supported by a powerful technology platform and a global team of domain experts, EcoVadis' easy-to-use and usable sustainability scorecards provide detailed information on environmental, social and ethical risks in 198 purchasing categories and 155 countries.

Sedex Member

Sedex is one of the world's leading providers of ethical business services, striving to improve working conditions in global supply chains. Sedex provides practical tools, services and a community network to help companies improve their responsible and sustainable business practices and procure them responsibly. Using Sedex enables companies to work together to improve the management of their social and environmental performance and protect people working in the supply chain. Sedex has over 55,000 members in 180 countries, in 35 industrial sectors.



Safe products for the customer in compliance with the applicable standards

In the manufacturing of its products, Bormioli Luigi undertakes to comply with the standards existing for the sector, so as to guarantee a product free from dangerous substances and, in the case of household items, made of food grade materials, in order to safeguard the health of the consumer.

On the basis of the European Directives, Bormioli Luigi is therefore obliged to verify on a periodical basis, three important aspects considered strategic for consumer protection:

- the compatibility of the glass and of any accessories to contain food stuffs (migrations certifying the suitability of the glass);
- the chemical stability of glass (European Pharmacopoeia PhEu and US Pharmacopoeia);
- the absence of heavy metals.

In fact, for its products, Bormioli Luigi undertakes to obtain, both for its household items and for its perfumery and cosmetics, Certifications of Conformity to Italian, EU and international standards, from external accredited bodies. In the three-year period 2017-2019, no cases of non-compliance with product health and safety regulations emerged.

The sector legislation in a nutshell

The REACH Regulation, or Regulation (EC) No. 1907/2006, aims at ensuring the protection of consumer health and the environment through the registration, evaluation and authorization of certain chemical substances indicated in the Regulation.

The Framework Regulation, or Regulation (EC) No. 1935/2004, concerns materials intended to come into contact with food and obliges manufacturers of such materials to issue a Declaration of Conformity to all their end customers, attesting to their conformity with the legislation in force.

The GMP Regulation, or Regulation (EC) No. 2023/2006, applies to all materials intended to come into contact with food. This Regulation establishes good manufacturing practices for these articles and is applicable to all sectors and to all the production, processing and distribution phases of materials and objects, in order to supply products in an optimum state of hygiene and cleanliness.

Regulation (EC) 1223/2009, includes a series of provisions that guarantee the safety not only of the cosmetics but also of the containers designed to contain them.

3.2.

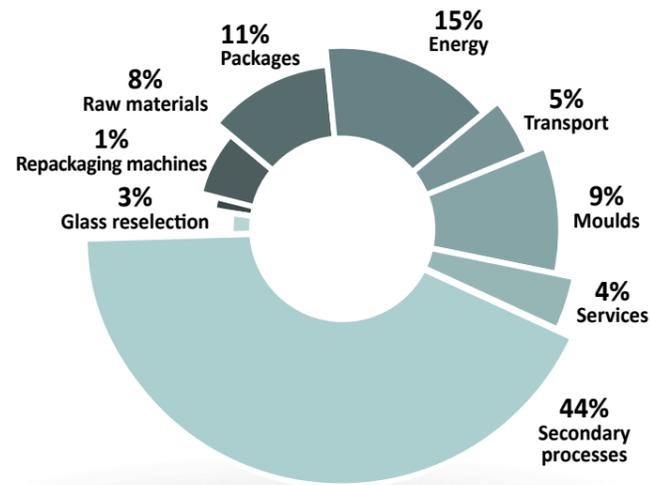
Supply chain management: a virtuous ecosystem

We owe the reliability and excellence of our products first and foremost to the choice of the raw materials and to efficient procurement and management practices all along the supply chain.

For Bormioli Luigi the development of strategic relations with suppliers is based on the dynamics of cooperation, necessary to guarantee an excellent finished product. In order to achieve such a degree of harmony, the company has designed a **structured supplier assessment, selection and management process**, which also contains a series of measures geared to ensure compliance with sound ethical and sustainable principles all along the supply chain. With the same objective, in 2018 Bormioli Luigi conducted a training course on sustainable procurement practices for all employees of the Purchasing Area.

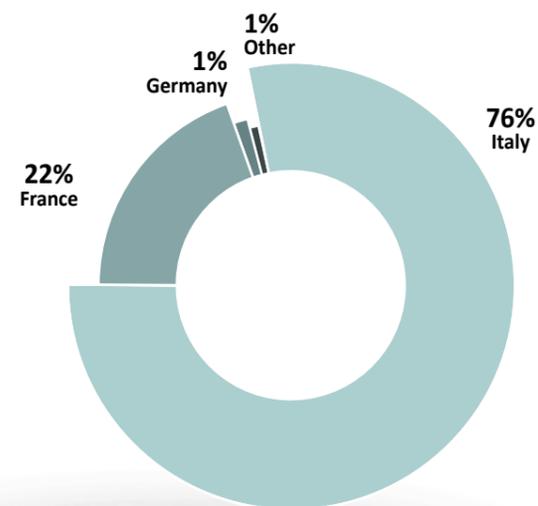
In particular, each year Bormioli Luigi cooperates with numerous suppliers, chiefly involved in the secondary processing of the products, the supplying of energy, and the selling of packaging, moulds and raw materials.

Types of suppliers per product category (% of expenditure) 2019



The distribution of suppliers per geographical area is heavily concentrated in the area of the European Union (Italy, France and Germany) with a significant percentage of purchases from Italian suppliers, equal to 78% of the total; these figures confirm the commitment of Bormioli Luigi to create value in the community in which it operates and to support the consolidated skills connected with the glassmaking sector in Italy.

Distribution of suppliers per geographical area (% of expenditure) 2019



Procurement activities are managed by the **Purchasing Area** and regulated by a special procedure which is an integral part of the QSA Integrated Management System. After having identified a list of materials and services of primary importance (raw materials, packaging, finished product transport services, decoration services and other secondary processing treatments on glass, reselection⁸ activities and repackaging, moulds, cleaning services and external laboratories) the characteristics of which are crucial for manufacturing high quality products, the company proceeds to draw up a supplier assessment and audit programme.

Supplier selection is carried out through a **joint assessment** by the Purchasing Area and the heads of the area of use, on the basis of a series of evaluations concerning technical, economic and performance aspects, for the purpose of finding the best possible compromise.

For **new suppliers**, a screening process is carried out in order to gather general information on the company (capacity, size, internal organization, etc.) and on its service performance level and product quality. If this process produces a positive outcome, the supplier is added to the appropriate company register. Bormioli Luigi also asks each supplier to sign the **General Conditions of Purchase**, which require, among other things, compliance with the principles laid down in Bormioli's Code of Ethics and those in the company's Organization, Management and Control Model, drafted pursuant to Legislative Decree 231. Bormioli Luigi also envisages the possibility of carrying out audits on the premises of its primary suppliers, so as to verify constantly the quality level of the raw materials, products or services purchased and has defined for each category the function responsible for this activity. At the end of each audit, a final report is drafted containing the results of the assessment conducted.

For this purpose, in addition to controlling the quality and safety of the finished products, the **Research & Development laboratory** of Bormioli Luigi is also involved in the selection of suppliers, directly monitoring the raw material supplies through chemical analyses, and conducting audits on the suppliers' premises. In 2019, the company carried out an average of **30 raw materials analytical controls per month** (an increase of 15% compared to the previous year), a figure that attests to the attention paid to the quality of every aspect of its products.

On the basis of customer requests, the company can agree upon an additional list of substances to be eliminated in the formulation and/or the production process, a list that Bormioli Luigi will undertake to transmit to the suppliers, together with supply contracts and the texts of reference standards, in order to guarantee the absence of these substances in the raw materials requested.

Responsible management of the supply chain

The commitment to act responsibly also leads to becoming a promoter of business models that demonstrate responsibility all along the supply chain: so sustainable purchasing is, for Bormioli Luigi, the new frontier for launching a **sustainable conversion of the economy** and guaranteeing increasingly more responsible production. Bormioli Luigi strongly believes that it is only by acting in a concrete manner in compliance with ethical and socially responsible principles, and by undertaking to share them with its business partners that it can create an efficient and sustainable business model. For this reason, in 2019, the company developed its own system to ensure the social responsibility of the supply chain. The system, which will be effectively applied as of 2020, starts **from the sustainability risk analysis** carried out for each supplier, which includes the following criteria for the assignment of a specific level of risk: impact on the product or process, supplier location⁹, supplier replaceability, safety of the activities carried out by the supplier and environmental impact. Based on the level of risk assigned, Bormioli Luigi has defined specific actions to be taken with respect to the supplier:

- to suppliers whose risk has been assessed as extremely low or negligible, Bormioli simply sends a letter for the purpose of raising awareness and disseminating Bormioli Luigi's approach to sustainability, suggesting that its suppliers join the Ecovadis and Sedex platforms;

⁸ Reselection of products from certain batches rejected in the previous phases.

⁹ Risk level due to supplier location has been assigned on the basis of the "ITUC Global Rights Index 2019".

- if Bormioli has assigned a low risk level to the supplier, it proceeds, in addition to sending the letter, to administer a questionnaire, designed to collect details on the supplier's management of ethical, social and environmental aspects;
- if Bormioli has assigned a medium risk level, it carries out an audit of the supplier's premises, through which it verifies specific aspects of work, business and environmental ethics, applying a dedicated checklist;
- lastly, if it has assigned a high risk level, the audit is conducted following the **SMETA** procedure - Sedex Members Ethical Trade Audit - an internationally recognized methodology aimed at assessing all aspects of responsible business practices.

Activities carried out during 2018-2019 for the sustainability assessment of suppliers :



107 suppliers who received the sustainability questionnaire



58% was the response rate (a rise compared to 2017)



21 quality and sustainability audits conducted in 2019 (equal to 70% of those provided for in the 2019 Plan)

The areas in the checklist correlated with sustainability themes

Code of Ethics	Discrimination	Corruption	Certifications	Environmental certifications	Waste
Employment contracts	Workplace safety	Supplier assessment	Purchasing policies	Water	Energy
Child labour	Freedom of association	Ethics and training	Legal violations	GHG emissions	Polluting emissions

The aim of having the process structured in this way is to increase the awareness of the company and its suppliers on the subject of sustainable purchasing. This is a fundamental tool that the companies have at their disposal to reduce the environmental impacts of production and consumption, promote and safeguard dignified work and human rights all along the supply chain, and disseminate sensitive technological innovations in the economy and in society.

Valuable local partnerships

Bormioli Luigi is well aware of the role that it plays in society and of the positive impact of its activity in the territory in which it operates. For this reason, it is committed to building, whenever possible, long-term relationships with organizations that employ disabled people and companies that operate in disadvantaged areas. In 2019 cooperation continued with:

- A non-profit laundrette which was responsible for washing the work clothes of the personnel;
- A small glass reselection⁹ company, located in a disadvantaged mountain area;
- A social cooperative that provides assistance to disabled people, with which a special agreement was stipulated for the employees of the production plant in Abbiategrasso.

3.3. Poised between tradition and innovation

Our spirit of initiative and our passion for innovation are in our DNA. Our long experience and our investments in research and development have enabled us to develop, year after year, increasingly more innovative and sustainable solutions.

Each creation of Bormioli Luigi is the product of a centuries-long history of traditions, discoveries, innovation and great passion: experience, technology and craftsmanship work in synergy in this company, which is so deeply rooted in its territory and composed of a team of specialists able to meet all the market's requests and guarantee maximum output and quality.

In the solutions that Bormioli Luigi puts its signature to, glass and design meld to become a single product. New, sophisticated creations are developed from this union and adapted to various requirements. Thanks to a combination of technology and artistic genius, Bormioli Luigi conducts **research, development and innovation activities both on its products and on its production processes**, through its Technical resources, with the aim of developing its technological leadership.

The **product innovation** is concentrated, in particular, on the study of new techniques for manufacturing bottles that are increasingly more advanced, sustainable and sophisticated in terms of shape, weight and processing, through creative and elegant solutions and customizations. This also requires the conducting of **studies on the mixes, on the materials of the moulds and on the forming machines** in order to obtain modern products, minimize defects and increase production efficiency. For such activities, the R&D Area often collaborates with Universities, Research Centres and the Experimental Station for Glass (SSV) in Murano.

Attention to environmental impact is paid both in the production **processes** and in **product** formulation in which, over the course of the years, for example, the use of nitrates in the formulation of the glass has been considerably reduced - in order to lower NOx emissions - and the use of PCR has been added.

Continuous market-oriented innovation has always motivated Bormioli Luigi to launch new projects and to seek new solutions geared to improve the performance and efficiency of its products and processes. Thanks to this commitment, the number of national and international patents owned by the company has continued to grow. Overall, today Bormioli Luigi holds **16 patents** (3 more than 2018). In particular, 9 of these are for innovation projects in glass production while 7 are for designs (developed especially for the household sector).

Also thanks to the innovation projects in 2019 **172 new product moulds** were made and the designing of **154 new pilot moulds** commenced.

Bormioli Luigi awarded once again for innovation and sustainability

Thanks to its collaboration with Lancôme, Bormioli won the 2019 edition of the *Formes de Luxe Award*, which rewards the most innovative luxury packaging every year. The winning bottle, "Idôle" by Lancôme, was made from extremely thin glass, producing a bottle only 15 millimetres thick, the first of its kind in the perfume sector. The know-how required to make this bottle is very specific due to the many technical challenges involved: the bottle has an exceedingly reduced thickness, a geometric coating, the glass is distributed very regularly and the walls are so thin that the package becomes almost invisible thereby highlighting the perfume and benefitting the environment, given the marked decrease in the use of raw material.



The main Bormioli innovations of recent years

TITANIUM REINFORCED



Enhanced hardness



Resistance to abrasion



Long-lasting treatment



No alteration to the colour of the glass



Resistance to breakage increased by 140%

Titanium Reinforced treatments for the stems of the glasses, designed to improve their resistance

PRISMA



Innovative decoration technique which generates iridescent, shimmering reflections on the bottle surface.

INSIDE



Innovative decoration formula for the internal coating of glass containers which generates a 3D effect.

FLOCK



Surface covering process that creates an effect similar to velvet.

Sustainability through innovation: The 3Rs and the Circular Economy

Aware of the impact of its activities on the one hand and the great potential of glass on the other, Bormioli Luigi has recently developed a strategic programme aimed at integrating environmental responsibility into its way of doing business.

The strategic vision that drives the development of the company's innovative processes and products, and can be summed up in the principle of the 3Rs - Reduce, Reuse, Recycle - is the key element for a modern circular economy, such as that adopted by Bormioli Luigi.

Three different approaches but with a common objective: to guarantee a system of sustainable growth in which the word "waste" becomes a synonym for resource.

From this perspective, glass becomes a very special resource indeed:

- it is an extremely inert material that can be placed in contact with many different products, even for long-term periods, guaranteeing compatibility,
- it can be recast several times without its mechanical and optical properties being lost or altered,
- it can be obtained from virgin materials or from recycled glass, countless times, without any changes in chemical structure taking place.

The 3Rs of Bormioli Luigi:

- **Reduce:** the principle of reducing the use of raw materials and energy has taken form in the EcoLine product line, made up of lighter containers that guarantee excellent resistance and functionality. This line is being progressively expanded with new shapes and containers, not only for the perfumery sector, but also for skin care and make-up products.

ecoLine: the first eco-friendly line of Bormioli Luigi

In recent years, Bormioli Luigi has launched a sustainable product line called "ecoLine", made up of ultra-light glass containers for luxury cosmetics, to which new articles are being added each year. The thicknesses of the bases have been reduced and the same capacity has been maintained with only 40% of the glass weight. Thanks to its ecojars (jars designed to hold cosmetic creams) Bormioli Luigi won the Luxe Pack In Green Award in 2016 in the category «Environmentally-Committed Packaging Solutions». Additionally, ecoLine glassware is produced using PCR and has recently been approved in compliance with the international standards for cosmetic products laid down by ECOCERT and COSMOS, private certification bodies that certify cosmetic products, raw materials for cosmetics and containers.



Ultra-transparent glass



Eco-friendly



60% reduction in glass weight

- **Reuse:** items made of glass can be re-used endlessly. Over the years Bormioli Luigi has worked hard to develop articles that are increasingly more resistant to frequent use and aggressive treatments such as dishwasher washing in the case of tableware.

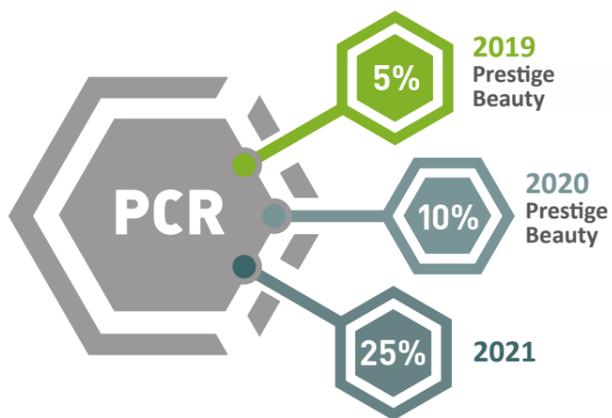
- **Recycle:** glass is a "permanent material", which maintains its characteristic properties even after being used innumerable times and recycled. For this reason, Bormioli recycles 100% of its cullet, thereby reducing consumption of energy and raw materials. Over the last year, the company has started producing perfume bottles using PCR (Post Consumer Recycled) glass, in quantities of 5% of the total raw materials, with the aim of gradually increasing this quantity in the years to come. The year 2019 also saw the completion of an innovative project thanks to which UV ray protection can be inserted directly into the glass, without the application of external protection, after which the glass can be recycled in its entirety.

Post Consumer Recycled Glass

Since 2019, the creation of Bormioli Luigi PCR products has reached its full capacity: luxury perfume containers can be made from 5% post-consumer recycled glass.

Bormioli Luigi guarantees the excellent quality of its products with PCR glass by purchasing top quality materials. The Company selects PCR **extra-flint** glass from two European suppliers (on which it has also run specific technical controls and audits). This type of glass is perfectly transparent and purified of any other type of waste, such as plastic, ceramics, etc.

During the work process at the Bormioli Luigi plants, the PCR material is always kept separate from the other raw materials, in dedicated grinders and silos, so as to ensure precise dosing and constantly-monitored processing.

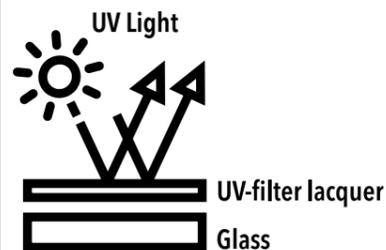


Anti-UV solutions for natural products

In recent years, the cosmetics market has developed the trend of using increasingly more raw materials of natural origin to produce perfumes and cosmetics, resulting in products that are more natural and skin-compatible, but which have the disadvantage of being more unstable when exposed to light, particularly UV rays, which can reduce the shelf-life and durability of the product. Bormioli Luigi has therefore developed two different solutions for this:

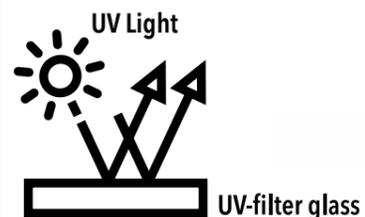
The first solution is a **UV-filter lacquer**, which is applied to the glass bottle, and provides protection against the adverse effects of UV radiation. This solution guarantees the product maximum transparency, without negatively affecting the appearance of the container, and the glass can still be 100% recycled.

COATING WITH UV-FILTER LACQUER



The second R&D project in this series, on the other hand, involves **including organic elements directly in the glass** that act as filters to reduce the damage caused by UV radiation. In addition to maintaining excellent aesthetic standards (any kind of decorative process is possible) and ensuring **total recyclability of the glass**, this solution has a stronger capacity as a UV filter, since it has a wider absorption band compared to lacquer.

ANTI-UV ELEMENTS IN THE GLASS



Glass is considered one of the world's most recyclable materials since it maintains its intrinsic properties even after multiple processes, without new raw material having to be added and without structural degradation taking place. By recycling glass, we can achieve a reduction in the use of natural resources and a reduction in greenhouse gas emissions. According to the study published by CoReVe, in 2019 the recycling of glass in Italy, throughout the entire production cycle, brought about a reduction of:

- 347,000 tonnes of oil equivalent (TOE);
- 3,688,000 tons of mineral raw materials (e.g. sand, limestone, etc.);
- 2,263,000 tonnes of CO₂ eq.

Source: Specific Prevention Plan 2020 (collection and recycling results 2019), CoReVe (Italian Glass Recycling Consortium).





4.
The value
of the **environment**



4.1.

The production process: responsible management of environmental impacts

Being aware of our impact on the environment is the first step that enables us to define ourselves as a responsible company. Our activities must evolve with a continuous focus on sustainability if we are to make a responsible contribution to the sector.

As stated in the **Environmental policy**, Bormioli Luigi is aware of the impacts of its activity on the environment and of the responsibilities deriving from them. For this reason, it is committed to managing its production processes in a sustainable and responsible manner, in compliance with the law, improving its performance and involving staff in **specific training and awareness raising initiatives**. These programmes involve both the company's employees and any personnel from external companies working on its premises. In fact, all external companies are required to abide by the "environmental rules"



on the correct modes of behaviour to follow. With a view to fulfilling these commitments, the company has adopted an **Environmental Management System (EMS)**, in compliance with standard UNI EN ISO 14001, which is an integral part of the QSA (Quality, Safety and Environment) Integrated Management System.

This System proposes continuous improvement of environmental performance in a perspective that covers the whole product life cycle, through procedures and instructions for the control of activities associated with significant environmental aspects. In this context, the **Environment and Safety Function** acts as a point of contact, and coordinates all kinds of reports on the management of environmental aspects. The values of the company are therefore translated into concrete form in actions geared to guarantee maximum respect for the environment and for environmental law. A key element of Bormioli Luigi's activity is, in fact, compliance with regulations, since, given the fact that both production sites are "plants for the manufacturing of glass with a melting capacity exceeding 20 tonnes per day", they are subject to the issue of the **A.I.A. (Integrated Environmental Authorization)**, as per Legislative Decree 152/06. Within the scope of the AIA, the company is bound to comply with a Monitoring and Control Plan which meticulously defines the parameters, methods of analysis and sam-

pling points of the most significant environmental aspects. In 2019, only one case of a minor violation of the environmental regulations was recorded:

the penalty, of a purely administrative nature, was issued by the Metropolitan City of Milan for late notification of the amount of water discharged by the Bormioli plant in Abbiategrasso. With respect for the values that have always distinguished it, Bormioli Luigi keeps giving priority to solutions and innovations that bring about reductions in energy and water consumption, as well as in harmful emissions. During the innovation process close attention is dedicated to interventions designed to optimize production and mitigate the environmental impacts of production. This commitment has led Bormioli Luigi, over the years, to implement a series of measures aimed at reducing the main impacts:

- the installation, at the Parma plant, of electrically-powered furnaces only, since they guarantee a considerable reduction in direct CO₂ emissions,
- the installation of special water recycling plants.
- the recycling of all of its white cullet,
- forming machines equipped with electronic movement mechanisms, which are more precise and consume less energy than mechanical ones.

Furnace refurbishment project

After the installation at the Parma plant in 2016 of the largest electric furnace in the world, Bormioli Luigi proceeded, in 2019, to totally refurbish its Melting furnace no. 5. The goals of the project were not only to increase production capacity and constantly improve the quality of the glass while increasing the flexibility of its use, but also to reduce the specific consumption of electricity. In fact, from an environmental standpoint, the electric furnace offers the technology with the lowest environmental impact to date. Production capacity was incremented from 52 to 80 tonnes of glass per day, thereby bringing about an increase in the number of pieces produced daily and, therefore, greater efficiency in the use of the lines. For many years now Bormioli Luigi has had exclusively electric melting furnaces at its main plant, located in Parma. This has made it possible for the company to eliminate all the direct emissions caused by the combustion of the more traditional gas-fired furnaces. The reduction in environmental impact was also brought about by a number of technical measures implemented during the furnace design phase, leading to a reduction in electricity consumption of almost 10%¹⁰. Moreover, in 2019, with the aim of continuing the project to reduce energy consumption during glass production, a new annealing furnace with a dual power supply (gas and electricity) has been installed, useful for evaluating efficiency and the quality of electric annealing furnaces. Last but not least, the air filtration system for the damping of the dust and fumes dispersed in the workplace, especially in coloured glass production areas, has been improved, and the insulation of the ducts has been improved in order to reduce heat dispersion during production.

The creation of glass products: the main steps in our manufacturing process



STEP 1

The glass mix is prepared in the Composition Department or "Batch House". The raw materials (sand, soda, marble, etc.) are kept in storage silos and delivered in set quantities to the rotary mixer.

STEP 2

When it comes to the **melting process**, the Bormioli Luigi production plant in Parma has **four electric furnaces**, each of which can heat the molten glass up to 1450 °C. Our production plant in Abbiategrasso, on the other hand, has just **one natural gas powered melting furnace** where the glass mix melts at a temperature of between 1500 - 1520 °C.

STEP 3

Once fusion has occurred, the molten glass is sent to the forming machines along cooling channels where the glass is taken down to a temperature of around 1200°C. The **colouring of the glass**, if any, is carried out during this step.

STEP 4

In the next step the glass is **formed**: for bottles (produced in both plants) the forming machine is made up of sections fitted out with a series of moulds. First of all air is blown into the preparation mould to create the bottle mouth and give a general shape to the body, after which final shaping is completed in the finishing mould. Wine glasses and tumblers are only made at our Parma plant. They are shaped by pressing the gob in the preparation mould after which air is blown into the mould.

STEP 5

In the following step the glass is **annealed**. This stage is designed to avoid the formation of permanent stress inside the glass which could affect the strength of the final product. Annealing is achieved by evenly cooling the articles to within a temperature range of between 550 - 450°C inside a gas furnace.

STEP 6

In furnace outfeed the articles reach the **quality control**, and packaging zone where they are each manually and automatically checked using sophisticated optical machinery to detect morphological and dimensional defects. Articles which pass quality control are then packaged in cardboard or plastic. Rejected articles on the other hand are sent to the crushing systems which break them down into particles and 'white' glass is ground and sent back into the production cycle. Our plants also have special workshops which take care of machinery and mould maintenance work.

¹⁰ The figure was calculated by comparing the average electricity consumption value - the quantity of tonnes of glass being equal - in the first two months of the year, compared to 2019.

4.2.

The processing of the raw materials: an art that is reflected in the excellence of the product

The control and selection of the raw materials are crucial activities for guaranteeing the high quality of our work.

For this reason, we work extremely carefully and meticulously to select them to the best of our ability and optimize them throughout each production step.

Glass is one of the oldest materials known to man: it comes from the amorphous dusts present in nature (quartz sand) and is brought to life by fire; this is why all the components must be selected with the greatest of care and mixed judiciously.

For the manufacturing of its products, Bormioli Luigi uses both natural and synthetic materials which include:

- **Raw materials**, which form the base of the composition of the vitrifiable mix;
- **Semi-finished products for the creation of the product moulds**, made of steel, cast iron and graphite;
- **Packaging material**, consisting of cardboard or thermoformed plastic packaging.

Most of these materials, necessary elements for the manufacturing of glass products, are typically defined as being “non-renewable”, i.e. materials that cannot be renewed in a short period of time.

Bormioli Luigi is constantly engaged in creating vitrifiable mixes with a low environmental impact, and which make it possible to increase the use of post-consumer recycled glass, without detriment to the high quality standards of the glass.



What materials are used to create glass?

The main raw materials used in the preparation of the vitrifiable mix are grouped in the following families:

Vitrifying or forming agents:

natural base elements essential for the manufacturing of glass (silica sand);

Melting materials:

synthetic materials that allow the glass to melt at lower temperatures, decreasing viscosity during production (sodium bicarbonate or soda ash and potassium carbonate or potash);

Stabilizers:

materials that supply stability to the glass, improving its chemical and mechanical properties, thereby making it more resistant to chemical and atmospheric agents (natural materials such as dolomite rock, marble and sodium feldspar, and synthetic materials such as barium carbonate);

Additives (colourants, refining agents, decolourants):

refining agents promote the elimination of defects in the structure of the glass (e.g. gas bubbles); colourants make it possible to change the glass from “white” to coloured; decolourants make it possible to neutralize or correct colour tones depending on the application of a physical or chemical principle.

Other auxiliary materials used include oils, grease, lubricants for machinery and moulds; detergents for washing the moulds; acetylene and oxygen.

The quantities of materials used in the course of the years referenced are shown below.

Tonnes of material used for manufacturing the products [Disclosure GRI 301-1]

Type	Tangible fixed assets	Renewable Non-renewable	2017	2018	2019
Raw materials	Vitrifying or forming agents	Non-renewable	33.620	32.148	32.515
	Melting materials	Non-renewable	11.250	10.651	10.744
	Stabilizers	Non-renewable	15.670	14.846	14.665
	Additives	Non-renewable	390	360	344
	Post-consumer cullet	Renewable	0	0	332
Semi-finished products for the moulds ¹¹	Steel	Non-renewable	36	35	4
	Cast iron	Non-renewable	283	288	222
	Graphite	Non-renewable	1	1	5
Packaging	Paper and cardboard	Renewable	4.297	4.181	4.670
	Plastic	Non-renewable	748	792	781
	Wood	Renewable	1.550	1.646	1.300

Given the company’s efforts to reduce its environmental impacts, due attention should be paid to the handling of the cullet and its re-use in the production process.

In compliance with the quality standards required in terms of transparency and brightness, only white cullet is re-used in the melting furnaces.

In particular, in 2019 the percentage of white cullet out of the total glass produced was 37.8% (39.4% for Parma and 34.8% for Abbiategrasso).

Coloured glass, on the other hand, is entrusted to authorized waste disposal companies which - after the required processing cycles - sell it to glassworks which manufacture glass with different quality requirements.



100% of our white glass cullet is re-used in our production process

¹¹ The quantity of cast-iron was estimated by multiplying the average weight of a mould by the number of moulds manufactured in the course of the year; the quantity of graphite, on the other hand, was obtained by multiplying the weight of the pieces purchased (volume x specific weight) by the number of pieces purchased in the year.

4.3.

Monitoring and control of energy consumption

We work year after year to reduce energy consumption to a minimum, through continuous process innovations: we invest in furnace efficiency and new technologies that enable us to produce more sustainable, high quality glass.

Glassmaking is, by its very nature, a very energy-intensive process not only due to the extremely high temperatures at which the vitrifiable mix is melted inside furnaces that are constantly in operation, but also to production of compressed air and the annealing operations. For this reason, over the course of the years, all possible efforts have been made to install technologically advanced industrial systems and **optimize the management of the existing systems in order to reduce energy consumption.**

Pursuant to Law 10/91, Bormioli Luigi has also appointed an **Energy Manager**, who guarantees maximum attention to the energy issue by organizing a series of precise actions such as the analysis, monitoring and optimization of energy consumption. Additionally, in 2019, the energy audit of the Parma plant was carried out, with the aim of analysing the main sources of energy consumption and deciding upon potential actions to improve its use.

The main sources used are **electrical energy** and natural gas. The company also uses **diesel and petrol** (for company cars) and **acetylene** (for greasing the preparation moulds). Overall, energy consumption in 2019 amounted to 1,151,332 GJ, a drop compared to 2018 and in line with the reduction in the use of the plants during the year, following the refurbishment of Furnace 5.

For details of the environmental data divided according to the two production plants (Parma and Abbiategrasso), please refer to the tables in the Appendix.



Consumption of energy in the organization in Gigajoule (GJ) [Disclosure GRI 302-1]

Energy source	2017	2018	2019
Total consumption from non-renewable sources [GJ]:	735.426	764.067	722.091
of which methane	730.704	759.426	718.080
of which diesel	4.105	4.036	3.461
of which petrol	154	155	142
of which methane (used for company cars)	20	21	0
of which acetylene	443	429	408
Total electrical energy consumed [GJ]:	432.165	452.332	429.241
of which purchased from national energy mix	180.165	149.932	429.241
of which purchased from certified renewable sources	252.000	302.400	0
Total energy consumption [GJ]:	1.167.592	1.216.399	1.151.332

Of the above-mentioned sources, the **electrical energy** is used to power the melting furnaces of the Parma plant, for the production of compressed air and for the running of the machinery and systems. The decision not to purchase electricity from certified renewable sources in 2019 was due to the notable economic commitments undertaken in the last year for the installation of the new furnace 5 - the primary objective of which is to improve energy efficiency - and to the increase in market prices for renewable energy.

In the Parma plant, there is also a building dedicated to reselection activities (performed by external personnel). A **solar panel** has been installed on the roof of this building for the heating of domestic water, and covers approx. 60% of the hot water requirement.

Also of major importance in the production process is **natural gas**, which is used to power the melting furnace of the Abbiategrasso plant and to heat the ducts and annealing furnaces in both plants. Residually, it is used for the heating of the rooms and the production of hot water.

Last but not least, **diesel** and **petrol** are chiefly used for the internal vehicles (forklift trucks, wheel loaders), for company cars and for fuelling the emergency generator sets.

4.4.

Analysis and study of the emissions into the atmosphere

Aware of our impact on the environment, we analyse our Carbon Footprint once a year for the purpose of determining the most effective actions to adopt in order to reduce emissions and play an active part in the fight against climate change.

Another important environmental theme for the glassmaking industry concerns emissions into the atmosphere, since the production of glass requires the use of melting furnaces and other combustion processes, that generate **greenhouse gas (GHG) emissions** and **polluting emissions into the atmosphere**.

In 2013, the company joined the **CDP** (Carbon Disclosure Project), an independent body that provides companies and countries with a system for measuring, managing and sharing information on climate change. Reporting information to the CDP is a way for Bormioli Luigi not to stop at legislative regulations, but to take a step further: to identify and deal with its own environmental risks and find new opportunities for action to manage and improve them, e.g. by always seeking the **best technological solutions available**.



Greenhouse gas emissions

Greenhouse gases (GHG) are emissions that contribute to climate change, so Bormioli Luigi is particularly attentive to monitoring and reducing them.

For this reason, the company has drafted its own **GHG inventory**, for the calculation of the direct and indirect CO₂ emissions generated, and it has been certified **according to the international standard ISO 14064-1:2012**.

The filling in of this GHG inventory enables the monitoring of various sources of CO₂, that could generate Scope 1 direct emissions, Scope 2 indirect emissions and Scope 3 indirect emissions, as described below.

Direct emissions Scope 1	Climate changing emissions deriving from the consumption of natural gas, diesel and fuels and generated directly by the decomposition of carbonates, the oxidation of organic material in the furnaces and the acetylene used for certain operations connected with the production process.
Indirect emissions Scope 2	Indirect greenhouse gas emissions due to the consumption of electrical energy partly connected with the use of electric furnaces, the production of compressed air, and in order to guarantee auxiliary services (emergency, lighting, air conditioning, etc.).
Indirect emissions Scope 3	Indirect emissions deriving from consumption related to: <ul style="list-style-type: none"> • the transportation of (incoming) raw materials and (outgoing) finished products i.e. all the goods handling activities entrusted to third parties (receipt of shipments) from suppliers to the plant, and from the plant to customers; • business trips made by corporate personnel using public transport (train, aeroplane) or company cars; • travelling to and from work carried out with the employees' own cars each day, as they drive to the plant and then back home; • Transportation and disposal of the waste produced by the activities conducted in the plants.

In 2019, emissions into the atmosphere were equivalent to 94,909 tonnes of CO₂. Of these, 52% were direct emissions, i.e. Scope 1, 40% of the emissions were Scope 2 (Location-Based) and the remaining 8% were attributable to Scope 3.

With the aim of increasing energy efficiency, at the end of 2019 Bormioli Luigi completed the installation of its new electric furnace at the Parma plant ("New furnace 5") which brought about a reduction of approx. 10% in specific energy consumption by the beginning of 2020. At full production capacity, throughout the year, it is expected to bring about savings of around 2,000,000 Kwh, corresponding to approx.650 tonnes of CO₂.

Bormioli Luigi also periodically monitors for leaks of coolant gases (R407-C, R410-A, R422-D) used in the operation of the air conditioning systems for the offices, and of the cold storage facilities required for production purposes.

In 2019, the air conditioning systems (R407-C and R410-A) were charged with a quantity of 66.5 kg of coolant gas, a reduction of 20.5% compared to 2018, equivalent to 131,536 kg CO₂eq.

Direct Greenhouse Gas emissions (Scope 1) in tonnes of CO₂ equivalent [Disclosure GRI 305-1]

From natural gas	40.844	41.083	40.179
From fuels	314	306	274
From the decomposition of carbonates and the oxidation of organic material	9.319	8.946	8.975
From acetylene	32	31	30
Total	50.510	50.366	49.458

Indirect Greenhouse Gas emissions (Scope 2) in tonnes of CO₂ equivalent [Disclosure 305-2]

Electrical energy (Market-Based)	20.506	18.462	-
Electrical energy (Location-Based)	-	-	38.014

Indirect Greenhouse Gas emissions (Scope 3) in tonnes of CO₂ equivalent [Disclosure 305-3]

Freight transport	3.801	4.509	5.561
Business trips	120	318	101
Travelling to and from work	849	865	922
Waste management	514	562	853
Total	5.284	6.254	7.437

The two methods for calculating Scope 2 emissions

*In 2016 a method was introduced for calculating Scope 2 emissions in line with the new requirements of Greenhouse Gas Protocol Scope 2 Guidance. As a result, indirect CO₂ emissions of Scope 2 are calculated according to two different approaches entitled the **Market-Based Method and the Location-Based Method**, respectively: the Market-Based Method attributes a CO₂ emission factor of zero for energy consumption deriving from renewable sources, while the Location-Based Method considers the average CO₂ emission factor of the national power grid. Both methods are recognized by the GHG Protocol and they are necessary for the calculation of Scope 2 emissions in the "CDP's Climate Change Program".*

In 2019, indirect emissions from the use of electrical energy were calculated using the Location Based method because, in order to devote itself to other investments in energy efficiency (construction of Electric Furnace no. 5), Bormioli Luigi decided not to purchase electricity from renewable sources with Certificates of Guarantee of Origin, as it had done in previous years.

Other polluting emissions released into the atmosphere

Production activities in both plants necessitate the use of melting furnaces, the combustion and high temperatures of which cause the emission of volatile substances, chiefly carbon dioxide, nitrogen oxide, dust and carbon monoxide. Some of the actions implemented in order to contain and reduce the polluting emissions include the use of electric melting furnaces and a new hybrid annealing furnace at the Parma plant, and the installation of burners with low NOx emission levels at the Abbiategrasso plant. The substances and compounds that are most important and most closely monitored by the company include the following categories:

Polluting emissions in kilograms [Disclosure GRI 305-7]

Volatile organic compounds (VOC)	324	298	307
Particulate matter (PM)	4.493	5.364	4.401
Nitrogen oxides (NOx)	90.101	71.658	85.298
Sulphur oxide (SOx)	9.000	8.478	7.316
Acidic substances (such as NaOH from neutr.)	303	311	683
Carbon Monoxide (CO)	3.992	6.402	6.404
Alkaline substances (such as Na ₂ O)	392	405	405

For the monitoring and control of the above-listed substances, the company has installed emission detecting and collecting systems for capturing them (filters) that have the capacity to reduce the quantity of volatile substances released into the atmosphere.

4.5.

Attention to water resources

Water is a natural resource that is indispensable in the glass production process, mainly used for cooling products and systems. To limit withdrawals, we favor closed industrial circuits and, when this is not possible, the water is carefully treated before being reintroduced into the environment.

Bormioli Luigi is committed to a sustainable, eco-friendly use of water, to recycling and recovery actions whenever possible and to the use of suitable systems for the treatment and disposal of waste waters. Moreover, for prevention purposes, the company conducts frequent **monitoring of its own water drains** at set intervals.

Water extraction

Water extraction mainly applies to industrial activities and, to a lesser degree, to a series of support activities, such as the canteen and household supplies. The water extracted from the mains serves exclusively for households, while the well water serves for industrial purposes, including the cooling of the glass, the cooling of the machinery most subject to thermal stress, and the washing of the moulds and the mechanical parts.

Given the vital importance of saving and recovering of water resources, the company has installed at the Parma plant a **system for the depuration and recycling of water** that is to be put back into the production process. Thanks to these closed circuit plants, Bormioli Luigi can purify and re-utilize in the production process approx. 60% of the water extracted at the Parma plant. In the production plant in Abbiategrasso, there is also a recirculation system that makes it possible to reduce the quantity of water drawn from the well.

The table below shows the water extraction values recorded in the last three years: it is important to point out that all the quantities of water listed refer to “fresh water”, i.e. water containing less than 1,000 mg/L. of total dissolved solids.

In 2019, the water extracted amounted to 837 megalitres (ML), a slight reduction compared to 2018, attesting to the constant commitment of the company to preserve its water resources.

Water extractions in Megalitres¹² [Disclosure GRI 303-3]

From wells	825	829	819
Water mains	22	13	18
Total	847	842	837

Water discharges

The water drains of Bormioli Luigi discharge into two main destinations:

- the **local public sewer system**
- the **surface water bodies (Parma plant only)**

The two plants use different water treatment systems prior to draining.

As a result of its use for cooling purposes, the waste water from production activities contains traces of lubricating oils.

At the **Parma plant**, the waste waters are first treated by a **chemical-physical depuration plant** followed by a sand filtering phase.

¹² The values relating to the water extraction shown refer to “fresh water”, i.e. water containing less than 1,000 mg/L. of total dissolved solids.

Part of the water purified by the company depuration system is put back into the production plant to be re-used in the production cycle. The rest (approx. 40%) is discharged into surface water bodies after a further sand filtering treatment.

At **Abbiategrasso** this water is subjected to a **decantation and oil separation treatment in special tanks, prior to being recycled**. There is a continuous relief valve in the industrial water cycle that is conveyed to the public sewer.

At the Abbiategrasso plant, a project was launched in 2019 to improve the system for collecting and discharging rainwater from the roofs, for the purpose of mitigating the effects of more intense rainfalls and the load on the public sewer system. The rainwater from the roofs will therefore be channelled into a system of dispersion trenches which will discharge the water into a large surface area underground.

The table below reports the water drain values recorded in the last three years.

Since 2017, there has also been a progressive decrease in the water being discharged, especially that flowing into the municipal sewer system (about 2%).

Water discharges in Megalitres¹³ [Disclosure 303-4]

In surface waters	382	398	405
In municipal sewers	475	450	437
Total	857	848	842

The company does not carry out any processes that could result in direct inputs of substances into the ground likely to cause chemical pollution. Contamination of the ground could only derive from accidental events such as oil spills or fugitive emissions, due to leaks from the underground sewage system of the production plants.

Given the risk of these substances becoming incorporated into the soil or transported by rainwater, thereby generating a state of pollution, Bormioli Luigi has put in place a plan for monitoring the first layer of the groundwater. Water samples are drawn and the data is analysed every six months, on the basis of a series of extremely important parameters.

Following the renovation work carried out on furnace 2 and a voluntary environmental analysis, in 2016, the underground pipeline used for feeding the old furnace 2 with fuel oil from an old tank (now removed) was intercepted. As a result, a “Notification of potential contamination” was presented to the competent authorities, pursuant to Legislative Decree 152/06. The investigation and characterization activities, aimed at finding out more and reconstructing the conceptual model of the site, were concluded and approved by the competent Authorities in 2019.

Subsequently, in accordance with the provisions of the legislation, a site-specific Risk Analysis was drawn up and sent to the Authorities. No risks for Plant workers or for potential off-site recipients emerged from this analysis, but nonetheless a potential environmental risk remains.

In order to mitigate this risk, the Company will present an operational safety project in 2020, that will be implemented by 2021.

¹³ The values relating to the water drains shown refer to “fresh water”, i.e. water containing less than 1,000 mg/L. of total dissolved solids.

4.6

Waste management

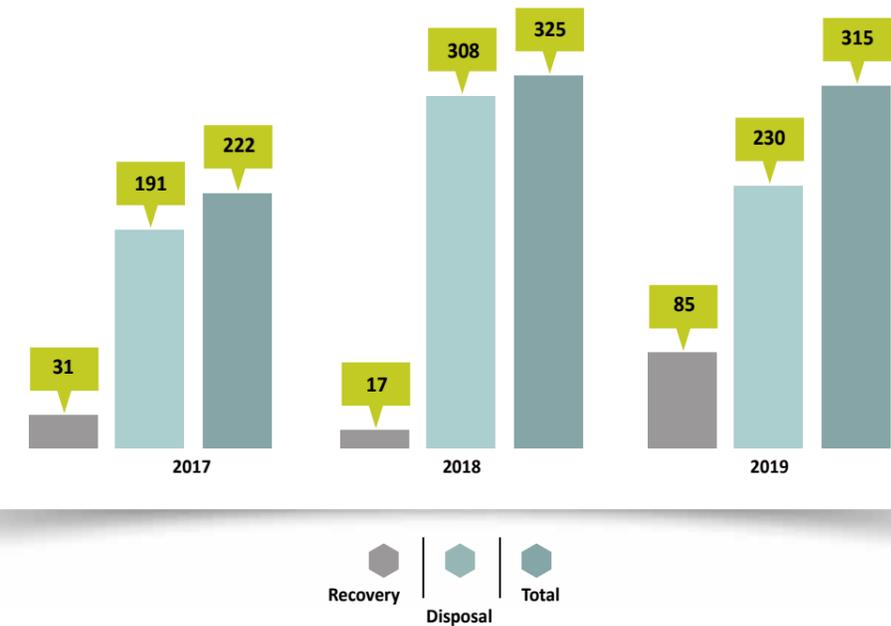
We are committed to minimizing waste production and we invest in finding ever increasing new ways to maximize its recovery. For this reason we are carefully monitoring the volume of waste produced by our production plants in compliance with the regulatory obligations and respective storage requirements.

The waste produced derives essentially from the production process. With the aim of reducing the quantity of waste generated, the company has undertaken to re-use its "white" cullet, putting it back into the production cycle as a raw material. The coloured cullet, on the other hand, is recycled - through authorized waste disposal companies - by being resold to other glassworks which manufacture articles with lower quality requirements. The company is also registered with the National Packaging Consortium, CO.NA.I.

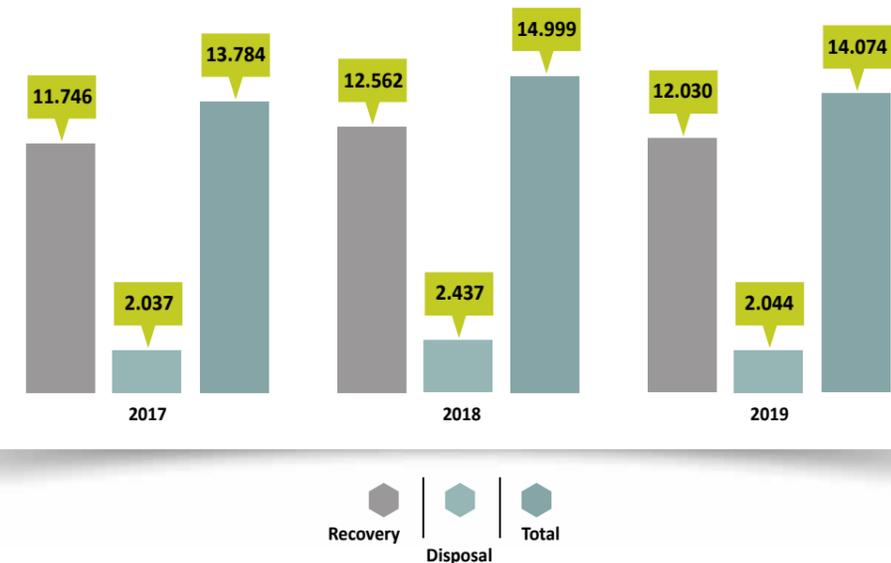
In 2019, Bormioli Luigi generated a total of 14,389 tonnes of waste, 84% of which was sent for recovery. The total hazardous waste - 315 tonnes, i.e. 2% of the total waste produced in 2019 - was partially recovered. Among that sent for disposal, there were leftovers of vitrifiable mix, solid waste from fume treatments, aqueous washing solutions, sludge and products from oil/water separation processes, packaging containing residues of hazardous substances, insulating materials containing - or contaminated by - hazardous substances.



Total weight of hazardous waste divided by type and method of disposal in tonnes [Disclosure GRI 306-2]



Total weight of non-hazardous waste divided by type and method of disposal in tonnes [Disclosure GRI 306-2]



Methodological note

This document is the second **Sustainability Report of Bormioli Luigi S.p.A.** and it has been drawn up for the purpose of communicating, in an increasingly more transparent manner, the company's commitment to sustainable development, and its adherence to a business model that respects the social, environmental and economic reality in which the company operates.

The contents of the Report and the methodology applied

This Report refers to financial year 2019 (from 1 January to 31 December) and will be published annually from now on. The document was drawn up in compliance with the *GRI Sustainability Reporting Standards* (hereinafter *GRI Standards*), Core option. The scope of accountability of this document is that of the company Bormioli Luigi S.p.A. (referred to in the text as "Bormioli" or "Bormioli Luigi"), including the production plants of Parma and Abbiategrasso.

The contents of the Report

In accordance with the principles of the GRI Standards, this Report covers the significant topics that emerged from the materiality analysis, i.e. those that have a strong influence on the evaluations and decisions of the stakeholders and major importance in terms of economic, social and environmental impacts. For additional information, refer to chapter "1.3 Our approach to sustainability: a path in continuous evolution".

The process, which led to the drafting of the Sustainability Report 2019, involved the company's top management and the main functions coordinated by them.

Quality assurance principles for the Sustainability Report

This document underlines the strengths and weaknesses of Bormioli Luigi, in addition to its prospects for improvement. The data were collected for the purpose of providing a clear and balanced vision of the operations and characteristics of the company. The process for collecting the information and the quantitative data is structured so as to be able to compare the data from three different years, thereby providing a precise and complete overview of Bormioli's performance to all of its stakeholders.

Principal calculation criteria

The methodological instructions for calculating some of the indicators contained in this Sustainability Report are shown below.

Energy consumption

The energy consumption of Bormioli Luigi (electrical energy, natural gas, diesel, petrol, methane and acetylene) have been calculated in Gigajoules (GJ), using the following sources for the conversion factors:

- "UK Government GHG Conversion Factors for Company Reporting" of the UK Department for Environment, Food & Rural Affairs (Defra), for the years 2017, 2018 and 2019;
- The "tabella parametri standard nazionali" (standard table of national parameters) published by MATTM (Ministry for Environment, Land and Sea) citing the data of the Italian National Institute for Environmental Protection and Research (ISPRA) for the years 2017, 2018 and 2019.

Compared to the version published in the 2018 Sustainability Report, the methodology for calculating the energy consumption (GJ) of petrol has been improved.

Direct emissions (Scope 1) and indirect emissions (Scope 2 and 3)

The emissions are calculated in terms of CO₂ equivalent, through the following emission factors in accordance with the inventory of CO₂ emissions envisaged by the standard ISO 14064-1 and certified by an independent third party company:

The following sources for emission factors were used to calculate **direct emissions of scope 1**:

- **fuels (natural gas and diesel)**: The "Tabella parametri standard nazionali" (standard table of national parameters), ISPRA, containing the values proposed by the National inventory UNFCCC for the respective reporting years (2017, 2018 and 2019);
- **fuels (diesel, petrol, methane)**: the "UK Government GHG Conversion Factors for Company Reporting" published by DEFRA (Department for Environment, Food & Rural Affairs) for the years 2018 and 2019;
- **acetylene**: the value obtained by the stoichiometric ratio calculated according to the conservative hypothesis that the gas combustion process allows complete oxidation;
- **carbonates from used raw materials**: arithmetical mean of the 4 quarterly values obtained, for each reporting year, from the analysis of the accredited laboratory (Experimental Station for Glass) on the sampling of raw materials.

The following sources for emission factors were used to calculate **indirect emissions of scope 2**:

- **Location-Based calculation method**: factor, for the year 2019, calculated on the basis of the percentage composition of the final national energy mix 2017. As an emission factor for each contribution - from which the general one can be calculated - the emission factors provided by ISPRA in its annual report "Fattori emissione produzione e consumo elettricità 2016" (Emission factors for electricity generation and consumption 2016) have been used.

The following sources for emission factors were used to calculate **indirect emissions of scope 3**:

- **transportation of (incoming) raw materials and (outgoing) finished products** relating to all the goods handling activities entrusted to third parties (receipt of shipments) from suppliers to the plant, and from the plant to customers;
- **business trips** made by corporate personnel using public transport (train, aeroplane);
- **travelling to and from work** carried out with the employees' own cars each day, as they drive to the plant and then back home; commuter trips were calculated using the average distances from the zip code of residence to the plant and conservative hypothesis were assumed that all residents in Parma and Abbiategrasso, i.e. residents in the same municipality as their workplace, travel 6 km daily (including return trips) and that all employees travel by private car; the number of effective work days was obtained by decreasing the number of days workable by contract - equal to 220 days - by the total absences due to illness and accidents, on the basis of the average number of employees during the year;
- **consignment and treatment of waste produced** by the activities conducted in the plants.

The emission factors used were:

- **freight transport, fuels for the use of road vehicles and public passenger transport vehicles, waste management**: the most recent emission factors proposed by the 2018 and 2019 DEFRA publication. In addition to these there is an item "transport" which refers exclusively to the conveying of the waste moved to the dump, using the same procedures as those laid down for freight transportation, with a load factor obtained by dividing the annual quantity in tonnes of waste conveyed to each single recipient by the number of trips made (inasmuch as these correspond to the FIR forms); the quotient thus obtained is then divided by 31 tonnes (the maximum load of an average semi-trailer).

Further information and details on the sustainability strategy of Bormioli Luigi and on the contents of this Sustainability Report can be obtained by writing to the following email address: info@bormioliuigi.it

Additional information

Additional information Chapter 1. Bormioli Luigi: the art of glassmaking, handed down for generations

Membership in sector associations

In manufacturing its products, Bormioli Luigi has always adopted a rigorous, transparent and cooperative approach in order to ensure the eco-compatibility of its products and their approval by its stakeholders. Over the course of time, Bormioli Luigi has developed a strong network of relations with industrial sector associations at local, national and European levels. The company contributes to the work of these associations, offering its commitment and its expertise in order to be a part of the innovation and development processes.

AICE - Società Consortile A.R.L. (International energy purchasing consortium)	DSD - Der Grüne Punkt Duales System Deutschland GmbH (The Green Dot - European network of industry-funded systems for recycling the packaging materials of consumer goods)
CO.RE.PLA - Consorzio Nazionale per la Raccolta, il Riciclo e il Recupero degli Imballaggi in Plastica (National consortium for the collecting, recycling and recovery of plastic packaging)	SREP S.A.
RILEGNO	UNI - Ente Nazionale Italiano di Unificazione (Italian national unification body)
EUROPEAN DOMESTIC GLASS	C.E.T.I.E. - International Technical Center for Bottling and related Packaging
FEVE The European Container Glass Federation	Istituto Eccellenze Italiane Certificate (Institute of Italian Certified Excellences)
IBC - Associazione delle Industrie dei Beni di Consumo (Association of consumer goods industries)	ASSONIME
Istituto Italiano Imballaggio (Italian Institute of Packaging)	AICEP - Associazione Italiana Consumatori Energia di Processo (Italian association of process energy consumers)
COMIECO - Consorzio Nazionale Recupero e Riciclo degli Imballaggi a base Cellulosica (Italian Consortium for the Recovery and Recycling of Cellulose-based Packaging)	SSV - Stazione Sperimentale del Vetro (Experimental Station for Glass)
UPI - Unione Parmense degli Industriali (Parma union of industrialists)	ASSOVETRO - Associazione Nazionale degli Industriali del Vetro (National glass industries association)

Correlation table and scope of the material topics [Disclosure GRI 103-1]

Material topic	Topic specific disclosures GRI STANDARDS	Scope of the material topic
Business ethics and compliance	GRI 205: Anti-corruption GRI 307: Environmental compliance	Bormioli Luigi
Responsible management of the supply chain	GRI 204: Procurement practices	Bormioli Luigi
Quality and safety of products	GRI 416: Customer Health and Safety	Bormioli Luigi
Customer satisfaction and the end consumer	n/a	Bormioli Luigi
Research & Development and product eco-design	n/a	Bormioli Luigi
Technological evolution in production processes	n/a	Bormioli Luigi
Energy consumption and the fight against climate change	GRI 302: Energy GRI 305: Emissions	Bormioli Luigi
Water consumption	GRI 303 (2018): Water and effluents	Bormioli Luigi
Management of waste, water drains and the propensity towards a circular economy	GRI 303 (2018): Water and effluents GRI 306: Effluents and waste	Bormioli Luigi
Attention to raw materials	GRI 301: Materials	Bormioli Luigi
Impacts of transport and logistics	GRI 305: Emissions	Bormioli Luigi
Employment protection and fair conditions of employment	GRI 401: Employment GRI 406: Non-discrimination	Bormioli Luigi
Professional development of employees	GRI 404: Training	Bormioli Luigi; workers who are not employees whose work activities and/or workplace are under the control of the company
Health and safety at work	GRI 403 (2018): Occupational health and safety	Bormioli Luigi; workers who are not employees whose work activities and/or workplace are under the control of the company
Trade union relations	GRI 402: Labour/management relations	Bormioli Luigi

Additional information Chapter 2. The value of people

Below are the data relating to employees belonging to the protected categories compared to average employees in 2019 divided for the two production plants of Bormioli Luigi.

	UdM	Parma	Abbiategrasso	Total
Average employee number	n.	760	191	951
Employees belonging to protected categories	n.	41	10	51
Percentage of protected category employees	%	5%	5,2%	5,3%

Health and safety indicators for employees [Disclosure GRI 403-9] Data per plant

	2019	
	Parma	Abbiategrasso
Number of deaths in the workplace	0	0
Number of serious accidents	0	0
Total number of accidents	27	8
Hours worked	1.224.854	318.438
Days lost	759	285
Serious accident frequency rate ¹⁴	0	0
Accident frequency rate ¹⁵	22,04	25,12
Severity rate ¹⁶	0,62	0,89

Health and safety indicators for workers who are not employees [Disclosure GRI 403-9] Data per plant

	2019	
	Parma	Abbiategrasso
Number of deaths in the workplace	0	0
Number of serious accidents	0	0
Total number of accidents	0	0
Hours worked	179.428	60.927
Days lost	0	0
Serious accident frequency rate	0	0
Accident frequency rate	0	0
Severity rate	0	0

¹⁴ The serious accident frequency rate is calculated as the "number of serious accidents recorded in a year / hours worked in the year x 1,000,000".

¹⁵ The accident frequency rate is calculated as the "number of accidents recorded in a year / hours worked in the year x 1,000,000".

¹⁶ The accident severity rate is calculated as the "number of days lost due to accidents / hours worked x 1,000".

Additional information Chapter 4. The value of the environment

Consumption of energy in the organization in Gigajoule (GJ) Data per plant [Disclosure GRI 302-1]

Energy source	2019	
	Parma	Abbiategrasso
Total consumption from non-renewable sources [GJ]:	431.555	290.536
of which methane (used for powering the plants)	427.877	290.203
of which diesel	3.151	310
of which petrol	142	0
of which methane (used for company cars)	0	0
of which acetylene	385	23
Total electrical energy consumed [GJ]:	367.002	62.239
of which purchased from national energy mix	367.002	62.239
of which purchased from certified renewable sources	0	0
Total energy consumption [GJ]	798.557	352.775

Direct Greenhouse Gas emissions (Scope 1) in tonnes of CO₂ equivalent Data per plant [Disclosure 305-1]

Direct (Scope 1) GHG emissions	2019	
	Parma	Abbiategrasso
From natural gas	23.941	16.238
From fuels	252	23
From the decomposition of carbonates and the oxidation of organic material	5.852	3.123
From acetylene	28	2
Total	30.073	19.385

Indirect Greenhouse Gas emissions (Scope 2) in tonnes of CO₂ equivalent Data per plant [Disclosure GRI 305-2]

Energy indirect (Scope 2) GHG emissions	2019	
	Parma	Abbiategrasso
Electrical energy (Location-Based)	32.502	5.512

Indirect Greenhouse Gas emissions (Scope 3) in tonnes of CO₂ equivalent
Data per plant [Disclosure GRI 305-3]

2019		
Energy indirect (Scope 3) GHG emissions	Parma	Abbiategrasso
Freight transport	4.577	985
Business trips	101	0
Travelling to and from work	784	138
Waste management	797	56
Total	6.259	1.179

Significant emissions in kilograms [Disclosure GRI 305-7] Parma plant

Category of emission	2017	2018	2019
Volatile organic compounds (VOC)	324	298	307
Particulate matter (PM)	4.415	5.280	4.341
Nitrogen oxides (NOx)	35.397	19.600	31.637
Sulphur oxide (SOx)	0	0	0
Acidic substances (such as NaOH from neutr.)	303	311	683
Carbon Monoxide (CO)	3.817	6.338	6.183
Alkaline substances (such as Na ₂ O)	392	405	405
Carbon Dioxide (CO ₂)	31.858.000	31.459.000	29.809.000

Significant emissions in kilograms [Disclosure GRI 305-7] Abbiategrasso plant

Category of emission	2017	2018	2019
Volatile organic compounds (VOC)	0	0	0
Particulate matter (PM)	78	84	60
Nitrogen oxides (NOx)	54.704	52.058	53.661
Sulphur oxide (SOx)	9.000	8.478	7.316
Acidic substances (such as NaOH from neutr.)	0	0	0
Carbon Monoxide (CO)	175	64	221
Alkaline substances (such as Na ₂ O)	0	0	0
Carbon Dioxide (CO ₂)	18.313.000	18.576.000	19.361

Water withdrawals in Megalitres¹⁷ [Disclosure GRI 303-3] Parma plant

Source type	2017	2018	2019
From wells	683	673	676
Water mains	16	8	10
Total	699	681	686

Water withdrawals in Megalitres [Disclosure GRI 303-3] Abbiategrasso plant

Source type	2017	2018	2019
From wells	142	156	143
Water mains	6	5	8
Total	148	161	151

Water discharges in Megalitres¹⁸ [Disclosure GRI 303-4] Parma plant

Destination of water drains	2017	2018	2019
In surface waters	382	398	405
In municipal sewers	319	283	282
Total	701	681	687

Water discharges in Megalitres [Disclosure GRI 303-4] Abbiategrasso plant

Destination of water drains	2017	2018	2019
In surface waters	0	0	0
In municipal sewers	156	167	156
Total	156	167	156

¹⁷ The values relating to the water extraction shown refer to "fresh water", i.e. water containing less than 1,000 mg/L. of total dissolved solids.

¹⁸ The values relating to the water drains shown refer to "fresh water", i.e. water containing less than 1,000 mg/L. of total dissolved solids.

**Total weight of hazardous and non-hazardous waste divided by type and method of disposal in tonnes
[Disclosure GRI 306-2] Parma plant**

	2017	2018	2019
Total hazardous waste	132	238	210
- of which sent for recovery	26	17	80
- of which sent for disposal	106	221	130
Total non-hazardous waste	12.730	14.266	13.024
- of which sent for recovery	10.692	11.830	10.980
- of which sent for disposal	2.037	2.436	2.044
Total waste	12.862	14.504	13.234

**Total weight of hazardous and non-hazardous waste divided by type and method of disposal in tonnes
[Disclosure GRI 306-2] Abbiategrasso plant**

	2017	2018	2019
Total hazardous waste	90	87	105
- of which sent for recovery	5	0	6
- of which sent for disposal	85	87	99
Total non-hazardous waste	1.054	733	1.050
- of which sent for recovery	1.054	732	1.050
- of which sent for disposal	0	1	0
Total waste	1.144	820	1.155

Further details

Ethics and human rights

Three-year period 2017-2019	Parma	Abbiategrasso	Total
Cases of loss or breach of Bormioli Luigi customers' personal data	0	0	0
Confirmed cases of anti-competitive behaviour	0	0	0
Significant sanctions ¹⁹ received in relation to non-conformities with social and economic laws and regulations	0	0	0
Confirmed cases of breaches of human rights, including child labour, penal or mandatory labour or discrimination	0	0	0
Work force trained in the procedure for the prevention of discrimination and breaches of human rights	100%	100%	100%

Risorse umane

Three-year period 2017-2019	Parma	Abbiategrasso	Total
Employees represented through Workers' Safety Representatives (RLS), in a joint health and safety management-workers committee	100%	100%	100%
Employees for whom the National Collective Labour Contract was applied	100%	100%	100%
Employees represented by formally elected Workers' Representatives (RSU)	100%	100%	100%
Production sites for which employee health and safety risk assessments have been performed	100%	100%	100%

The National Collective Labour Contract applied to employees in both Bormioli Luigi sites has specific clauses relating to working hours, holidays and rest periods, vocational training, trade union representation, probationary periods, career levels and advancement, minimum wages, the working environment and conditions, discrimination, health and safety, etc.

Local and accidental pollution

Bormioli Luigi closely monitors any potential impacts linked to local and accidental pollution that its activities could generate in the areas where the company operates. In particular, Bormioli periodically monitors:

- emissions of polluting substances into the atmosphere (e.g. COV, PM, NOx, etc.), reported on pages 61 and 72;
- noise emissions, reported on page 53;
- water drains, reported on page 63;
- accidental spillages, reported on page 63.

Three-year period 2017-2019	Parma	Abbiategrasso	Total
Significant sanctions ¹⁹ relating to emissions into the atmosphere (e.g. COV, PM, NOx, etc.)	0	0	0
Significant sanctions ¹⁹ relating to noise emissions	0	0	0
Significant sanctions ¹⁹ relating to water drains	0	0	0
Significant sanctions ¹⁹ for cases of accidental spillage of hazardous substances	0	0	0

For more details, refer to Chapter 4, "The value of the environment".

¹⁹ Significant sanction refers to those above €5,000

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	102-12	External initiatives	pp. 18-19; 66
	102-13	Membership of associations	pp. 68
Strategy	102-14	Statement from senior decision-maker	pp. 4-5
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	pp. 14-17
Governance	102-18	Governance structure	pp. 12; 15; 18
Stakeholder engagement	102-40	List of stakeholder groups	pp. 20
	102-41	Collective bargaining agreements	pp. 27
	102-42	Identifying and selecting stakeholders	pp. 20
	102-43	Approach to stakeholder engagement	pp. 20-21
	102-44	Key topics and concerns raised	pp. 20-21
Reporting Practice	102-45	Entities included in the consolidated financial statement	pp. 12; 66
	102-46	Defining report content and topic boundaries	pp. 66; 69

Reporting Practice	102-47	List of material topics	pp. 21
	102-48	Restatements of information	pp. 66
	102-49	Changes in reporting	pp. 21
	102-50	Reporting period	pp. 66
	102-51	Date of most recent report	Sustainability Report 2018, published in October 2019
	102-52	Reporting cycle	pp. 66
	102-53	Contact point for questions regarding the report	pp. 66
	102-54	Claims of reporting in accordance with the GRI Standards	pp. 66
	102-55	GRI content index	pp. 76-81
	102-56	External assurance	This Sustainability Report has not been submitted for external Assurance.

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 40-42; 69
	103-2	The management approach and its components	pp. 40-42
	103-3	Evaluation of the management approach	pp. 40-42
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	pp. 40
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 15; 69
	103-2	The management approach and its components	pp. 15
	103-3	Evaluation of the management approach	pp. 15
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	pp. 15

Materials				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 54; 69	
	103-2	The management approach and its components	pp. 54-55	
	103-3	Evaluation of the management approach	pp. 54-55	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	pp. 55	
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 56; 69	
	103-2	The management approach and its components	pp. 56-57	
	103-3	Evaluation of the management approach	pp. 56-57	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	pp. 57	
Water and effluents				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 62-63; 69	
	103-2	The management approach and its components	pp. 62-63	
	103-3	Evaluation of the management approach	pp. 62-63	
GRI 303: Water and effluents - Management approach 2018	303-1	Interactions with water as a shared resource	pp. 62-63	
	303-2	Management of water discharge-related impacts	pp. 62-63	
GRI 303: Water and effluents 2018	303-3	Water withdrawal	pp. 62	
	303-4	Water discharge	pp. 63	
Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 58-59; 61; 69	
	103-2	The management approach and its components	pp. 58-59; 61	
	103-3	Evaluation of the management approach	pp. 58-59; 61	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	pp. 60	
	305-2	Energy indirect (Scope 2) GHG emissions	pp. 60; 66-67	Omissions of Scope 2 emissions calculated according to the "market-based" method. Only the GHG emission values certified by an independent third-party company have been reported in this document.

GRI standard	Disclosure	Description	Page number / Notes	Omissions
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	pp. 60; 67	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	pp. 61	
Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 64; 69	
	103-2	The management approach and its components	pp. 64	
	103-3	Evaluation of the management approach	pp. 64	
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	pp. 65	
Environmental compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 50; 53; 63; 69	
	103-2	The management approach and its components	pp. 50; 53; 63	
	103-3	Evaluation of the management approach	pp. 50; 53; 63	
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	pp. 50; 53; 63	

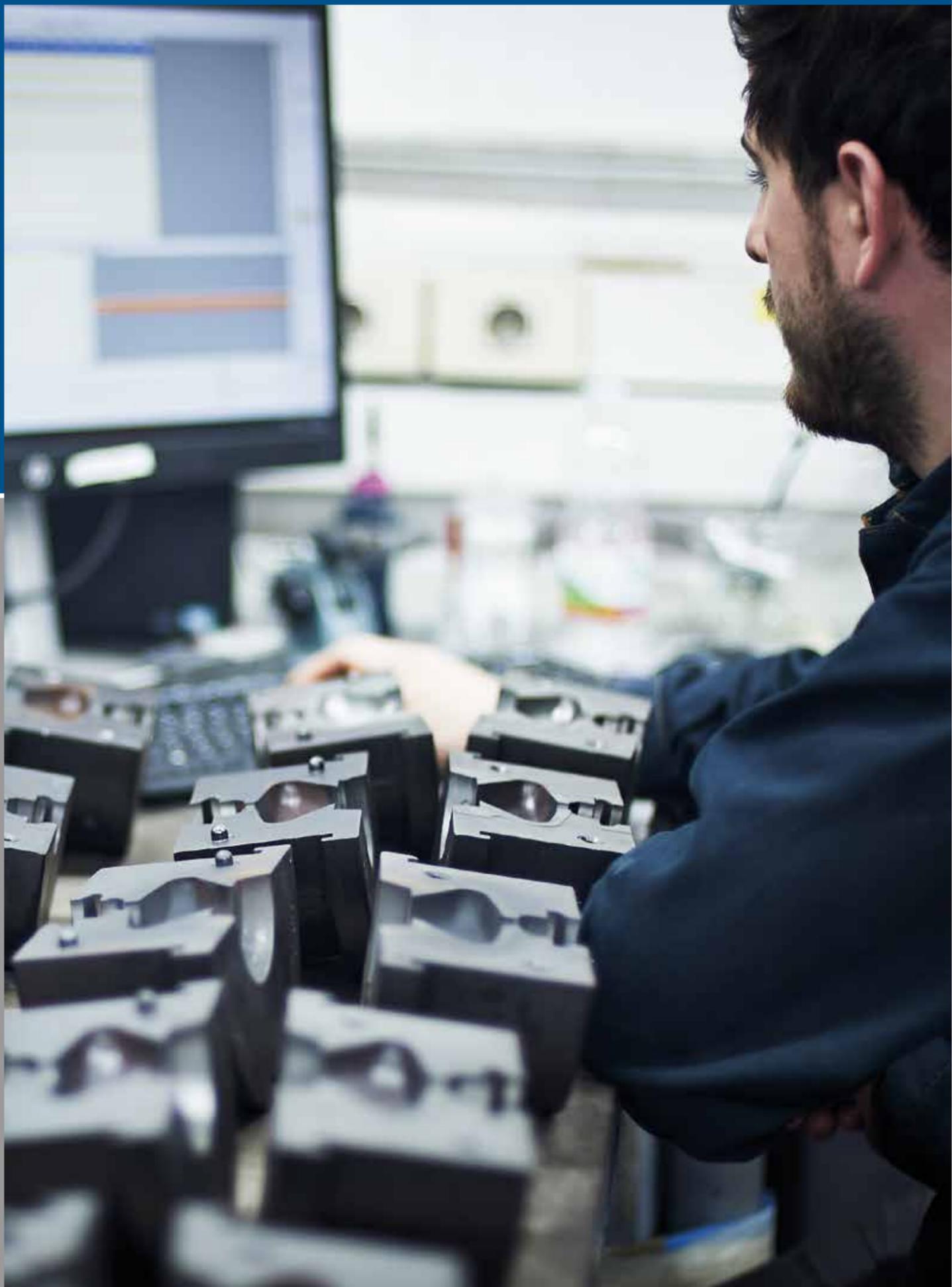
Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 24-27; 69	
	103-2	The management approach and its components	pp. 24-27	
	103-3	Evaluation of the management approach	pp. 24-27	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	pp. 26-27	
Labor / Management Relations				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 27; 69	

GRI 103: Management Approach 2016	103-2	The management approach and its components	pp. 27	
	103-3	Evaluation of the management approach	pp. 27	
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	pp. 27	
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 30-33; 69	
	103-2	The management approach and its components	pp. 30-33;	
	103-3	Evaluation of the management approach	pp. 30-33;	
GRI 403: Occupational Health and Safety Management Approach 2018	403-1	Occupational health and safety management system	pp. 30	
	403-2	Hazard identification, risk assessment, and incident investigation	pp. 30-31;	
	403-3	Occupational health services	pp. 30-31;	
	403-4	Worker participation, consultation, and communication on occupational health and safety	pp. 30-33;	
	403-5	Worker training on occupational health and safety	pp. 32	
	403-6	Promotion of worker health	pp. 30-33;	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 30-33; 39	
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	pp. 33	
Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 28-29; 69	
	103-2	The management approach and its components	pp. 28-29	
	103-3	Evaluation of the management approach	pp. 28-29	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	pp. 29	
Non-discrimination				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 15-17; 69	

GRI 103: Management Approach 2016	103-2	The management approach and its components	pp. 15-17; 69	
	103-3	Evaluation of the management approach	pp. 15-17; 69	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	pp. 17	
Customer Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 39; 69	
	103-2	The management approach and its components	pp. 39	
	103-3	Evaluation of the management approach	pp. 39	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	pp. 39	

Material topics that are specific for Bormioli and not covered by GRI Standards

Customers and end users' satisfaction				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 36-39; 69	
	103-2	The management approach and its components	pp. 36-39	
	103-3	Evaluation of the management approach	pp. 36-39	
Research & Development and product eco-design				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 43-46; 69	
	103-2	The management approach and its components	pp. 43-46	
	103-3	Evaluation of the management approach	pp. 43-46	
Technological development in the production processes				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pp. 43; 50; 69	
	103-2	The management approach and its components	pp. 43; 50; 59	
	103-3	Evaluation of the management approach	pp. 43; 50; 59	



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