



BOLTON  
GROUP



# SUSTAINABILITY REPORT







# SUSTAINABILITY REPORT



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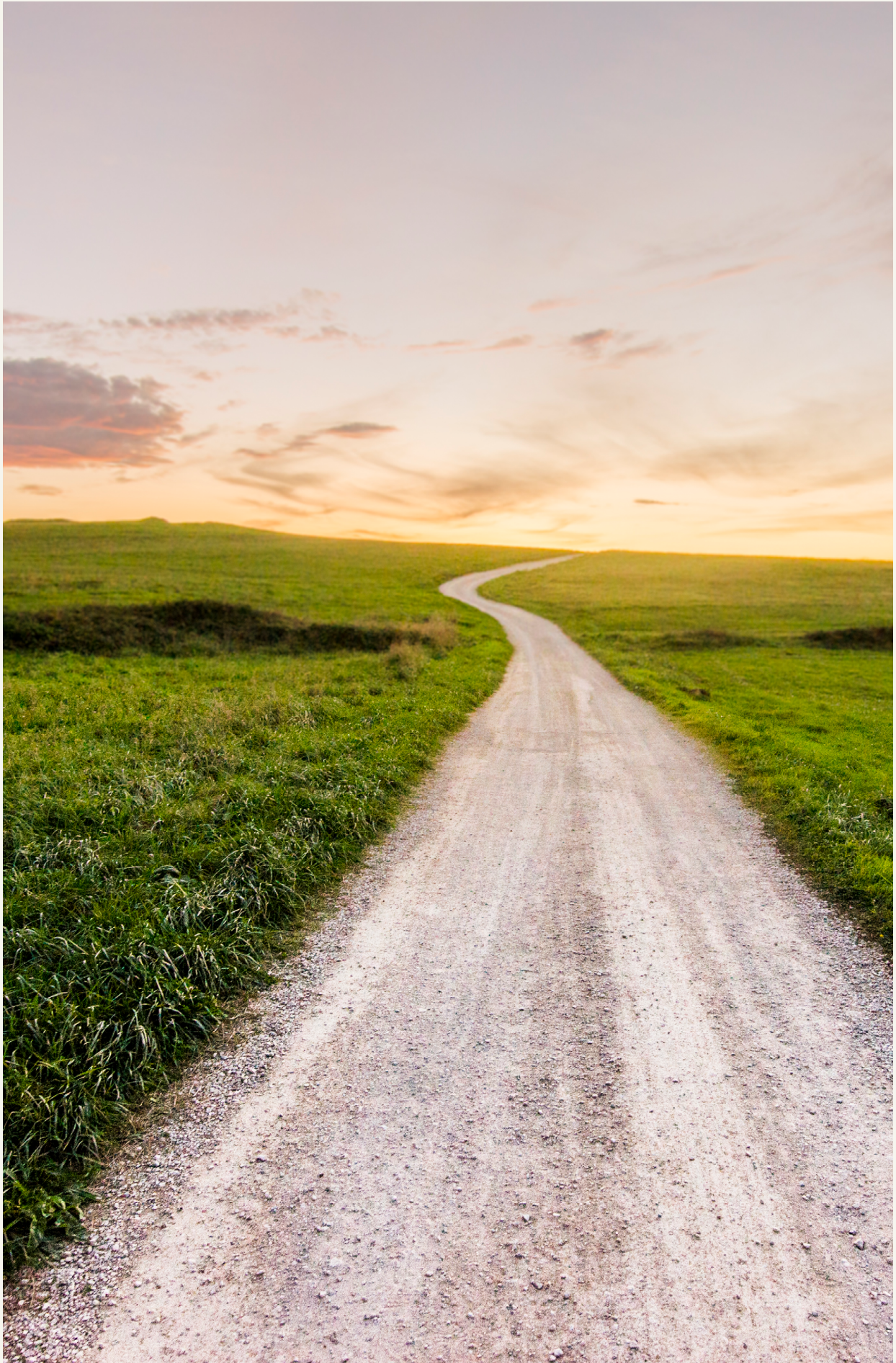
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# LETTER FROM THE PRESIDENT

**Marina Nissim**

President of the Bolton Group

We are Bolton Group, a family business and multinational company of over 5,000 people and reaching millions of homes around the world with our brands.

We come alongside people in their everyday lives with our food products, household detergents, adhesives, personal care products and cosmetics.

At Bolton Group, people are tied by the bonds of an entrepreneurial culture as well as excellence and quality. This drives us with a strong sense of responsibility towards our people and the community.

Facing the new challenges of sustainability comes naturally to us because ethics, responsibility and the respect of human



**Our sustainability plan  
is called We Care because  
we really do care and  
want to demonstrate  
by our actions that people  
are important to us**

rights have always been our concern, and over time, we have transformed our consideration for environmental and social issues into concrete actions.

Our sustainability plan is called We Care, and it could not have been any other way, because, we really do care and want to demonstrate that people are important to us by our actions. We have at heart their and our future, which is directly linked to social and environmental wellbeing. We are thus determined to reducing the impacts of our activity, and we do so with diligence, passion and ever more sustainable quality products.

We care about our people and we accompany them in the development of their professional talent. We also care about the community, where we intervene in promoting culture and scientific research and by supporting school education.

We care about people and we care about the future. To this we will devote ourselves with all our energy and diligence which have always set us apart.

**We care for the future, we care for people.**





## OUR APPROACH TO SUSTAINABILITY: WE CARE



**We Care** is our sustainability program. We chose this name purposefully because it summarizes the sincerity and strength of Bolton Group's vision, where sustainability means acting responsibly towards the environment, people and the community.

Being present on multiple markets and in several product categories, in order to meet the expectations of numerous stakeholders, we have worked on our impacts along the value chain. In so doing, we have been able to identify strategies to create the greatest shared value: from sustainable sourcing of our raw materials through the reduction of impacts of our plants to the generation of value in favor of our people and the community.

We are guided by the Sustainable Development Goals or SDGs developed in 2015 by the United Nations to call all actors of public and private sectors alike to action, globally: they are our guide and benchmark, consistently with our multinational status that operates globally. To date, there are four SDGs on which we have a more direct impact and on which we are working with improvement objectives.



We Care is the sign of our authenticity, of our acting in defense of the planet and with respect for its resources. Our program is based on three pillars: **Sourcing**, for the sustainable procurement and use of natural resources and raw materials; **Producing**, for the sustainability of our products and our factories; **People**, for the well-being of our people and support for the community.

This report provides good news, sets our objectives and testifies to the solidity of our commitment through tangible actions.



BOLTON  
GROUP

## WHO WE ARE



**50**

PRESTIGIOUS BRANDS

---



IN **100**

MILLION FAMILIES

---



IN **136** COUNTRIES



## Food



CARDINAL

## Home Care



## Adhesives



## Personal Care



## Beauty Care

# THE ORIGINS from 1949

Bolton Group  
was born in Italy as a  
distribution company



## DEVELOPMENT OF OUR CATEGORIES

from 1960

### FOOD



### HOME CARE



### PERSONAL CARE



### ADHESIVES



### BEAUTY CARE



## INTERNATIONAL EXPANSION

from 1990

### INTERNATIONAL BRANCHES

1992 BOLTON SOLITAIRE

BOLTON BELGIUM

1996 BOLTON ESPAÑA

2000 BOLTON CZECHIA

2001 BOLTON NEDERLAND

2002 BOLTON SWISS

2003 BOLTON ADRIATIC

2005 BOLTON AUSTRIA

2006 BOLTON CROATIA

2011 BOLTON SERBIA

2011 BOLTON MIDDLE EAST

2012 BOLTON POLSKA

2017 BOLTON BG CANADA

2018 BOLTON BG ROMANIA



### ACQUISITIONS

#### FOOD



1999



2007

#### HOME CARE



2002



2014

#### PERSONAL CARE



1998



2003



2003

#### ADHESIVES



1996



2001



2012



2015



2018



2019



2005



2012



2017



2019



2006



## OUR HISTORY AND OUR BRANDS

Our history began in Milan, in **1949**, when, in collaboration with Exportex, **Joseph Nissim** launched an important distribution business of consumer goods originating from the Anglo-Saxon world. This solid sales network was known in the 1970s as the 'University of Sales' and served as a basis for gradual **industrial development**, which began in **1965** with the production of **Rio Mare tuna** at the Cermenate (Como) plant, and was consolidated with numerous acquisitions of brands and production assets in various commodity-related sectors.



Today, thanks to our policy of **international expansion** that was pursued in the 1990s, we hold an outstanding portfolio of prestigious brands with over **50 product lines** in the categories of Food, Household and Laundry Care, Adhesives and Personal Care, which are sold through a variety of channels present in mass retail, perfumeries, pharmacies and DIY shops. More than **5,800** people work at our 12 plants and 46 offices, and are consistently focused on a quest for quality.

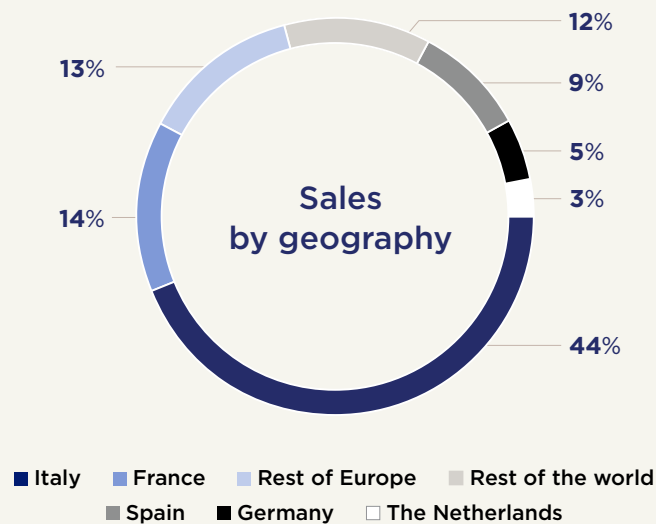
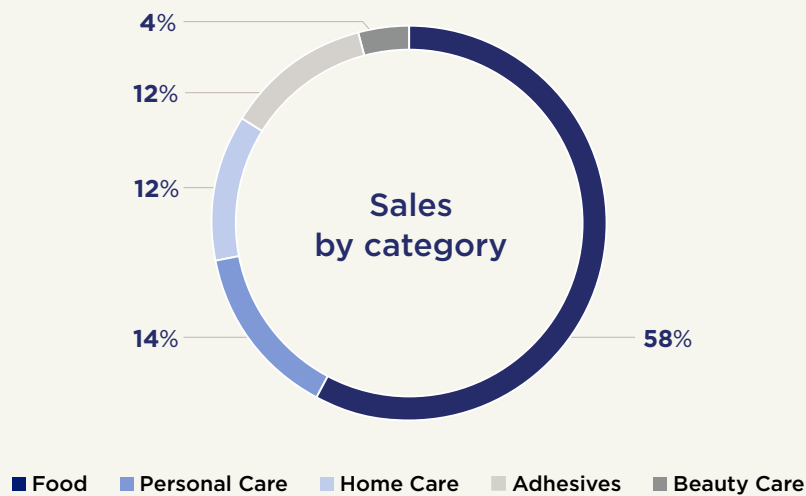
## OUR VALUES

We are a **multinational, family** business that has always been known for its entrepreneurial culture based on strong values. Several years ago, we adopted an Ethics Code that provides guidance for our dealings with our employees, business partners and the community at large. Our corporate culture is based on strong shared values that guide our activities every day:

- ◆ **Entrepreneurship.** We offer a challenging, interesting and gratifying workplace where creativity, promptness in seizing opportunities and ability to take calculated risk are encouraged and rewarded.
- ◆ **Passion to be the best.** Good is not enough: we strive for excellence in all our products and services. Our people at all levels are motivated to overcome challenges and seize opportunities to make the most out of any situation.
- ◆ **Commitment to deliver.** We are committed to delivering excellent results by offering more value to consumers and customers and by keeping our organization cost effective.
- ◆ **Honesty and Integrity.** Acting with respect and fairness in all our dealings is at the core of our solid professional reputation.
- ◆ **Sustainability.** We promote a model of economic, social and environmental sustainability to protect our natural resources, now and for generations to come.

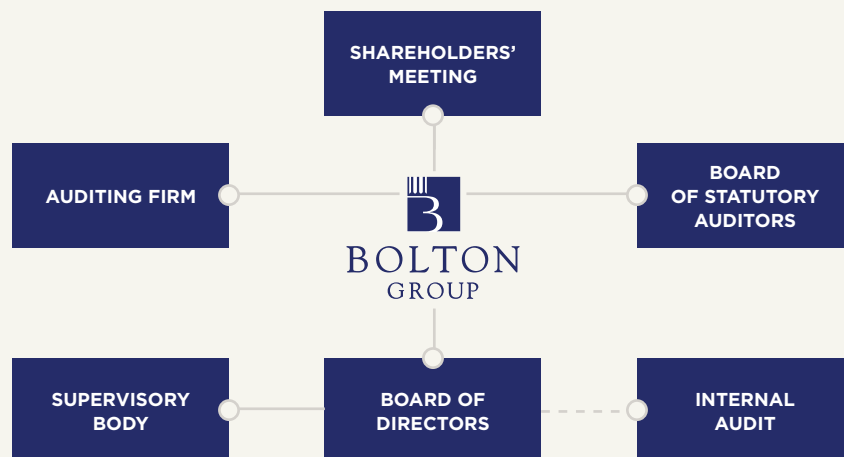
## THE MARKETS IN WHICH WE OPERATE

**We generate** over 50% of our turnover abroad: the geographic **diversification** of distribution channels and business categories is a key characteristic of the Group, guaranteeing growth and profitability. Among our business sectors, the food sector is the most significant, followed by personal care and wellbeing, household care, adhesives and cosmetics.



## OUR ORGANIZATION

Bolton Group is the Group's operational holding, whose function is to provide leadership and guidelines to our operating companies. The organizational structure is set out as follows:



Bolton Group is a privately held company whose Board is composed of Marina Nissim (Chairman), Guy Noordink (Vice Chairman) and Salomone Benveniste (Managing Director).



\*In 2019, outside the scope of the reporting period of this document, we would like to note the acquisition of 100% of Tri Marine, one of the leading tuna suppliers in the world.

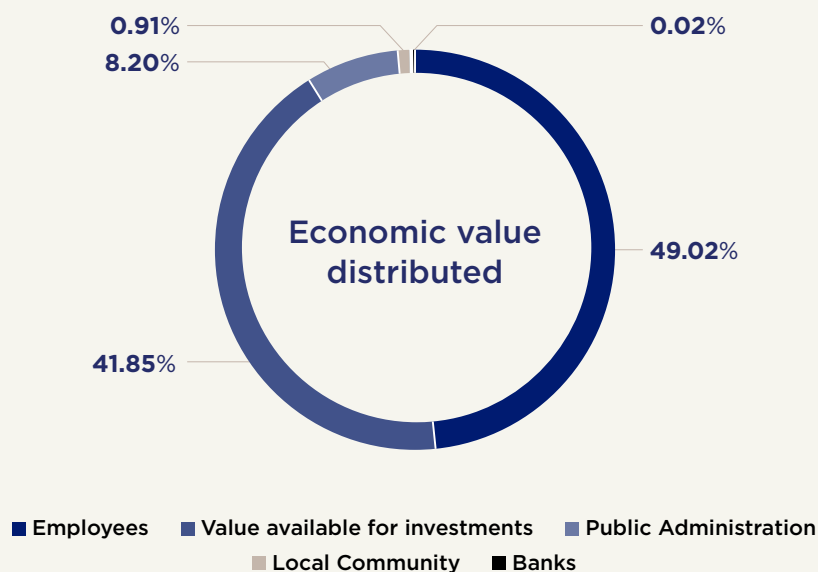


## The distribution of generated economic value

The 2015-2018 three year period was characterized by positive economic results, highlighting healthy and sustainable growth for the Group. Our total turnover in 2018 increased by 2% compared to 2017.

Our performance was also positive in terms of added value distributed among stakeholders, which is calculated as the difference between the economic value generated and the operating costs of the company.

In 2018, we distributed **49.02% of generated economic value to our employees** in the form of salaries, pension costs and benefits. **8.20%** was distributed to the **Public Administration** as taxes and duties, **0.91% was distributed to the Local Community** as sponsorships, donations and gifts that are described in the chapter on our interventions in the community; the value available for investments in the business (amortization, allocations to provisions and profits retained by the Group) came to **41.85%**.



# 2018 IN FIGURES

**2 Billion**

TURNOVER

over **5,800**

EMPLOYEES

**77,000**

TRAINING  
HOURS

**100%**

SUPPLIERS WHO ARE SIGNATORIES  
OF THE HUMAN RIGHTS POLICY

**50%**

TUNA MSC-CERTIFIED OR ROBUST FIPS  
(RIO MARE, PALMERA, SAUPIQUET)

**100%**

TUNA COMPLIANT WITH ISSF  
CONSERVATION MEASURES

**22,000**

STUDENTS TO WHOM WE  
GUARANTEE EDUCATION

**100%**

ISO 9001  
CERTIFIED PLANTS

**67%**

ELECTRIC ENERGY  
FROM RENEWABLE SOURCES

**1 Million**

BENEFICIARIES OF OUR ACTIVITIES  
TOWARDS THE COMMUNITY

**40%**

PACKAGING  
FROM RECYCLED MATERIALS

**88%**

WASTE RECOVERED  
AND REUTILIZED







**WE CARE FOR THE FUTURE  
WE CARE FOR PEOPLE**



## OUR SUSTAINABILITY PLAN

We Care, Bolton Group's **sustainability plan** was initially developed in compliance with the recommendations of the ISO 26000 guidelines: this enabled us to identify the main gaps on which to intervene and to define group policies for topics that were common to all the operating companies (e.g. the Human Rights Policy or the implementation of quality, environmental and safety management systems). In 2018, our plan was updated as a result of the evolution of the outside context and the emergence of new material topics relevant to our business. Finally, the plan was reformulated using the **OGSM** (Objectives-Goals-Strategies-Measures) methodology of strategic planning, which fixes clear objectives and identifies strategic choices to achieve them, defining the measures to assess their state of advancement. We chose this methodology because it fosters collaboration between various functions in terms of achieving common objectives, while keeping account of the evolution of the market context and the expectations of our stakeholders.



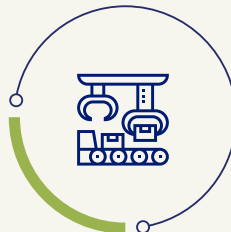
**For the Bolton Group,  
sustainability means acting  
responsibly towards  
the environment, people  
and the community**

**We Care is based on three pillars:**



### SOURCING

We guarantee sustainable sourcing and the sustainable use of natural resources and raw materials. We prioritize our relationships with suppliers who operate in compliance with a sustainable business model. We guarantee the full transparency and traceability of our products and the safeguard of human rights across the entire supply chain.



### PRODUCING

We are committed to reducing the environmental impact of our plants' production processes by limiting emissions and the consumption of materials and by reducing waste. We constantly work towards improving the quality of our products.



### PEOPLE

We value our people through training programs; we offer a healthy, stimulating working environment. We work to benefit communities with projects that support scientific research, the environment and culture, and we intervene in emergency situations. We promote school education with the "We Care For Child Education" program.

## OUR STAKEHOLDERS AND THE MATERIALITY MATRIX

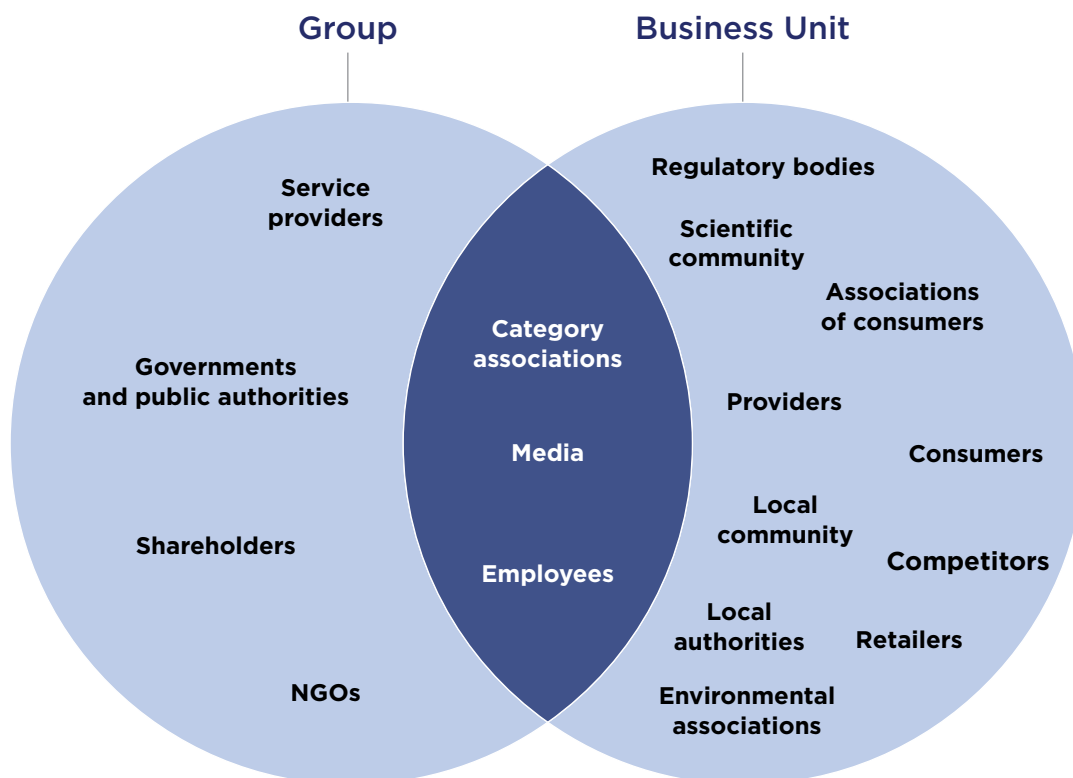
### Our relationship with stakeholders

A comparison with stakeholders is essential for responsible business management. We have divided our stakeholders into three clusters in order to guarantee the effective management of relationships and to ensure the most consistent and uniform communication and listening process possible.

As shown in the figure below, the **first cluster** contains all categories of stakeholders with which Bolton interacts at the Group level.

**The second cluster** contains those categories that interact directly with a business unit for issues regarding its functioning.

**The third cluster** gathers together stakeholders who, depending on the topic, either come into contact with the Group or business unit, subject to coordination by the functions responsible for managing the relationship. At present, on a Group level, the relationship with stakeholders is mainly regulated by two documents: the **Ethics Code** and the **Human Rights Policy**.

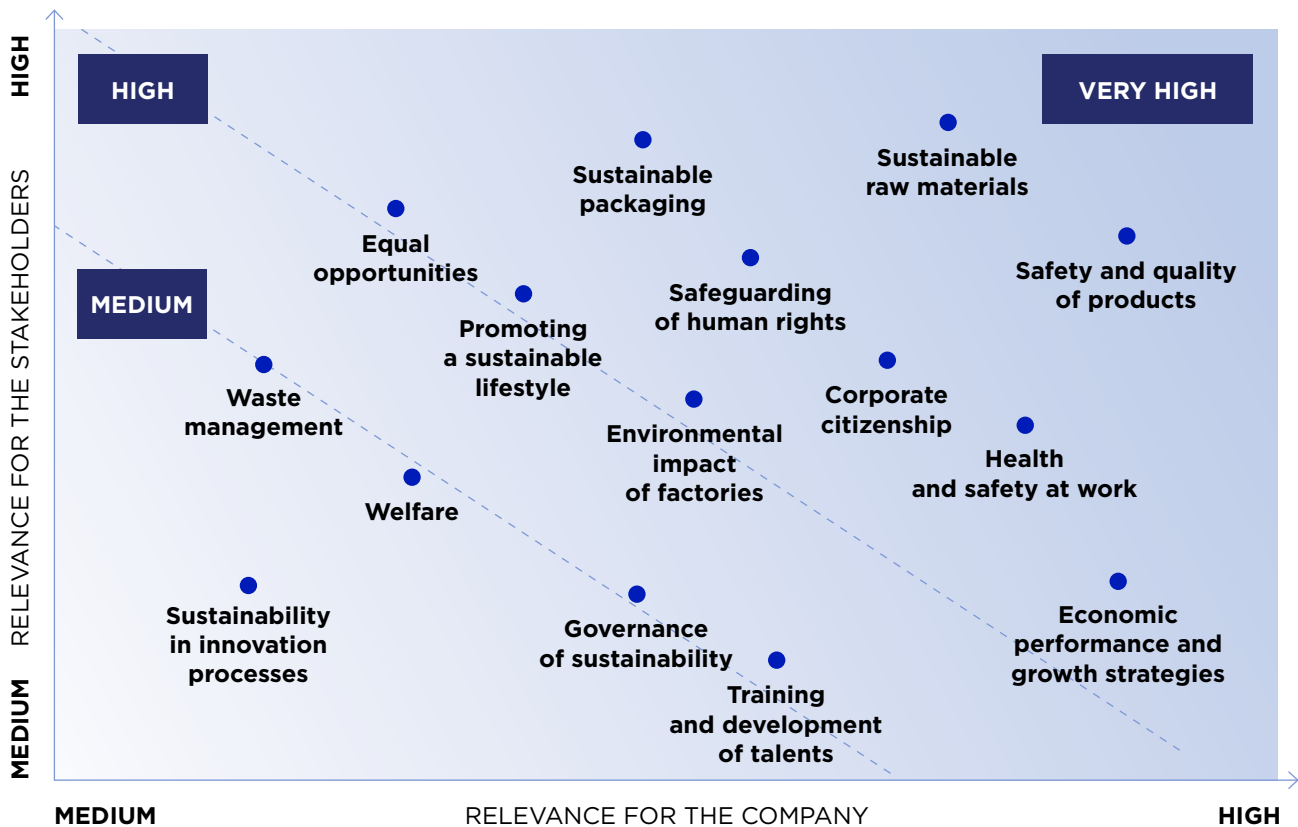


## Our materiality matrix

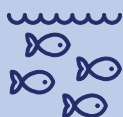
In accounting, materiality refers to an indicator or aspect that is particularly significant and relevant for the company that reports it. In order to identify such indicators, we carried out a materiality analysis following the guidelines of the GRI Standards.

The analysis began with the identification of an initial list of the most important sustainability topics through which to understand the operational and strategic context in which Bolton Group operates and to describe the main environmental, economic and social impacts of the company. Their selection was based on an internal reflection on the Group's business taking into account the GRI guidelines, and was reinforced by a benchmark analysis.

The matrix below represents the analysis output.



## Some examples of best practices in our stakeholder relationship



### Environmental associations and sustainable fishing

The strategic decisions regarding **sustainable fishing** are the result of an ongoing dialogue with the environmental associations engaged in these sectors at both Italian and international levels.

This generated a partnership in the Food sector with WWF, with the aim of reaching the objective of sourcing **100% sustainably-fished** resources.

Our **partnership with WWF** resulted in the Group signing the WWF Global Seafood Charter for Companies and the S.O.S. (Safe Operating Space) FOR A SUSTAINABLE FUTURE, a manifesto whereby companies recognize the need to respect the environmental boundaries of the planet and, as a result, commit to inclusive, sustainable economic development.



### The multi-stakeholder workshop and plastic strategy

In 2018, we organized a meeting between several stakeholders and the heads of R&D and purchasing of our operating companies to discuss the impacts of the release of plastics into the environment and possible alternative solutions.

The workshop was coordinated by WWF Italia and it included the participation of experts specializing in LCA\* and the compostable plastics sector. This opportunity for debate and exchange of information contributed to defining the **Group's policy on the reduction of the environmental impacts of our packaging** (with a focus on plastic).

*\* LCA, Life Cycle Assessment, a methodology that evaluates a set of interactions that a product or service has with the environment, considering its entire life cycle.*



### Our relationship with Save the Children

We are deeply convinced that **culture and education have the power to transform the future.**

For this reason Save the Children is the organization that we chose as a partner in 2013 for our flagship project *We Care for Child Education*, a plan of interventions aimed at guaranteeing the right to quality school education for children and adolescents. The program includes actions in schools and communities to counter school dispersion in Italy and abroad, as well as construction of schools and dedicated buildings in Ethiopia.



## SUSTAINABILITY GOVERNANCE

In order to manage sustainability strategically, we used a governance model which is headed by the Group's Board and involves managerial and operative functions in various areas of activity. We instituted a central CSR function and assigned the responsibility of CSR in each business area to managers who also have operational responsibilities. The work group of CSR managers collaborates on the coordination of common activities, the identification of synergies and reaching the objectives of the We Care plan. Meetings take place on a quarterly basis and are coordinated by the Group CSR Manager. The Board approves the sustainability plan, objectives, correlated actions and performance indicators annually, and oversees their implementation with periodic meetings throughout the year. Governance is thus organized on a level of business sectors where the CSR manager, under the direction of the CEO, guarantees the achievement of the specific objectives of the business unit by organizing and coordinating multidisciplinary work groups.

## OUR OBJECTIVES AND OUR SUSTAINABILITY STRATEGIES

The *We Care* plan defines the **strategic objectives** that we aim to achieve on a Group level by 2025. Each pillar (Sourcing, Producing, People) has its own objectives and KPI's (Key Performance Indicators). Given the different business areas in which we operate, objectives on an overall level were defined by the business units of the Group, according to the materiality of the topic and its specific characteristics (for a more detailed explanation, see the specific chapters of the Report). Lastly, the consolidation of different corporate targets on a Group level enables us to keep the overall improvement of sustainability performance under control.



**The We Care plan defines  
the strategic objectives that  
we aim to achieve on a  
Group level by 2025**

Specific strategies therefore make reference to each pillar; furthermore, to ensure a concrete plan, focusing on the most relevant topics, several priority actions will be implemented over the next two years.



## SOURCING

We guarantee responsible sourcing of our raw materials

- ◆ We are committed to using more sustainable raw materials
- ◆ We operate to reduce the environmental impact of packaging
- ◆ We promote human rights across the entire supply chain
- ◆ We include sustainability criteria when choosing suppliers



## PRODUCING

We develop high-quality sustainable products at plants with a low environmental impact

- ◆ We integrate sustainability into our innovation processes
- ◆ We improve the environmental impact of our plants and fleet
- ◆ We maximize waste recovery
- ◆ We adopt ISO management systems



## PEOPLE

We promote the wellbeing of our employees and positive impact on our communities

### OUR EMPLOYEES

- ◆ We promote a 'Zero Injury' culture in our workplaces
- ◆ We promote equal opportunity
- ◆ We improve employee engagement in the workplace
- ◆ We develop career management projects and we promote employability

### COMMUNITY

- ◆ We support projects to fight early school dropout and education incentives
- ◆ We support projects for the community
- ◆ We promote a sustainable lifestyle for consumers through our brands
- ◆ We develop partnership projects to improve our environmental impact









# SOURCING



## OUR APPROACH

The Life Cycle Assessment studies indicate that, as far as consumer goods are concerned, the greatest environmental impact derives from the sourcing of raw materials and the packaging used. For this reason, we are giving priority to the implementation of policies for the sustainable procurement of raw materials, especially by increasing the use of those of natural origin.

**Raw materials and packaging** are the two areas on which we are monitoring our progress from a quantitative viewpoint. From data collected, a continuous overall improvement of the indices linked to sourcing emerged between 2015 and 2018.

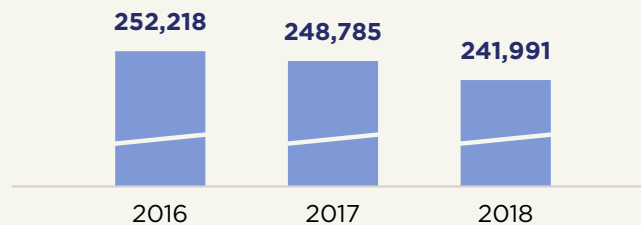
To continue improving our performance in this area, we have adopted a Policy for the supply of raw materials, especially in the food sector (tuna, mackerel, salmon and sardines). We are working to develop similar and specific policies for the other business areas.

With regards to packaging, we are committed to a process of reducing the weight and thickness of all our packaging materials, in particular aluminium and tinplate, but we also have important objectives of improving sustainability in our use of paper and plastic.



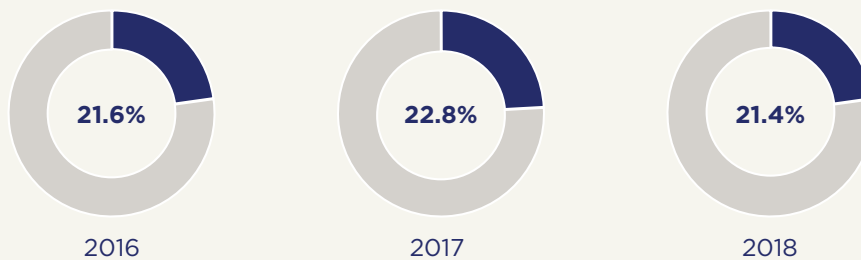
## OUR PERFORMANCE

### TOTAL VOLUME OF RAW MATERIALS PURCHASED OR CAUGHT (TONS)



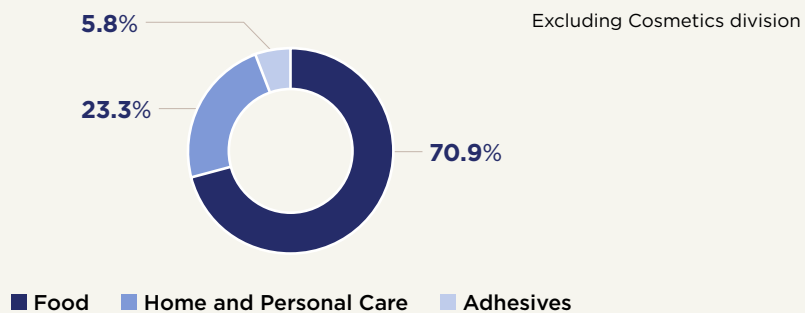
This graph shows the overall total of raw materials purchased or fished by the Group's operating units. As for the raw materials fished directly by our own fleets, part is used in our products while part is resold to other customers.

### RAW MATERIALS COVERED BY THE SUSTAINABILITY POLICY



The percentage of raw materials covered by the Policy refers mainly to the Food sector, specifically to fish (tuna, mackerel, salmon and sardines).

### PERCENTAGE OF RAW MATERIALS CONSUMED BY BUSINESS AREA



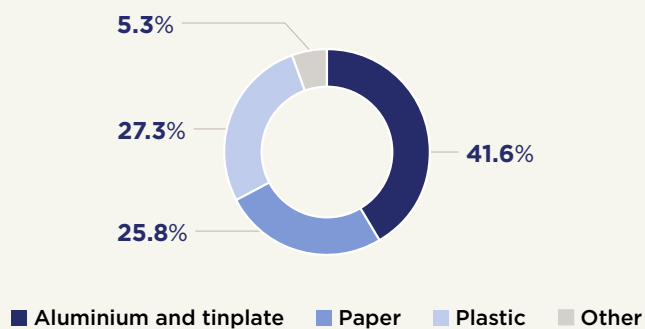
This graph identifies the direct consumption of raw materials divided by type of business. The main materials consumed are: tuna, vegetable oils and surfactants for products with a chemical formulation.

### TOTAL PACKAGING PURCHASED (TONS)



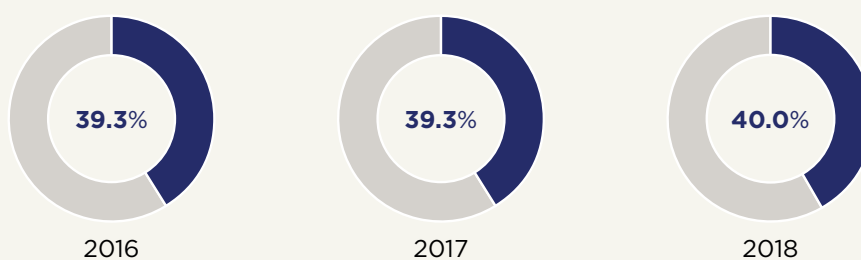
This graph shows the total consumption of packaging, which includes paper, plastic, metals and other materials (e.g. glass and wood).

### PACKAGING TYPES



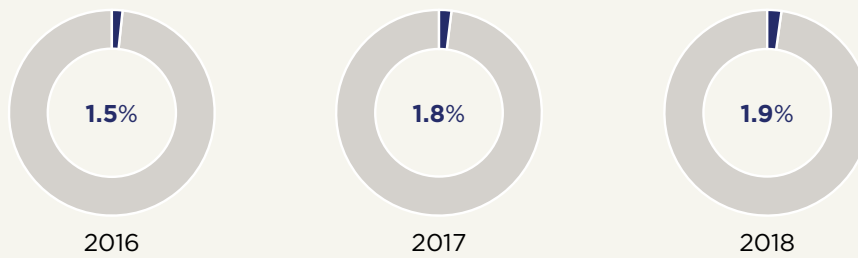
The materials used most in Bolton Group's packaging are aluminium and tinplate, primarily used in the food sector. Following this, plastic, primarily used in the other sectors, and paper.

### PACKAGING FROM RECYCLED MATERIALS



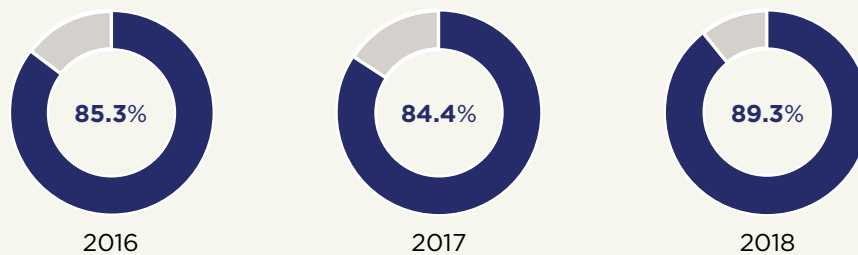
In line with our commitments to improve the sustainability profile of the packaging of our products, packaging from recycled materials has shown a growing trend in the last three years and covers 40% of the total.

### RECYCLED PLASTIC PACKAGING OR BIO-BASED



As regards our specific commitment on plastics, with a view to increasingly sustainable packaging, the amount of recycled or *bio-based* plastic has also steadily increased in recent years, in line with industry trends.

### RECYCLED PAPER PACKAGING OR FSC® CERTIFICATE



The percentage of recycled paper or paper certified according to the main sustainability standard, FSC® (Forest Stewardship Council), is constantly increasing and, by 2018, corresponds to almost 90% of the total paper consumed.



## OUR MAIN PROJECTS

### Responsible sourcing and use of raw materials

#### SUSTAINABLE FISHING

In the food sector, with the Rio Mare, Saupiquet, Palmera, Isabel and Cuca brands and with fishing company Tri Marine, for the past ten years, we have been committed to sustainable fishing, in particular, tuna, which represents approximately 70% of the volume of raw food materials. In 2009, we were among the founding members of the International Seafood Sustainability Foundation (ISSF) ([link at bottom of page](http://issf-foundation.org/)), a global, non-profit organization whose members and partners include several of the world's most eminent scientists and biologists and various NGOs, including WWF International. Additionally, we signed a partnership agreement on the responsible sourcing of fish resources with WWF Italia and WWF International, involving our Rio Mare, Palmera and Saupiquet brands.



#### Where are we at?

**Tuna: 50% MSC-certified  
or Robust FIPs**

**Mackerel: 91% MSC certified**

**Sardines: 45% MSC certified**

This partnership is based on the following points:

#### ◆ Sourcing of sustainable raw materials

- ◆ **100%** of the tuna sold under the Rio Mare, Saupiquet and Palmera brands will be sourced from MSC (Marine Stewardship Council) certified fisheries or from fisheries taking part in credible, robust Fishery Improvement projects (FIPs) by 2024. Likewise, 100% of the other fish species (Salmon, Mackerel and Sardines) will come from MSC/ASC (Aquaculture Stewardship Council) fishing activities, from robust Fishery Improvement Projects (robust FIPs) or from FIP/Aquaculture Improvement Projects (- AIPs).

#### ◆ Traceability

- ◆ We have equipped ourselves with a fish traceability management system in compliance with the ISO 22005 standard.

#### ◆ Human rights

- ◆ As a Group, we developed and implemented a credible Human Rights Policy, aligned with international best practices .

<sup>1</sup> <http://issf-foundation.org/>



### ZERO KILOMETER RAW MATERIALS

Thanks to the **Prima** trademark, the Bolton Group is present in the Spanish market in the sauces sector. Prima mainly produces and sells ketchup, mayonnaise and mustard, and is also active in the savory snack (crackers) market. In this market, Prima launched important sourcing projects focusing on Zero Km, with the use of tomatoes grown only in the valleys of Guardiana and Guadalquivir where there are ideal climatic conditions for its cultivation. The adoption of a “zero km” supply system in agriculture is particularly significant as it brings important environmental benefits, such as the reduction of impacts related to transport and logistics, and social benefits, such as supporting the local economy.

### SAFE, CONCENTRATED FORMULAS

Thanks to a process of product innovation inspired by sustainability, in the Homecare and Laundry, and Personal Care sectors, we managed to achieve important results regarding the reduction of the amount of raw materials used.

The development of the **‘WC Net Tavoletta Style’** enabled us to minimize the weight of the detergent tablet 27% compared to the average weight of standard tablets sold on the market, keeping performance and duration unchanged. Also, the adhesion in 2016 to the AISE PREPL2 (Product Resource Efficiency Project for Laundry Liquid detergents), enabled us to concentrate the dosage of our main **Omino Bianco** detergents.



## 27%

The weight reduction of the WC Net Tavoletta Style tablets compared to the average of the common tablets on the market

In order to reduce the environmental impact and minimize the risk of microbiological resistance in Personal Care products, we have eliminated the use of **Triclosan**, previously used as an antibacterial in toothpastes and intimate hygiene products. Triclosan is an antibacterial ingredient, still accepted for use in cosmetics and also recently rated safe, albeit with limited use, by the SCCS (European Scientific Committee on Consumer Safety). In recent years, Triclosan has been questioned both as a possible endocrine disruptor and for its poor environmental biodegradability and this has led us to decide on its gradual replacement and finally its definitive removal.

### THE ELIMINATION OF MICROPLASTICS

Well in advance of the legislation that will forbid the use of **microplastics** in 2020, all our products are already totally free of them. The plastic micro-particles contained in products for everyday use - including exfoliants and toothpastes - constitute a threat to the marine environment. Due to their small size, microplastics easily pass through water filtration systems. Ingested by fish, they enter the food chain.



**Our brands operating  
in Personal Care and  
Household Care have removed  
microplastics well in advance  
of the 2020 deadline**

### EFFECTIVE AND SAFE INGREDIENTS IN OUR COSMETIC PRODUCTS

In the cosmetics category, our commitment is to offer innovative formulas that are effective, with great attention to the safety of the products, one of the main sustainability requirements of this field. In this respect, Collistar has been collaborating with the University of Siena in the field of research and development. In addition, 100% of new product launches are tested according to the highest safety standards.



**100%**

**New product launches tested according  
to safety standards**

## NATURAL INGREDIENTS FOR ADHESIVES

The use of natural raw materials, rather than those originating from fossil sources, also concerns the Adhesives business. The UHU brand represents an example of how sustainable criteria can apply, while maintaining effectiveness. The majority of UHU products are solvent-free, and the most representative product, the UHU stic, has a formulation with **98% natural ingredients** (incl. water); an amount that is higher than the sector average which, on average, is between 65% and 90%.



**98%**

The percentage of natural ingredients  
in UHU stics (incl. water)

## Towards more sustainable packaging

As shown by the figures at the beginning of the chapter, one of the main objectives of our commitment is the reduction of the impacts of packaging on the environment. Listed below are several projects developed by our operating companies in this area.

### WEIGHT REDUCTION

Our commitment to the **optimization of packaging** was acknowledged by CONAI, il Consorzio Nazionale Imballaggi, which awarded prizes to two of our projects in the context of the 2018 Prevention and Packaging Sustainably Contest. Simmenthal reduced the thickness and weight of the packaging of its canned meat by 70g, reducing the amount of aluminium used. By passing from a weight of 5.2g to a weight of 4.7g, approximately 6.5 tons of aluminium were saved. In the Personal Care sector, we achieved a significant reduction of the secondary packaging used for deodorant sprays, with a **saving of 78% of cardboard used and 17% of plastic film**.

Lastly, new containers for Omino Bianco additives and GENIE light duty detergents were developed: by passing from PE to PET, we achieved a 13% reduction in the weight of plastic used. We also adopted a PET bottle for the Smac Brillacciaio Trigger line, resulting in an 8% reduction of plastic packaging.



## ZERO DEFORESTATION OBJECTIVE

**Recycled or FSC® certified paper packaging** already represents approximately **90%** of the total of our paper and cardboard consumption. To achieve the objective described in this paragraph, we committed to the gradual introduction of paper and cardboard from sustainably managed forests, certified by FSC® and PEFC trademarks, in all those cases where, for technical reasons, recycled raw materials cannot be used. In keeping with this approach, for the Collistar trademark, we began introducing FSC® certified paper in packaging, a solution that was also adopted by Simmenthal with which it has an ongoing partnership for the promotion of the FSC® Forest For All Forever trademark in all clusters.

## INTRODUCTION OF BIOPLASTICS

The introduction of plastics originating from plant sources (bio-based) is a transversal project with which we experimented both in the Adhesives sector, with the **UHU** brand, and in the Beauty Care sector with the **Collistar** brand.

In the European Commission's 2020 strategy on Bio-Economy, bioplastics are of fundamental importance because they reduce the impact on climate and the consumption of fossil fuels. Way back in 2014, UHU launched a new product line called ReNATURE: its packaging contains 58% of bioplastic, equal to a 46% decrease in CO<sub>2</sub> emissions and a 48% decrease in the use of fossil resources\*.

The authoritativeness of this approach, based on a concept of Life Cycle Assessment, resulted in ReNature being the first-ever glue to receive the 'Austrian Ecolabel' award from the Austrian Ministry of the Environment, as well as being awarded the "Green Brand" quality seal for the second time running.



**-48%**

The reduction of the use of fossil resources compared to the standard UHU stic.

**-46%**

The reduction of CO<sub>2</sub> emissions compared to the standard UHU stic.

\*Compared to the average life cycle of the UHU stic (calculated by denkstatt/Vienna, April 2013).



## The relationship with suppliers: Human Rights Policy

For Bolton, the respect of **human rights** is an essential element of every business activity, as well as a fundamental pillar of its sustainability strategy. We are proactively committed to guaranteeing the protection of these rights both within our company and across the entire supply chain, actively collaborating with our suppliers who are required to endorse and respect the principles contained in the **Ethics Code** and in the **Human Rights Policy** of the Bolton Group.

The Human Rights Policy, published in December 2016, defines both the guiding principles and the Group's commitment to protecting the essential rights of workers, including free association, collective bargaining, diversity and equal opportunities, as well as the rights of local populations. This document also governs respect of the regulations pertaining to health and safety for all workers of the Group's companies and certifies that working and pay conditions are aligned with local law and sector standards. Lastly, this document refutes forced labour and child labour, and guarantees respect of International Labour Organization (ILO) Conventions.



**We commit to safeguarding  
human rights within the  
company and across the entire  
supply chain**

Following its adoption, the contents of this policy were communicated to all stakeholders who are directly involved: employees, clients and suppliers. In particular, the latter are asked to underwrite and respect the principles outlined in the policy. An assessment questionnaire aimed at verifying respect of the principles of the policy was sent to our strategic suppliers as well as those operating in countries at risk of human rights violation. Based on the results that emerged from the questionnaires, we will take action by conducting on-field audit activities on potentially critical situations and in areas considered at major risk. Once these audits have been conducted, in the event of violations or anomalies being encountered, we will evaluate the implementation of suitable interventions to mitigate or eliminate violations that have actually been identified.











**PRODUCING**



## OUR APPROACH

Our objective is to develop high-quality products sustainably by reducing the environmental impact of our plants. At present, production activities take place at 12 plants, as well as on 7 tuna fishing vessels. At all these sites, we are continuously committed to reducing environmental impact through:

- ◆ the adoption of certified management models pertaining to quality, health, safety and energy;
- ◆ the reduction of emissions into the environment;
- ◆ containment of the use of raw materials and reduction of waste.

In addition to the above, we are committed to constantly improving the quality of our products to meet the requirements of consumers and customers.

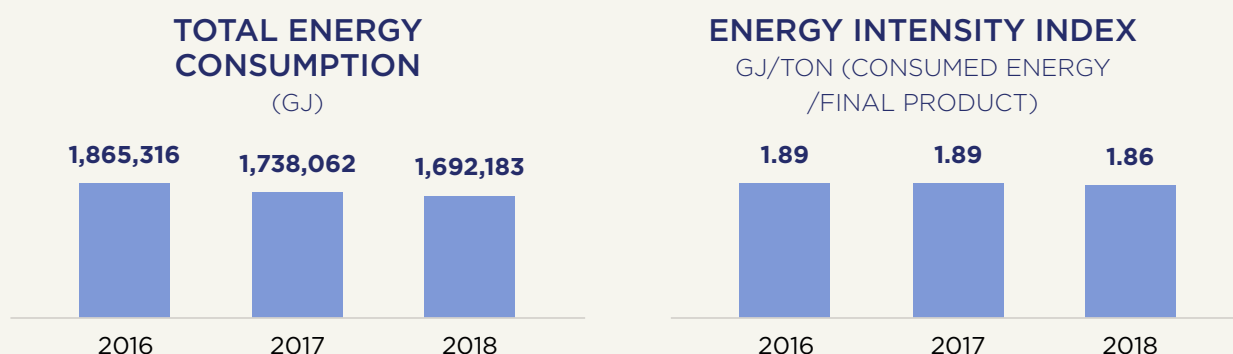
The indicators described represent a summary of Bolton Group's operations. The impacts related to offices are excluded from this analysis for the principle of materiality (relevance) of the impacts themselves on the total. On a general level, all the main environmental indices, both in absolute value, as well as relative to the end product, improved over the three-year period 2015-2018, due to specific interventions at our production plants and to a reduction of the shipping routes used by our fleets. The impact of the latter has significantly influenced energy consumption and, as a result, CO<sub>2</sub> emissions, due to the fact that the consumption of fuel for navigation represents almost 60% of overall energy consumption.

The indicators regarding water consumption and waste production mainly concern operations at production plants.

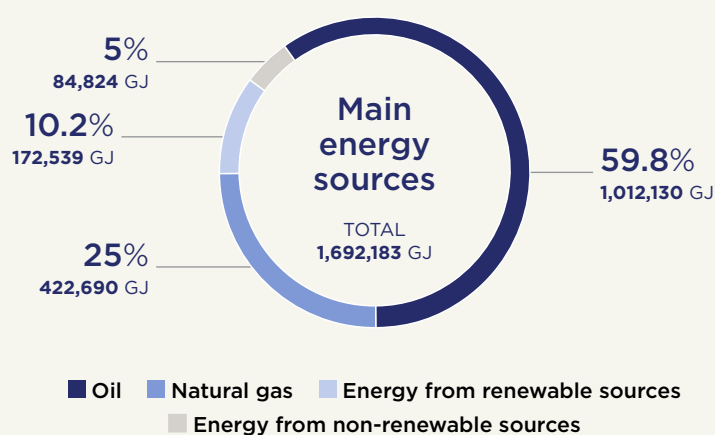
All our plants have implemented quality management systems, certified according to ISO 9001 standards. Similarly, most of the plants already operate in compliance with the best environmental (ISO 14001) and health and safety standards (OHSAS 18001 or ISO 45001).



## OUR PERFORMANCE

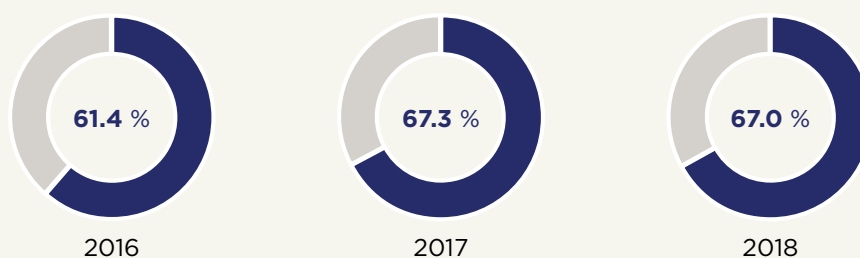


The overall amount of energy used as well as the energy intensity index with respect to the finished product have decreased in the last three years thanks to an ever greater efficiency of our plants and a lower number of naval miles traveled by our fishing vessels.



The consumption of diesel for navigation represents almost 60% of the Group's total energy consumption and results in the majority of its greenhouse gas emissions. 25% of our total energy consumption is represented by natural gas, while the remaining 15% by electricity (67% of which from renewable sources).

### ELECTRICITY FROM RENEWABLE SOURCES



As much as 67% of the electricity used by the Bolton Group derives from renewable sources, consistent with our commitment to reduce the environmental impact of our plants.



### CO<sub>2</sub> EMISSIONS INTO THE ATMOSPHERE (TCO<sub>2</sub>EQ)

	2016	2017	2018
SCOPE 1	<b>114,309</b>	<b>104,171</b>	<b>101,034</b>
SCOPE 2	<b>9,533</b>	<b>7,452</b>	<b>7,639</b>
TOTAL	<b>123,843</b>	<b>111,623</b>	<b>108,673</b>

### CO<sub>2</sub> EMISSIONS INTO THE ATMOSPHERE WITHOUT FLEETS (TCO<sub>2</sub>EQ)

	2016	2017	2018
SCOPE 1	<b>24,862</b>	<b>25,323</b>	<b>24,504</b>
SCOPE 2	<b>9,533</b>	<b>7,452</b>	<b>7,639</b>
TOTAL	<b>34,395</b>	<b>32,775</b>	<b>32,143</b>

### EMISSION INTENSITY INDEX

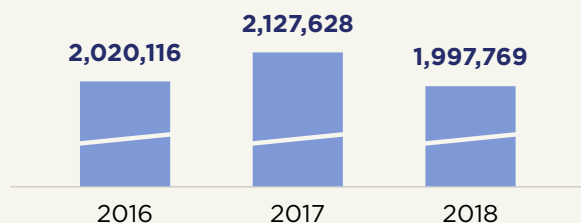
WITHOUT FLEETS  
TCO<sub>2</sub>EQ/TON (EMISSIONS INTO THE ATMOSPHERE/FINAL PRODUCT)



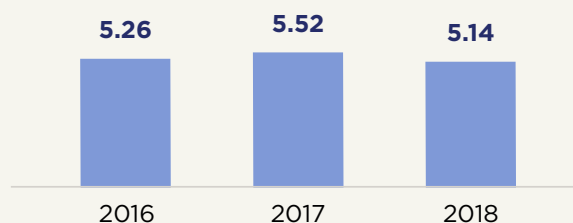
Thanks also to the reduction of the journeys of our vessels, we reduced our CO<sub>2</sub> direct emissions into the atmosphere (Scope 1) in absolute terms. On the other hand, thanks to efficiency projects and the use of electricity from renewable sources, we reduced CO<sub>2</sub> emissions of the plants (Scope 2) relative to total production. For more information, see the Methodological Note at the bottom of the document.

### OVERALL WATER CONSUMPTION

M<sub>3</sub>

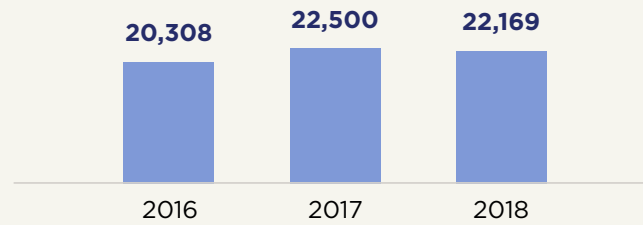


### WATER INTENSITY INDEX M<sup>3</sup>/TON (WATER CONSUMED/FINAL PRODUCT)

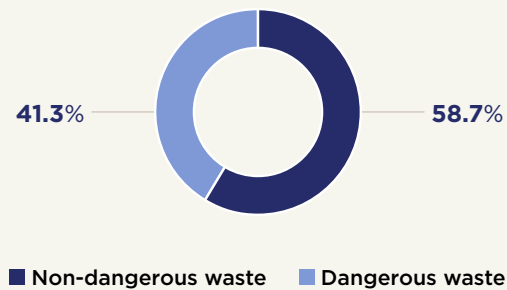


Over the three-year period 2015-2018, the quantity of water consumed at our production plants has decreased, both in absolute terms and relative to the finished product. This decrease in water consumption is due to the increased efficiency of the production lines, mainly in the food sector at the Quimper and Cermenate plants.

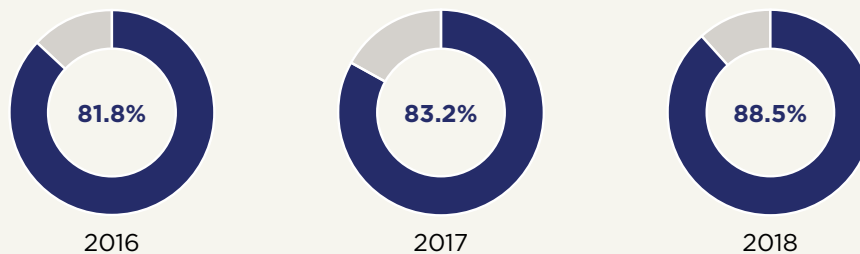
### WASTE PRODUCED TONS



### DANGEROUS AND NON-DANGEROUS WASTE



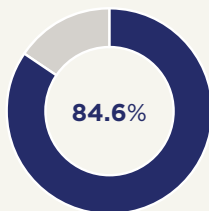
### RECYCLED AND WASTE-TO-ENERGY WASTE



The quantity of waste produced in our factories has also decreased compared to 2017. Additionally, the quantity of recycled or waste-to-energy waste – that is not destined for landfill – has increased significantly in the last three years and corresponds to almost 90% of the total in 2018.

## CERTIFIED PLANTS

### ISO 9001 (QUALITY)



2016

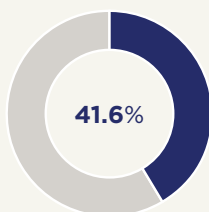


2017

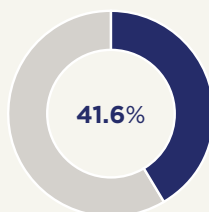


2018

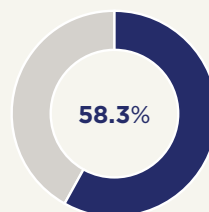
### OHSAS 18001/ISO 45001 (SECURITY)



2016

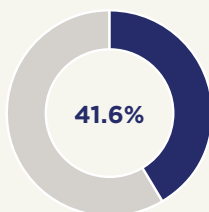


2017

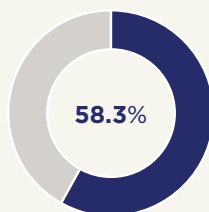


2018

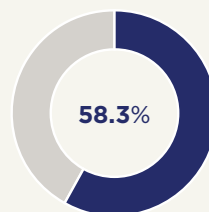
### ISO 14001 (ENVIRONMENT)



2016

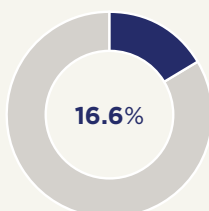


2017

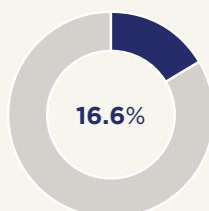


2018

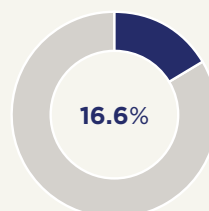
### ISO 50001 (ENERGY)



2016



2017



2018

The graphs above testify to our commitment to operate efficient and safe plants, gradually increasing the percentage of plants certified according to the main standards, such as ISO 9001 (quality), ISO 45001 (safety), ISO 14001 (environment) and ISO 50001 (energy).

## OUR MAIN PROJECTS

### Energy efficiency

#### ELECTRIC ENERGY FROM RENEWABLE SOURCES

Over the past few years, we have increased the use of energy from renewable sources at our plants in Aprilia, Cermenate, Nova Milanese and Calenzano in Italy, and in Quimper, France. Since 2017, we are also producers of electricity from renewable sources: a photovoltaic system, having a power equal to 200 kWp, was installed on the roof of the Nova Milanese plant which produced 220.905 kWh of energy entirely designed for self-consumption in 2018.



**We have carried out numerous interventions at the Nova Milanese plant that have allowed us to reduce road traffic and the consumption of electricity and natural gas**

#### CONSUMPTION OPTIMIZATION

We are gradually certifying our production sites in compliance with the ISO 50001 standard, a regulation that specifies the requisites to create, power up, maintain and improve energy management systems. Thanks to this approach, we were able to develop numerous interventions that have allowed us to reduce the consumption of electricity and methane gas, and reduce road traffic at the Nova Milanese factory.



To reduce energy consumption, metal halide light points have been replaced with LED lamps in offices and production departments. Annual energy saving resulting from the use of this technology enabled us to save approximately 220,000 kWh/per year. This intervention will be gradually extended to the site's warehouses.

Between 2016-2017, the revamping of the thermal power plant was concluded. The plant installed includes the use of a next generation condensation boiler and a steam generator to recover heat energy from combustion fumes. The new power plant allowed us to optimize methane gas consumption from 7.43 smc (methane gas) / 1000 pc produced in 2016 to 4.69 smc (methane gas) / 1000 pc produced in 2018.

Important results in the reduction of road traffic have been obtained with the expansion of the blowing department. During the two-year period between 2016-2017, an additional seven blowing systems were installed for Home Care products, reaching a total of 17 machines. This investment allowed us to reduce road transportation by approximately 885 truck trips for the transportation of 31 million empty bottles from blowing sites to production departments.

## **Reducing water consumption**

The majority of our water consumption is related to the processing of raw food materials, a sector in which we have concentrated our optimization efforts. Water consumption is higher in the defrosting of food raw materials (in particular, fish and meat) as well as sterilization and cleaning. Thanks to the interventions undertaken, water consumption at the Quimper and Cermenate plants, measured by the quantities of finished product, decreased by 22% and 7% respectively over the past four years.

On the other hand, waste water is treated by means of special internal systems at the Cermenate and Quimper plants and, once purified, it is reintroduced into surface water bodies or the urban water network.



## Waste recovery

Our waste management policy is divided into several strategies targeted at reducing waste especially in food production, and at maximizing recycling and the correct treatment of special waste related to our chemical productions.

### WASTE REDUCTION AND RECOVERY IN THE FOOD SECTOR



The efficiency of our production system enables us to employ almost all the raw materials used (fish, meat, oil and vegetables), thereby avoiding waste. Added to this is our collaboration with the European Food Bank Federation for the donation of unsalable, but perfectly edible products, which are redistributed to people in difficulty, particularly in Italy and France.

### SPECIAL WASTE MANAGEMENT IN THE CHEMICAL SECTOR

In 2017, a new mechanical recompression evaporator was installed in our production plant in Calenzano to optimize the treatment of industrial water used for washing. This made it possible to reduce the CO<sub>2</sub> emitted by the road transport of tankers for waste wash water withdrawals, and to lower electricity consumption to 80 KW / h, approximately four times lower than previously.







## PEOPLE OUR EMPLOYEES

## OUR APPROACH

We work to guarantee our co-workers a safe, healthy working environment, where they can develop their skills, ensuring a balance between personal and work life. In particular, we follow four lines of action:

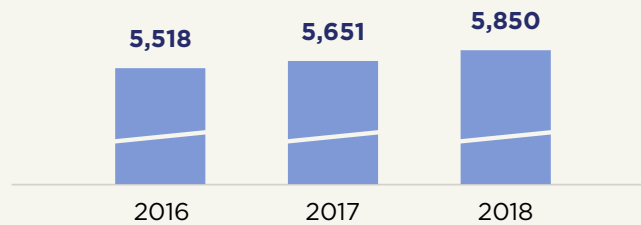
- ◆ the promotion of a culture of health and safety;
- ◆ the promotion of equal opportunities;
- ◆ employees engagement;
- ◆ the development of career management projects and the improvement of employability.

Among the indicators shown, it is important to underline how our efforts in the field of health and safety have contributed to a reduction in work-related accidents, as shown by the serious injury index.



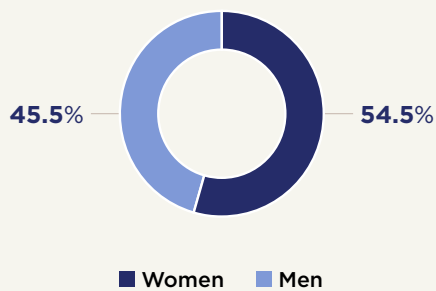
## OUR PERFORMANCE

### TOTAL NUMBER OF EMPLOYEES

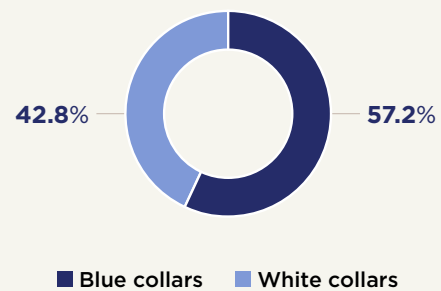


Over the past three years, we have experienced significant growth and subsequently, a significant increase in the number of employees, which have gone from 5,518 in 2016 to 5,850 in 2018.

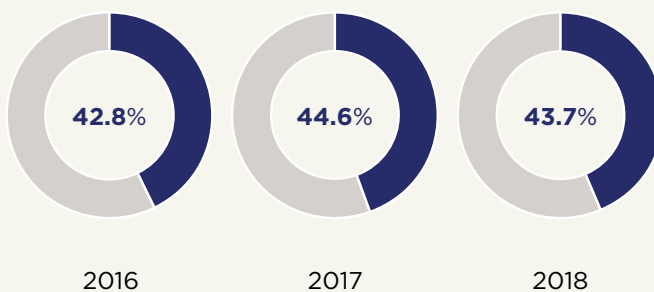
### BREAKDOWN OF WORKERS BY GENDER



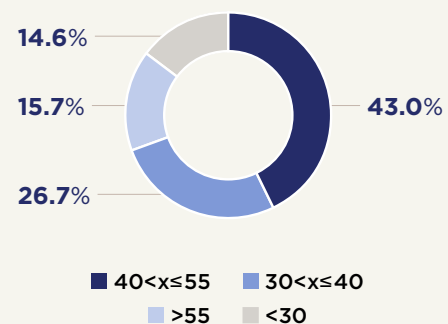
### WORKFORCE BREAKDOWN BY PROFESSIONAL CATEGORY



### WOMEN WHITE COLLARS



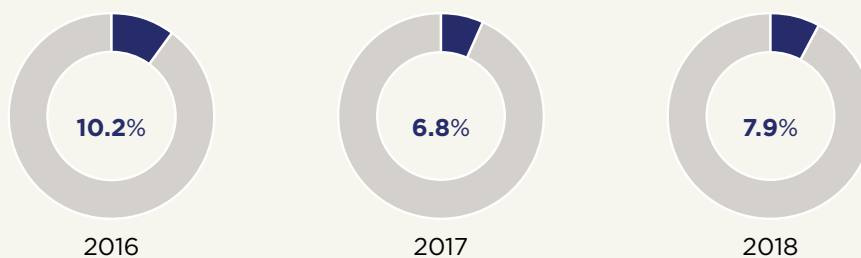
### BREAKDOWN OF WORKERS BY AGE GROUP



The valorization of diversity is a fundamental aspect of our We Care project. Women correspond to 54% of our staff and among the white collars, they represent almost 44%. Furthermore, the majority of workers (43%) are in the 40 - 55 age group, while employees under 40 represent 40%.

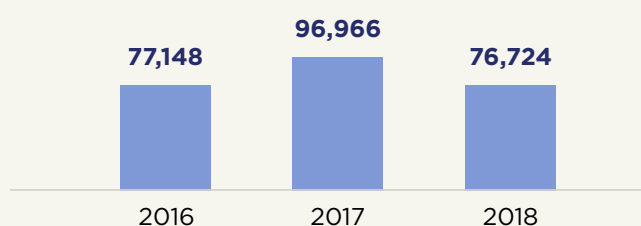


## TURNOVER RATE



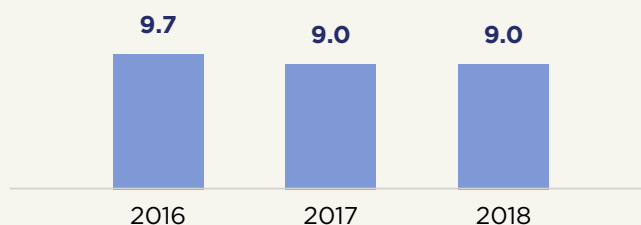
The graph represents the turnover rate, or the ratio between the number of employees who leave the company on the total number of employees.

## TRAINING HOURS



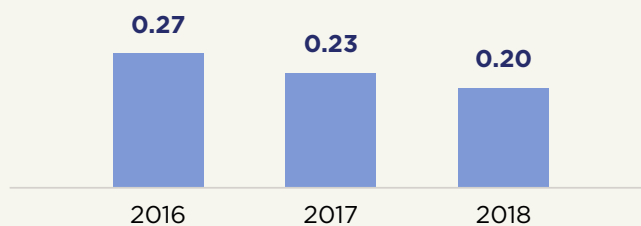
This graph represents the absolute value of the hours of training provided to our employees over the past three years.

## ACCIDENT FREQUENCY INDEX



The frequency index measures the incidence of accidents in relation to hours worked (calculated as the number of accidents \* 1,000,000 / number of hours worked). In the three-year period, the frequency index decreased, demonstrating our commitment to health and safety in the workplace.

## ACCIDENT SEVERITY INDEX



This index measures the severity of accidents, calculated on the basis of the days of work lost due to accidents in the workplace ( $n^\circ$  days lost \* 1,000 /  $n^\circ$  total hours). The decrease in the index shows how the severity of injuries has decreased over the three years.

## OUR MAIN PROJECTS

### The culture of health and safety

Safety in the workplace is a priority of our employee management policy, and our commitment is to continually improve operating standards. At present, all our plants in Italy, France, Germany and Holland are OHSAS 18001 or ISO 45001 certified, a result that we have achieved with a specific attention to training. At our plants in Holland and Germany, we launched **'Safety First'**, an important project whose aim was to create a culture of safety at all organizational levels. The project was launched in 2016 with an internal self-assessment questionnaire targeted at an heterogeneous mix of employees to gain an understanding of their perception of safety on the workplace. This enabled us to create an improvement mechanism strongly centered on correct behavior, which enabled the Adhesives Business Unit to reduce their injuries frequency index to 5.7 in 2018 and to maintain a low level in the injury gravity index.



**Safety is at the heart  
of our daily activities  
and we invest  
in training related  
to these topics**

In Italy, we also invested significantly in the culture of safety by adopting innovative training methods like **'Safety Crime'**. The training experience uses gamification to facilitate learning and to activate reflection on the importance of spreading good habits in the field of health and safety. With the help of questions and clues provided by the teacher, participants attending the course were asked to solve the 'mystery' of an accident that occurred in the company by finding solutions and corrective actions.

### Employee engagement in the workplace

In the three-year period 2015-2018, we have focused on two axes to improve employee engagement in the workplace: internal communication and welfare programs.

#### INTERNAL COMMUNICATIONS

Internal communication is entrusted to the **digital newsletter Bnews** and the **Be Bolton magazine**.

*Bnews* uses digital clips to provide information about our products, our plants, corporate life and CSR initiatives developed by the Group and its business units.

*Be Bolton* is a magazine that is printed in six languages and distributed to all employees. The aim of *Be Bolton* is to inform about particularly strategic projects. Its articles always feature commentary by people working directly on the project. Each issue features an editorial in which the Bolton Group's Board shares particularly significant news with readers, providing comments about the results achieved. Additionally, the column 'Journalist for a day', features articles written by our personnel.

As part of the internal communication plan, sustainability strategies were communicated in the workplace through posters and brochures and were given strong visibility; a specific institutional video featuring key programs and results achieved within the three pillars has also been widely diffused.



In addition to communication, we have launched awareness activities for the corporate population regarding the adoption of sustainable behaviors in the workplace. Among the most important engagement initiatives, the *Be Green* program provides the gradual replacement of plastic cups and bottles for water consumption. The project was initially launched in Italy and then extended to all the countries in which we operate.

Lastly, to encourage solidarity and civic engagement, for several years, we have encouraged our collaborators from all our companies in Italy to volunteer their time and participate in the Food Collection Day.

#### CORPORATE WELFARE



*Bolton for you* is the corporate welfare program currently operational for the employees of its Italian companies: it includes a series of services and opportunities in the field of health prevention, for the family and leisure time, which are periodically updated based on the requirements expressed by co-workers. It includes protocols related to healthcare, economic contributions for children's school activities, affiliations with gyms or other services related to recreational activities or family management.

## Employability and career management

The development of human capital has seen a strong boost in recent years through a greater investment in performance management processes. After an experiment in Italy, this project was extended to the whole Group with the aim of increasing managerial culture, map talent, encourage job rotation and develop inter-group career development. The plan is supported by the introduction of an important information system, BTalent (Success Factors), an integrated system for staff management that supports the assessment and development processes of resources.



**The 2018 Junior Development Program involved 27 young people from various companies who had different roles within the Group**

As regards training, the number of personnel attending Marketing and Sales courses has increased over the past three years thanks to the **Marketing Academy**, an international program based on our best practices and internal methodologies and integrated with success stories told by people from outside our company. Another important investment is represented by the significant participation in the Italian Sales Academy, an important training program for the Sales Force.

In 2018, to encourage the development of digital marketing skills, we launched the Digital Community, delivered through an interactive digital platform. This initiative includes, in addition to online training courses, the exchange of best practices and a comparison of success stories told by the protagonists themselves. Focus on young talent resulted in the creation of the **Junior Development Program** in Italy. This project has the dual objective of:

- ◆ accompanying young co-workers on their career path by encouraging and reinforcing their operational behaviour in line with the distinctive skills to accelerate the undertaking of owning one's role and a greater autonomy;
- ◆ foster a sense of belonging and the sharing of 'Boltonian' values and culture.

In 2018, this program involved 27 young people in Italy from various companies, who had different roles within the Group. The participants attended meetings and workdays based on four modules: *Effective Communication*, *Activity Planning*, *Problem-Solving Tools* and *Group Work*. During the process, each participant was supported by a mentor, a senior manager of the Group.

## INTERCOMPANY MOBILITY DEVELOPMENT

We encourage internal mobility within the Group so that our people can acquire skills and gain professional experience in different Group companies or abroad. During 2018, 10 people enjoyed this opportunity.









## PEOPLE COMMUNITY



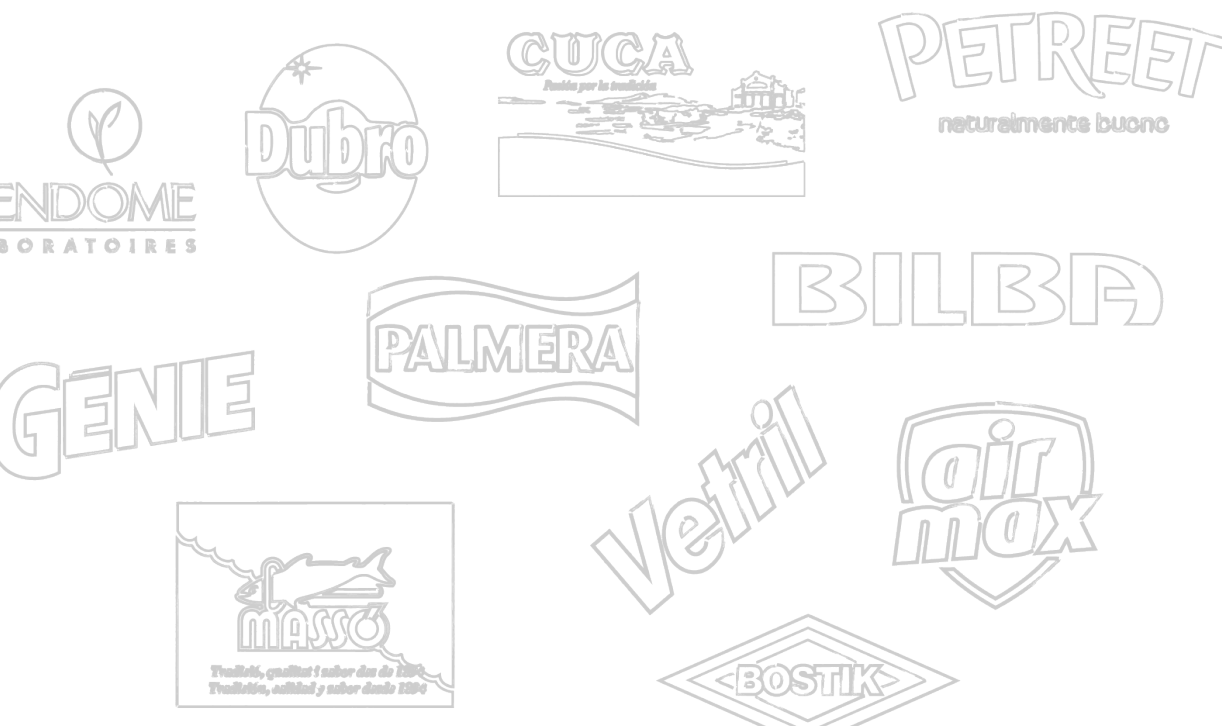
## OUR APPROACH

People, intended as community, are one of the pillars of our *We Care* sustainability program. We boast a long standing tradition of investments to benefit communities and for years, have collaborated with organizations and associations to promote and finance projects in five key areas: education, health and scientific research, the environment, art and culture and social emergencies.

Our interventions consist in financial support of associations chosen from among the most renowned and recognized on both a national and international level. For some years now, our objective has been to reach an increasing number of people and stakeholders.



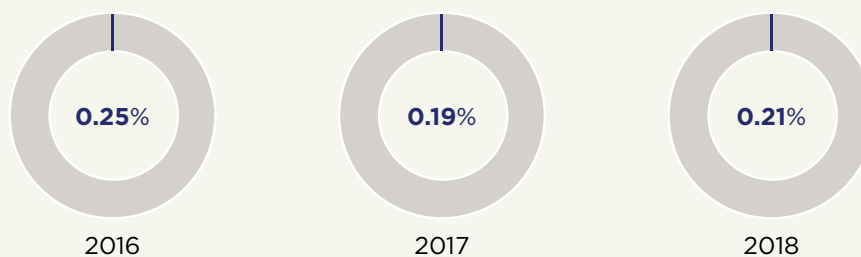
**For many years, we have made investments to benefit communities and we collaborate with organizations and associations to promote and finance projects**



## OUR PERFORMANCE

### INVESTMENTS IN THE COMMUNITY

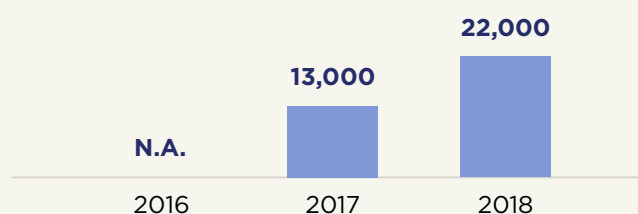
% GROUP TURNOVER PERCENTAGE



Interventions in the community have always been an important investment item for the Group. In the last three years, the total value with respect to turnover has stood at approximately 0.2%, a value above the average of important Italian companies\*.

\* Research "Corporate Giving in Italy 2018", SDA Bocconi

### NUMBER OF STUDENTS REACHED



This graph indicates the total number of students reached by the "We Care For Child Education" project in Italy and abroad in collaboration with Save the Children.

### NUMBER OF PERSONS REACHED



To date, the number of people reached by social projects supported by Bolton Group is mainly made up of the beneficiaries of the partnership with Banco Alimentare. For more information on the project, see the following pages.

## OUR KEY PROJECTS

### Education

In 2013, we started *We Care For Child Education*, a program of initiatives created in partnership with Save the Children whose aim is to guarantee the right to education in Italy and abroad. Since the project was first implemented, we have subsidized the launch of the *Fuoriclasse* project to fight school dropout in Milan and Bari, from which more than 8,000 children, 700 teachers and 23 schools have benefitted. In 2018, we opened a Fuoriclasse centre in Aprilia; the activities of the new centre started at the beginning of 2019. In addition to these activities, we also intervene to encourage the continuation of education and have thus contributed to 20 scholarships for middle school children in Turin, enabling them to further their education. Through “We Care For Child Education” we are also involved abroad, especially in Ethiopia, where, to-date, we have financed the construction and setting up of 7 primary schools, built a well for drinking water and financed training and awareness-raising programs for teachers. Thanks to these initiatives, approximately 14,000 children have been guaranteed access to education.

We have strengthened our commitment abroad with an extraordinary investment in favour of a project in Syria, where access to education is compromised due to the war: approximately 600 children between the ages of 4 and 6 will benefit from this initiative. Thanks to this program, from 2013 to 2018, we have reached more than 22,000 students to-date, and our objective is to continue by involving an increasing number of youngsters in Italy and abroad.



**Thanks to *We Care For Child Education* we have reached over 22,000 students**

#### PARTNERSHIP WITH SAVE THE CHILDREN

#### *We Care For Child Education*



**Save the Children**



**4**

CENTRES TO FIGHT  
SCHOOL DROPOUT  
IN MILAN AND BARI



**7**

PRIMARY SCHOOLS  
FINANCED AND BUILT  
IN ETHIOPIA

**22,000**

STUDENTS REACHED  
BY OUR PROJECTS  
THROUGHOUT THE WORLD



## Health and scientific research

For years, we have collaborated with the **Veronesi Foundation**, whose aim is to promote outstanding scientific research and contribute to the public understanding of science.

In 2017, thanks to our contribution, the Veronesi Foundation financed research on the study of lymphomas, cancers that begin in infection-fighting cells of the immune system. To guarantee the advancement of this study, in 2018, we renewed our contribution in favour of this project. Within the collaboration with the Veronesi Foundation, we have also supported the launch of Pink is Good, a marathon to sustain the fight against breast cancer.



**We support entities  
and associations  
with the aim  
of improving people's  
quality of life**

In the field of scientific research, we support **TogetherToGo**, a centre of excellence for the rehabilitation of children affected by severe neurological disorders. We decided to support this centre of vital importance from the time of its establishment in 2011, by financing specific training projects for the complex's clinical staff, and the creation and development of innovative prototypes for rehabilitation through 3D printing. Since last year, we finance the '*Developing Thinking in TOG Children: Skills and Knowledge*' project, which provides tangible support for children requiring assistance to improve their performance at school and increase their cognitive potential.

Lastly, since 2017, we finance an important research project in the field of neuroscience at the **Sheba - Tel Ha Shomer** hospital, one of the largest research centres in Israel and the world. The main objective of this research project is the early diagnosis of patients presenting symptoms of cognitive impairment, which often develops into various forms of dementia. Financing of this project continued in 2018.



## The environment

Rio Mare's partnership with WWF, whose aim is to guarantee sustainable fishing and increase the traceability of fish products offered to consumers, is one of our key environmental projects. To protect the marine ecosystem, we support the Marine Protected Area of the Egadi Islands, the largest in Europe, with which we have been collaborating for several years to fight illegal fishing and protect species such as the Caretta Caretta turtle.

Another important project, launched in 2018, is the partnership between **UHU and Terracycle at French schools**, an important organization caring for waste recycling. Each year, several million glue sticks are used by students. The idea, developed by Terracycle and UHU, was to introduce a mechanism that would encourage schools to recycle plastic. Once 100 sticks have been collected, the school sends them to a Terracycle collection box and receives Euro 0.01 for each glue stick. The money collected is then donated to one of the school's charitable organizations of choice.



## Art and culture

In 2016, we decided to support a project of enormous value for Milan: the redevelopment of the spaces of **Centro Balneare Caimi**, one of the best-loved and most beautiful places in the heart of the city, run by the **Pier Lombardo Foundation**. By returning part of its historic-cultural heritage to Milan and providing the Milanese with a fully renovated recreational space, we aimed to endorse our sense of belonging to a city that has always been the headquarters of our activity. Our collaboration with the Pier Lombardo Foundation stems from a shared vision of innovation and respect for tradition. This cultural affinity resulted in a project that breathed new life into one of Milan's historic and architectural treasures. With regard to culture, we have supported **FAI - Fondo Ambiente Italiano** (the Italian National Trust) for years. This trust has looked after the historic, artistic and environmental heritage of our country since 1975. In particular, we are members of 'I 200 del FAI' (*The 200 of FAI*), a group of patrons and companies that support the organization in its mission to protect and inform the public about Italy's most beautiful places. In 2018, Collistar signed an agreement with FAI to support the maintenance of the green spaces of Villa del Balbianello, a mansion built in the 18th century on the banks of Lake Como and renowned for its gardens. Villa del Balbianello has been a FAI property since 1988. Collistar's affiliation with this prestigious partner is part of the **Ti Amo Italia** project.



Since 2016,  
we have supported  
a redevelopment project  
in the city of Milan,  
which has always been  
our home



▲ **Centro Balenare Caimi**, Milan, redeveloped thanks to Bolton Group's contribution.

## Social projects

For years we have been committed to fighting waste and helping those who are most in need. For this reason, we collaborate with the **European Food Bank Federation** by donating unsalable yet perfectly edible products to people in difficulty in Italy and France. This collaboration involves recovering surplus food from our production line and unsalable food products from mass retail sales points. In addition to the above, we recover uneaten meals from the canteen of the food production plant in Cermenate, Italy. As part of this collaboration, over 3 million cans were donated to the Food Bank.



▲ In the fight against waste, we have been collaborating with the **Food Bank** for several years.



# OUR COMMITMENTS TO THE FUTURE

Sustainability is a challenge that requires one to make daily choices in order to find the right balance between business development, profitability and sustainability.

It is a complex path that has to deal with the technological feasibility and specific features of our markets and the countries in which we operate.

We Care is therefore a strategic perspective as well as a work plan articulated on several priority initiatives and the commitment to constantly monitor them, while progressing with increasingly ambitious objectives.

Distinctively pragmatic and reliable, we believe that results are achieved with precise and measurable commitments and objectives over time. This is why, in the next edition of the sustainability report, we will increasingly focus on a timeframe for achieving our objectives and we will make as many quantitative targets as possible.



## SOURCING

### Raw materials:

- ◆ 100% of relevant raw materials covered by a sustainable procurement policy.

### Packaging

#### ◆ Plastic

- ◆ The elimination, where technically possible, of PVC
- ◆ Elimination of single use plastics
- ◆ 100% recyclable or compostable packaging, where technically possible
- ◆ Increase the use of recycled or bio-based plastic

#### ◆ Paper

- ◆ The use of 100% recycled paper or paper originating from sustainable sources

### Human rights

- ◆ Strengthening of the protection and controls at our plants and of our most important suppliers



## PRODUCING

### Emissions and energy

- ◆ Reduction of CO<sub>2</sub> emissions into the atmosphere through the use of 100% electricity from renewable sources and the improvement of energy efficiency in our production activities

### Waste

- ◆ 100% recycled or recovered waste (the objective of 'zero landfill')

### Certifications

- ◆ 100% certified plants in compliance with the principal ISO reference regulations (ISO 9001, ISO 45001, ISO 14001, ISO 50001)



## PEOPLE

### OUR EMPLOYEES

#### Health & Safety

- ◆ Reduction of the frequency and gravity index with a view to 'zero injuries'

#### Diversity

- ◆ Promotion of diversity and inclusion in the company, balancing gender representation in top management positions

#### Employee engagement

- ◆ Improvement of the organizational climate and extension of forms of flexibility (including smart working) and corporate welfare in all countries where the Group operates

#### Employability

- ◆ Promotion of talent development and international and intercompany career opportunities.

### COMMUNITY

#### Students

- ◆ Increase in the number of students reached with the "We Care For Child Education" program

#### Community

- ◆ Increase in the number of people reached through philanthropic activities and product donations

#### Sustainable lifestyle

- ◆ Increase in the number of projects intended for our consumers for a sustainable lifestyle

#### Partnerships

- ◆ Launch of new partnership projects with external stakeholders to improve our environmental impact

We are proud of the results achieved so far and convinced that we have taken the right path. However, our commitment does not stop here. We keep going and accept the daily challenge that requires our responsibility for the future and therefore commits us to more virtuous paths in the name of concreteness and pragmatism. Commitment and the future are an inseparable combination for us.







## METHODOLOGICAL NOTE

This document constitutes Bolton Group Srl's first Sustainability Report. This document complies with the guidelines of the Global Reporting Initiative (GRI), the international benchmark on non-financial reporting.

Bolton Group's Sustainability Report constitutes a key tool for corporate sustainability performance reporting, highlighting our commitment, initiatives and ongoing stakeholder's dialogue and listening process. Our objective is to introduce the Bolton Group's approach to sustainability by reporting the main indicators and the progress made in the three-year period between 2016-2018, by identifying the areas to which the Group is committed from now and in the years to come.

This document summarizes the sustainability performance of all the companies of the Bolton Group. The data, initiatives and actions outlined refer to the period from 1 January 2016 to 31 December 2018 and, to-date, have not been subject to any auditing or revision activities.

In accordance with GRI guidelines, topics addressed in this issue of the report deemed to be key to the company and its stakeholders, were determined based on the outcome of a materiality analysis. All the data contained in the Producing chapter only concern production activities and do not include impacts associated with our offices and logistics.

The materiality matrix was defined for the first time, but could be revised and updated in subsequent editions based on a more structured engagement of internal and external stakeholders. For any other information related to this document, contact: [wecare@boltongroup.it](mailto:wecare@boltongroup.it).

## Calculation methodologies

**People:** as regards accidents, the index of seriousness measures the number of working days lost due to injury and is calculated as the ratio between the total number of working days lost and total working days, multiplied by 1,000,000. On the other hand, the frequency index corresponds to the ratio between the total number of accidents and hours worked, multiplied by 1,000,000. The turnover rate was calculated by comparing the number of resignations handed in during the course of the year with the average number of employees registered at the end of each year considered.

**Producing:** as regards greenhouse gas emissions, the conversion factors considered to calculate Scope 1 and Scope 2 emissions refer to the International Energy Agency (2017). The emissions in Scope 2, related to the use of electric energy from renewable sources are considered null.

GRI CODE INDICATOR	DESCRIPTION	ASSOCIATED TOPIC	STAKEHOLDER CATEGORY	REFERENCES / NOTES
<b>1. COMPANY PROFILE</b>				
102-1	Name of the organization	-		Letter from the president - p. 4 Who we are - p. 6
102-2	Activities, brands, products, and services	-		Who we are - p. 7, 8
102-3	Location of headquarters	-		Who we are - p. 8, 9
102-4	Location of operations	-		Markets in which we operate p. 8, 9, 10, 11
102-5	Ownership and legal form	-		Our organization - p. 11
102-6	Markets served	-		Who we are - p. 10
102-7	Scale of the organization	Economic performance and growth strategies		Who we are - p. 8, 9, 10
102-8	Information on employees and other workers	-	Internal	People - Our employees - p. 47
102-9	Supply chain	Sustainable raw materials	External	The responsible use of raw materials - p. 28 Our relationship with suppliers p. 33
102-10	Significant changes to the organization and its supply chain	-	Internal / External	Our organization - p. 12
102-11	Precautionary Principle or approach	Corporate citizenship	External	Our approach to sustainability: We Care - p. 16
102-12	External initiatives	-	External	Some examples of best practices in our supplier relationships - p. 19 The responsible use of raw materials - p. 28, 29 Education - p. 56 Health and scientific research p. 57 The environment - p. 58 Art and culture - p. 58 Social emergencies - p. 59
102-13	Membership of associations	-	External	Some examples of best practices in our stakeholder relationships - p. 19 The responsible use of raw materials - p. 27



GRI CODE INDICATOR	DESCRIPTION	ASSOCIATED TOPIC	STAKEHOLDER CATEGORY	REFERENCES / NOTES
<b>STRATEGY</b>				
102-14	Statement from senior decision-maker	-	-	Letter from the president - p. 4
102-15	Key impacts, risks, and opportunities	Economic performance and growth strategies	Internal / External	The reasons for our commitment p. 16 Our objectives and sustainability strategies - p. 20, 21
<b>ETHICS AND INTEGRITY</b>				
102-16	Values, principles, standards, and norms of behavior	-	Internal	Our values - p. 9
<b>GOVERNANCE</b>				
102-18	Governance structure	Sustainability Governance	Internal	Our organization - p. 11 Sustainability governance p. 20
102-20	Executive-level responsibility for economic, environmental, and social topics	-	Internal	Sustainability governance p. 20
102-21	Consulting stakeholders on economic, environmental, and social topics	-	Internal / External	Our stakeholders and the materiality matrix - p. 17, 18
<b>STAKEHOLDER ENGAGEMENT</b>				
102-40	List of stakeholder groups	-	Internal / External	Our stakeholders and the materiality matrix - p. 17, 18
102-41	Collective bargaining agreements	-	Internal / External	Supplier relationships: Human Rights Policy - p. 33
102-42	Identifying and selecting stakeholders	-	Internal / External	Our stakeholders and the materiality matrix - p. 17, 18
102-43	Approach to stakeholder engagement	-	Internal / External	Our stakeholders and the materiality matrix - p. 17, 18
<b>REPORTING PRACTICES</b>				
102-44	Key topics and concerns raised	-	Internal / External	Our stakeholders and the materiality matrix - p. 17, 18
102-45	Entities included in the consolidated financial statements	-	Internal	Our organization - p. 11
102-46	Defining report content and topic Boundaries	-	-	Methodological note - p. 64
102-47	List of material topics	-	Internal / External	Our materiality matrix pp. 17, 18
102-48	Restatements of information	-	-	N.A.
102-49	Changes in reporting	-	-	N.A.

GRI CODE INDICATOR	DESCRIPTION	ASSOCIATED TOPIC	STAKEHOLDER CATEGORY	REFERENCES / NOTES
102-50	Reporting period	-	-	Methodological note - p. 64
102-51	Date of most recent report	-	-	N.A.
102-52	Reporting cycle	-	-	N.A.
102-53	Contact point for questions regarding the report	-	Internal / External	Methodological note - p. 64
102-54	Claims of reporting in accordance with the GRI Standards	-	-	Methodological note - p. 64
102-55	GRI content index	-	-	Methodological note - p. 64
102-56	External assurance	-	-	Methodological note - p. 64
<b>2. ECONOMIC PERFORMANCE INDICATORS</b>				
201	Management approach disclosures	Economic performance and growth strategies	Internal	Who we are - p. 9, 10, 13
201-1	Direct economic value generated and distributed	Economic performance and growth strategies	Internal	Economic value generated and distributed - p. 12
<b>3. ENVIRONMENTAL PERFORMANCE</b>				
<b>RAW MATERIALS</b>				
301	Management approach disclosures	Sustainable raw materials Sustainable packaging	External	Sourcing - p. 24
301-1	Materials used by weight or volume	Sustainable raw materials Sustainable packaging	External	Sourcing - p. 25, 26
301-2	Recycled input materials used	Sustainable raw materials Sustainable packaging Sustainability in innovation processes	External	Towards more sustainable packaging - p. 26, 31
<b>ENERGY</b>				
302	Management approach disclosures	Environmental impact of operations	External	Producing - p. 36
302-1	Energy consumption within the organization	Environmental impact of operations	External	Producing - pp. 37

GRI CODE INDICATOR	DESCRIPTION	ASSOCIATED TOPIC	STAKEHOLDER CATEGORY	REFERENCES / NOTES
302-3	Energy intensity	Environmental impact of operations	External	Producing - pp. 37
302-4	Reduction of energy consumption	Environmental impact of operations	External	Consumption optimization p. 37
<b>WATER</b>				
303	Management approach disclosures	Environmental impact of operations	External	Producing - p. 36, 37
303-1	Water withdrawal by source	-		Producing - p. 38, 42
<b>BIODIVERSITY</b>				
304	Management approach disclosures	Sustainable raw materials	External	Sourcing - p. 24
304-3	Habitats protected or restored	Sustainable raw materials	External	People - p. 58
<b>EMISSIONS</b>				
305	Management approach disclosures	Environmental impact of operations	External	Producing - p. 36
305-1	Direct (Scope 1) GHG emissions	Environmental impact of operations	External	Producing - p. 38
305-2	Energy indirect (Scope 2) GHG emissions	Environmental impact of operations	External	Producing - p. 38
305-4	GHG emissions intensity	Environmental impact of operations	External	Producing - p. 38
<b>WASTE</b>				
306	Management approach disclosures	Environmental impact of operations Waste management		Producing - pp. 36, 39, 43
306-1	Water discharge by quality and destination	Environmental impact of operations	External	Reducing water consumption - pp. 38, 42
306-2	Waste by type and disposal method	Waste management	External	Producing - p. 39, 43
<b>SOCIAL PERFORMANCE INDICATORS EMPLOYEES</b>				
401	Management approach disclosures	-	Internal	People - Our employees - p. 46
401-1	New employee hires and employee turnover	-	Internal	People - Our employees - p. 48



GRI CODE INDICATOR	DESCRIPTION	ASSOCIATED TOPIC	STAKEHOLDER CATEGORY	REFERENCES / NOTES
<b>HEALTH AND SAFETY IN THE WORKPLACE</b>				
403	Management approach disclosures	Employee wellbeing Health and safety in the workplace	Internal	People - Our employees pp. 48, 49
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Health and safety in the workplace	Internal	People - Our employees - p. 48
<b>TRAINING AND EDUCATION</b>				
404	Management approach disclosures	Employee wellbeing Training and skill development	Internal	People - Our employees pp. 48, 50, 51
404-1	Average hours of training per year per employee	Training and skill development	Internal	People - Our employees - p. 48
404-2	Programs for upgrading employee skills and transition assistance programs	Training and skill development	Internal	People - Our employees - p. 51
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>				
405	Management approach disclosures	Equal opportunity	Internal	People - Our employees - p. 47
405-1	Diversity of governance bodies and employees	Sustainability Governance	Internal	Our organization - p. 11 People - Our employees - p. 47
<b>HUMAN RIGHTS ASSESSMENT</b>				
412	Management approach disclosures	Safeguarding human rights	External	Sourcing - p. 28
412-1	Operations that have been subject to human rights reviews or impact assessments	Safeguarding human rights	Internal / External	Supplier relationships: Human Rights Policy - p. 33
<b>LOCAL COMMUNITIES</b>				
413	Management approach disclosures	Promoting a sustainable lifestyle Corporate citizenship	External	People - The community p. 54
413-1	Operations with local community engagement, impact assessments and development programs	Promoting a sustainable lifestyle Corporate citizenship	External	People - The community pp. 55, 56, 58



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