



# ANDRIANI

*Natural innovators.*



SUSTAINABLE  
DEVELOPMENT REPORT  
**2020**



This new Sustainable Development Report, now in its third edition, provides an overview of the activities carried out by the Andriani Group in 2020, a year marked by the Covid-19 emergency and during which we confirmed our solidity and commitment in pursuing our corporate social responsibility objectives.

Our transformation into a Benefit Company, the launch of new initiatives in the Diversity, Equity and Inclusion areas, and the path towards carbon neutrality are just some of the topics explored in this new report release.



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SUSTAINABLE  
DEVELOPMENT REPORT  
**2020**



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# Letter to the stakeholders

Dear Stakeholders,

We have reached the third edition of the Sustainable Development Report, which certifies and reports on our activities in 2020. It was a year that profoundly changed how individuals and companies work and live and which made the entire world confront its fragility.

Here at Andriani, we embraced this fragility as an opportunity, reacting with responsibility and awareness. We were inspired by the values that represent and guide us and that enabled us to operate efficiently and in complete safety, while being even more committed, in an evolutionary perspective, to supporting the Ten Principles of the United Nations Global Compact and the Objectives of the 2030 Agenda, particularly in the areas of Human Rights, Labour, Environment, and Anti-corruption.


This transformative direction, which we as a Group have chosen to follow, includes adhering to the Benefit Corporation model and our new status as a founding member of the UN Global Compact Network Italy, which act as levers - and concrete commitments - for a new entrepreneurial approach that is also an agent of change. To avoid limiting ourselves to only influencing the market and driven by innovation, we took on the responsibility of facilitating and promoting an increasingly sustainable awareness of the entire supply chain, promoting and sharing the culture of protecting well-being for consumers, the area, the environment, and the community that our products interpret.

It is a spontaneous transition that sees the integration of innovation and sustainability and motivates us to pool our knowledge, our manufacturing expertise, our digital resources, and our relational network to set virtuous innovation processes in motion, not only internally, but also in favour of and in support of third parties, combining the natural innovator and open innovator concepts. This is an ongoing process in which you are the leading player at our side, with the ambition to produce increasingly significant and positive impacts on the environment and society with the awareness that sustainability is only a value if it is shared.

My sincere thanks to you all and enjoy the read.





A professional portrait of Michele Andriani, a middle-aged man with short hair and glasses, wearing a light blue shirt and a textured blue blazer. He is smiling slightly and has his arms crossed. The background is plain white.




**Michele Andriani**

Chairman of the Board of  
Directors and CEO

# Methodological note

102-45 102-50 102-52 102-53 102-54

## KEY

-  External link on the web
-  External link to Andriani website
-  Internal link to the document



Once again this year, Andriani S.p.A. Benefit Corporation (also referred to herein as “Andriani” or the “Andriani Group”) has transparently reported on its commitment and results in the area of corporate social responsibility, consciously choosing to focus on a reporting model geared towards the SDGs (Sustainable Development Goals) approved by the United Nations.

As is well known, in the EU, the draft of the new directive on Corporate Sustainability Reporting has recently been published for consultation, introducing strong discontinuities from the previous edition of Directive 2014/95/EU concerning, among others, aspects such as:

- expanded scope of application starting in 2023 for publicly traded and non-publicly traded companies with more than 250 employees (other parameters not affected);
- application of the proportionality principle, or different and simplified reporting standards for publicly traded SMEs (starting in 2026);
- regulation of additional requirements such as double materiality, future-oriented information and KPIs, information on intangibles (human, social, and intellectual capital), alignment with the “Financial Services Sector Sustainability Disclosures” and the “Sustainable Investment Taxonomy Regulation”;
- application of a single sustainability reporting standard issued by the EFRAG (European Financial Reporting Advisory Group) on all ESG issues, whether generic or industry-related;

- expansion of audit activities to be carried out by the certifier;
- digitalisation of information using XBRL to improve the comparability of the sustainability disclosure.

Therefore, at a time of extraordinary acceleration on sustainability reporting topics, the 2020 Sustainable Development Report (“SDR”) represents an accountability document that, while containing references to different reporting standards and frameworks (such as GRI, SASB, GBS, BIA), is drafted in accordance with the guidelines contained in the Sustainable Development Goals Disclosure (SDGD) Recommendations, providing for the presence of three fundamental elements:

1. Medium-long term orientation;
2. Contextualisation of the contribution made to the SDGs;
3. Definition of the goals through compliance with the materiality principle.

The first is reflected in the 2020 SDR inside the Strategic Plan for Sustainable Development, which includes the economic, social, and environmental sustainability goals that the Andriani Group has set for itself in the medium to long term and which are a concrete representation of how the Group itself can create value for its stakeholders by contributing to the SDGs.

The second is illustrated in the way the Group intends to use a resilient approach to adapt to a context of profound uncertainty and change,





- adopting a business model (p. 27) that pursues sustainability as a strategic pillar according to a strategy of open innovation (p. 30) supported by transparent and participatory governance (p. 32), in which the contribution to the SDGs is monitored through an internal audit activity (p. 24).
- The third is founded on the materiality analysis (p. 14), set forth in GRI 101: Foundation and,

in particular, the selected material topics were related to the SDGs through an activity of goal selection and prioritisation that is reported through a set of KPIs and specific information.

Therefore, the use of other international reporting standards and frameworks allows the Andriani Group's 2020 SDR to meet the 8 principles of the SDGD framework.

SDGD Framework Principles	Disclosure	Application in the Andriani Group
Strategic focus and orientation towards the future	Contributing to the SDGs while considering the resulting risks and opportunities, through their integration into the medium- to long-term strategic planning process	The SDGs are central to the sustainable development plan, the pursuit of which is linked to specific actions and KPIs monitored by CSR function and Corporate Governance.
Inclusion of the stakeholders	Reporting the information associated with the specific SDGs in line with the feedback received by the engaged stakeholders	Each material topic in the materiality questionnaire and the stakeholder engagement tools is linked to the SDGs.
Conciseness	Communicating concise yet comprehensive information associated with the SDGs.	The use of the infographic is essential in terms of SDGs not only for communication on the company website and social media, but also in the various internal and external reporting tools.
Information connectivity	Demonstrating that the questions related to the SDGs are integrated into the business model, risk system, value creation process, and relevant company processes	The SDGs are found in various sections of the 2020 SDR regarding the CEO's letter, materiality matrix, business model, sustainability plan, and GRI Content Index
Relevance and comparability	Highlighting that the changes introduced through the approach to the SDGs allow for comparability of data and strategic information between companies	The use of digital platforms for SDGs (SDG Action Manager) makes it possible to monitor the company's contribution to the SDGs, including a potential future perspective of comparison with the outside
Skill, balance, and comprehension	Balanced communication of the organisation's impact to reaching the SDGs without material errors	The use of a prudential approach to internal assessment activities on SDGs
Reliability and verifiability	Reporting information on SDGs that is reliable and can be verified by third parties	The information reported is verified by an independent certifier who verifies its reliability
Timeliness	Providing information on SDGs in a timely manner so stakeholders can make knowledgeable decisions	The link between GRI disclosure and SDGs is updated each year



## Consolidation perimeter and criteria

The reporting period coincides with the 2020 fiscal year, and the one for the Group’s consolidated financial statement (dated 31 December 2020) like the reporting perimeter for the sustainability information coincides with that of the financial statement, except for the three subsidiaries Amendola Center S.r.l., Cardo Rosso S.r.l., and ApuliaKundi S.r.l. (control acquired at the end of 2020) whose exclusion does not affect the complete understanding of the Group’s activities, its performance, results,

and related impact.

In various ways, each of the companies included in the scope of the report (Andriani S.p.A., Felicia S.r.l., and Terre Bradaniche S.r.l.) presents information relating to environmental and social topics, staff, the respect for human rights, and the fight against corruption issues, useful for a better understanding of business performance, its results and, above all, the Group’s impact on these issues.

## Reporting process and methods

In order to allow data comparability over time and assess the progress of the Group’s activities, the information related to 2020 is compared with that of the previous fiscal year whenever possible. The use of estimates has been limited, as far as possible, and if included, they are based on the best available methodologies and appropriately reported.

To provide a faithful representation of the company management and impacts resulting from Andriani’s business in the process of drafting the 2020 Sustainable Development Report:

- the reporting principles set forth in the most widely used international standards were applied;
- data and information regarding the context in which the Group operates were collected;
- the material topics were identified and reported, i.e., identified as relevant in light of the materiality analysis.

Once again this year, the non-financial reporting process included the participation of an in-

terdisciplinary team that, in addition to taking care of the collection and wording of information drawn from specific company documentation, actively participated in the engagement phase and the definition of material topics, grasping the new reporting challenges that management set in place for the 2020 financial year.

This report has been prepared in accordance with the GRI Standards: Core option defined by the GRI - Global Reporting Initiative and, for the added value prospectus, according to the “GBS 2013 Standard - Corporate Financial Statement Drafting Principles” set forth by the Corporate Financial Statement Study Group (GBS).

The Andriani S.p.A. Board of Directors approved this Sustainable Development Report in May 2021. The report was subject to a limited examination (“limited assurance engagement”) according to the criteria indicated by the ISAE 3000 Revised standards by Deloitte & Touche S.p.A.





The Sustainable Development Report is published on a yearly basis. The following references enrich the methodological part of the report:

- GRI Content Index - with details of the contents reported in compliance with the GRI Sustainability Reporting Standards and related informational omissions. The Food Processing Sector Disclosures defined by the GRI in 2013 were also taken into consideration.
- 10 principles of the Global Compact - which Andriani drew from in preparing the Communication on Progress that coincides with this report again this year;
- Linking the SDGs and the GRI Standards - in the new version amended in September 2020

that compares the contents of the GRI Content Index with the SDGs;

- Complementary Use and Linkage of the GRI Standards and B Lab's B Impact Assessment - document dated February 2021 that compares the contents of the GRI Content Index with the B Impact Assessment;
- AccountAbility 1000 - Stakeholder Engagement Standard - process standard for involving stakeholders.

For improved reading of the 2020 Sustainable Development Report, the three correlation tables between the GRI Content Index and the 17 SDGs (p. 120) of the 2030 Agenda, the 10 principles of the Global Compacts (p. 131), and the BIA standard of B-LAB are attached.



↑ page 128



## The team that collaborated in drafting this report

The interdisciplinary team that drafted the Sustainable Development Report included the participation of individuals from the following departments: CSR & Sustainability, Legal and Corporate Affairs, Marketing & Communication, with the support of 6.14 Creative Licensing, Sales Account, Human Resources, Research and Development, Planning and Control, Procurement, Production Supply Chain, Quality, Logistics, the Technical Office, General Affairs, Information Technology, Accounting and financial statement, Treasury, and Tax Affairs. Engineer Filippo Capurso was the head of the Work Group.

The methodological coordination and content management was the responsibility of Value a.t.p. (saverio.petruzzelli@valueatp.com).

Editing and graphic layout was carried out by Interno 15 S.r.l. (info@interno15.it).

The English translation of the text was carried out by EBL Italia (info@ebl-italia.it).

Comments and opinions on this Sustainable Development Report can be sent by email to [csr@andrianispa.com](mailto:csr@andrianispa.com).

# Relationships with stakeholders

102-40 102-42 102-43

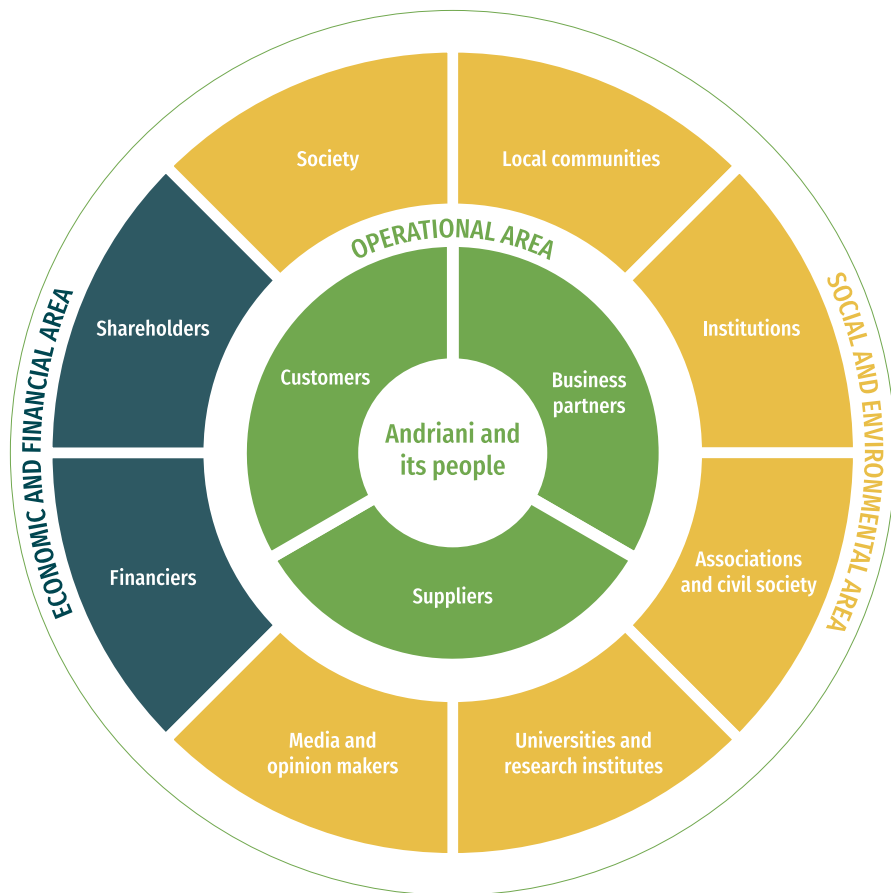
The Andriani Group attaches great importance to respecting the inclusion of the stakeholders, recognising their right to be heard and accepting a commitment to report to them on its activities and choices. Accepting this responsibility means engaging the stakeholders to identify and understand the significant topics from their point of view, providing adequate information related to the company’s business and choices, and responding to the topics that have emerged.

The Group’s relationship with its stakeholders, which is considered an integral part of responsible business management, is based on mutual trust and the consideration of their interests and legitimate expectations.

With this awareness, Andriani mapped out its stakeholders and conducted specific stakeholder engagement activities over time, in line with what is set forth in the AccountAbility 1000 standard. The following is the map of Andriani's stakeholders.

GRAPH

Stakeholder Map



To identify the stakeholders shown on the map, Andriani’s CSR team monitored the many dialogue and engagement initiatives throughout the year, interacting with the various corporate departments and the Management Board. The selection of the Group’s stakeholders is the result of both

its operational business activities and the Group’s openness, transparency, and accountability process, reinforced by its commitment to the sustainability goals of the 2030 Agenda defined by the United Nations and its decision to become a Benefit Corporation.

There were numerous dialogue activities carried out during every month of the year. The following are the primary stakeholder engagement methods:

Stakeholder groups	Dialogue/engagement channels
Local communities, Institutions, Associations and Civil Society, Media, and opinion makers	<ul style="list-style-type: none"> <li>· Active involvement in institutional forums and supranational organisations regarding sustainability (including the Italian Global Compact Network)</li> <li>· Specific meetings</li> <li>· Public meetings</li> <li>· Webinars</li> <li>· Focus groups</li> <li>· Workshops</li> <li>· Conferences and co-organisation of events</li> <li>· Support and participation at local events</li> </ul> <p>For a detailed description, refer to <a href="#">Chapter 7 (p. 108)</a>.</p>
Universities and Research Institutions	<ul style="list-style-type: none"> <li>· Partnerships and collaborations</li> <li>· Conducting research projects in collaboration with universities and research institutions</li> <li>· Nutritional Observatory Activities</li> <li>· Hosting Italian university graduate students and trainees</li> </ul> <p>See <a href="#">Chapter 5 (p. 92)</a> and <a href="#">Chapter 6 (p. 100)</a>.</p>
Shareholders	<ul style="list-style-type: none"> <li>· Shareholders' meeting and boards</li> <li>· Presentation of the financial statement and the Sustainable Development Report</li> <li>· Meetings with the Board of Statutory Auditors and the Supervisory Board</li> </ul> <p>See <a href="#">Chapter 2 (p. 34)</a>.</p>
Suppliers and Business Partners	<ul style="list-style-type: none"> <li>· Specific meetings</li> <li>· Supplier audits</li> <li>· Periodic technical visits</li> <li>· Feedback on quality and the results of the raw materials analysis</li> <li>· Partnership</li> <li>· Supply chain agreements</li> </ul> <p>For a detailed description, refer to <a href="#">Chapter 5 (p. 72)</a>.</p>
Customers	<ul style="list-style-type: none"> <li>· Qualitative and quantitative survey</li> <li>· <i>Customer satisfaction surveys</i></li> <li>· Management of reports to <i>Customer Care</i></li> <li>· Feedback to claims received</li> <li>· Specific meetings</li> <li>· <i>Follow-up</i> to audits received</li> <li>· Market analysis</li> <li>· Pre and post-sales support</li> <li>· Management of social media and digital channels</li> <li>· Research centre activity</li> </ul> <p>See <a href="#">Chapter 5 (p. 85)</a> for more details.</p>
Funders	<ul style="list-style-type: none"> <li>· Specific meetings</li> <li>· Presentation of the financial statement and the Sustainable Development Report</li> </ul>
Employees	<ul style="list-style-type: none"> <li>· Andriani Wellness Project</li> <li>· Andriani Bike to Work Project</li> <li>· Great Place to Work Project</li> <li>· Family Day 2020</li> <li>· Periodic newsletter</li> <li>· Training and Coaching Projects</li> <li>· Confidential channel 231/01</li> <li>· Climate monitoring</li> <li>· Team building</li> <li>· Andriani Arts Academy</li> <li>· Health and workplace safety monitoring</li> <li>· Meetings with union representatives</li> </ul> <p>See <a href="#">Chapter 4 (p. 61)</a> for more details.</p>

The topics that emerged from the stakeholder engagement process and the internal analysis carried out by the CSR team and validated by the

Andriani Management Board were subjected to the materiality analysis described in the following paragraph.

# Materiality analysis

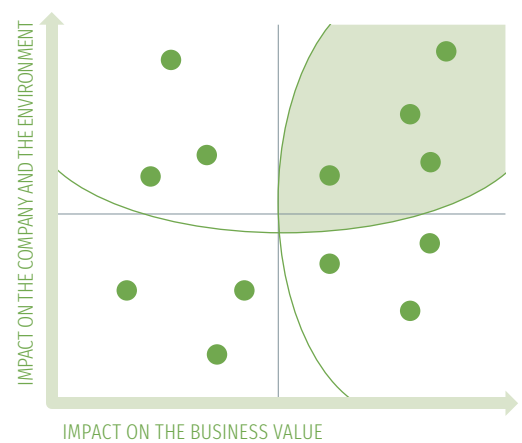
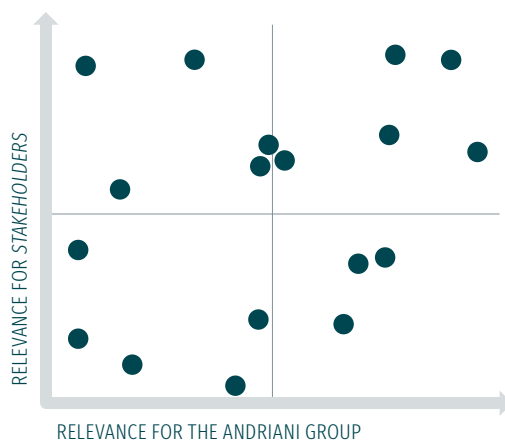
102-44 102-46 102-47 102-49

At Andriani, the selection and prioritisation of material topics have always been of profound strategic relevance to orient not only the sustainability reporting activity but also all communication activities at a corporate level based on the contribution to the SDGs.

In this perspective, the Group soon intends to implement the double materiality principle introduced by the Corporate Sustainability Reporting Directive, thus guaranteeing more precise reporting on sustainability topics that highlight the types of impacts resulting from these topics both internally and externally.

The first area refers to the concept of financial materiality, which is linked to the impact of the material topic on the company's value (SASB standard perspective), with investors, funders, and shareholders as the recipients of the information.

On the other hand, the second can be associated with the external impact of a topic, i.e., on the economy, environment, and people (GRI standard perspective), targeting consumers, business partners, responsible investors, employees, civil society organisations, the local community, etc.



Once again this year, the follow up on the material topics started with a benchmark activity by the work group regarding the analysis of certain comparables in the food industries that report on material topics in their sustainability report, non-financial declaration, and impact report. The benchmark activity was also corroborated by the use of the SASB Materiality MAP (agricultural products industry) and the analysis of the WBCS white paper on the concept of materiality in food (analysis conducted on 96 multinational companies operating in the food & beverage industry). The analysis showed the relevance of topics such as the sustainable supply chain, climate change and other sustainability risks to be mitigated, and

resilience of the business model.

Considering the above, the 5 impact areas (production chain and sustainable agriculture, research and development for health and well-being, development and enhancement of the area, climate change and the circular economy, valuing people, and the Group identity) on which the company is committed to report as a Benefit Corporation as well as merging certain overlapping 2019 topics, the work group revised the number of topics on which to seek feedback from 30 to 17 (adding "immigration", "climate risk mitigation", and "resilient business model" to the topics).



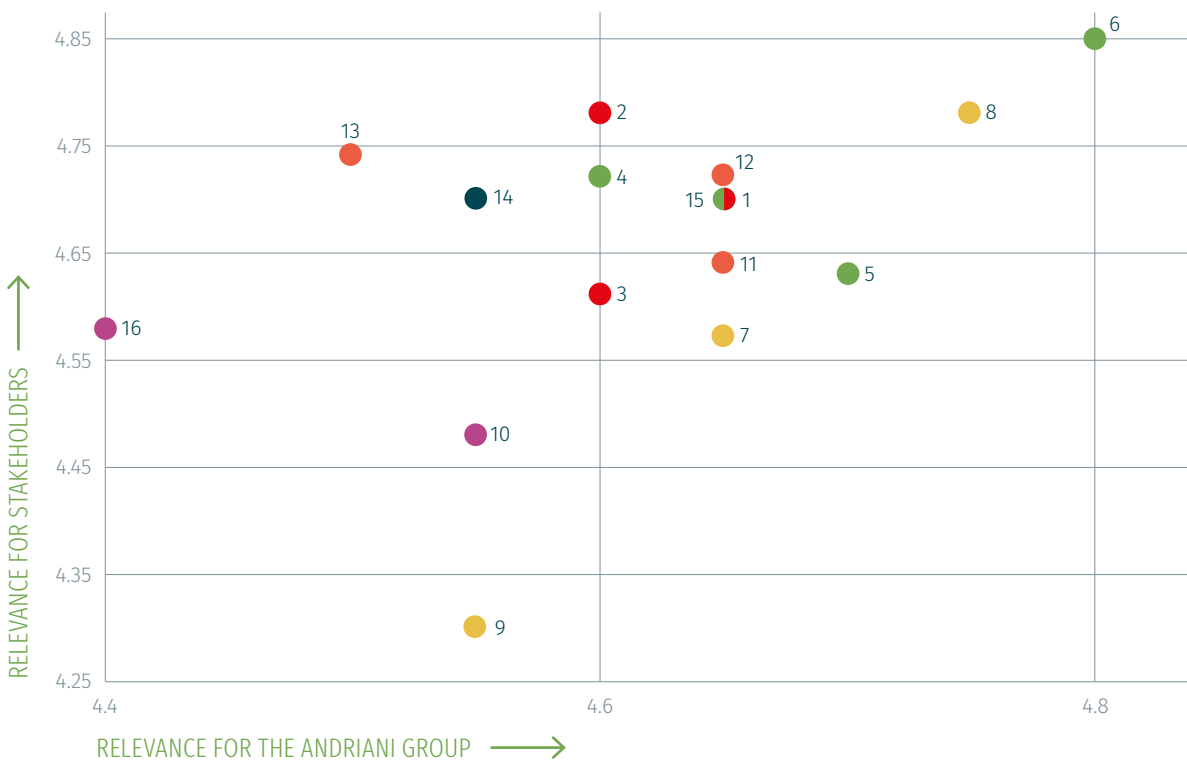
The survey questionnaire, selected in accordance with the AccountAbility 1000 process standard and administered anonymously between February and April 2021 to external and internal stakehold-

ers, showed an improvement in the overall redemption rate compared to last year, from around 22% to around 32% in the current year.

	2020			2019		
	Recipients	Responses	Redemption rate	Recipients	Responses	Redemption rate
Relevance for the Andriani Group	23	20	<b>86.96%</b>	18	18	<b>100.00%</b>
Relevance for stakeholders	184	46	<b>25.00%</b>	273	46	<b>16.85%</b>
<b>Total</b>	<b>207</b>	<b>66</b>	<b>31.88%</b>	<b>291</b>	<b>64</b>	<b>21.99%</b>

Assigning a materiality threshold of 4.5, 16 topics emerged, 3 of which were related to governance and compliance, 4 to environmental responsibility, 3 to product responsibility, 1 to supplier responsibility, 2 to economic responsibility, and 3

to responsibility to employees. The most important topic that emerged from the analysis was the circular economy and the responsible use of resources.



GRAPH  
2020 Materiality Matrix

- Governance and Compliance
- Employee accountability
- Product accountability
- Supplier accountability
- Environmental accountability
- Economic accountability



TABLE

**Link between material topics and GRI topic-specific Standards**

The table below shows the link between the 16 material topics, the GRI topic-specific Standards, the related topic boundary, and the impact. The topics are linked to the respective SDGs and the 5 impact areas of Andriani S.p.A. Benefit Corporation.

Code	Topic	GRI topic-specific Standards	Topic boundary	Type of impact	SDGs	SB area of impact
1	Transparent governance and corporate identity	Anti-competitive behavior Socioeconomic compliance Customer privacy Market presence	Andriani Group	Caused by the Group	 	Value of the people and Group identity
2	Anti-corruption	Anti-corruption	Andriani Group	Caused by the Group and directly connected through a business relationship		
3	Development and enhancement of the area	Not present - specific Standards	Andriani Group	Caused by the Group	 	Develop and enhance the area
4	Energy and emissions	Energy Emissions	Andriani Group	Caused by the Group	  	Climate change and the circular economy
5	Biodiversity	Biodiversity Environmental compliance	Andriani Group	Caused by the Group	 	
6	Circular economy and responsible use of resources	Water and effluents Materials Effluents and waste	Andriani Group	Caused by the Group	    	Health and well-being
7	Open innovation in sustainability	Not present - specific Standards	Andriani Group	Caused by the Group	  	
8	Product safety and traceability	Customer health and safety Marketing and labeling	Andriani Group	Caused by the Group	 	Health and well-being
9	Natural food	Not present - specific Standards	Andriani Group	Caused by the Group	 	
10	Creation of shared value	Economic performance Market presence	Andriani Group	Caused by the Group and directly connected through a business relationship	  	Value of the people and Group identity
11	Diversity and development of human resources	Employment Training and education Diversity and equal opportunity	Andriani Group	Caused by the Group	   	
12	Health and well-being in the workplace	Occupational health and safety	Andriani Group, Employees <sup>1</sup>	Caused by the Group	  	Value of the people and Group identity
13	Human Rights	Non-discrimination Labor/management relations Child Labor Forced or compulsory labor	Andriani Group	Caused by the Group and directly connected through a business relationship	   	
14	Sustainable management of the supply chain	Procurement practices	Andriani Group, suppliers and Business Partners	Caused by the Group and directly connected through a business relationship	 	Production chain and sustainable agriculture
15	Mitigation of climate risks	Emissions	Andriani Group	Caused by the Group		Climate change and the circular economy
16	Resilient business model	Not present - specific Standards	Andriani Group	Caused by the Group	 	Value of the people and Group identity

<sup>1</sup> The company will further analyse the significance of other non-employee workers in order to assess the need to collect data from employers of external collaborators and suppliers working at Group sites and/or those under Group control, assessing the quality and accuracy of the data over which it does not exercise direct control.







# 1

## The Andriani Group for Sustainable Development

### In this chapter

- 20 Mission and values
- 22 A story the “moves forward”
- 24 The contribution to the 2030 Agenda goals and the Strategic Plan for Sustainable Development
- 27 Sustainable business model
- 30 Open Innovation in Andriani



**70%**  
SHAREHOLDING IN  
APULIAKUNDI

Innovative start-up that produces and sells natural, 100% pure Spirulina algae as well as Spirulina-based functional foods



Use of the open-source SDG Action Manager platform for the internal assessment activity. This management tool allows the company to measure the contribution of its business in reaching the 2030 Agenda goals

### Community level



Evolution of the “Firm-level” approach made possible due to Andriani’s strong roots in ethical principles and values and constant dialogue with its stakeholders



Stakeholders

All



# 1.1 Mission and values



102-12 102-16

The Andriani Group’s sustainability path continues in the direction of contributing to sustainable development, where awareness and responsibility identify a commitment that gradually increases and adds elements of substance and form to a clear long-term strategic positioning.

The Group is well aware of the phenomena of greenwashing, bluewashing, and SDG-washing, which are becoming increasingly common at the international level in Corporate Social Responsibility, and demonstrates its commitment to sustainability through an approach based on the following aspects:

- a sustainable business model, increasingly oriented towards the creation of shared value for its stakeholders and an impact perspective based on its contribution to the 2030 Agenda goals;
- a follow-up strategy based on a medium to long-term strategic sustainability plan that presents quantitative and qualitative goals linked to specific actions and prioritised SDGs integrated in 2020 with the actions and goals of the improvement plan that Andriani S.p.A. is pursuing as a Benefit Corporation, consistent with the standard B Impact Assessment;
- a more participatory corporate governance, open to diversity and inclusion, and improved by the revision of the 231/01 organisational model and

strengthened by a predominantly gender-based Ethics Committee and an Impact Manager whose responsibility for pursuing the common benefit goal overlaps with the goal of sustainable success;

- a more resilient organisational structure that, in addition to including new young professionals specialising in sustainability and digitalisation, also guarantees greater efficiency and effectiveness to the operations through better control of strategic, financial, operational, compliance, and ESG risks, subject to external and internal assessment;
- continually evolving corporate reporting, which, in addition to the 2020 Sustainable Development Report in line with the Sustainable Development Goals Disclosure (SDGD) Recommendations framework, now features the Andriani 2020 Impact Report as a Benefit Corporation, two stand-alone documents that, in order to “converse” better are compared in a table that links the contents of the GRI Content Index with the B Impact Assessment responses.

These aspects are based on corporate ethics that the Andriani Group revised on the basis of acquiring its new status as a Benefit Corporation, and that is now formalised in a vision, a mission, a manifesto, and 11 ethical values.

## Mission

**Learning** from consumers.  
**Innovating** food production.  
**Inspiring** the entire supply chain to achieve excellence.  
 Learning, understanding, and even anticipating nutritional trends is the most important part of our work because it gives us a fundamental goal to achieve.  
 Always being on the cutting edge of how we grow, process, and create our products is not just something to be proud of, but an obligation to those who put their trust in us.  
 Ensuring that all of our suppliers and distributors respect the environment, the community, and the consumer, just as we do, is essential, as is helping them do so when asked.

## Vision

The future is a place towards which we are travelling.  
 Where we never stop learning.  
 Where being a forerunner is a vocation, to improve everyone’s life.  
 Where everything is transparent, especially on labels.  
 Where consciously produced food leads to a more sustainable life.

## Values

- |              |                |
|--------------|----------------|
| Practicality | Transparency   |
| Awareness    | Respect        |
| Commitment   | Culture        |
| Sharing      | Justice        |
| Innovation   | Sustainability |
| Quality      |                |

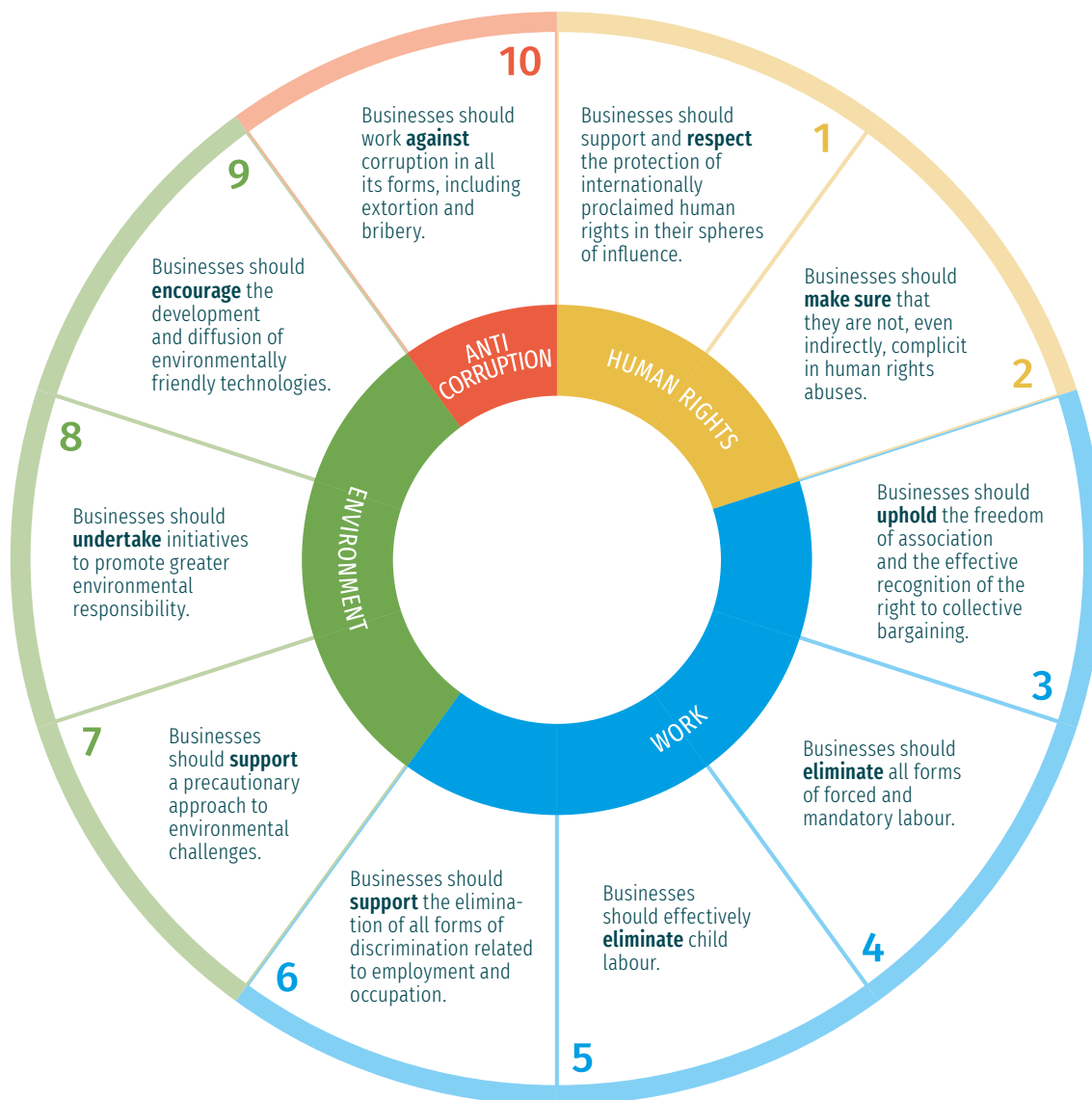
## Manifesto

We transfer the consumer’s expectations from the table to the field and bring what they are looking for from the field to the table.

GRAPH

The 10 principles of the Global Compact

This is, of course, backed up by the 10 principles of the Global Compact.



The level of effort and the corporate reputation that the Group has been able to build over the years on its path to sustainability have enabled

it to achieve the prestigious goal of becoming a Founding Member of the Italian Global Compact Network in January 2021.



# 1.2

## A story that “moves forward”

- 102-1
- 102-2
- 102-3
- 102-4
- 102-5

The Andriani project began in 2009 with a precise idea: to innovate the pasta production and marketing sector by creating a gluten-free, healthy, and uniquely flavoured product with a variety of new ingredients (rice, corn, quinoa, buckwheat, amaranth, lentils, and peas).

The Andriani Group has always used product and process innovation in its approach to management. From its very origins, it launched itself into the many challenges imposed by the food innovation sector due to increasing competitive tension on an international level.

Combining competitiveness with sustainability is the “winning recipe” that the Andriani family always sought to promote with its employees and stakeholders who, today, recognise its role as a leader and trend-setter in the food industry.

The Andriani Group operates in the food sector as both a copacker for major international brands as well as on its own behalf with the production and distribution of Felicia Bio® and Biori® brand products. The founding partners of the Andriani S.p.A. holding company are Michele and Francesco, the sons of Felice Andriani, who inherited the expertise from his over 40 years of experience in the milling industry and, particularly, in the design, creation, assembly, and maintenance of the primary traditional pasta plants in the country (Barilla, De Cecco, Divella, Casillo, etc.).

The technical partnership developed over decades with the multinational Bühler (headquartered in Uzwil, Switzerland) has permitted the creation of the first facility in the world entirely dedicated to the production of *gluten free* pasta.

### CORPORATE STRUCTURE

#### Andriani Group



Andriani S.p.A.  
Benefit Corporation  
Holding company in the gluten-free pasta manufacturing industry.  
Net equity of €48,846,588 (as of 31/12/2020)  
Registered office in Gravina di Puglia (Bari)



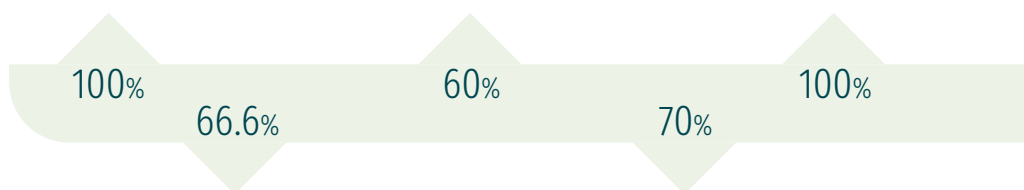
Felicia S.r.l.  
Company that sells Andriani's Felicia brand products.  
Net equity of €3,221,392 (as of 31/12/2020)  
Registered office in Gravina di Puglia (Bari)



Cardo Rosso S.r.l.  
Innovative start-up that operates in the production and sales of *gluten-free* couscous.  
Net equity of €365,299 (as of 31/12/2020)  
Registered Office in Bologna

#### AMENDOLA CENTER

Amendola Center S.r.l.  
Company operating in the real estate sector.  
Net equity of €2,482,683 (as of 31/12/2020)  
Registered office in Corato (Bari).



Terre Bradaniche S.r.l.  
Company operating in the processing and marketing of fertilizers and organic food products in general, as well as in the processing and cleaning of legumes.  
Net equity of €163,356 (as of 31/12/2020)  
Registered office in Gravina di Puglia (Bari)



ApuliaKundi S.r.l.  
Shareholding acquired in November 2020.  
Innovative start-up that produces and sells natural, 100% pure Spirulina algae as well as Spirulina-based functional foods  
Net equity of €50,877 (as of 31/12/2020)  
Registered office in Gravina di Puglia (Bari)



This history of the Andriani Group is populated with numerous milestones and recognitions that make up today's strong, recognizable corporate identity.

2009

The Andriani family founds Molino Andriani S.r.l.

2013

Construction of the *gluten-free* facility in Gravina di Puglia.

2015



Founding of Felicia S.r.l, company owning the brand of the same name, dedicated to the distribution of *gluten-free*.

2016

- Molino Andriani S.r.l. becomes Andriani S.p.A. through a transaction to increase the share capital to €1 million.
- Andriani S.p.A. receives the Smau Innovation Award for Italian excellence for the computerization of its packaging and product storage processes.
- Construction of the Multigrain milling plant.

2017

- Warehouse opening in Matera.
- Acquisition of the industrial mill where the Company's registered and operating office is located.



BORSA ITALIANA  
ITALIAN EXCHANGE

- Andriani S.p.A. is admitted to the Italian Stock Market's "Elite" program.
- Andriani S.p.A. receives the "Company to watch" award from Cerved for its good performance in the gluten-free foods industry.

2018



- Andriani S.p.A. acquires the controlling share in Holos Italia S.r.l. (now Cardo Rosso S.r.l.).



- Andriani S.p.A. acquires 33% of the share capital (today 100%) of Terre Bradaniche S.r.l.
- Andriani S.p.A. is selected as one of the 50 best companies for its brand portfolio and for its positioning in the Food Innovation sector

2019



- Andriani S.p.A. is awarded by LinkedIn for the "Employer branding" project as a virtuous example of company welfare.
- Andriani S.p.A., together with the SAI Platform, supports the development of sustainable agricultural practices, hosting the 1st International Executive Programme on Sustainable Sourcing and Trade.
- Michele Andriani wins the "Entrepreneur of the Year" award from Ernst & Young in the Food&Beverage category for his great commitment to sustainability.

2020

- Inauguration of the new Smart Building centred on innovation and sustainability.
- Strengthening governance by increasing the number of members of the Board of Directors from three to five, assigning the relevant powers and setting up the Management Board and the Nutrition Observatory.



- Transformation of Andriani S.p.A. into a Benefit Corporation.

2021 preview



- Issue of the Sustainability Rating Report by the Cerved Rating Agency.
- Andriani S.p.A. becomes a founding member of the Italian Global Compact Network.
- Andriani S.p.A. acquires control of Nove Alpi S.r.l. headquartered in Pistoia (manufacture of dietary baked goods) and Birificio Artigianale B31 S.r.l. headquartered in Gravina di Puglia (manufacture and sale of craft beer).
- Andriani S.p.A. creates a NewCo in partnership, headquartered in the province of Modena, which will be active in the production of flour from grains and legumes.
- Andriani governance becomes more transparent through the appointment of the Ethics Committee.

# 1.3

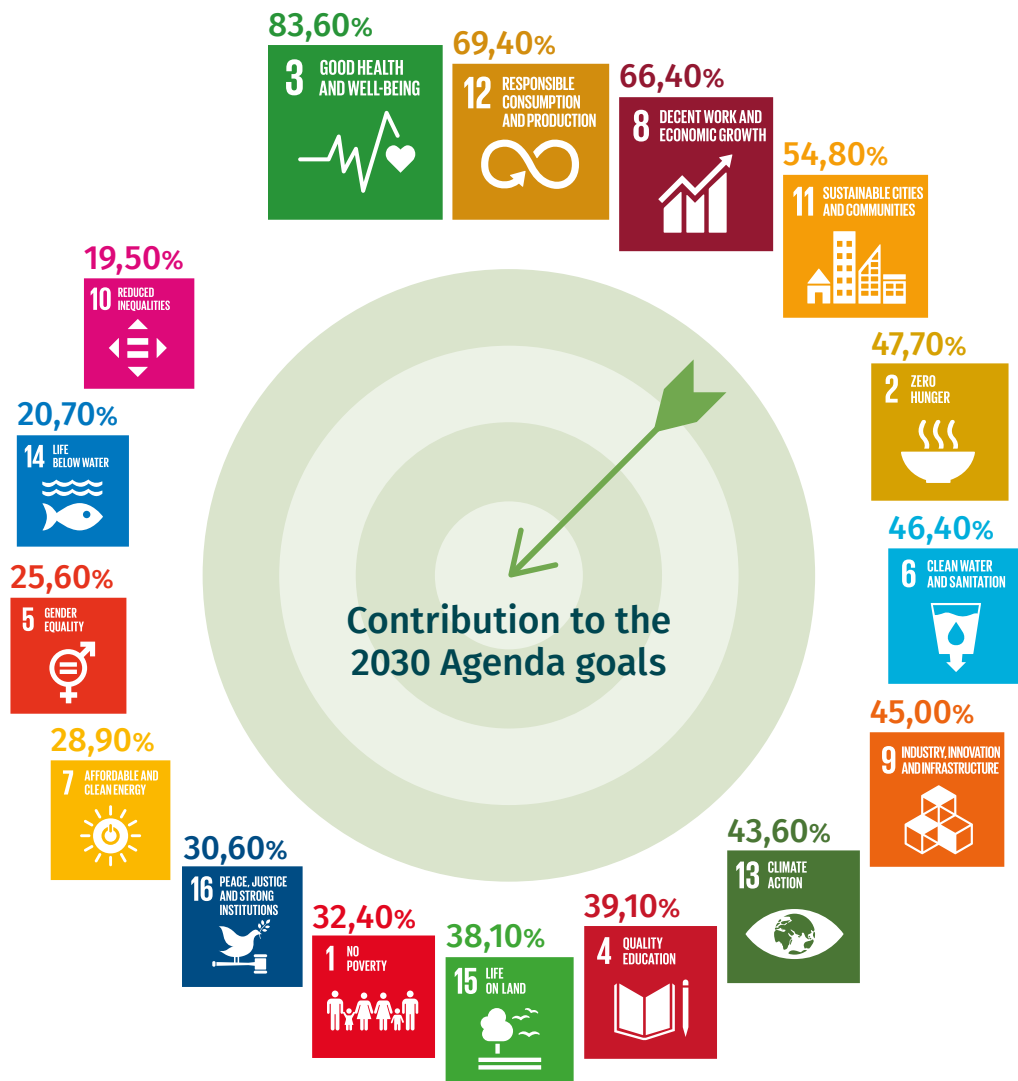
## The contribution to the 2030 Agenda goals and the Strategic Plan for Sustainable Development



During 2020, the Andriani Group carried out the internal assessment using the SDG Action Manager open source platform. This management tool allows the company to measure its contribution to reaching the goals of the 2030 Agenda. The tool allowed the Group to compare the B-Lab B Impact Assessment system, the 10 principles of the Global Compact, and the SDGs through a self-assess-

ment, benchmarking, and continuous improvement process.

The activity was completed in September 2020 and returned an impact measurement profile consistent with the prioritisation of the SDGs and the related relevant topics that emerged from the materiality analysis.





The assessment activity described above facilitated the approach to the BIA standard, a more advanced tool at the international level for measur-

ing the impact of the company's business on the community, environment, governance, customers, and employees.

## (B) Impact Assessment

- ✓ It measures the company's impact across the board
- ✓ It provides an eligibility threshold for obtaining B-Corp certification
- ✓ The score is validated through a strict verification process

Developed by

- ✓ Measures the business's contribution to the 17 UN Sustainable Development Goals
- ✓ It is a self-assessment and does not include a verification phase

GRAPH  
BIA & SDG Action Manager

The tools integrate and complement each other.

The improvement plan defined at the end of this assessment activity was supplemented with the goals and related actions set forth in the 2020-

2022 Strategic Sustainability Plan illustrated in the 2019 Sustainable Development Report (see paragraph 1.2).



<b>Short Term</b>	<h3 style="margin: 0;">Wave 1</h3> <p style="margin: 0;"><b>Actions to be implemented in the period: Dec 2020 - Apr 2021</b></p>	<p><b>Governance</b> 3 actions</p>	<p><b>Workers</b> 6 actions</p>	<p><b>Community</b> 4 actions</p>	<p><b>Environment</b> 9 actions</p>	
<b>Medium Term</b>	<h3 style="margin: 0;">Wave 2</h3> <p style="margin: 0;"><b>Actions to be implemented in the period: Feb 2021 - Sept 2021</b></p>	<p><b>Governance</b> 3 actions</p>	<p><b>Workers</b> 6 actions</p>	<p><b>Community</b> 4 actions</p>	<p><b>Environment</b> 1 action</p>	<p><b>Customers</b> 2 actions</p>
<b>Long Term</b>	<h3 style="margin: 0;">Wave 3</h3> <p style="margin: 0;"><b>Actions to be implemented in the period: June 2021 - Dec 2022</b></p>	<p><b>Community</b> 9 actions</p>	<p><b>Environment</b> 15 actions</p>	<p><b>Customers</b> 1 action</p>		



# 1.4 Sustainable business model



Andriani Group's proactive approach to Sustainable Development is represented in a business model that combines inputs, activities, and corporate processes, outputs and outcomes in terms of impact on its stakeholders, in line with the SDGs pursued by the Group and reported in the various chapters of this Report.

In the graphic representation of Andriani's sustainable business model, it was considered important to explain the purpose, mission, and commitment in terms of the Group's corporate social responsibility. In addition to adhering with commitment and conviction to the United Nations 2030 Agenda, the Group has extended its social commitment by amending its bylaws to become a Benefit Corporation starting in 2020 and becoming a Founding Member of the Italian Global Compact Network, as previously mentioned.

In Andriani's sustainable business model, the inputs represent the most significant tangible and

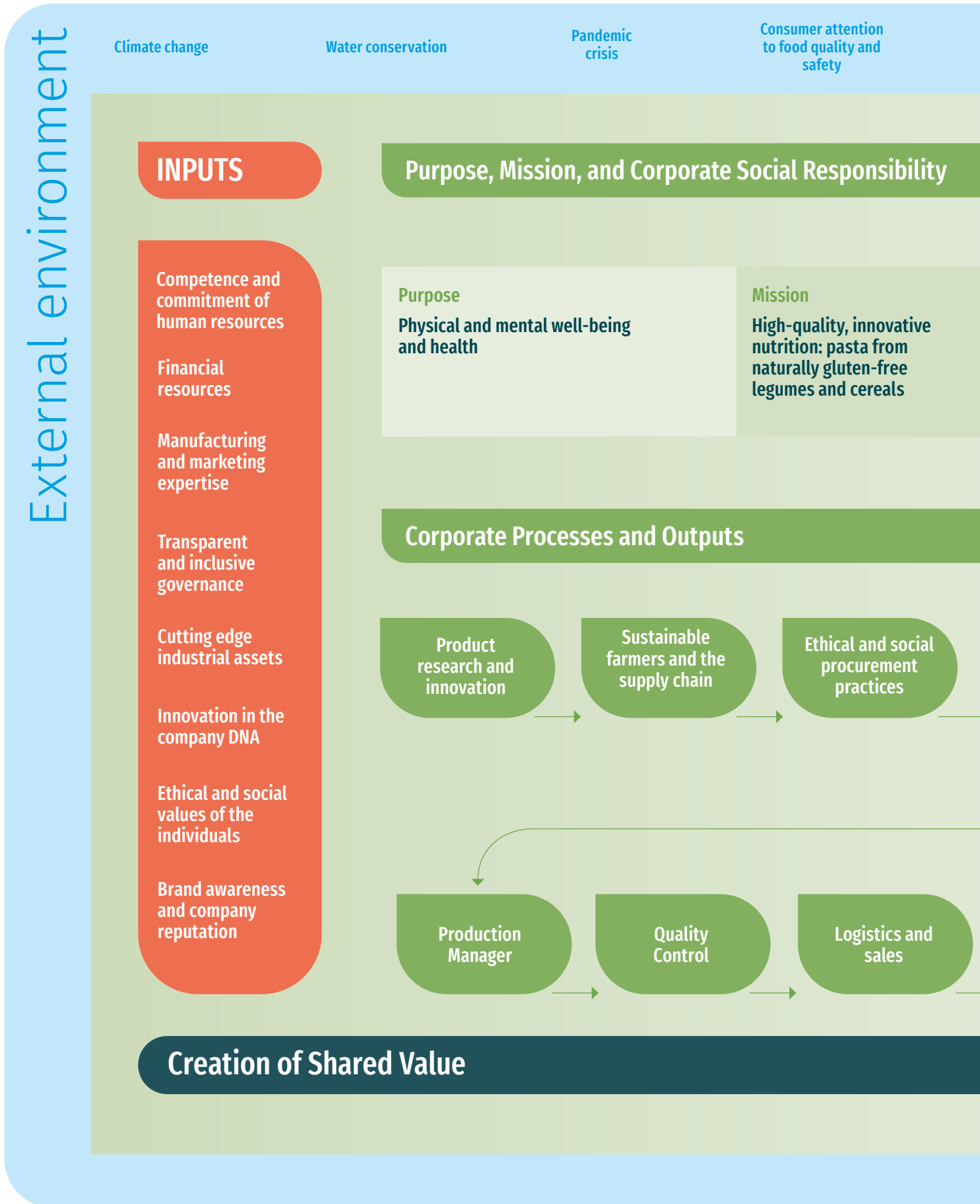
intangible resources that generate the value creation process through the performance of the typical company activities. The model shows the primary steps in the production of pasta and other naturally gluten-free products, thus pursuing the company's mission of innovative, high-quality nutrition. The business model aims to create shared value, expressing direct and indirect results and benefits (outcomes), which are measurable for all stakeholders, in line with the impact areas as a Benefit Corporation and the goals of the United Nations 2030 Agenda.

The process for creating shared value is represented, showing the main risks and opportunities from the external environment that makes up the context in which the Andriani Group operates and with which it interacts, along with the related social and economic questions and the environmental challenges the corporate governance faces on a daily basis.





The following is a graphic representation of the Andriani Group’s sustainable business model:



Request for healthy and gluten-free products

Change in tastes and food choices

Social inequality

Threats to biodiversity

## OUTCOMES

### Corporate Social Responsibility

Well-being of the planet, commitment to the United Nations 2030 Agenda



Well-being of individuals

Carbon neutrality

Development of human resources

Defending biodiversity

Recycling and reduction in food waste

Protecting human rights and fighting corruption

Value for shareholders

Social and economic benefit to local communities

Rational use of water resources

Contribution to the industrial and economic development of the Country

Open innovation

Handling of raw materials

Food safety controls

Communication

Taste and Well-being

## Creation of Shared Value

Governance

Economic performance and creation of shared value

Central role of the people

Natural innovators for conscious food

Environment

Commitment to communities



# 1.5 Open Innovation in Andriani



For Andriani, innovatively operating in the food industry today and focusing on the well-being of people means not only meeting a diverse demand coming from consumers interested in product and process innovation but also assuming a different corporate identity with its stakeholders such as institutions, universities and research institutions, suppliers, start-ups, SMEs, etc.

Therefore, the management of the Andriani Group decided to focus on the combination of innovation and sustainability, seeking to combine the concept of the *natural innovator* geared towards product and process logic with that of the *open innovator*, that is, a company capable of activating innovative processes not only internally but also externally, to the benefit of others who collaborate with the Andriani Group in various ways.

With this in mind, Andriani chose to take on an increasingly active role as an “accelerator”, systemizing:

- its expertise and knowledge gained “in the field” through food innovation projects;
- the various digital resources (data analytics and open source platforms) to assess its impact profile in terms of supply chain and business;
- its network of relationships with public and private institutions active in the field of health and well-being and sustainable development.

To evolve from a “Firm-level” approach to a “Community level” approach, passing through an “Industry level” approach, required two essential ingredients:

- strong roots in ethical principles and values that today, in the Benefit Corporation model, find almost a natural location;
- continuous dialogue with its stakeholders, which now, by virtue of its status as a founding member of the UN Italian Global Compact Network, requires a greater commitment to pursuing the principles of the Global Compact and the goals of the 2030 Agenda.

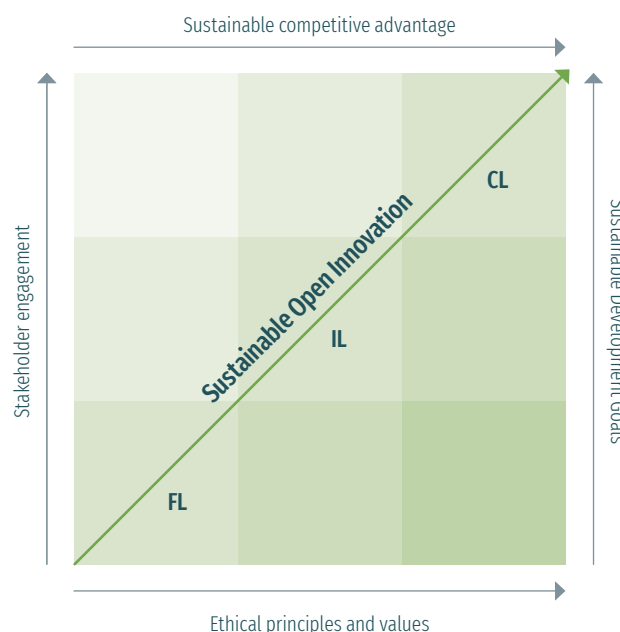
Therefore, the Andriani Group took on this role with a deep sense of responsibility, using the combination of innovation and sustainability as a driver to:

- join multi-stakeholder partnerships or collective actions characterised by an innovative approach to business ethics and operational experimentation in the various fields of sustainability;
- improve its sustainability policy and strategy as well as governance and reporting on the performance obtained through dialogue and comparison with Italian best practices.

## GRAPH

### Sustainable Open Innovation

- FL = Firm Level
- IL = Industry Level
- CL = Community Level



# 2

## Governance

### In this chapter

- 32 Corporate governance and compliance
- 37 Andriani Benefit Corporation
- 39 Risk Management
- 41 Fight against Corruption
- 42 Discrimination at work, human rights, and immigration



**5** Components of CSR & Sustainability

+ 3 compared to 2020



**Impact Manager**

Figure added following acquisition of Benefit Corporation status



**Management board**

Established in 2020

Performs an investigative, consultative, and proactive role with the Board of Directors



**Benefit Corporation**

Transformation that occurred on 6 November 2020



**Stakeholders**

Shareholders, funders, communities

## 2.1 Corporate governance and compliance



102-18 102-22 102-23 102-32

The Andriani Group recognises the central nature of corporate governance that is increasingly focused on the concept of sustainable development and that, besides concentrating on short-term benefits, must also encourage company decisions in terms of environmental impact (climate and biodiversity) as well as social, human, and economic impact, pursuing a medium to long-term outlook in which to create value for shareholders and other stakeholders.

The long-term time horizon is the focus of the “sustainable success” concept in the Italian Stock Exchange Code of Conduct as well as the recent [consultation](#) launched by the EU on sustainable corporate governance in which is recommends that companies establish governance bodies with appropriate responsibilities in terms of sustainability that take into account the interests of the stakeholders and adopt a sustainability strategy, setting suitable goals.

In this perspective, the Andriani Group continues its commitment to strengthening sustainable governance with a view to greater transparency and participation, while pursuing the theme of diversity in its various forms.

In order to adopt increasingly responsible and knowledge strategies in the field of sustainable development, the Andriani Group chose to expand its corporate governance, adding a Management Board, a Nutrition Observatory, an Ethics Committee and an Impact Manager to collaborate with the Board of Directors.

The Board of Directors oversees management aspects related to sustainability issues in its various forms. In carrying out this governance action, the Board of Directors works with the other governance and management bodies that preside over ESG issues, also interacting with the various internal stakeholders who are involved with the relevant sustainability issues, using other communication methods (focus groups, webinars, CAWI, etc.). For the entire Group, the Board of Directors approves the Strategic Sustainability Plan, the

Plan for investments in Carbon Neutrality and the Circular Economy, the Group Sustainable Development Report, and the Andriani Benefit Corporation impact report.

The Management Board plays an investigative, consultative, and proactive role with the Board of Directors and carries out the following tasks: (a) defines and oversees special projects at the Group level; (b) formulates proposals regarding the definition of guidelines for the internal risk management and control system; (c) contributes to the implementation of the Group's strategy, as well as the preparation of the Industrial Plan and annual budgets; (d) identifies and proposes resolutions to the Board of Directors on corporate issues relating to strategies, extraordinary operations, policies for the development and growth of human resources, as well as for the achievement of the expected operating result emerging from the Industrial Plan and annual budgets.

The Nutritional Observatory plays a consultative and technical/scientific support role with the Board of Directors and carries out the following tasks: (a) promotes the use of methodologies and tools for the company's strategic planning; (b) formulates specific evaluations of food policies or operational programmes in the sectors in which the company operates; (c) promotes the sustainable development of quality and nutritionally balanced products to benefit consumer welfare; (d) promotes and collaborates in scientific research with research bodies (public and private), in order to investigate the potential beneficial physiological effects on the human body from the consumption of certain foods; (e) investigates the effects of modern processing and pasta-making techniques on the nutritional quality of raw materials; (f) establishes educational and training guidelines for a balanced and sustainable diet; (g) implements responsible communication, which allows consumers to make informed food choices and to understand the importance of active lifestyles and a balanced diet (i.e., responsible marketing); (h) analyses the characteristics of the products

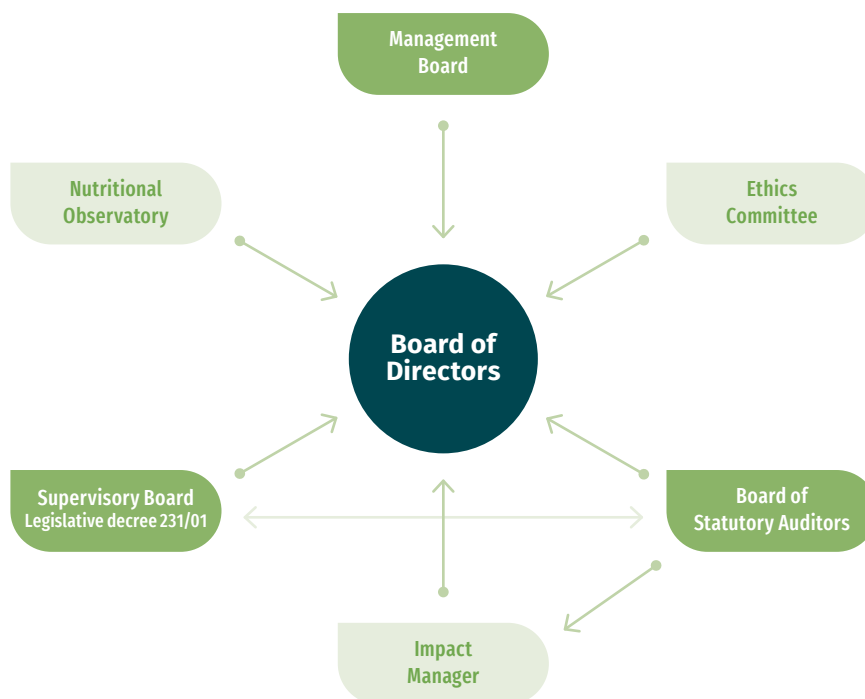


and identifies the correct nutritional and health claims; (i) performs a consultative and evaluative function through the elaboration of reasoned opinions for each new ingredient investigated; (j) encourages and promotes the company's participation in conferences and events in the scientific community.

The Ethics Committee is the guarantee and ethical representative body with consultative and proactive functions with the Board of Directors. Its task is to preliminarily verify the existence of all the requirements of an ethical nature (also in terms of sustainability) for third party companies with which the Company intends to set up partnerships, temporary associations of companies, joint ventures, or other forms of cooperation agreements between companies, especially in the context of participation in public procedures.

The Impact Manager, a role established following Andriani S.p.A. achieving the status of Benefit Corporation, is responsible for pursuing common benefit goals.

To support the decision-making process of these governance bodies especially on strategic aspects related to the impact of corporate business on the 17 UN goals, the Andriani Group has chosen to reinforce the CSR & Sustainability function that, during 2020 was increased from 2 to 5 organisational units. The CSR team's responsibilities include sustainability project management, ESG data analytics, food social media & communication, diversity & gender strategy, and sustainable chain management. As a part of the Management Board, the CSR Supervisor ensures effective steering of the Board of Directors on sustainability issues.



LEGEND

- Corporate governance
- Sustainability governance

## Corporate governance

### Board of Directors

#### Role

Strategic guidelines, organisational coordination, and company management

#### 5 members with delegated powers

(Development & Transformation, Marketing & Sales, Finance, M&A, Technical Operations)

#### Composition

5 men

#### Average age

44 years with 4 under 45  
(age range 30-50 years: 80%; age range over 50: 20%)

#### Board of Directors internal skills

R&D, Sustainability and Operations - Marketing and Sales - Treasury and Management Control - Mechanical and Industrial Engineering - Administration - Extraordinary Finance and Control

#### 2020 Meetings

Number of meetings 11 - Average meeting duration 1.15 minutes - Average participation of Board Members (100%) and the Board of Statutory Auditors (91%)

#### Topics

Ordinary Management - Corporate Acquisitions - Marketing Plan - Sustainable Development Report - Sustainable Investments Plan

### Management board

#### Role

Investigative, consultative, and proactive in terms of strategic management

#### 13 members

They represent all functional management heads

#### Composition

4 women and 9 men

#### Average age

48 years with 2 under 40

#### 2020 Meetings

Number of meetings 8

#### Board of Statutory Auditors

##### Dr. Alberto Longo

Chairman - 63 years

##### Prof. Andrea Venturelli

Acting auditor - 44 years

##### Dr. Francesco Paparella

Acting auditor - 53 years

#### Supervisory Board

##### Giovanni De Pascale

Chairman - 40 years

##### Attorney Vincenzo Acquafredda

Member - 47 years

##### Attorney Francesco Andriani

Member - 54 years

##### Dr. Salvatore Scaltrito

Member - 43 years

#### Audit Firm

Deloitte & Touche S.p.A.

#### Deloitte.

External Audit Firm -  
Sustainable Development  
Report Auditor

## Sustainability governance

### Nutritional Observatory

**Role**

Consultative, proactive, and technically and scientifically supportive

**10 members**

5 of which are external

**Composition**

3 women and 7 men

**Average age**

47 years with 5 under 40

**Areas**

New R&D methods - food policy evaluation - product nutritional quality - scientific collaborations with research institutions - education and training for a balanced diet - responsible communication on active lifestyles - product characteristics analysis - technical and scientific opinions - promotion of informative/scientific events

**2020 Meetings**

Number of meetings 6

### Ethics Committee

**Role**

Guarantee and representative body with consultative and proactive function regarding ethics

**7 internal members**

with responsibility for corporate functions

**Composition**

4 women and 3 men

**Average age**

41 years with 3 under 40

**Established in 2021**

The Andriani Group’s organisational structure, which is hierarchical and functional in nature, is divided into organisational structures of decreasing complexity (divisions, offices/departments), grouped by levels of homogeneous activities directed by a supervisor/manager. To promote integration between the multifunctional structure and the Board of Directors, the Management Board, made up of supervisors/managers, was es-

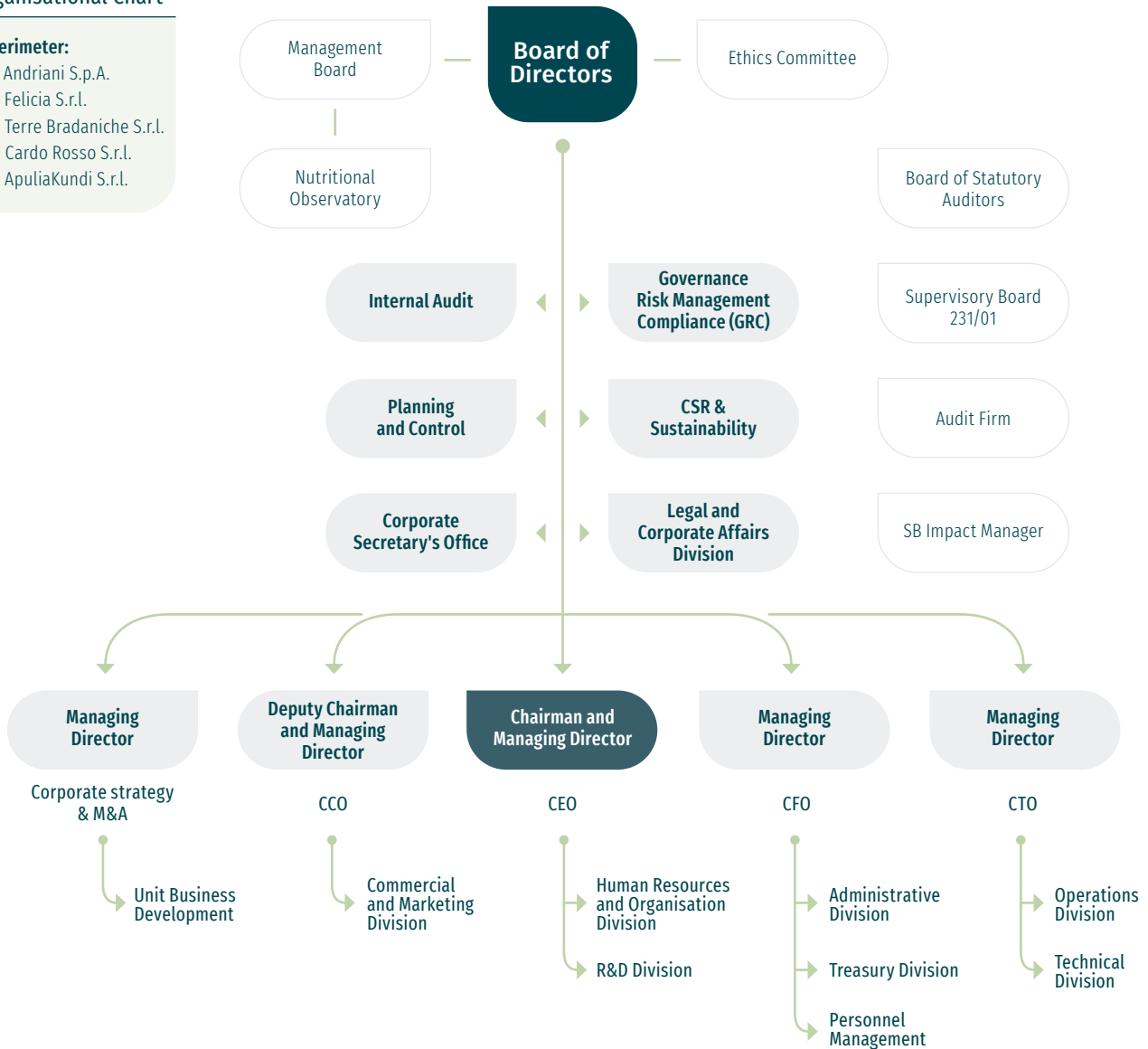
tablished. The line functions, which are responsible for achieving typical business goals, are the operations, technical, sales, and marketing divisions. The staff functions, which are responsible for providing the services necessary to implement the primary business purposes, are: R&D, Human Resources, Administration and Finance, Corporate Secretary, Planning and Control, Legal and Corporate Affairs, and CSR & Sustainability.



## Organisational Chart

**Perimeter:**

1. Andriani S.p.A.
2. Felicia S.r.l.
3. Terre Bradaniche S.r.l.
4. Cardo Rosso S.r.l.
5. ApuliaKundi S.r.l.





# 2.2 Andriani Benefit Corporation



Material topics no. 3, 7, 16



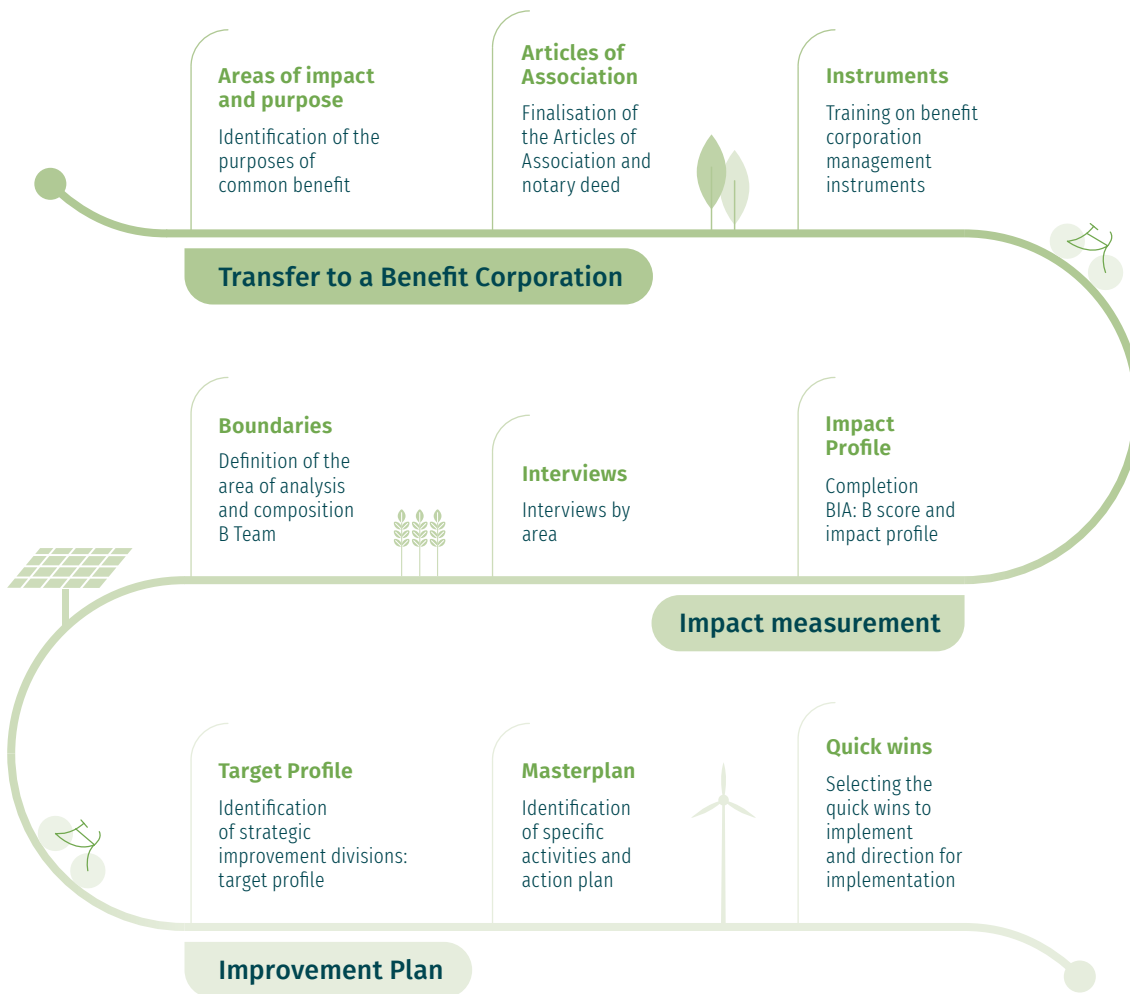
During 2020, Andriani S.p.A. chose to undertake a “regenerative path” of sustainable innovation focused on enhancing and reinforcing a process increasingly aimed at contributing to sustainable development.

To do so, Andriani chose to formalise its commitment to creating common benefit in a responsible, sustainable, and transparent manner, respecting the requests of the various stakeholders and, therefore, in line with the provisions of Italian Law no. 208 of 28 December 2015 regarding Benefit Corporations.



To assist in this *business transformation*, Andriani chose Nativa S.r.l. Benefit Corporation, the first certified benefit corporation in Europe, following three actions:

- Transformation into a Benefit Corporation
- Impact measurement
- Definition of the improvement plan.



GRAPH  
Business transformation process

The transformation into a Benefit Corporation, in which the entire corporate governance was involved, took place on November 6 2020, when, in an extraordinary session, the Andriani S.p.A. shareholders' meeting resolved to amend the Articles of Association, expanding the corporate purpose to provide, through economic activity, the pursuit of common benefit for its stakeholders in 5 specific areas of impact:

1. Contribute to improving awareness and analysis of the impact along the production chain of gluten-free grains and legumes, creating value for all stakeholders and introducing sustainable and integrated farming principles to the greatest possible extent;
2. Promote health and well-being for individuals and consumers through diet and a healthy and dynamic lifestyle, including through the research, development, and promotion of increasingly healthy products through the ongoing study of new solutions in terms of flavour and nutritional profile;
3. Develop and enhance the region in which the Company operates, acting on the cultural identity and social welfare of the community, both at the national and local level, with initiatives to raise awareness on sustainable development and the common good, also involving stakeholders and adopting values such as transparency, dialogue, and cooperation;
4. Promote the circular economy and innovation with a view toward protecting the planet, mitigating climate change and spreading practices that respect and improve the environment and biodiversity through an ongoing commitment to the sustainability of processes and all business practices in order to minimise impacts and encourage the responsible use of resources by reducing food waste;
5. Create a strong group identity and a positive work environment by enhancing the potential of individuals and constant attention to their well-being for continuous growth of the sense of belonging and satisfaction in the workplace.



# 2.3 Risk Management



Material topic no. 1

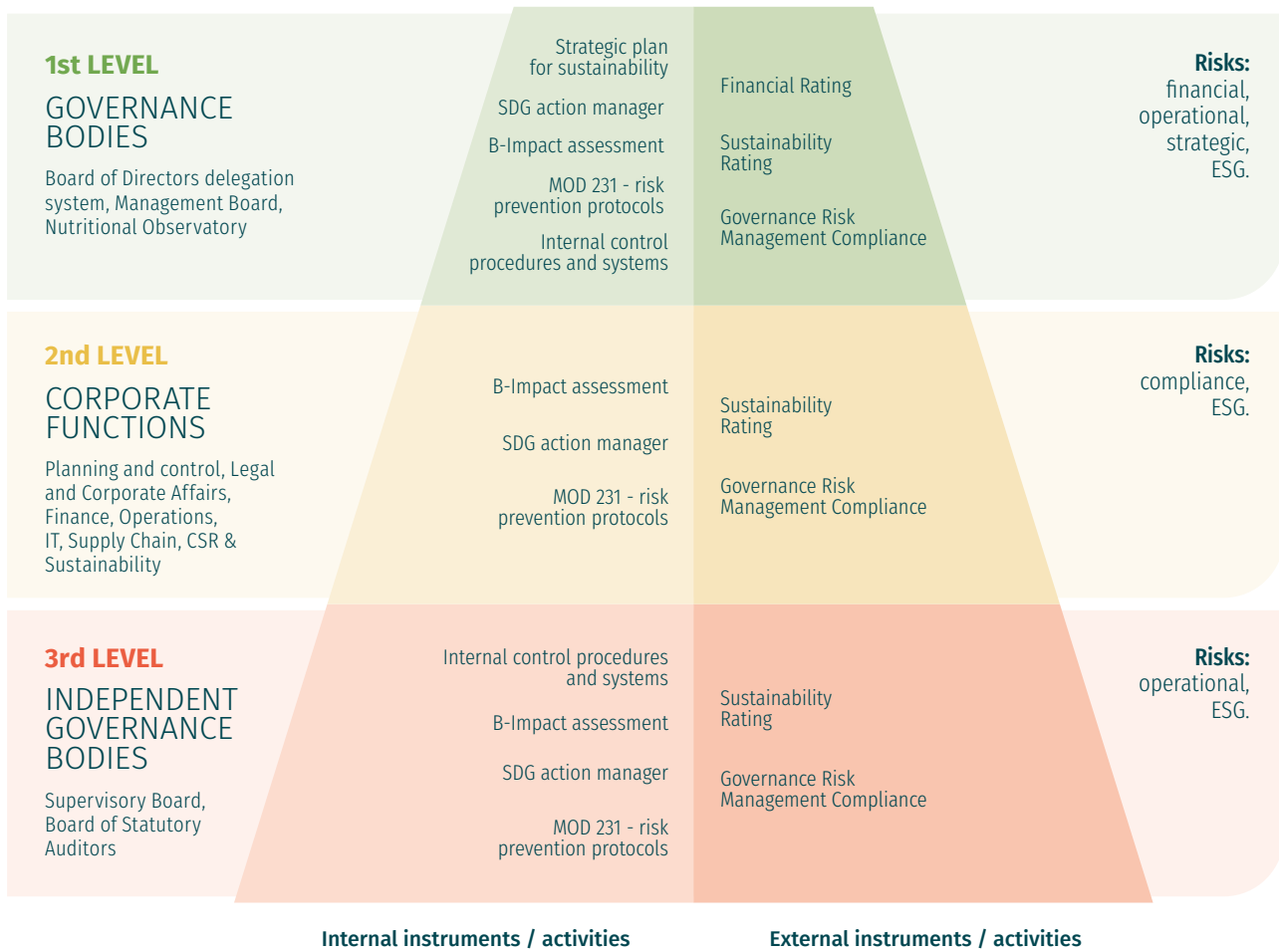
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As in other complex corporate organisations, the corporate governance transformation process in the Andriani Group promotes the identification, management, and mitigation of corporate risks through the development of an internal ability to plan and manage risks based on a performance control and measurement system.

In view of this, the Andriani Group has chosen to evolve, providing its organisational structure with a system of internal and external participants who analyse the probability and magnitude of the primary types of risk present, proposing and implementing tools to mitigate and monitor them.

GRAPH

**Risk Management System**





The Andriani Group’s financial risks include credit, exchange, liquidity, and continuity risks that are exclusively managed by the Managing Director (Administration and Finance) and the Management Board, with the support of Planning and Control and Finance, whose control activities is carried out by the Board of Statutory Auditors and the External Audit Firm. In addition to the existing procedures and control systems, there is the assessment system carried out by the Cerved rating agency for issuing financial ratings.

The strategic risks are associated with the deterioration of the company's equity position and profitability resulting from erroneous business decisions, or inadequate implementation of company plans and strategies, as well as poor responsiveness to changes in the external environment. These risks, which fall under the responsibility of the entire Board of Directors, the Management Board, and the Nutritional Observatory, are subject to monitoring within the Strategic Sustainability Plan.



The operational risks, i.e., those associated with the inadequacy of internal processes, technological systems, supply chain, sales network or, more

generally from contractual or non-contractual responsibility, are managed by the specific corporate functions under the supervision of the Supervisory Board, which verifies the adequacy of the organisational model and the proper functioning of the specific protocols. In addition to this supervisory activity, Marsh Risk Consulting carried out an external assessment to profile insurance coverage instruments capable of guaranteeing business continuity.

The compliance risks associated with cases of nonconformity resulting from violations of the laws or regulations are the responsibility of the legal and corporate affairs department, which can rely on the supervision of the Board of Statutory Auditors and the 231/01 Supervisory Board.

ESG risks, i.e., environmental, social, personnel, corruption, human rights, and governance risks, are monitored by the three control levels through internal and external instruments. The former include 231/01 protocols and the BIA and SDGS Action Manager assessment platform, while the latter include the assessment system carried out by the Cerved rating agency for issuing the Sustainability Rating Report.



## 2.4 Fight against Corruption

Material  
topic  
no. 2

205-3

As a founding member of the Global Compact, the Andriani Group has chosen to raise its level of commitment by proactively pursuing Global Compact Principle 10.

With this in mind, it has chosen to renew its management approach to fighting corruption by repudiating and prohibiting corruption without exception (both with public and private counterparts) and committing to comply with the anti-corruption laws in all the countries to which the Group exports its products.

A central element to this approach is the 231/01 organisational model and the Code of Ethics, both good governance tools that the Group reviewed in their entirety during 2021, providing specific protocols aimed at fighting active and passive corruption and, therefore, specific types of crime.

The Board of Directors receives annual training and/or information on both documents, during which it is informed of the primary changes to the general and special parts of the OMC 231/01 and to the rules of conduct and penalties set forth in the Code of Ethics. It goes without saying that this training activity also covers the fight against corruption.

Moreover, the distribution of the OMC 231/01 and the Code of Ethics within the corporate organisational structure is monitored by the Supervisory Board, which also verifies that both documents are updated

Through a preliminary risk assessment activity related to active and passive corruption, Andriani S.p.A. mapped four types of risk that can be traced back to:

- possible privileged relations between Company employees and collaborators and public officials or persons in charge of a public service;
- allocation of funds to the Company by the PA;

- disbursement of contributions and sponsorships in favour of public entities, foundations, and associations, as a vehicle for corruption/extortion, including indirect extortion of representatives of the PA;
- corruption through the hiring, promotion, and payment of individuals having direct relationships with subjects belonging to the PA.

In order to avoid such risks and crimes, the Company has implemented the protocol for the prevention of crimes against the PA, the protocol for the prevention of corporate crimes, and the regulation for the selection and hiring of personnel. Andriani governance bodies, employees, and collaborators will receive specific training on this protocol.

To deal more effectively with these risks, the Company also recently implemented a specific procedure on *whistleblowing* aimed at encouraging the emergence of potentially unlawful conduct to the detriment of the public interest. The purpose of this procedure is to provide the reported (Supervisory Board or HR Manager) clear operating instructions regarding the subject, recipients, and methods for transmitting the report as well as on the types of protection that the current legislation sets forth regarding the prevention of corruption.

In order to prevent conduct that could cause financial damage to the Company and harm to its stakeholders, a conflict of interest procedure has recently been implemented for all those individuals (Board of Directors, Board of Statutory Auditors, Supervisory Board, department heads, all employees, and external consultants) who work on behalf of and in the interests of Andriani S.p.A., or who receive a task from it.

There were no cases of corruption during 2020.





## 2.5 Discrimination at work, human rights, and immigration

Material topic no. 13

406-1

The Andriani Group considers opposing discrimination at work and the respect for human rights to be central and impactful not only for its own employees and collaborators, but also for its supply chain.

The company's commitment to these topics is also shown in the alignment to principles 1, 2, and 6 of the Global Compact that the Group carried forward during 2020 to combat the health emergency in the pre-Covid and post-Covid phase (see pages 22, 23, and 24 of the [2019 Sustainable Development Report](#)).

With this in mind, the Group's "leap forward" is definitely important, enriching corporate governance with an Ethics Committee and strengthen-

ing CSR & Sustainability on the *diversity* and inclusion by providing a dedicated resource.

In setting out the ethical and moral principles guiding Andriani's business, the Code of Ethics devotes specific attention to the protection of individuals, their fundamental rights, and their well-being.

As part of the institutional collaboration with the Italian Global Compact Network, the Andriani Group is carrying out a partnership project for the next "Italian Business SDGs Annual Forum 2021" to be held in Bari, Italy on 19-20 October 2021, which will focus on the theme "Migration and Decent Work".



### Purposes of the SDGs Annual Forum Network

*"The Italian Business & SDGs Annual Forum is a workshop where, through the sharing of knowledge, experiences, and project lines, innovative ideas aimed at common goals are produced. As part of the Forum, "bridges are built" between the various experiences recorded on the national level, along with new forms of collaboration and shared projects for sustainable development".*

#### The previous editions of the Forum were held at:

**Venice** 25-26 September 2016

"How can the private sector support the implementation of SDGs?"

**Lucca** 26-27 September 2017

"From prioritisation to action: *Collective Action* proposal presented by sustainable development participants"

**Matera** 11-12 October 2018

"The new business models in which competition and *shared value* combine and that companies must open up to in order to reach the *Global Goals*"

**Trieste** 14-15 October 2019

"Innovation for the 2030 Agenda"

**Rome** 13-14 October 2019

"Transitions for the 2030 Agenda"

Fonte:  
[www.globalcompactnetwork.org](http://www.globalcompactnetwork.org)



# 3

## Economic performance and creation of shared value

### In this chapter

- 44 Economic and financial performance
- 46 Creation of shared value
- 48 The Group's sustainable investments



€ **3.4**  
million

CONSOLIDATED  
NET PROFIT

+25.7% compared to the  
previous fiscal year



€ **77.9**  
million

GROUP  
TURNOVER

+20.5% compared to 2019



€ **22.2**  
million

ADDED VALUE  
PRODUCED

+24.7% compared to 2019



€ **27.3**  
million

NET FINANCIAL  
POSITION

+24.5% compared to 2019



### Stakeholders

Shareholders, suppliers, funders,  
business partners, customers,  
employees, institutions

## 3.1 Economic and financial performance



The Andriani Group closed out fiscal year 2020 with a consolidated net profit of €3.4 million (+25.7% compared to the previous fiscal year).

In a year marked by the greatest economic crisis since the post-war period caused by the Covid-19

pandemic, the Group's results show excellent economic and financial performance, which is summarised in the table below in which the figures for the 2020 fiscal year are compared with those for the 2019 fiscal year (values in thousands of euros):

TABLE

### Economic and financial performance

Items	2020	2019	Change	% change
Value of production	79,735	66,396	13,339	20.1%
Costs of production	73,915	61,474	12,441	20.2%
Gross operating margin (EBITDA)	10,958	9,718	1,240	12.8%
Net operating margin (EBIT)	5,821	4,922	899	18.3%
Result before taxes	4,656	3,651	1,005	27.5%
Result after taxes	3,375	2,758	617	22.4%
Group net equity	47,120	20,399	26,721	131.0%
Net financial position	27,347	21,962	5,385	24.5%
Operations Cash Flow	10,328	9,507	821	8.6%
Investment Cash Flow	(13,175)	(9,719)	(3,456)	35.6%
Funding Cash Flow	(4,102)	7,977	(12,079)	-151.4%

In the 2020 fiscal year, the Group's turnover amounted to €77.9 million (€64.7 million in 2019), registering another significant increase of 20.5% compared to 2019, which showed a growth of 16.2% compared to 2018. The increase in turnover recorded in 2020 is due to the rise in quantities produced, equal to 31.7 thousand tonnes for 2020 (26.3 thousand tonnes in 2019). For an analysis of the sales quantities per product category, see [paragraph 5.2](#).

The significant increase in turnover recorded in 2020 led to an overall rise in the value of production shown in the table above.

The dynamics of the costs of production is overall in line with the change in the value of production,

although it should be noted that this includes the significant increase in personnel costs of €2.8 million (+33.4%), following the addition of 26 employees, as discussed in [paragraph 4.1](#).

The EBITDA, or the operating result before the financial position, income taxes, depreciation, and provisions as an effective indicator of profitability that highlights a company's income based only on its operating management and excluding non-monetary elements, is approximately €11 million (+12.8% compared to 2019).

The EBITDA margin calculated in relation to turnover is 14.1% (15.0% in 2019) and 13.7% (14.6% in 2019) in relation to the value of production. Although down by 0.9 percentage points compared

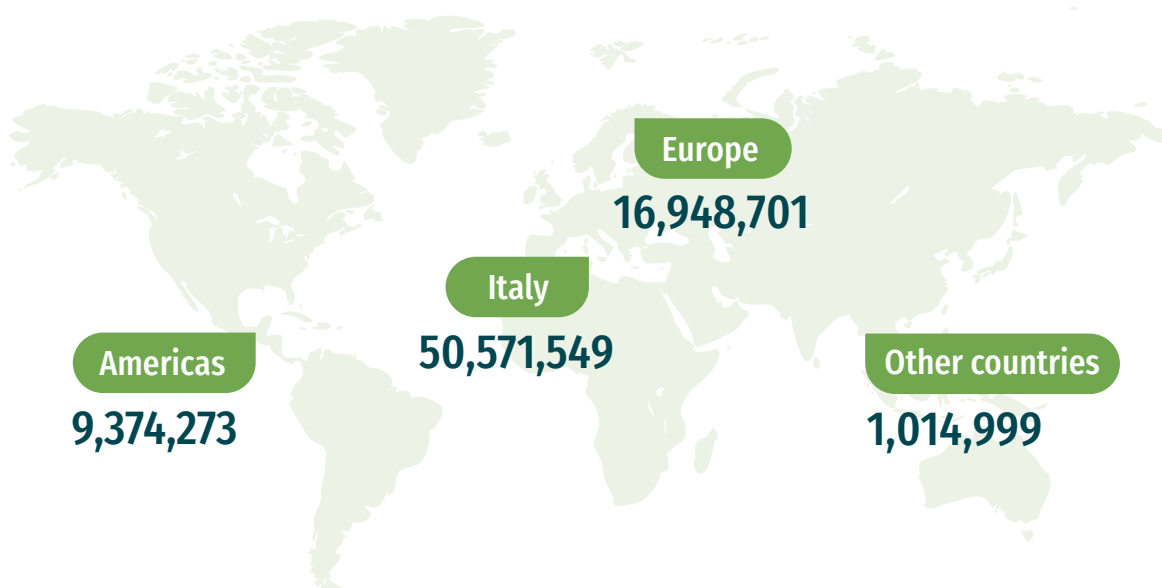
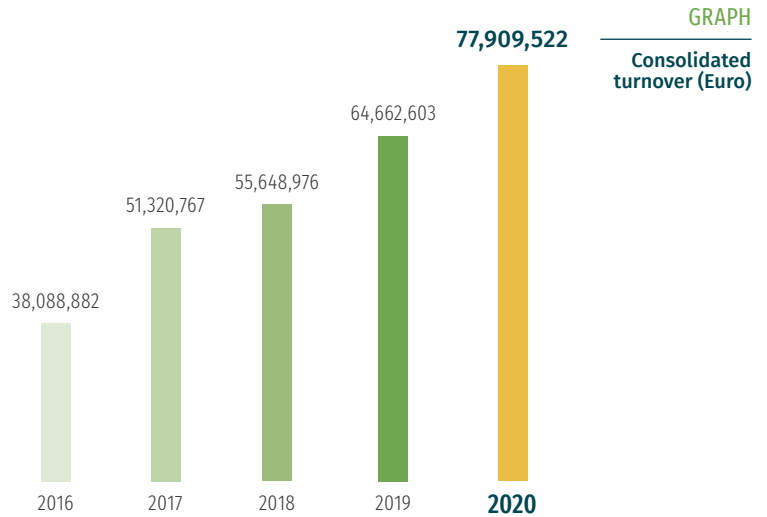
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to the previous year, it should be noted that the value achieved in 2020 shows a high level of marginality, especially considering that these excellent results were achieved in a difficult year.

The Group net equity is €47.1 million and is significantly strengthened by both the 2020 profit and the revaluations made by the Group in applying the legal standards regarding company assets (buildings, plants and machinery) and the Felicia brand.

The net financial position, which amounts to €27.3 million as of 31 December 2020 (€22 million at the close of the previous fiscal year), shows a percentage change in line with the performance of the value of production.



## 3.2 Creation of shared value



102-7

201-1

In order to provide an indication of the Andriani Groups economic contribution to its stakeholders, the added value represents the increase in value from the use of resources that, due to the implementation of the technical and productive cycle, were transformed into “generated wealth”.

This wealth remunerates the company’s stakeholders, who in various ways have provided raw materials, labour, services, investments, utilities, and

other tangible and intangible production factors.

The table below shows the Andriani Group’s “Consolidated Added Value” calculated according to the method proposed by the Study Group for Social Reporting (GBS), which provides two different prospectuses:

- the prospectus for determining the Added Value;
- the prospectus for the distribution of the Added Value.

During the 2020 fiscal year, the added value produced was €22.2 million, with an increase of €4.4 million compared to 2019 (+ 24.7%). The analysis prospectuses are shown below:

PROSPECTUS FOR DETERMINING THE ADDED VALUE	2020 (Euro)	2019 (Euro)	Delta (Euro)
<b>A) Value of production</b>	<b>78,574,809</b>	<b>65,121,962</b>	<b>13,452,847</b>
Revenues from sales and services	77,909,522	64,662,603	13,246,919
Change in inventory of finished products and goods	228,941	138,187	90,754
Increases in fixed assets through in-house work	79,814	60,667	19,147
Other revenues and income	356,532	260,505	96,027
<b>B) Intermediate production costs</b>	<b>56,324,556</b>	<b>47,310,349</b>	<b>9,014,207</b>
For raw materials, subsidiary materials, consumables and goods	39,459,983	27,772,692	11,687,291
Costs for services	17,845,982	17,019,732	826,250
Costs for the use of leased assets	588,111	540,124	47,987
Provision for contingencies	-	-	-
Other operating costs	1,332,779	678,495	654,284
Variations of inventory of raw and auxiliary materials, consumables and supplies	(2,961,982)	1,104,227	(4,066,209)
Write down of receivables included under assets forming part of working capital and of liquid funds	59,683	195,079	(135,396)
<b>C) Gross characteristic added value (C=A-B)</b>	<b>22,250,253</b>	<b>17,811,613</b>	<b>4,438,640</b>
Exchange rate gains and losses	(85,893)	11,477	(97,370)
<b>Characteristic added value net of exchange rates</b>	<b>22,164,360</b>	<b>17,823,090</b>	<b>4,341,270</b>
<b>Accessory management balance</b>	<b>5,753</b>	<b>18,779</b>	<b>(13,026)</b>
Total financial income from investments	-	203	(203)
Total other financial income	5,753	18,576	(12,823)
<b>Adjustments in value of financial assets</b>	<b>(4,800)</b>	<b>(83,040)</b>	<b>78,240</b>
Total revaluations	-	-	-
Total write downs	4,800	83,040	(78,240)
<b>GLOBAL GROSS VALUE ADDED</b>	<b>22,165,313</b>	<b>17,758,829</b>	<b>4,406,484</b>



PROSPECTUS FOR THE DISTRIBUTION OF THE ADDED VALUE	2020 (Euro)	2019 (Euro)	Delta (Euro)
<b>Staff remuneration</b>	<b>12,301,673</b>	<b>9,444,827</b>	<b>2,856,846</b>
Wages and salaries	8,542,085	6,344,699	2,197,386
Social security contributions	2,160,061	1,638,035	522,026
Employee severance indemnity	555,241	476,144	79,097
Pension plan and similar items	-	-	-
Other costs	78,175	53,405	24,770
Non-employee remuneration	966,111	932,544	33,567
<b>Public Administration Remuneration</b>	<b>255,179</b>	<b>(157,152)</b>	<b>412,331</b>
Taxes on income for the fiscal year	1,350,650	975,530	375,120
Taxes related to previous fiscal years	(54,560)	3,363	(57,923)
Grants for current fiscal year	(1,143,009)	(1,185,224)	42,215
Indirect taxes	102,098	49,179	52,919
<b>Remuneration of loan capital</b>	<b>1,080,208</b>	<b>1,217,645</b>	<b>(137,437)</b>
Passive interest	1,080,208	1,217,645	(137,437)
Differential from financial instruments	-	-	-
<b>Company remuneration</b>	<b>5,077,344</b>	<b>4,600,835</b>	<b>476,509</b>
Amortisations and write down of fixed assets	5,077,344	4,600,835	476,509
<b>Remuneration of Risk Capital</b>	<b>3,359,535</b>	<b>2,672,438</b>	<b>687,097</b>
Profit (loss) attributable to the shareholders of the Group	3,375,353	2,758,292	617,061
Profit (loss) for the year related to minority interests	(15,818)	(85,854)	70,036
<b>Donations and sponsorships</b>	<b>91,374</b>	<b>(19,764)</b>	<b>111,138</b>
Donations and sponsorships	108,829	69,050	39,779
Contributions for scientific research	(17,455)	(88,814)	71,359
<b>GLOBAL GROSS VALUE ADDED</b>	<b>22,165,313</b>	<b>17,758,829</b>	<b>4,406,484</b>

The distribution of the global gross value added in percentage terms is summarised in the graph below:



**GRAPH**  
Distribution of the global gross value added in 2020

Comparing the two years shows an increase in the percentage related to the staff, which has always been considered a central and key element, and to the public administration, against a reduction in the incidence of company remuneration and credit capital.

## 3.3

# The Group's sustainable investments



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The Group's primary sustainable investments were:

- Completion of the Andriani Smart Building, overall investment as of 31.12.2020 equal to €4,566,527;
- Finalisation of the Trigenerator, overall investment as of 31.12.2020 equal to €1,521,114;
- Photovoltaic plant, overall investment as of 31.12.2020 equal to €136,240.

During the 2020 fiscal year, the last works were completed on the Andriani Smart Building. The project, which lasted a year and a half between design and completion, had an overall cost of €4,566,527 as of 31 December 2020. Starting in March 2020, the Smart Building became the Andriani Group *headquarters*.

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page 116

In 2020, the investment in the cogeneration plant was also completed with the trigeneration system, which allows the production of electricity and heat along with the production of cold water.

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page 46

The plant, which entered into operation in August 2020, uses natural gas to produce electricity as well as thermal and cooling energy, which are needed for pasta processing. The overall cost as of 31.12.2020 was €1,521,114. The system serves the energy efficiency and carbon neutrality goals. For further details, see par. [6.1](#) and [6.2](#).

Starting in October 2020, work began to construct the 612.72 kWp photovoltaic plant on the roofs of the Terre Bradaniche industrial workshop and the Andriani production facility, both in Gravina in Puglia. The investment in 2020 was €136,240. The photovoltaic plant was completed in 2021 with an overall investment of €681,200.

Also, during the 2020 fiscal year, the Group incurred multiple expenses for social initiatives and community support, described in [Chapter 7](#), as well as in favour of human resources, beyond what is set forth in the current national labour agreements, as mentioned in [Chapter 3](#).





17 PARTNERSHIP PER GLI OBIETTIVI

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

12 CONSUMO E PRODUZIONE RESPONSABILI

9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE

7 ENERGIA PULITA E ACCESSIBILE

8 LAVORO DIGNITOSO E CRESCITA ECONOMICA

11 CITTÀ E COMUNITÀ SOSTENIBILI

2 SCONFIDDERE LA FAME

4 ISTRUZIONE DI QUALITÀ

10 RIDURRE LE DISUGUAGLIANZE

5 PARITÀ DI GENERE

3 SALUTE E BENESSERE

1 SCONFIDDERE LA POVERTÀ

15 VITA SULLA TERRA

14 VITA SOTT'ACQUA

OBIETTIVI PER LO SVILUPPO SOSTENIBILE

13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO

6 ACQUA PULITA E SERVIZI IGIENICO-SANITARI



## Smart Building

The Smart Building is a tangible example of Andriani’s commitment to Sustainable Development and the 2030 Agenda. It arose from the need to create a new work facility in line with the company philosophy based on innovation and sustainability.

In strictly architectural terms, the Smart Building is the result of a trade-off between organisational development and energy efficiency (also in consideration of the solar exposure) in which the three ingredients were beauty, design, and requalification of the territory.

### How green offices can provide the foundations towards meeting several Sustainable Development Goals



**3** GOOD HEALTH AND WELL-BEING

Green offices can enhance employee's health, wellbeing & productivity

**7** AFFORDABLE AND CLEAN ENERGY

Green offices can use renewable energy, making them cheaper to operate

**8** DECENT WORK AND ECONOMIC GROWTH

Building green offices creates jobs and boosts the economy

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

Green offices can catalyse innovation and be resilient to climate change risks

**11** SUSTAINABLE CITIES AND COMMUNITIES

Green offices are a key part of sustainable cities and communities

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

Green offices use 'circular' principles, where resources are not wasted

**13** CLIMATE ACTION

Green offices produce fewer emissions, helping to combat climate change

**15** LIFE ON LAND

Green offices can enhance biodiversity, save water resources and help to protect forests

**17** PARTNERSHIPS FOR THE GOALS

Through building green offices, we create strong, global partnerships

**Ergonomics and comfort**



**Liquid space**



**Aesthetics**



The Smart Building project, starting from considering the workplace as a meaningful “experience” that can contribute to the improvement of the state of well-being, satisfaction, and positivity of the people working there, was designed with a focus on 6 key drivers.



**Collaboration**



**Creativity**



**Concentration**

**Energy efficiency and water conservation**

The Smart Building was designed in compliance with the ITACA Protocol, which measures the environmental energy sustainability of buildings. In terms of emissions produced, the Smart Building is a “zero emissions” building and is focused on the energy exchange principle. The main source of thermal energy is the ground, which, thanks to a geothermal plant that exploits its capacity to ensure stable temperatures above the first layer (about 15 mt), allows the geothermal probes to exchange enough thermal energy to meet the facility’s heating needs.

In order to decrease thermal dispersion while ensur-

ing high air quality, the building was equipped with a mechanical ventilation system that ensures the necessary air exchanges, defined for their specific intended uses. It is estimated that, thanks to the geothermal system, about 4,170 TEP per year will be saved, equal to 10,533 kg of CO<sub>2</sub>.

In terms of water savings, on the other hand, the building is equipped with rainwater collection tanks that accumulate the water collected from the roofs during storms and, after a mechanical purification treatment, use it inside the water drains and in irrigating the green areas of the facility.





ANDRIANI  
Natural Innovations

Great Place To Work  
Certified  
2019-2020

tanti volti  
per un unico  
grande impegno

Key numbers

# 4

## Central role of the people

### In this chapter

- 54 Our people and their value
- 57 Health, safety, and well-being at work
- 63 Company culture and human resources development



**177**

EMPLOYEES IN 2020  
+26 COMPARED TO  
2019  
17.2% increase in human  
resources

**41**

AVERAGE AGE OF  
EMPLOYEES



Open-ended  
employment contracts  
account for almost all  
existing employment  
relationships



**4,945.5**

HOURS OF TRAINING  
PROVIDED IN 2020  
+22% compared to 2019



**31,200**Km  
ROUTES

**€21.6K**  
AWARD GRANTED

**2,944**Kg  
CO<sub>2</sub> AVOIDED



**+2** FEMALE  
EXECUTIVES  
IN 2020



Great Place to Work  
Certification



Stakeholders  
Employees

# 4.1 Our people and their value



The Andriani Group has always recognised the importance and central nature of human resources. They are the spindle and driving force behind the company's activities, constantly committed to respecting their rights and supporting their professional and personal development.

Andriani's commitment to its employees is characterised by:

- attention to health, safety, and well-being in the workplace;
- respect for diversity and attention to gender equality;

- investments in training in order to increase technical and professional skills;
- promotion of career paths and professional development;
- improvement in the work environment and climate, promoting a shared company culture;
- listening to employees and team-building;
- wage and welfare policies.

The definition and management of personnel policies are the responsibility of Human Resources, in accordance with the guidelines issued by the Board of Directors.

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401-1	402-1	405-1

## Staff composition and characteristics

**+26**  
Work units compared to 2019

Being aware of the importance and central nature of human resources for the Andriani Group, during the 2020 fiscal year there was a significant investment in human capital. In fact, the number of employees, equal to a total of 177 individuals as of 31 December 2020, increased by 17.2% overall (+26) compared to the previous fiscal year, which

included 151 individuals. The increase affected all job categories.

Andriani strongly believes in its contribution to local employment, which affects all professional categories. In this sense, it should be noted that 86% of the directors come from the local territory (Apulia Region).

TABLE

Number and percentage of employees by employee category and gender

Employee category	31/12/2020			31/12/2019		
	Men	Women	Total	Men	Women	Total
Directors	12 (86%)	2 (14%)	14	9 (100%)	- (0%)	9
Management	3 (100%)	- (0%)	3	1 (100%)	- (0%)	1
White collar	34 (58%)	25 (42%)	59	29 (53%)	26 (47%)	55
Blue collar	96 (95%)	5 (5%)	101	81 (94%)	5 (6%)	86
<b>Total</b>	<b>145 (82%)</b>	<b>32 (18%)</b>	<b>177</b>	<b>120 (79%)</b>	<b>31 (21%)</b>	<b>151</b>

TABLE

Number and percentage of employees by age group and employee category

Employee category	31/12/2020			31/12/2019		
	<30	30-50	>50	<30	30-50	>50
Directors	0%	57%	43%	0%	56%	44%
Management	0%	100%	0%	0%	100%	0%
White collar	12%	76%	12%	16%	71%	13%
Blue collar	12%	73%	15%	10%	70%	20%
<b>Total</b>	<b>11%</b>	<b>73%</b>	<b>16%</b>	<b>12%</b>	<b>70%</b>	<b>18%</b>



Composition of employees by employee category

**8%**  
directors

**2%**  
management

**33%**  
white collar

**57%**  
blue collar

The average age of the employees is in line with the previous fiscal year, as shown by the table below:

Average age of employees by gender and employee category	31/12/2020			31/12/2019		
	Men	Women	Total	Men	Women	Total
Directors	50	44	49	50	-	50
Management	39	-	39	33	-	33
White collar	42	37	40	42	36	40
Blue collar	40	45	40	41	44	42
<b>Total</b>	<b>41</b>	<b>39</b>	<b>41</b>	<b>42</b>	<b>38</b>	<b>41</b>

On the other hand, with regard to the employment contract, as can be seen from the tables below, the number of permanent contracts increased in the fiscal year under review, representing almost all existing employment relationships.

It is noted that the national collective labour agreement applied to almost all management, white collar and blue collar is CCNL Alimentari p.m.i. (SME Food National Collective Labour Agreement) On the other hand, for directors, the National Collective Labour Agreement applied is primarily the one for Industry.

Number of employees by gender and employment contract	31/12/2020			31/12/2019		
	Men	Women	Total	Men	Women	Total
Temporary	3	1	4	1	0	1
Permanent	142	31	173	119	31	150
<b>Total</b>	<b>145</b>	<b>32</b>	<b>177</b>	<b>120</b>	<b>31</b>	<b>151</b>

Number of employees by gender and employment type	31/12/2020			31/12/2019		
	Men	Women	Total	Men	Women	Total
Full time	144	32	176	118	31	149
Part time	1	0	1	2	0	2
<b>Total</b>	<b>145</b>	<b>32</b>	<b>177</b>	<b>120</b>	<b>31</b>	<b>151</b>

Information regarding the evolution of the staff during the year are shown in the following tables:

Detail of new hires by gender and age range	2020				2019			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	10	19	2	31 (21%)	1	3	4	8 (4%)
Women	0	2	-	2 (6%)	1	3	-	4 (13%)
<b>Total</b>	<b>10 (53%)</b>	<b>21 (16%)</b>	<b>2 (7%)</b>	<b>33 (19%)</b>	<b>2 (11%)</b>	<b>6 (6%)</b>	<b>4 (14%)</b>	<b>12 (8%)</b>

Detail of terminations by gender and age range	2020				2019			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	-	3	3	6 (4%)	1	5	1	7 (6%)
Women	0	1	-	1 (3%)	-	1	-	1 (3%)
<b>Total</b>	<b>0 (0%)</b>	<b>4 (3%)</b>	<b>3 (11%)</b>	<b>7 (4%)</b>	<b>1 (6%)</b>	<b>6 (6%)</b>	<b>1 (4%)</b>	<b>8 (5%)</b>

Finally, with regard to relations between workers and management, it is specified that reference is made to the applicable CCNL (CCNL Alimentari p.m.i.) for the minimum notice period for operational changes.

## Virtual Hiring Event

On 27 October 2020, Andriani participated in the Virtual Hiring Event promoted by Indeed, an event presenting the company and providing opportunities to meet with interesting individuals. It was held virtually to adapt to the restrictions imposed by the Covid emergency.

179 candidates were registered for the event. During the digital event there were more than 63 individuals whose background is in line with the company's needs.

The total number of clicks on the Indeed/Andriani event and the number of users directed to the Andriani website and social media exceeded 10,401.



## Diversity and equal opportunity

405-1 406-1

There is still a long way to go to achieve gender equality in the food industry, which still suffers from a predominately male workforce. Nevertheless, the current development model pays great attention to ensuring that individual development paths, starting from the date of hire, do not contain constraints resulting from gender or age differences, and particular care is taken regarding women with equal skills and performance.

Even though the overall figure on the incidence of gender quotas was 18% as of 31 December 2020, essentially in line with the previous year, the arrival of two female executives is worth noting, thus

strengthening the “pink quota” in management positions.

In 2020, the number of executive positions held by women was increased; in fact, under the new Corporate Governance Plan, 14.3% of managers are also women.

Andriani intends to safeguard the gender balance and recognise equal opportunity of access to resources and organisational positions, regardless of gender.

It should be noted that during 2020 there were not reported episodes of discrimination.



**18%**  
overall pink quota



**14.3%**  
female executives

Parity, inclusion and diversity will become integral elements of the Andriani Group's culture, values and behavioural ethics. For this reason, at the beginning of 2021, a person responsible for diversity, equality and inclusion at work was appointed to oversee the implementation of a series of projects aimed at, on the one hand, enhancing an aptitude

for change and the sharing of common goals, with activities focused on strengthening the self-esteem and project capabilities of individuals; and, on the other, promoting inclusion with the implementation of new and experimental projects designed to build connections with the local community and the social environment.



## 4.2 Health, safety, and well-being at work



### Occupational health and safety management system

403-1

The Andriani Group has long since implemented a system for occupational health and safety. In particular, Andriani's commitment to safety must be seen in the context of existing regulatory requirements. Italian law regarding safety (Italian Legislative Decree 81/2008 "Consolidated Law on the protection of health and safety in the workplace") is one of the most stringent in Europe and requires companies to carry out an analytical assessment of risks to employee health and safety.

In addition, the company management pays particular attention to these important issues.

The occupational health and safety management system is a part of the Organisation, Management, and Control Model pursuant to Italian Legislative Decree 231/2001 and concerns all dependent and independent workers whose work and/or workplace is controlled by the organisation.

### Risk assessment

403-2

Risk assessment is a process whose goal is to estimate the risks to the workers' health and safety from dangers present in the workplace. This consists of a careful and systematic examination of all aspects of the work activity aimed at establishing:

- what could cause damage or injury;
- if possible, when there are dangers, eliminate them;
- if it is not possible, indicate the preventive and protective measures taken or that must be implemented to limit and/or control the risks.

Based on the provisions contained in the various titles of the aforementioned Italian Legislative Decree no. 81 of 9 April 2008 (the "Consolidated Act"), the Andriani employer carried out the various phases of risk detection, and subsequently compiled the final document, in compliance with the methods indicated in Articles 28 and 29 of the aforementioned legislative decree.

The "risk assessment", understood as the set of all those cognitive and practicable operations that must be implemented to arrive at an estimate of the risk of exposure to hazards to staff health and

safety, in relation to the planning of any prevention and protection measures for the elimination or reduction of the risks identified, is a complex operation that requires, a series of phases, successive and consequent to each other for each environment or workplace considered. These phases provide:

- identification of the sources of risks present in the work cycle;
- identification of the subsequent potential risks of exposure in relation to carrying out operations, both for risk to safety and to health;
- estimate of the extent of exposure risks associated with the identified prevention situations.

The risk analysis and assessment is documented in the Risk Assessment Document (DVR), which includes:

- a) a report on the risk assessment carried out in the various company environments or workplaces, including the criteria adopted for its definition;
- b) the description of the Prevention and Protection measures implemented, consistent with the results of the Risk Assessment.

The DVR also provides the description of the processes available to the workers to report the presence of any hazards or hazardous situations at work, to move away from work situations that are believed to cause occupational injuries or illnesses, and the processes used to investigate possible

occupational accidents, in order to determine the corrective actions and improvements necessary for occupational health and safety.

The DVR is periodically updated by the company. The last update was in September 2020.

## Occupational health services

403-3

The occupational health services are provided by a company physician, whose obligations are set out in Article 25 of Italian Legislative Decree no. 81/2008, and who, with full organisational and time autonomy and as compatible with company needs, is required to:

- collaborate with the employer and the prevention and protection service in assessing the risks and for planning, where necessary, any health monitoring, in the implementation of measures protecting the health and psycho-physical well-being of the workers, in training and information activities for the workers within the scope of their functions and in organizing the first aid service;
- collaborate in the development and implementation of voluntary health promotion programmes

- according to the principles of social responsibility;
- plan and perform health monitoring;
- provide information to workers on the meaning of the health monitoring to which they have been subject and any possible need to undergo health checks;
- visit the work environments at least once a year, or at a different frequency based on the risk assessment;
- participate in the planning of worker exposure checks for the purposes of risk assessment and health monitoring.

The workers' access to the medical services is guaranteed in the company where there is a clinic. The services are provided during work hours. All Andriani workers are subject to health monitoring.

## Participation and consultation of the workers

403-4

To facilitate worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and in order to provide access to and communicate relevant occupational health and safety information to workers, Andriani organises periodic risk prevention and protection

meetings pursuant to Article 35 of Italian Legislative Decree no. 81/2008, as amended. This meeting is attended by the executives, the Prevention and Protection Service Supervisor, the Company Physician, and the Workers' Safety Representatives who are elected at a meeting attended by all the company's workers.

## Training on safety in the workplace

403-5

Staff training in health and safety in the workplace is managed by the Andriani S.p.A. Human Resources Department, in close cooperation with the Supervisory Board in accordance with Italian Legislative Decree 231/2001. Periodically, and at least yearly, this department proposes a training

plan to the Supervisory Board, which is responsible for verifying the adequacy of the contents of the aforementioned trading plan in regard to the relevant aspects pursuant to the Decree and proposing any appropriate additions.

The training plan provides for interventions whose details depend on where the training recipients are located in the company and the specific risk areas.

As set forth in Articles 36 and 37 of Italian Legislative Decree 81/08, Andriani ensures that each worker receives sufficient and adequate training and information regarding health and safety, with particular reference to their own workstation and responsibilities. This training is repeated at each job change, transfer, hire, and, periodically, each change or onset of new risks. The information and training courses cover:

- workers' rights and duties related to health and safety in the workplace;
- organisation of safety inside the company, with particular attention to health risks and procedures regarding first aid, fire fighting, and the evacuation of the workers;
- safety and hygiene;
- tasks and responsibilities of specific individuals

set forth by the standards such as the Workers' Safety Representative, Prevention and Protection Service Supervisor, Company Physician, members of the Prevention and Protection Service, first-aid officers, fire-fighting officers;

- risks regarding the workstation and jobs, as well as the possible damage and subsequent prevention and protection measures and procedures;
- interpersonal communication techniques in relation to the role.

As set forth in Articles 71 and 73 of Italian Legislative Decree 81/08, Andriani ensures that, for each item of work equipment made available, the workers assigned to use it have all the necessary information and instruction and receive appropriate safety training. The employer shall also ensure that workers are informed of the risks to which they are exposed when using work equipment, of the work equipment present in their immediate surroundings, even if not used directly by them, and of any changes to that equipment.

## Relationships with consultants, partners, and suppliers

403-7

In the context of relations with parties outside of Andriani such as consultants, partners, and suppliers, specific information is provided on the safety policies and procedures adopted by the company, based on the Organisation, Management and Control Model, as well as the texts of the contractual clauses usually used in this regard.

In accordance with the provisions of the specific contractual clauses included in the letters of appointment or partnership agreements, any conduct by consultants, partners, and suppliers that conflicts with the lines of conduct indicated in the Organisation, Management and Control Model, and which entails the risk of a crime or offence being committed, may result in the termination of the contractual relationship or in any other contractual sanction specifically set forth, without prejudice to any claim for compensation, if substantial damage to the company results from such conduct.

Employees, associates, suppliers, and partners must guarantee the following to all customers/users:

- highly professional, excellent, and quality services;
- decent environmental conditions and compliance with mandatory health and safety regulations;
- complete and transparent information aimed at promoting knowledgeable choices by recipients;
- the dissemination of truthful information, avoiding forms of communication, marketing, and promotion that are misleading or based on ambiguities;
- efficiency, courtesy, and timeliness, within the limits of the contractual provisions, in order to meet the reasonable expectations and needs of the recipients;
- full achievement of the objectives set forth in project-based structured services;
- full compliance with the law and internal management procedures and the delivery of training courses.

A proper and transparent relationship with customers, suppliers, and partners is important for the Company's success.

## Injuries and work-related ill health

403-9 403-10

With regard to quantitative information on injuries and occupational diseases affecting the Group's employees, it should be noted that in 2020 there was only one injury reported (man) and no deaths. This is, therefore, a positive result, especially considering the major increase in the workforce and the hours worked during the year. There were no cases of work-related ill health.

The numbers are provided below:

<b>Andriani Employees<sup>1</sup></b>	2020	2019
Total number of fatalities as a result of work-related injury	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	0
Total number of recordable work-related injuries	1	1
Hours worked by Andriani employees	284,738	267,813
Multiplier	1,000,000	1,000,000
Rate of fatalities as a result of work-related injury	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0
Rate of recorded work-related injuries	3.5	3.7

The following is quantitative information on the rate of absenteeism, which must be considered to be positive due to both the 6% increase in total hours worked in 2020 and the 17.2% increase in the workforce compared to the previous fiscal year.

TABLE

**Rate of  
absenteeism  
(%)**

<b>Reason</b>	2020		2019	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
Illness	2.04	0.66	1.62	0.23
Injury	0.01	0.00	0.01	0
Maternity	0	0.77	0	1.9

<sup>1</sup> The company will further analyse the significance of other non-employee workers in order to assess the need to collect data from employers of external collaborators and suppliers working at Group sites and/or those under Group control, assessing the quality and accuracy of the data over which it does not exercise direct control.

## Company welfare

403-6

For Andriani, the concept of well-being is at the heart of all People Care activities, with the intent being to pursue the goal of promoting happiness at work. This is essential for high intrinsic motivation, quality production, engagement, a sense of belonging, performance, and productivity.

### Natural lifestyle

To promote its employees' health, Andriani guarantees providing healthy foods in the company canteen, having based its business on the production of foods containing cornmeal, rice, grains, and legumes that are naturally gluten-free, as well as organic, in order to protect people suffering from coeliac disease and those who wish to pay more attention to their nutrition by following a healthy and balanced diet.

Plus, the company has an area where employees can relax while drinking coffee, tea, or herbal teas.



This is the backdrop for the birth of the Andriani Wellness project. This initiative is aimed at all employees in order to improve psycho-physical well-being through a series of motor activities, suggested by a professional athletic trainer, and the advice of a nutritionist who periodically analyses the biometric data of the participants. The courses include muscle warm-ups, cardio-fitness, stretching, and transcendental meditation.

This initiative aims to:

- Increase psycho-physical well-being and reduce stress. In fact, various studies show how the worker's productivity is directly proportional to their psycho-physical well-being, which affects motivation and engagement. In today's society, lifestyles and occupations are increasingly sedentary, highlighting the fact that psycho-social risks and work-related stress are currently one of the most significant problems in the world of work, with serious repercussions on both the workers' health and the company's production capacity.
- Improve work-life balance. Physical activities in the working environment and the good advice for a healthy lifestyle, both in terms of physical activity and dietary habits, allow a better integration between personal and working life. This

reduces the amount of time spent outside working hours on such activities, allowing more time for family and hobbies, while at the same time transferring the advice, habits, and effects of the psycho-physical well-being activity into the worker's private life.

- Achieving goal no. 3 – Good Health and Well-being – UN 2030 Agenda.

The steps highlighted in the project are as follows:

- 1) internal investigations in the various company areas to evaluate the existing needs, based on the activities performed, with the support of the athletic trainer and the nutritionist;
- 2) activation of specific courses for improving psycho-physical balance and acquiring tools to use while exercising;
- 3) involvement of the nutritionist in organising appointments with the participants to evaluate their dietary habits, acquire biometric data, and provide recommendations for a healthier lifestyle;
- 4) monitoring, creation of a survey to evaluate the progress of the project as it is happening regarding both satisfaction and results in terms of stress reduction and improvement of biometric data.

## Andriani Bike to Work

The company, at the cutting edge of corporate well-ness and sustainability in the workplace, has made 85 e-bikes available to its employees to develop a smarter, healthier, and more environmentally friendly life-style. Based on the number of kilometres biked, employees receive an award in their paycheck. In 2020, €21,600 was awarded.

The initiative aims to optimise the psycho-physical well-being of the workers who, by biking to work, are on

average less likely to get sick, are more resilient, arrive at work with more energy, and manage to concentrate better, experiencing an uplift in mood that helps lower stress and improve relationships.

In addition, cycling encourages a healthier lifestyle, reduces obesity, and contributes to better muscle tone and greater self-confidence.

**31,200**Km  
TRAVELLED  
IN 2020

14,747 km in 2018  
34,359 km in 2019  
31,200 km in 2020

**4,553**L\*  
FUEL SAVED

2,000 litres in 2018  
5,015 litres in 2019  
4,553 litres in 2020

**2,944**Kg\*  
CO<sub>2</sub> AVOIDED  
IN 2020

1,391 kg in 2018  
3,243 kg in 2019  
2,944 kg in 2020

**€21.6**K  
TOTAL AWARDED  
IN 2020

\* To calculate the litres of fuel saved, the average l/km consumption data in the DataOpen system was used with reference to the registrations made for cars of the Puglia Region. For the calculation of the CO<sub>2</sub> not emitted, data from the OpenData system of the Ministry of Infrastructure and Transport were used.



Finally, Andriani has taken out a health insurance policy for all workers following the health emergency due to the spread of the SARS-CoV-2 virus (coronavirus), the cause of the Covid-19 illness. With regard to the prevention and mitigation of factors impacting occupational health and safety in the context of business relations, the company has also adopted specific policies and procedures provided for in the 231/01 model.

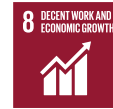
## Andriani Arts Academy



During 2020, despite the health emergency, which did not allow in-person activities, the Academy continued lessons remotely in order to continue the educational itinerary for the children of employees who joined them and to confirm its commitment to cultural promotion and the prevention of juvenile delinquency.



## 4.3 Company culture and human resources development



### Shared company culture

The Andriani Group firmly believes in the importance of sharing a company culture based on the values of transparency, integrity and professional uprightness trust, mutual respect, and teamwork.

The company climate and the focus on employee well-being are crucial to fostering a pleasant and positive working environment. In fact, numerous scientific studies have shown a close correlation between the quality of the work environment and the company's performance results.

### Team Building

Certified Facilitator  
LEGO® SERIOUS PLAY®

Andriani continuously carries out team building experiences, both in-person and virtually, in order to create a company identity that is shared with the entire staff and a sense of belonging that can increase each individual's engagement and motivation. Experiences and gaming are used to create greater involvement, idea production, and mental openness. Gaming and projective techniques were used to enable the creation of new mental patterns and the adaptation of pre-existing ones.

LEGO Serious Play was used. This method is aimed at developing thought and communication, and resolving complex company management problems. The goal is to promote creative thought to create metaphors of the individual's organisational identity and experiences. Participants worked through imaginary scenarios using LEGO blocks to create "serious play" that helps develop the ability to communicate effectively, leveraging imagination and gaining loyalty, commitment, and understanding.



According to several studies, including the annual publication of the United Nations World Happiness Report, positive thinking helps companies be more successful at the organisational level in terms of information transfer, creativity, innovation, and productivity. It improves social relationships and customer relations, motivates people to develop more skills, and becomes a contagious factor with a snowball effect.

According to positive psychology, the elements that contribute the most to creating a sense of well-being are:

- Feeling positive emotions;
- Using our own potential;
- Following an ideal and giving life meaning;
- Achieving results;
- Experiencing positive and gratifying emotions.

For this reason, creating a serene and positive work environment, where there is loyalty and mutual respect among individuals is essential to increase intrinsic motivation and a sense of belonging to the community within the company.

Analysis of the organisational climate is an essential tool for the HR department and corporate management to use to maintain awareness of the health of the company, making it possible to get a view of its strengths, highlighting the potential for development and defining the areas for improvement. Andriani fulfilled the requirements to receive Great Place to Work Certification.

## Great Place To Work

In September 2020, Andriani participated in the GREAT PLACE TO WORK project by the research and organisational company of the same name that measures and analyses the quality of the workplace, accompanies companies in their growth, and awards the best organisations in Italy, Europe, and throughout the world.

Andriani received GREAT PLACE TO WORK 2020-2021 certification due the use of two tools validated by thirty years of research and analysis in organisations throughout the world:

### CULTURE AUDIT

Descriptive document of all HR policies in the following areas:

1. INSPIRING;
2. SPEAKING;
3. LISTENING;
4. THANKING;
5. DEVELOPING;
6. CARING;
7. HIRING;
8. CELEBRATING;
9. SHARING

The GPTW model focuses every process on the individual, because a “great place to work” is “an environment in which the employees believe in the people they work for, are proud of what they do, and get along with the people they work with”.



### TRUST INDEX

Climate analysis questionnaire that precisely analyses employees' opinions on various dimensions:

1. CREDIBILITY (Two-way communication, competence, integrity);
2. RESPECT (Professional development, involvement, care);
3. EQUITY (Equity of treatment, impartiality, justice);
4. PRIDE (Individual work, work group, company image);
5. COHESION (Confidence, welcome, collaboration):



## Family Day



On September 13, 2020, the 3rd Andriani Family Day was held. This is an annual meeting and sharing event that was held this year according to precise provisions aimed at protecting everyone's safety. In fact, before entering the event, serological tests and assessments were carried out for everyone with the support of health workers, and entry into the Smart Building was restricted to small groups. The tours were organised to introduce all employees and their close family members to the projects that Andriani is carrying out for sustainable development, through a path among the 17 goals of the UN 2030 Agenda, that extends through all floors of the building and includes the outdoor areas. During the tour, videos and images were shown to illustrate the various company projects in CSR and Sustainability.

There was a Food area, where a lunch box was distributed, and a Children's Area with inflatables, workshops, LEGO XXL, and a puppet theatre. Inside the area, the children were treated to popcorn, ice cream, and cotton candy. Small groups of children were created with several educators and the inflatables were sanitised throughout the day.

Family Kits containing a fleece shirt and Family Day T-shirt plus a bracelet from the "Made in prison" as-

sociation were given out to children and adults.

In the afternoon there were discussion, the "Magic of Legumes" show, the Andriani Arts Academy recital and the awarding of diplomas to the students from the Academy. In the evening there was also a preview of the web miniseries "L'unione fa la pasta" (Unity makes pasta), created to give a voice to all colleagues, especially the operators working in production, who never stopped even during the most complex phases of the pandemic, always working with great commitment, dedication, enthusiasm, and passion.









16 PACE, GIUSTIZIA  
E ISTITUZIONI  
SOLIDE

GIUSTIZIA

VI



# Human resources development

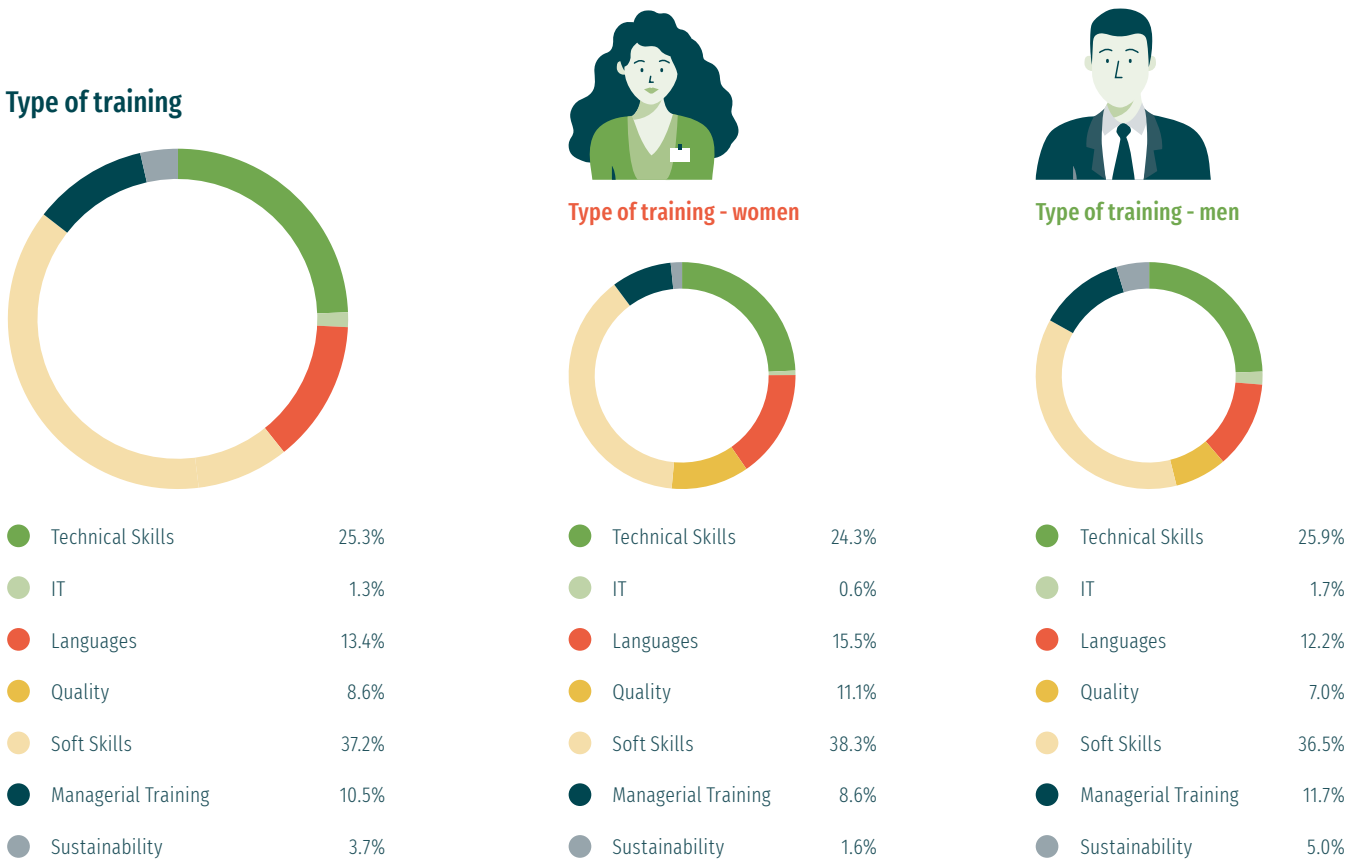
404-1

With the intention to continuously enhance the skills of its human capital, in 2020 the HR department continued to promote the implementation of several training courses aimed at defining interdisciplinary and technical skills.

This is clearly seen in the incremental hours of training: +22% compared to 2019. There were a total of 4,945.5 hours of training for 141 employees. Training was begun based on the results of the analysis of the training needs of department heads and associates related to both hard skills and soft skills.



The following provides the quantitative information and graphs concerning training provided to employees in 2020, broken down by gender.



**Average hours of training**  
**27.9**

**Average hours of training - women**  
**58.2**

**Average hours of training - men**  
**21.3**

Employee category	Women		Men		Total hours	Average
	Total hours	Average	Total hours	Average		
Directors	192.5	96.3	726	60.5	918.5	65.6
Management	0	0	107	35.7	107	35.7
White collar	1,670.5	66.8	1,707	50.2	3,377.5	57.2
Blue collar			542.5	5.7	542.5	5.4
<b>Total</b>	<b>1,863</b>	<b>58.2</b>	<b>3,082.5</b>	<b>21.3</b>	<b>4,945.5</b>	<b>27.9</b>

The soft skills that have been worked on most include the following:

### Effective communication

Course held by Psya – Stimulus, a company specialising in the promotion of wellness and quality of life of employees following a more sustainable concept of work. The goals of the course were:

- 1) promote greater awareness of the psychological dimensions involved in communication;
- 2) promote the ability to reach the communication dynamics on two distinct yet interconnected levels: the emotional level and the rational level;
- 3) increase the participant’s ability to recognise and leverage the differences in the work team;
- 4) recognise the most common errors in man-

aging a conflict and develop interest in learning the most functional relational strategies;

- 5) promote the ability to mediate a conflict, combining all points of view and maintaining focus on the team’s primary objectives;
- 6) introduce the concept of active listening, empathy, and assertiveness in conflicts;
- 7) promote the ability to express a disagreement effectively;
- 8) promote the participant’s ability to integrate the two levels mentioned above through three effective communication styles: active listening, empathic listening, and assertiveness.

### Managerial leadership training – Ambrosetti

The training course involved all Andriani Department Heads through various steps:

#### 1. Administration of the TALENT Q

The Talent-Q questionnaire is a tool that assesses specific facets of the individual’s personality and that can help the person and the organisation reflect on elements that can predict successful professional performance. It detects aspects such as: a) Personality profile, personality traits and their impact in supporting or hindering professional development paths; b) Profile in the team, the person’s preferred role in team work, based on the model

developed by Belbin; c) Risk factors and Career Obstacles, deviations in personality if subject to particular stress conditions.

#### 2. Leadership & Team Dynamics

The method proposed is experiential and leverages the participant’s subjectivity. Besides action and experimentation, each individual, alone and in a group, has the possibility to analyse, reflect, and work with the trainer and their colleagues, even through an accelerated feedback system. Learning is divided into the following levels: analytical, experiential, and through transfer.

Despite the complexity due to the current pandemic, during 2020 the Company decided to focus more than ever on enhancing internal skills using remote learning methods, or blended methods where possible.

Many professional refresher courses were held, including the Project Management course held by the Sida Group Training School through which an internal team from various departments earned the ISIPM basic Project Manager certificate.

Finally, the company's continuous attention to identifying and attracting young talent must be

pointed out. In fact, Andriani firmly believes in the enhancement of young talent and in the relationship between different generations to fuel the growth of skills and the creation of corporate creativity. Among the talent scouting activities carried out in 2020 were partnerships with various Italian Universities including the University of Gastronomic Sciences in Pollenzo, the University of Perugia, the Biomedical Campus of Rome, the L. Bocconi Business University, the University of Parma, and ITS Cuccovillo for young people specialising in automation and mechatronics.

## Coaching

With the intent to undertake a course of cultural change aimed at flexibility and smartness, Andriani has chosen to being a coaching course aimed at a smart approach to work, thanks to the support of the BIP consulting company.

This activities were designed to support the entire company in the working culture change following the transfer to the new building and the introduction of a new work method. It is, therefore, a mindset change that requires major cognitive resources in order to impact behaviour and attitudes, require structured and continuative support.

In this phase of transformation, motivation, and individual wellness, the focus shifted from the pure concept of smart working to that of the smart worker. This is a person who approaches work flexibly and independently when choosing work areas, hours, and tools with greater responsibility for the results. The smart worker is an individual who works in a new way compared to the sedentary past. These individuals work wherever they want, have no fixed hours, and use IT tools to carry out their activities anywhere. The coaching event was for both managers and associates, aiming at increasing engagement, motivation, individual responsibility, awareness, and flexibility.

The training event started off with a kick-off meeting (Evolution Mindset) that involved both managers and associates, with the goal being to launch and introduce the initiatives, as well as accompany people during the move to the new office and help them un-

derstand how to use the new areas, new digital tools, and new work methods.

A workshop for managers was then held with the goal being to: share and disseminate new values and new social collaboration tools, facilitate the analysis and identification of tools for remote management, and enhance the smart working tool to create motivation and engagement. Experiences and gaming were used to create greater involvement, idea production, and mental openness.

The workshop for associates had the following objectives: promote an initial meeting on evolution to the new smart approach, facility the analysis and sharing of new social collaboration and networking logic and tools, and welcome the new flexible work opportunities. Gaming and projective techniques were also used in this case to enable the creation of new mental patterns and the adaptation of pre-existing ones. Lego Serious Play was also used. This method is aimed at developing thought and communication, and resolving complex company management problems.

The coaching path continued with follow-ups and moments of consolidation of the new abilities with the intent to bring on board and involve all those who put commitment and passion into their work in the company on a daily basis, going on to create a manifesto of the company values and the behaviours that can express them.

Key numbers

# 5

## Natural innovators for conscious food

### In this chapter

- 72 Quality of the raw materials and sustainability of the supply chain
- 80 Nutrition, well-being and customer satisfaction
- 86 Product safety and traceability
- 90 Research, innovation, and product quality



Platform for ethical and social procurement.

**46%**

number of food raw material suppliers belonging to Sedex

**33%**

number of packaging suppliers belonging to Sedex



### ESFAI Project

#### Ethiopian Sustainable Farming & Agriculture Initiative

Creation of a supply chain for the procurement of teff and legumes through the establishment of agricultural supply chains in Ethiopia



Increase in sales of organic pasta:

**+27%**

in terms of volume



Strict quality controls on the raw materials, including:

**1,794** gluten analysis  
(acceptability limit <5 ppm, 4 times lower than the legal limit)

**1,215** glyphosate analysis

**89** GMO Analysis  
(all with negative result)



**92**

Total number of producers/stockers belonging to the Andriani Group sustainable supply chain

+54 compared to 2019



### Stakeholders

Suppliers, customers, business partners

# 5.1 Quality of the raw materials and sustainability of the supply chain



## Raw materials and supply chain

102-9 102-10

Responsible management of the supply chain according to sustainability criteria is a key aspect to the company's operation. The Group directors and management pay special and continuous at-

tention to this aspect, aware of the strategic role it plays. The economic value of the raw materials purchases from suppliers is as broken down as follows:

TABLE

Purchase of raw materials, consumables, and merchandise

	31/12/2020		31/12/2019	
	€		€	
Raw materials for food use	29,437,230	74.6%	19,921,782	71.7%
Packaging	8,567,569	21.7%	7,060,273	25.4%
Consumables	475,960	1.2%	215,846	0.8%
Fuel for heating	509,850	1.3%	390,690	1.4%
Fuels and lubricants	39,540	0.1%	38,731	0.1%
Finished products	238	0.0%	1,001	0.0%
Others	421,944	1.1%	144,416	0.5%
Merchandise	7,652	0.0%	0	0.0%
<b>Total</b>	<b>39,459,983</b>	<b>100%</b>	<b>27,772,739</b>	<b>100%</b>

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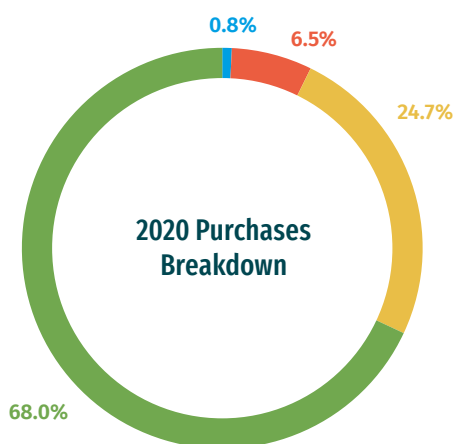
As we can see from the table above, raw materials purchases for food use (agricultural goods and flour products) to be used in the manufacturing process, is the major part of the raw material supplies. Added to these are purchases for packaging, primarily used for finished products. For the

environmental implications connected to those supplies, please refer to [chapter 6](#).

For an analysis of the types of raw materials used in the processing and production of food products, refer to the following graph:

GRAPH

Percentage composition of volumes of purchases of raw materials for foods



Cereals		Legumes	
Yellow corn	23.1%	Red lentils	13.4%
White corn	22.7%	Chickpeas	4.3%
Rice	21.4%	Yellow lentils	3.7%
Oatmeal	0.4%	Green peas	2.3%
Others	0.4%	Others	1.0%
Pseudo cereals		Micro-ingredients	
Buckwheat	6.0%	Misc	0.8%
Quinoa	0.5%		



In researching and selecting the raw materials used to produce innovative and allergen free pasta, the Andriani Group carefully selects its suppliers in the pursuit of environmental protection, social inclusion, and economic growth. Therefore, they are required to guarantee the availability of the product needed and a high level of service, and to prove those sought after characteristics of quality and responsible and knowledgeable production that the Group defines as priorities.

In 2020, and with reference to the supply of food raw materials and packaging, the total number of suppliers involved was the following:

- 134 food raw material suppliers (92 of which were farmers);
- 15 packaging suppliers.

The types of suppliers involved can be divided into: primary agricultural producers, producers who also carry out the processing, and processors of agricultural products. Even in 2020, the Group's strategy was to acquire more raw materials from producers logistically close to our plants, thus reducing transport and enhancing the value of local products.

In addition, purchases from primary agricultural producers and producers/processors increased, reducing purchases from processors almost to zero. The following graph shows the type of suppliers used, the proportion of expenses toward local suppliers, i.e., those with their operating office in Italy:

## 2020



## 2019



### GRAPH

#### Percentage composition of expenditure by type of supplier

(in % of purchases of food raw materials)

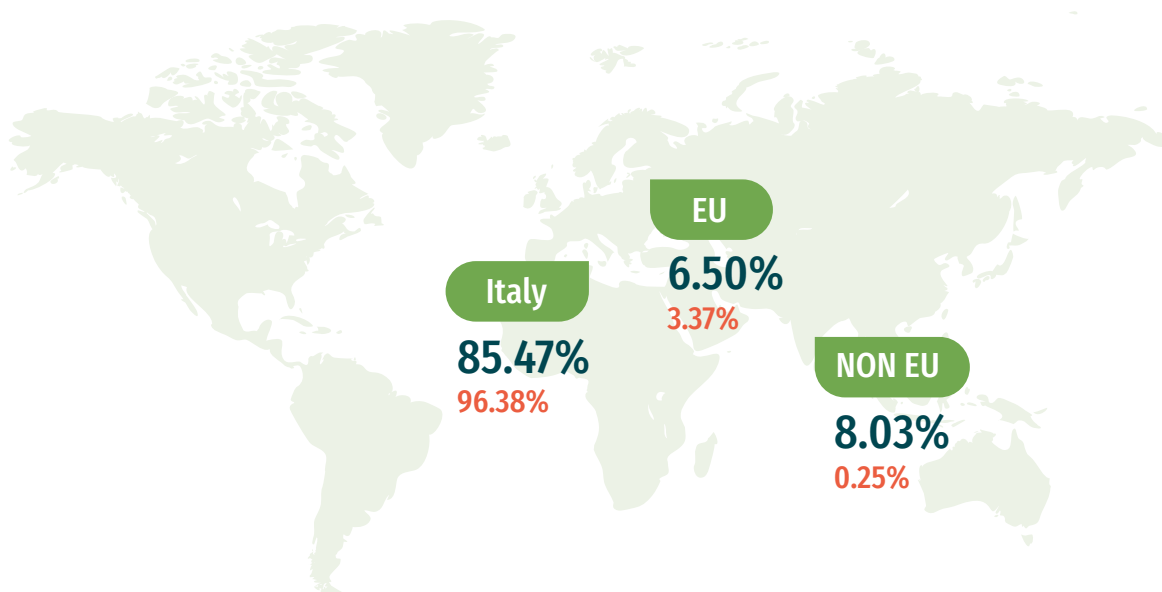
- Primary manufacturer ●
- Producer and Processor ●
- Processor ●

### GRAPH

#### Proportion of spending on local suppliers<sup>1</sup>

(in % of purchases of food raw materials)

- 2020 ●
- 2019 ●



<sup>1</sup> Local suppliers refers to those with their operational headquarters in Italy.

The significant allocation of expenses to local suppliers contributes to the national and regional economic development.

As shown in the graph, in 2020 there was a slight drop in the percentage of expenses to Italian suppliers, to the advantage of suppliers outside the EU, essentially due to sustainability projects the Andriani Group initiated in Ethiopia (refer to what is reported herein) and in India (see par. 7.2, chapter 7).

Overall, management of the supply chain during 2020 saw major improvements compared to the previous year, especially in relation to local and responsible procurement targets (number of farmers involved in the supply chain project). Even though these results are part of the controversial

context of the pandemic, which is a source of uncertainty, they are proof of the Group's willingness to pursue the co-evolution of its supply chain in the most sustainable and ethical sense.

It is important to mention the strong ties between this theme and the accompanying path of the Andriani Benefit Corporation towards B Corp certification, in search of widespread positive impact with a stakeholder-oriented approach. The supply chain is a critical aspect of this strategy since the procurement flows provide most of the impact as well as the most opportunities for improvement. Starting in 2020 and over the upcoming years, Andriani and its partner Nativa S.r.l. Benefit Corporation will be even more committed to a regenerative supply chain with dialogue as a key driver for sustainable action.

## Food safety inspections on the raw materials and suppliers

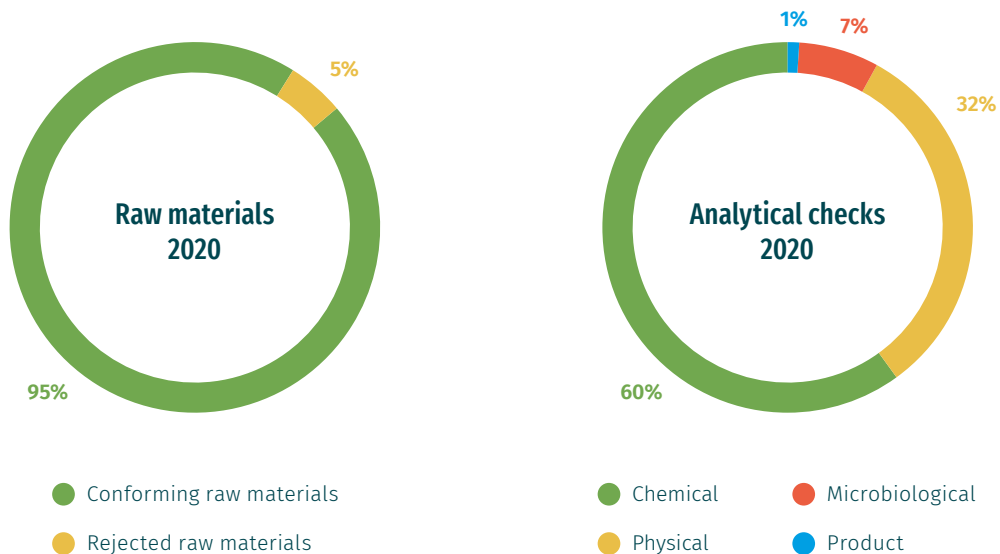
FP5

The Andriani Group's attention to safeguarding human health is shown in the number of food safety analyses run on the raw materials that enter the manufacturing plant. The Raw Materials Analysis Laboratory runs thorough daily inspections so that the pasta-making process is free of contaminations from allergens – first and foremost gluten – or residues of plant protection products – such as glyphosate.

The increase in production volumes in 2020 (+20.5%) called for an increased quantity of raw materials used for the many mixtures produced.

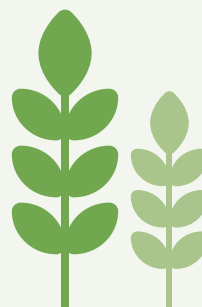
Consequently, the Raw Material Analysis Laboratory focused on each raw material with analytical checks at all stages of the production process (from raw materials to finished product). Careful supplier selection and meticulous analytical screening resulted in the rejection of 5% of raw materials found to be non-conforming.

Each incoming raw material, following the internal analysis plan, which is kept up-to-date in relation to EU regulations, is analysed according to analytical categories such as: product, chemical, physical, and microbiological.



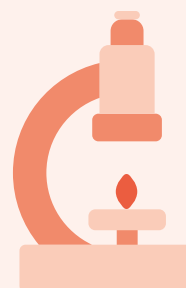
## 1,794 GLUTEN analyses

Over the course of 2020, 1,794 gluten analyses were performed, adopting an acceptability limit up to 4 times lower than the legal limit (<5 ppm compared to the 20 allowed in the EU standards) to ensure a safe product even for the consumers who are most sensitive to this allergen.



## 1,215 GLYPHOSATE analyses

Even regarding residues of plant protection products, the attention threshold is very high, with 1,215 glyphosate checks, along with checks for other contaminants, for raw materials coming from countries in which the use of this compound is authorised. Adhering to the EFSA principle of precaution is a must in this field for Andriani, in order to minimise health risks.



## 89 GMO analyses

89 analyses were also carried out to determine any GMO contamination, all with negative results. It should be emphasized that grains, legumes, and other agricultural products used in Andriani's manufacturing processes are 100% GMO FREE.



During a period that was unfavourable for visits to suppliers, Andriani was able to rely on the work done in previous years to maintain the high quality standards that have always distinguished the group. During the year there were 3 visits to raw material suppliers, preferring, for those who were

unable to receive a direct visit, a targeted and careful documentary assessment, the outcome of which was positive for the total number of suppliers with whom relations had been maintained in previous years.

## Ethical and social procurement

408-1 409-1



By joining the Sedex platform, the Andriani Group aims to manage the supply chain in such a way as to share relevant ethical and social information with other participants in the supply chain. Andriani's supply chain is managed dynamically. Each player can generate value thanks to the various histories and experiences, even more so if the focus is on ethical-social issues.

Sedex is an organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains by implementing responsible and sustainable business practices.

In 2020, following the restrictions due to the pandemic, the company was not subject to the Sedex

Members Ethical Trade Audit (SMETA). This has led to the need to increase the commitment and focus on these issues and make it even more tangible by increasing the number of companies in the supply chain that are members of the Sedex platform. In this sense, the number of the Group's raw materials suppliers belonging to the Sedex platform increased 11%, from 35% to 46%.

In 2020, 46% of Andriani's food\* raw material suppliers belonged to the Sedex platform for ethical and social respect.

### GRAPH

Suppliers belonging to the Sedex platform



In 2020, 33% of Andriani's packaging suppliers belonged to the Sedex platform for ethical and social respect.

In addition, as of today, the number of the Group's packaging suppliers belonging to the Sedex platform is about 33%, with the objective being to increase the members or develop more purchase volumes from those who are already members in this other important part of the supply chain.

Finally, it should be noted that Andriani had not relationships with suppliers having a significant risk of episodes of forced or mandatory labour or episodes of child labour.

<sup>(\*)</sup> Percentage calculated compared to non-agricultural suppliers.

# ESFAI Project - Ethiopian Sustainable Farming & Agriculture Initiative



Material topics no. 3, 5, 6, 7, 14

The ESFAI Ethiopian Sustainable Farming & Agriculture Initiative project is founded in Andriani S.p.A. Benefit Corporation's historic vocation towards the production of innovative products and its solid commitment to an ethical and social supply chain that actively supports the economies of developing countries, also by encouraging the gradual introduction of new raw materials. Specifically, the project aims to create a supply chain for teff and legumes by establishing agricultural supply chains in Ethiopia through collaboration with LoveGrass Ethiopia.

Teff or tef (*Eragrostis tef*) is an ancient grain originating in Ethiopia and Eritrea, countries in which it has been cultivated for over 3000 years, and it is the basic food of the Ethiopian population. The term tef means "lost" because its seeds are so tiny that they are easy to lose. Teff pasta is rich in fibre, iron, phosphorous,

magnesium, and manganese. This grain is gluten-free, rich in amino acids, and has the potential to become a super food throughout the world.



During February 2020, a delegation from Andriani was involved in a series of high level meetings in Ethiopia and with agricultural cooperatives.





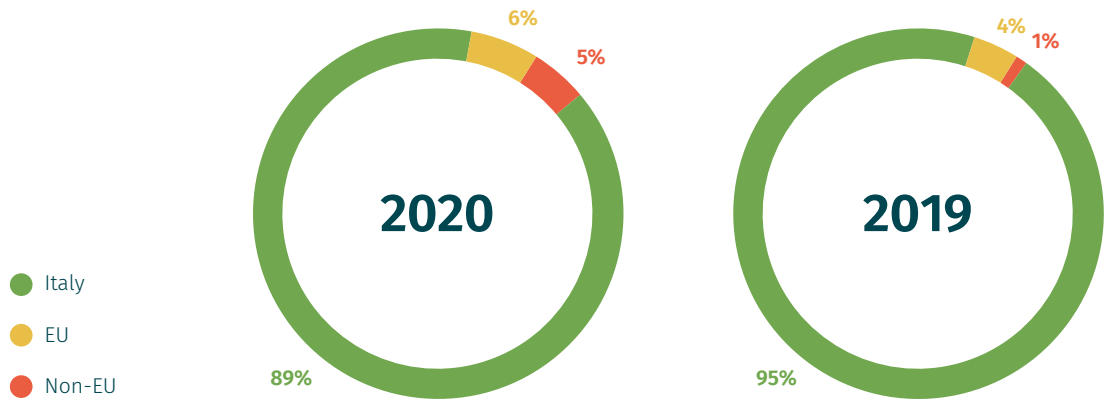
## Procurement from local suppliers

In the treatment of the Group's activities, local suppliers refers to those with operational headquarters in Italy and, clearly, those related to the

sustainable supply chain project, established in 2017 and which saw its fourth year in 2020.

### GRAPH

Raw materials suppliers - % of purchases in quantities (kg) from local suppliers



As shown in the graph, in 2020 the amounts purchased from suppliers with headquarters in Italy were 89% of the total Group purchases, with a reduction compared to 2019 in favour of purchases from suppliers outside the EU. This is due to sustainability projects initiated by the Group in Ethiopia and India.

Two types of products may be delivered by local suppliers to the Andriani facility, selected products, meaning those ready for grinding, and field products, which need cleaning and selection. In

the first case the product meets the technical specifications and quality standards necessary for production; in the second case, however, the product must follow a processing procedure to be suitable for pasta making. For the cleaning and selection of field grains, the Group uses a subsidiary company called Terre Bradaniche which, in addition to guaranteeing the supply of raw materials, supports the local economy by maintaining and strengthening relations with the community year after year.



## Terre Bradaniche



Terre Bradaniche S.r.l.'s mission is to follow the legume supply chain project, starting from varietal screening and analysis on the suitability of the seedbed, following the farmer during all the phenological phases of the product, up to threshing which is the final harvest activity consisting of the separation of legumes from straw and pods, thus obtaining a natural product.

The farmer then delivers the product to Terre Bradaniche, which takes care of cleaning and selection, after which it is transferred to the Andriani plant, where it is sampled and its percentage of impurities and moisture is evaluated. After the first acceptance

phase, the samples are sent to accredited third-party laboratories for analysis. Once conformity is received, the goods that are suitable for pasta-making are processed.

The supply chain and sustainability have a very close link beginning with soil conservation. In fact our legumes supply chain aims to improve soil conditions through crop rotation. Thanks to the ability to transfer organic nitrogen to the soil, legumes are considered an improving crop that has low environmental inputs and also creates benefits to subsequent crops and, consequently, to biodiversity.

It should be noted that in 2020 the total number of producers/stockers participating in the Andriani Group supply chain was 92, marking a significant increase compared to the previous year when there were 38 participants.

The term “producers” identifies those farmers that supply the product directly to Terre Bradaniche and that have a direct relationship with the Andriani supply chain. The term “stockers”, on the other

hand, refers to a set of producers that first deliver their harvest to their own storage centre, which in turn delivers it to Terre Bradaniche, dividing it by farmer in order to respect the traceability from the field.

The Andriani Group's goal for 2021 is to reach 5,000 hectares of legumes and expand its supply chain projects to other crops such as corn, rice, and buckwheat.

# 5.2 Nutrition, well-being and customer satisfaction



## Our products

102-6

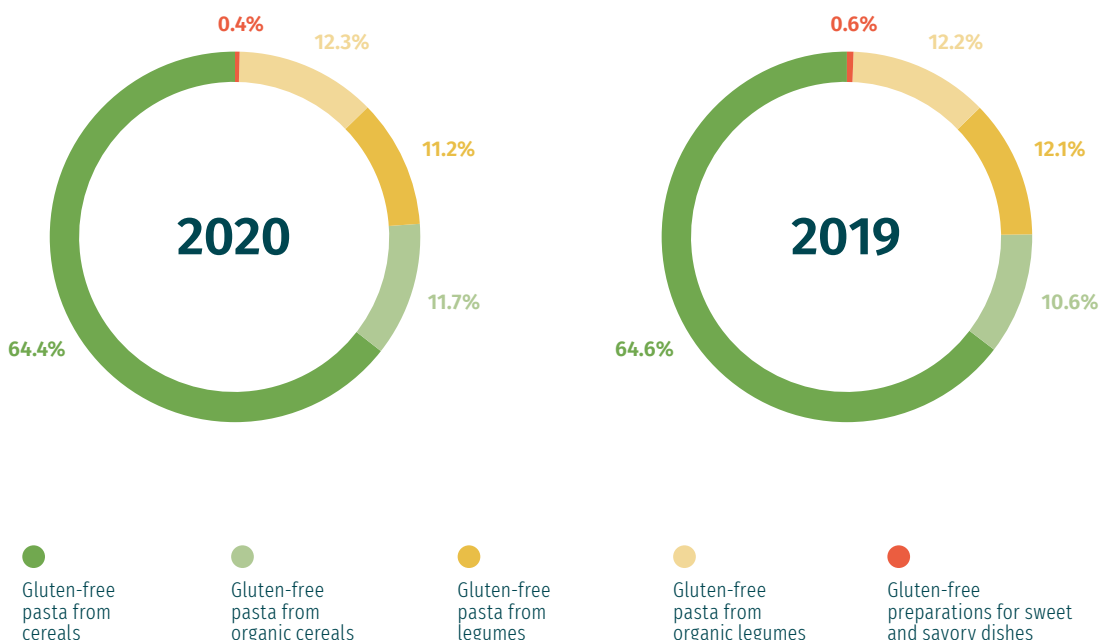
As a leader in the food innovation industry, Andriani develops and produces an innovative and complete range of gluten-free pasta using a variety of naturally gluten-free ingredients. These include: cereals such as rice, maize, oats, buckwheat and legumes such as lentils, peas, chickpeas, beans and others.

The group produces its pasta and other products in the Andriani S.p.A. 100% allergen free facility in Gravina in Puglia. Therefore, all production is carried out in Italy and based on food quality and safety criteria.

The following is a graphic representation of the percentage of sales by quantity for 2020 and 2019<sup>2</sup>:

### GRAPH

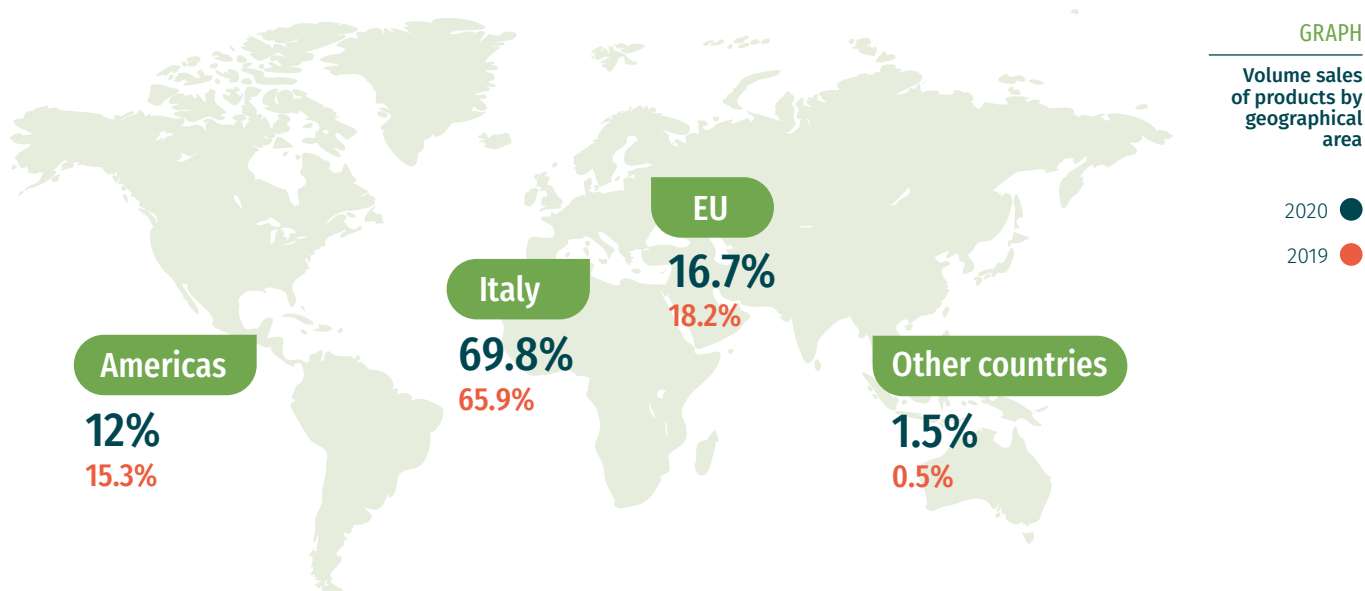
Percentage of sales by quantity



<sup>2</sup> In the graphs, the term "cereals" also includes pseudo-cereals such as buckwheat.

Note the increase in sales of pasta produced with raw materials from organic farming observed both in terms of overall quantity (+26.8% compared to 2019) and as a representative share of total sales (24.0%, compared to 22.8% in 2019).

Sales are aimed at both the national market (about 70%) and the international one (about 30%). A breakdown of volume sales of products by geographical area is shown below:



In relation to the type of customers served, 91% of sales were made up of private label products and 9% from “Felicia” and “Biori” brand products. While private label sales are to customers represented by major food groups, Felicia and Biori branded sales are primarily to end consumers.

The Felicia and Biori brands owned by the Andriani S.p.A. Benefit Corporation are registered with EUIPO, the European Union Office for intellectual property as well as in other countries and related intellectual property protection registries.







The system of values and the philosophy behind the Andriani Group's business idea are embodied in the Felicia brand.

Felicia was founded in 2009 in Gravina in Puglia, Italy, and is an innovative pasta made with raw materials from organic agriculture that are naturally gluten-free

such as buckwheat, brown rice, oatmeal, chickpeas, lentils, peas, and beans. It is completely natural, made by mixing just water and flour from grains or beans.

Felicia means freedom to reinterpret your meals and change food rules, creating an emotional bond based on trust with the consumer.

## An innovative pasta

Felicia chooses only naturally gluten-free raw materials rich in valuable nutrients, always making the best choice of varieties from organic farming.

Pasta Felicia is produced in the only allergen-free pasta factory in Italy with an integrated multigrain mill and the ability to control the entire process, from the grain or legume to the pasta, with the goal being to ensure maximum transparency, quality, and food safety (11 product certifications and 3 company certifications).

One of the brand's strengths is the variety of recipes and formats available to meet the various needs of the markets in which we operate. Today, Felicia is the largest assortment of gluten free and organic pasta available on the market.

With widespread distribution, Felicia can be found in Italian and foreign large distribution, in pharmacies, specialty shops, and online through a dedicated e-shop: [shop.glutenfreefelicia.com](https://shop.glutenfreefelicia.com).

In order to be able to communicate its special features to the customer, Felicia has always followed the *clean label* philosophy, with clear labels on the packaging and a legible and transparent ingredient list.

The Group is investing significant resources to promote the brand Felicia, as evidenced by the recent launch of the new commercial, featuring Alessia Marcuzzi as its testimonial. Felicia's TV debut is part of a development roadmap for the coming years aimed at increasing brand awareness and consolidating its new strategic positioning.



Watch the new advertisement

## The people of Felicia

In September 2020, a quality and quantity survey was conducted to get precise and in-depth information on the Felicia target market. The research conducted is comprised of a first qualitative phase that lasted four days in which 22 potential consumers that match the defined profile were interviewed online. The second phase, on the other hand, dealt with the quantitative phase through a CAWI survey on a sample of 2,000 people representative of the adult online population by age group, gender, and geographic area, *non rejectors* of consuming pasta made with alternative flour

and responsible for their family purchases.

Research shows that in Italy, Felicia *brand awareness* is currently at 12%. Felicia is primarily recognised as a pasta:

- “for people who like to try new things”, 44%
- “for people who are dieting”, 38%
- “more digestible”, 36%
- “high quality”, 35%
- “that elicits positive emotions”, 35%



## Nutrition and well-being

Pursuit of the 3 goals of Agenda 2030 is a priority for the Andriani Group and is applicable to several categories of stakeholders, including not only the end consumer, but also the company's own employees and suppliers, as well as the various players who operate at different levels in the community in which the company operates.

The production of organic gluten-free foods promoted distinctive knowledge and awareness on the theme of nutrition and well-being, which the company carries forward through its business activities and social commitment.

The collaborations with nutritionists, universities, and research institutions on a national and international level shows the Group's constant commitment to developing products that meet the ever-increasing needs of different consum-

ers such as those with coeliac disease, athletes, health-conscious people, and children who share an appreciation of the nutritional values of food and a healthy, balanced lifestyle.

Contributing to the health and well-being of its consumers means paying maximum attention to activities that are closely connected involving:

- Product safety and traceability;
- Quality research and innovation;
- Responsible labelling;
- Customer satisfaction.

Despite the difficulties resulting from the pandemic, Andriani never stopped communicating its commitment to its stakeholders in terms of product quality, even through social media, digital events, and webinars (see Chapter 7), describing the contribution in terms of nutrition and well-being.

## Product information and labelling

417-1

417-2

417-3

Andriani protects the consumer by strictly complying with the requirements of EU Regulation 1169/2011 on labelling information, as well as the environmental labelling of packaging. The Group is committed to ensuring that labels:

- report all the information set forth in the laws;
- guarantee the truthfulness of the information and the *claims* made;
- are clear and legible.

The label checking activity involves several corporate functions that verify compliance with the requirements set forth in the regulations. Each year, Andriani employees are trained and updated by the Legal Office regarding new developments linked to labelling of gluten free products.

Before labelling the pasta packages, the Company:

1. Scrupulously verifies the nutritional and health *claims* through analysis;
2. Checks the nutritional values reported on the label, both on cooked and raw products, and compares then with the values set forth in Regulation 1924/2006;
3. In addition, the labels are sent to a Legal Office specialising in labelling, which also makes sure the information is communicated with extreme

clarity to consumers, without ambiguous and/or untruthful communications.

The company procedures described above allow food products to be placed on the market with the necessary information for their safe use in order to protect the health of the end consumer. As previously described, the raw materials used to manufacture pasta and the other company products are naturally free of gluten and are without allergens. In fact, our products are specifically formulated for people who are intolerant to gluten.

All Felicia and Biori products use raw materials from organic farming. Therefore, per current regulations, the label indicates the origin of the raw materials. The Felicia 2021 pack also includes information on the region in which the raw materials were cultivated.

Similarly, even private label products from organic farming have the "bio" logo and indicate the origin of the raw materials.

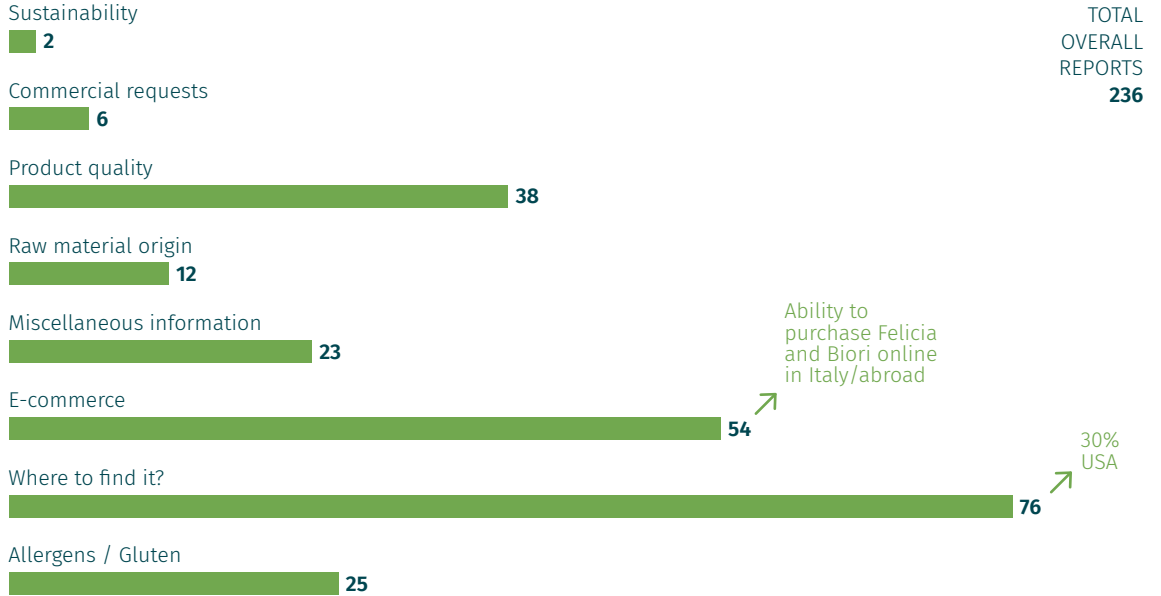
Andriani's Felicia and Biori products also include information on the proper disposal of the packages/packaging.

In 2020, 236 reports were received by *customer care*, double those of the previous year, and they were managed with the support of the various company departments.

An explanatory graph is provided below:

GRAPH

Reports to Customer Care



Most of the reports received were requests for information on where to find the products and on e-commerce, without any particular cases to be managed. There were also no reports of non-conformities with regulations and/or self-regulation codes.

It should be noted that in 2020, the Company had no recorded incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.



In 2020, there were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications (advertising, promotions, and sponsorships).

## Customer satisfaction surveys

The commitment and responsibility to its consumer and trade customers is an important aspect of Andriani's business. Continuous and systematic sharing of values, goals, and results with its customers, most of whom have been following the company's growth for years, contributes to further advancing the Group, making it the leading player in new initiatives.

This aspect was also confirmed by a survey conducted in June 2020 on the SurveyMonkey platform, which involved 150 trade customers of private label sales and the Felicia brand. The rate was 27%, with 70% of the responses being attributable to private label customers and 30% to Felicia customers. The goal of the survey was to share an important initiative with our customers, making them also participants in the activation of a controlled supply chain for legumes, with the purpose being the safeguard of the soil and the environment in order to ensure food quality and safety and to directly contribute in the development of biodiversity.

The survey showed that values such as market distinctiveness, innovation, social and environmental responsibility are perceived as important.

In addition, the survey confirmed the relevance of issues that had already emerged from the internal materiality analysis and other stakeholder engagement activities, such as:

- the food safety of the products in all supply chain phases and processes in order to safeguard the consumer's health;
- safeguarding the environment and the proper information on the product's environmental impact;
- transparency in the supply chain steps and phases;
- respect for fairness towards producers at the origin, especially those operating in developing countries.



# 5.3 Product safety and traceability



Material topics no. 8, 9

FP5

One of Andriani S.p.A.'s most significant characteristics is quality planning, understood as the full set of activities through which the processes necessary to effectively and efficiently achieve the objectives, as well as compliance with the set requirements, are established.

Therefore, the quality objectives include what is necessary to meet the product requirements through the planning of the activities and the implementation of a documentary system to support them, all validated by a series of checks.

For Andriani, mandatory and voluntary certifications are a drive for continuous improvement. It conducts a targeted search for ever higher quality standards to enhance the special characteristics of its products.

Attention and commitment in satisfying the many needs of the consumer translate into a large number and type of voluntary process and product certifications in addition to the mandatory ones.

### The primary product certifications are:



#### Organic

Organic is a product certification whose regulatory focus is EC Reg. 834/2007 and 889/2008. It is a certification that ensures environmental sustainability, product quality, and guarantees regarding the origin of raw materials.



#### Vegan OK and Label Veg (European Vegetarian Union)

The most widespread ethical standards for certification of vegan and vegetarian products.



#### No GMO Verified

Product certification to guarantee the absence of GMOs in the entire supply chain, from the raw materials used to the finished product.



#### GFCO, GFCP Canada, Crossed Grain, Gluten <10ppm

These are the numerous certifications adopted by the company to ensure the "Gluten free" claim. Gluten free certifications are the tool used by the company to demonstrate its due diligence toward consumers.



#### IFS and BRC

The BRC and IFS standards are international systems developed by large purchasing groups, with the aim of harmonising the different standards adopted by the large distribution sector. They are the most requested product certifications in the food industry. They are voluntary, define a series of requirements aimed at proper hygiene control in all phases of the management, production, and distribution processes in the food processing industry, and represent the world's reference standards in terms of hygiene and food safety.



#### Kosher

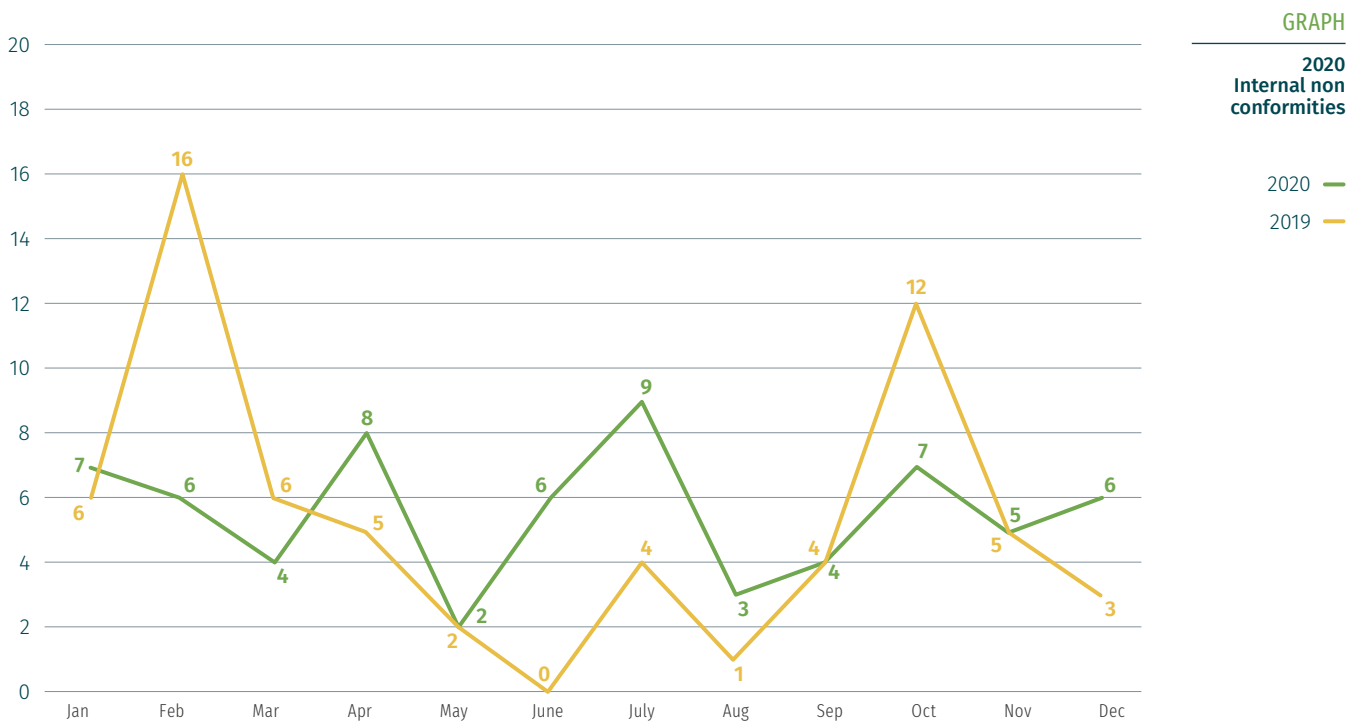
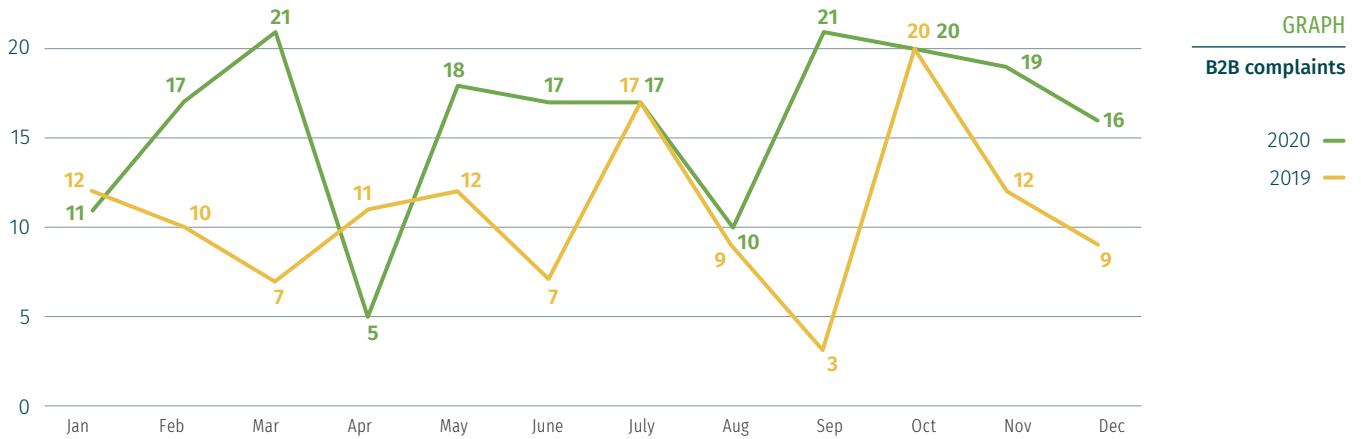
Obtaining the Kosher certificate means having undergone and successfully passed the strict procedures set forth for this certification. The word kosher or kasher means conforming to the laws, suitable, permitted. Kosher certified products are suitable for consumption and comply with Kosher food standards and therefore can be consumed by Jewish people as they are guaranteed to be in compliance with the rules of their religion. Today, Kosher means more than just being suitable for consumption by members of the Jewish religion. These foods are also considered to be more reliable and scrutinised. In fact, kosher foods are increasingly becoming the ideal choice for vegetarians, vegans, and those suffering from food intolerances.



## Claims from customers and management of nonconforming products 416-2 418-1

Considering that the overall production showed a 20.5% production increase, the total documented nonconformities subject to discussion among the various departments involved remained almost unchanged, as shown in the annual performance graph of nonconformities (internal and claims).

The reduction of the number of nonconformities detected, in relation to volume, can be attributed to the incessant work and collaboration between the various departments. Strong work to consolidate the food safety culture leads to a reduction in waste and defects, which can be traced back to “non-quality”.



During 2020, there were no cases of nonconformities to regulations and/or standards related to the health and safety of the products and services.

Finally, there were no claims regarding customer privacy breaches and/or loss of customer data.



## Internal product quality control system

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During 2020, the Quality Team grew even more, with the awareness that food safety and the high quality of the products intended for consumers are essential elements for Andriani's company philosophy.

The Quality Team is made up of 13 professionals (food technologists, chemists and biologists), an increase of 3 compared to 2019, showing the importance of this aspect for the Group. Through innovation, research, transparency, professionalism, accuracy, and attention, they dutifully follow the food quality and safety management system with the goal being to safeguard the high quality of Andriani products.

In 2020, an internal inspection programme was prepared which consists of 4 audits, broken down by time and area, at the end of which a report will be drafted and shared with the various company

departments in order to continuously improve the company's production process.

For Andriani, it is essential to ensure that stakeholders have the ability to view all parts of the Quality System. Until 2019, it was essential to carry out this qualification process through on-site audits.

At the beginning of the year, Andriani S.p.A. had 5 in-person audits, including the BRC-IFS audits, which received the highest score: "AA" and "higher level", respectively. Due to the Covid-19 emergency, carrying out face-to-face audits was revolutionized thanks to technology that the company made available to the Team. Many remote audits were carried out with the aid of technology and innovation. It was possible to carry out virtual tours of the facility and production areas to allow the evaluation of the Quality System.

## Traceability

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Andriani implemented a traceability system whose elements make it possible to identify all its various preparation and marketing phases, starting from the raw materials that make up the products. Specific procedures were established to collect the data related to the product throughout the entire production process, organizing it so that the product can be tracked.

The traceability and tracking system is used constantly, both in daily work and in inspections and audits, in order to follow all phases of the pro-

duction process, upstream and downstream, and vice versa.

Each product is identified with a batch, a code that identifies it and tells its story. For Andriani, it is important to ensure that this fundamental traceability tool is always performing. For this reason, twice a year a Mock test (product withdrawal/recall test) is carried out to check the time frames and efficiency and effectiveness of the traceability system.

## Good manufacturing practices (GMP)

---

Good Manufacturing Practices are a set of rules, procedures, and guidelines that define the operating conditions and structural requirements necessary to ensure hygiene throughout all product processing phases.

Applying good manufacturing practices (GMP) is essential to ensure the quality and safety of a

product. Training, passion, and dedication are a cornerstone for Andriani, making it possible for all GMPs implemented to be respected in order to ensure that the products are created in safe environments, in compliance with strict protocols to minimize errors and contamination risks.

GRAPH

GMP - Good Manufacturing Practice



# 5.4 Research, innovation, and product quality

**3**  
GOOD HEALTH AND WELL-BEING

**9**  
INDUSTRY, INNOVATION AND INFRASTRUCTURE

**12**  
RESPONSIBLE CONSUMPTION AND PRODUCTION

Material topic no. 7

## Research and innovation



In 2020, the Research and Development Division (R&D) operated following the current trends in the pasta market with particular attention to the pandemic emergency that, by drastically impacting consumer habits, set the scene for future challenges facing the food industry, including consumer health protection.

As in previous years, the R&D Division pursued the major goal of further characterizing and reinforcing Andriani's image on the healthy pasta market for both Felicia brand products and private label products. The activities carried out led to the development of new forms of convenience food with a high nutritional level, the innovation of pasta formats to meet increasing customization in terms of food supply, and finally, the reduction of waste to promote a

sustainable food system.

In 2020, the R&D Division worked to expand the number and type of raw materials to be used to make pasta, including sorghum and teff, two minor grains that enrich the “whole grain pasta” product line. With 100% whole grain sorghum pasta and 100% whole grain teff pasta, Andriani meets the increasing demand for natural, functional, and sustainable products that in the midst of a pandemic crisis the market demands. Their fibre and minerals are precious allies not only for the well-being of the body, but also the mind. Teff pasta not only offers the benefits of this grain in a tasty dish, it is also a testimonial for a sustainable supply chain development project in Ethiopia, which was mentioned earlier.



In Europe and the USA, which we always keep an eye on for the development of new and innovative products, there is a growing demand for plant-based products made from legumes, which are rich in protein and fibre while also being sustainable.

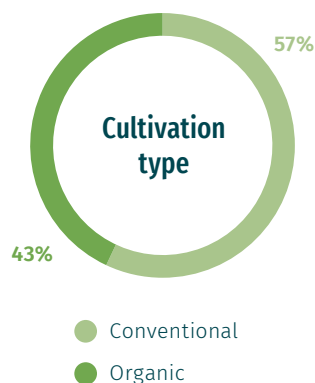
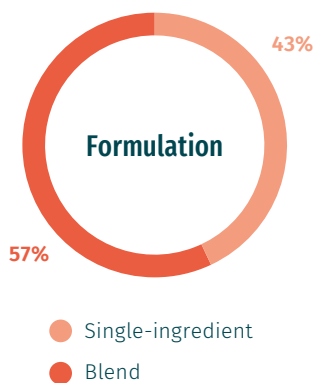
In the area of legumes, the black lentil was introduced. This new raw material is being explored in regard to pasta.

For Felicia brand products, Andriani implemented new varieties in pasta made from legumes, adding “risoni” (rice-shaped) pas-

ta to the classic short and long pasta formats. This pasta shape is innovative due to both its shape and versatility when cooking. They are small grains of pasta made entirely of organic bean and grain flours, full of flavour and with great nutritional benefit. The shape was studied to be more than a “pastina”. It is ideal for use in hot and cold dishes, soups, salads, side dishes, risotto, and pilaf. They are available in three flavourful varieties: organic red lentils, organic chickpeas, and organic buckwheat.

In 2020, for the first time, as part of product innovation, the use of a new raw material (Spirulina algae) was validated for use in pasta. This comes from a major circular economy project implemented internally.

Overall, a project for bean pasta and 6 projects for grain pastas were carried out, equally divided between development of new single-ingredient products and blends. The explanatory graphs below cover the development and innovation projects carried out in 2020.



**Development of a new product from the circular economy project**  
(pasta with Spirulina)



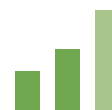
**Development of 3 new products in the "whole grain" category**  
(teff pasta, sorghum pasta, and black lentil pasta) using for one of them the raw material coming from the Ethiopian supply chain, as described in paragraph 5.1.



**Exploration of 4 new raw materials for pasta making**



**3 research projects in collaboration with Italian universities**



- 1) Functional study for Felicia pasta in Collaboration with the Soil, Plant, and Food Science Department at the University of Bari.
- 2) Ho.Re.Ca. project in collaboration with the Pollenzo University of Gastronomic Sciences.
- 3) Industrial doctorate project in collaboration with the Soil, Plant, and Food Science Department at the University of Bari.

## Industrialization

In 2020, Andriani paid even more attention to the evolution of the markets, choosing to orient production even more towards the creation of value for the customer, which translates into a drive for innovation. Hence, the role of industrialization, with its important contribution in combining aspects such as: adaptation to new market needs, quality, innovation, and costs.

The industrialization project portfolio reflects the company's 2020 innovation strategies, both in terms of product and process. Intense development of new gluten-free pasta products was initiated, which, following a planned and structured process, focused on expanding the available assortment of both proprietary and private label brands.

Specifically, the following were industrialized:

- an innovative multi-grain recipe using cereals that are rarely used in pasta-making today, such as sorghum and teff, but which have an extremely interesting nutritional profile (protein, dietary fibre, polyphenols, and certain minerals), as mentioned above;
- two recipes based on legumes and cereals with a high protein content and a technological profile, in terms of product texture, that is comparable to conventional pasta (durum wheat semolina);
- 100% ancient grain formulation, including teff, with the goal being to leverage grains with potential far beyond their size both in terms of their attractive nutritional composition and their role in food security and sustainability.

In fact, teff adapts excellently to difficult environmental conditions, making it a valid alternative to the more widespread gluten-free grains, and others.

Finally, the development undertaken for the production of 100% teff pasta, given the lack of the gluten lattice, represented an important challenge to achieve a superior technological (physical and/or techno-functional properties) and sensory quality, so much so that new process technologies were required.

Also in the context of enhancing the value of existing products, ongoing work has been undertaken to revise the design of formats for optimum thickness, consistency, and cooking time.

In 2020, industrialization efforts continued to improve existing products, even through recipe restyling, in order to better interpret consumer choices in terms of sustainability, convenience, and sensory value.

2020 was also the year in which many of the industrialization activities supported:

- incremental process innovation regarding the extrusion of flours to create the pregelatinisation of starches and/or restructuring;
- initiation of strategic industrial projects, with the active involvement of external stakeholders.

## Relationships with universities and the scientific community

Andriani's inclination to product and process innovation is also carried out through the increase in collaborations with universities and research institutions.

In 2020, Andriani renewed its interest in scientific research through partnerships with the academic world, hosting in the company R&D Division:

- a PhD student at the University of Bari;
- a Master's degree trainee at the Bio-Medical Campus at the University of Rome.

These individuals, each with their own skills, have made it possible to combine higher education, innovation, and work, helping to increase the company's expertise and relationships with the scientific community, fuelling the mutual exchange of knowledge.

Its relationship with the scientific community includes the activities of the Nutritional Observatory, an important advisory body and technical-scientific support for the Board of Directors, which also acts as a useful link between Andriani and universities and research institutions. Referring to chapter 2 for information on the Nutritional Observatory, it should be noted that in 2020 it was mainly focused on studying the functional properties of Felicia pasta products, also involving a specific academic scientific research group, responsible for the project's experimental activities.



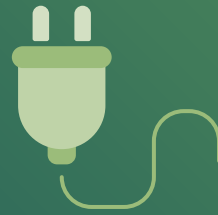
Key numbers

# 6

## Environment

### In this chapter

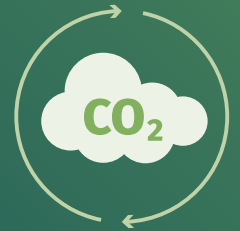
- 94 Energy and emissions
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**-12.74%**

ELECTRICITY CONSUMPTION

compared to 2019



NOVEMBER 2020

Participation in the initiative "100% CO<sub>2</sub> Offset"



**3,653 tCO<sub>2</sub>**

AVOIDED

thanks to purchasing electricity from renewable sources



**-4.5%**

TOTAL EMISSIONS PER TONNE OF PRODUCT

compared to 2019



### Stakeholders

Civil society, national and international institutions, environmental associations, universities, and research entities

## 6.1 Energy and emissions



	302-1	302-3
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Over the years, in order to actively contribute to achieving the specific sustainable development goals regarding access to and use of renewable, reliable, and modern energy, as well as to promote actions to combat climate change, the Andriani Group has made a strategic commitment to energy efficiency, to achieve the goal of decarbonisation by 2025, i.e., to reach a balance between residual emissions and activities to remove carbon dioxide emissions from the atmosphere, zeroing/neutralising CO<sub>2</sub> emissions.

In 2020, Andriani maintained the procurement of 100% of electricity from renewable sources, following its collaboration with Dolomiti Energia and, as of November, has participated in the initiative “100% CO<sub>2</sub> Offset”, which, through offsetting projects, will offset emissions from natural gas consumption (see below).

This choice prevented the emissions of 3,653 tonnes of CO<sub>2</sub>, calculated using the market-based<sup>1</sup>

method, as set forth in the GHG Protocol of the World Resources Institute (WRI), to which is added another 813 tonnes of CO<sub>2</sub> resulting from the CO<sub>2</sub> Free compensation project (see infra).

Below are the Group’s consumption and emissions summary values for the years 2019 and 2020, from which it is possible to note an increase in energy consumption compared to 2019 of 22.1%, due, fundamentally, to the increase in production and the entry into operation of the tri-generator (August 2020) that uses natural gas to self-produce electricity as well as thermal and cooling energy, which are necessary for the pasta-making process.

When compared to the tonnes of pasta and flour produced by the activity in the respective years, these values show a 4.49% reduction in total emissions per tonne of product.

TABLE

### Consumption and emissions

		2020	2019	Change (%)
Electricity	(GJ)	28,220	32,339	-12.74%
Natural Gas	(GJ)	66,589	45,327	46.93%
<b>TOTAL ENERGY CONSUMPTION</b>	<b>(GJ)</b>	<b>94,818</b>	<b>77,666</b>	<b>22.08%</b>
Electricity consumption per tonne of product	(GJ/t)	0.52	0.70	-25.33%
Consumption of natural gas per tonne of product	(GJ/t)	1.23	0.98	25.72%
Direct emissions from consumption of natural gas (Scope 1) <sup>2</sup>	(tCO <sub>2</sub> )	2,915	2,611	11.62%
Indirect emissions (Scope 2 - Market-based method)	(tCO <sub>2</sub> )	0	0	0.00%
Indirect emissions (Scope 2 - Location-based method) <sup>3</sup>	(tCO <sub>2</sub> )	2,176	2,663	-18.30%
Total emissions per tonne of product <sup>4</sup>	(tCO <sub>2</sub> /t)	0.054	0.056	-4.49%

<sup>1</sup> The “market-based” approach calls for the use of emission factors defined on a contractual basis with the electricity supplier. If there are no specific contractual agreements between the organisation and the electricity supplier (e.g., purchase of Guarantees of Origin), for the “market-based” approach the emission factor relative to the national residual mix was used. In 2020, the emissions prevented due to the purchase of electricity from renewable sources, calculated according to the location-based method, were equal to 3,653 tCO<sub>2</sub>.

<sup>2</sup> The Scope 1 emissions are expressed in tonnes of CO<sub>2</sub>; see the specific tables on emission factors.

<sup>3</sup> The Scope 2 emissions are expressed in tonnes of CO<sub>2</sub>, however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO<sub>2</sub> equivalents) as indicated in the ISPR report “Atmospheric emission factors of CO<sub>2</sub> and other greenhouse gases in the electricity sector”.

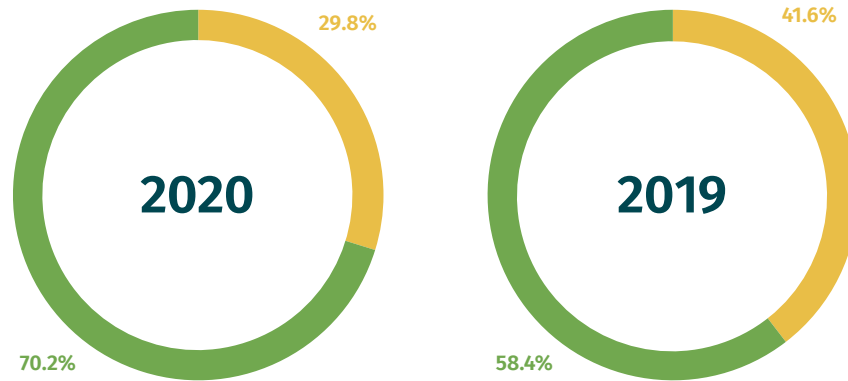
<sup>4</sup> When calculating these values all direct CO<sub>2</sub> (Scope 1) emissions were considered and not only those connected to pasta production, as reported in the previous Reports. Therefore, with the startup of the trigenerator it was deemed appropriate to restate the 2019 data consistent with the new calculation methodology. For previously published historic data, refer to the 2019 Sustainable Development Report.

The graph below shows the evolution of energy consumption, as described so far, comparing the last two years.

**DIAGRAM**

**Energy consumption**

- Total Electricity consumption (Gj)
- Total Natural Gas consumption (Gj)



During the first months of 2021, an energy monitoring system (SMET platform) will be installed to log and analyse the energy flows related to the various departments in the facility.

The SMET system collects the data from the measurement instruments installed in the field and processes it to present it through a platform in the cloud. Specifically, the system:

- monitors the two natural gas boilers for the production of steam;
- monitors the two natural gas boilers for the production of superheated water;

- monitors the electric consumption of the heating unit;
- monitors the production of the photovoltaic plant (from June 2021);
- monitors heat and energy production and the consumption of natural gas in the trigeneration plant;
- monitors the energy produced by the geothermal heat pump (with reference to the smart building);
- statistical analysis of the energy vectors and correspondence in tonnes of CO<sub>2</sub> emitted/prevented.

**TABLE**

**Energy consumption emission factors**

Energy source	Emission unit/ Starting unit	2020	2019	Source
Electricity (Location-based method)	kgCO <sub>2</sub> /kWh	0.2776	0.2965	ISPRA - 2020 Atmospheric emission factors of greenhouse gases from the power sector in Italy and in the main European countries
Electricity (Market-based Method)	kgCO <sub>2</sub> /kWh	0.466	0.483	AIB - European Residual Mixes 2019 (Ver. 1.1, 2020-09-08) for the Market-based method
Natural gas	tCO <sub>2</sub> /Smc	0.002	0.002	Min. Environment - Table of standard parameters in Italy for the monitoring and reporting of greenhouse gases
Heating oil	tCO <sub>2</sub> /t	3.155	3.155	

**TABLE**

**Energy consumption conversion factors**

Energy source	Emission unit/ Starting unit	2020	2019	Source
Electricity	Gj/kWh	0.0036	0.0036	Constant
Natural gas	Gj/Smc	0.0353	0.0343	Min. Environment - 2020 Table of standard parameters in Italy for the monitoring and reporting of greenhouse gases

## CO<sub>2</sub> FREE project for the compensation of carbon dioxide

“Gas 100% CO<sub>2</sub> Offset” means self-offsetting CO<sub>2</sub> emissions caused by the use of natural gas, through the co-financing of an *ad hoc* project guaranteed by third parties and supported by institutional bodies such as NGOs and international associations. Each project generates CO<sub>2</sub> credits that give rise to VER (Verified Emission Reduction) certificates of the “Gold Standard” or “VCS” (Verified Carbon Standard) type. These standards are recognised internationally and certify the effective reduction of greenhouse gases. Choosing “Dolomite Energy Gas 100% CO<sub>2</sub> Offset”, Andriani, along with Dolomiti Energia S.p.A., helped finance a project developed with the Italian NGO COOPI called “Efficient Stoves in Ethiopia”. Another part of the funds will contribute to the construction of a flowing water plant that will produce clean energy.



## 6.2 Carbon neutrality and climate change



Thanks to its partnership with the Innovatec Power Group, Andriani S.p.A. Benefit Corporation adopted a policy aimed at energy efficiency and the reduction of CO<sub>2</sub> emissions, focusing on reaching the self-production of energy equal to what is consumed by the facility and the independent production of the heat necessary for pasta processing. The challenging goal is to reach carbon neutrality\*, balancing CO<sub>2</sub> emissions in the atmosphere thanks to equal offsets, removals, or absorption by 2025. The path is the result of a mixture of direct and indirect interventions that call for an estimated investment of approximately 15 million euros, which will also include circular economy projects, and the limitation of primary energy consumption, reducing the use of electricity and natural gas thanks to the self-production of energy.

The choice was made to implement a monitoring system able to provide real time information on the performance of the results achieved, acquiring precise data and goals in terms of both energy consumption and tonnes of equivalent CO<sub>2</sub> prevented. In the perspective of Industry 4.0, this type of system is essential to keep the main KPIs under control and identify any inefficiencies in the manufacturing process or in the production of auxiliary energy carriers.

As the energy efficiency technologies included in the investment plan become fully operational, it will be possible to monitor the decrease in KPIs (in terms of specific consumption compared to production). All of this will be implemented through the internationally known Measurement and Verification Plan (IPMVP) that defines the guidelines for measuring the primary indicators used.



\* Carbon Neutrality: a condition in which the anthropogenic carbon dioxide emissions in the atmosphere are balanced by equal offsets, removals, or absorption over a given period of time. It is sometimes used as a synonym for Climate Neutrality, from which it differs due to the range of climate-altering factors considered. Only carbon dioxide (CO<sub>2</sub>) is considered in the case of carbon neutrality, while all GHGs and other relevant biogeophysical changes due to human activities are considered in the case of climate neutrality.

## Carbon Neutral Scenario



	udm	2018	2019	2020	2021	2022	2023	2024	2025
Electricity drawn from the grid	Tonnes of CO <sub>2</sub>	3,700	4,339	3,653	2,665	2,408	2,409	2,410	2,411
Natural gas consumed	Tonnes of CO <sub>2</sub>	2,224	2,611	3,728	5,644	3,396	3,396	3,396	3,396
Green Energy Purchase (Electricity)	Tonnes of CO <sub>2</sub>	-3,700	-4,339	-3,653	-2,665	-2,408	-2,409	-2,410	-2,411
Green Energy Purchase (Natural Gas)	Tonnes of CO <sub>2</sub>	0	0	-813	-5,644	-3,396	0	0	0
Biomethane plant	Tonnes of CO <sub>2</sub>	0	0	0	0	0	-3,396	-3,396	-3,396
<b>Total</b>	<b>Tonnes of CO<sub>2</sub></b>	<b>2,224</b>	<b>2,611</b>	<b>2,915</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
KPI: total emissions compared to turnover	Kg CO <sub>2</sub> / k€ turnover	40.00	40.40	37.20	0	0	0	0	0
KPI: total emissions compared to production	Kg CO <sub>2</sub> / tonnes of product	60.08	56.24	53.71	0	0	0	0	0

TABLE  
Equivalent CO<sub>2</sub> emissions and global KPI

- The scenario for the 2018-2020 three-year period was calculated using monthly data.
- Since 2014, all electricity from the grid comes from renewable sources (Purchase of green energy) with a certificate of origin.
- Since November 2020, Andriani has participated in the “100% CO<sub>2</sub> Offset” initiative, thanks to which the emissions resulting from the consumption of natural gas will be offset.

- The emission factors for the electricity used allow CO<sub>2</sub> emissions to be calculated using the market-based method.
- The 2021 scenario and related KPI are calculated considering a linear interpolation (R<sup>2</sup> > 0.95) of the data for the 2018-2020 three-year period.
- The 2022-2025 scenario is calculated considering the 2021 scenario as a reference.



## 6.3 Materials used

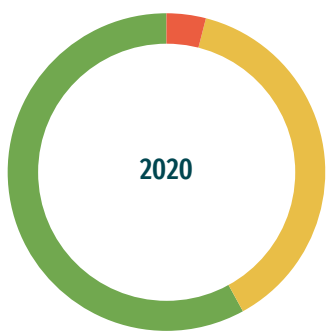


Material topic no. 6

301-1

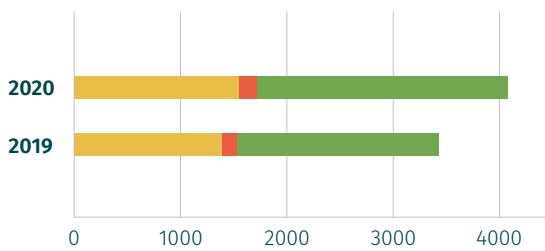
The materials used for the production activity are essentially food raw materials and packaging. Refer to paragraph 5.1 for details on the food raw materials used in the production process. This paragraph provides the quantitative information on the packaging materials used.

With regard to packaging, the Group has undertaken a reduction policy, making it increasingly sustainable by using thicknesses and weights suitable for preventing waste. Information on the type and total weight of the packaging used is provided below.



● Corrugated **58%**      ● Technical paper **38%**      ● Flexible **4%**

Packaging (t)	2020	2019	Change (%)
Flexible	169.50	126.80	33.68%
Corrugated	2,337.00	1,888.00	23.78%
Technical paper	1,546.00	1,398.20	10.57%
<b>Total</b>	<b>4,052.50</b>	<b>3,413.00</b>	<b>18.74%</b>



The increase in terms of weight of the packaging used in the production process is in line with the increase in production.

It is hereby specified that “flexible” packaging consists of plastic products, whereas “corrugated” and “paperboard” packaging consists of cellulose-based materials (paper and cardboard) and is therefore recyclable in a short period of time.

## 6.4 Waste, recyclability, and reduction in food waste



Material topic no. 6

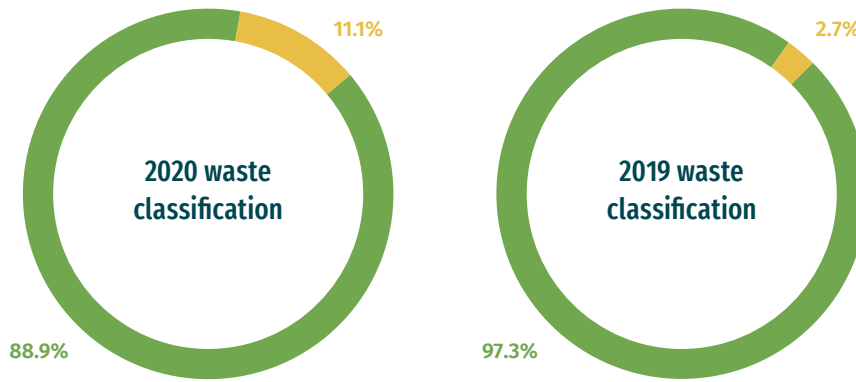
306-2

In managing special waste, i.e. waste produced during industrial processing, the company organisation is pursuing the “four R's” guideline: reduction, reuse, recycling, and recovery.

In order to be able to recycle waste or recuperate its material and energy, it must be properly separated before being sent to the various recovery and recycling operations.

The company’s primary waste consists of packaging. In fact, a simple analysis of the various EWC (European Waste Codes) shows that packaging represents approximately 89% in 2020 (over 97% in 2019) of the total waste generated.

- Packaging
- Other EWC

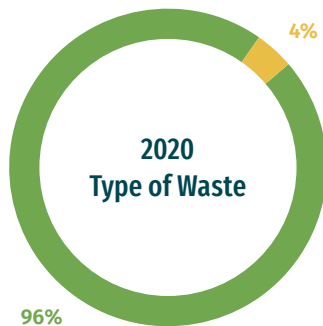


Comparative information on the breakdown by type (“disposal” and “recovery”) and hazardous characteristics of the waste is shown below.

	2020	2019	Change (%)
<b>D15 - Waste directed to disposal</b>	<b>27,501</b>	<b>14,406</b>	<b>90.90%</b>
Non Hazardous	27,000	13,332	102.52%
Hazardous	501	1,074	-53.35%
<b>R13 - Waste directed to recycling</b>	<b>657,308</b>	<b>553,156</b>	<b>18.83%</b>
Non Hazardous	656,218	552,381	18.80%
Hazardous	1,090	775	40.65%

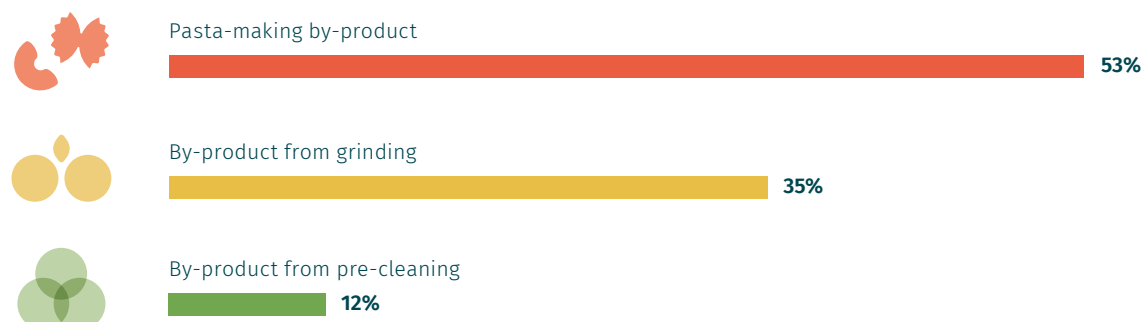
**TABLE**  
Waste by type and disposal method (kg)

- R13 Waste directed to recycling
- D15 Waste directed to disposal



It should be noted that the percentage of “recovered” waste remains the same compared to the previous year. On the other hand, with regard to the doubling of the quantity of non-hazardous waste to be disposed of, this figure is a result of the installation of a new production line that made it necessary to manage septic tank sludge differently from the amount fed into the sewer system.

The values in the graph below represent the generation of by-products and scrap from the milling and pasta-making activity, and they have remained stable compared to the previous year.



**DIAGRAM**  
2020 Industrial process by-products

# 6.5 Biodiversity



Material topic no. 5

304-2



Following the project that has been active since 2017 regarding management of the vastest sustainably supply chain in Italy dedicated to the production of legumes, Andriani continues to monitor the ecological footprint of all agricultural companies participating in the initiative through the work

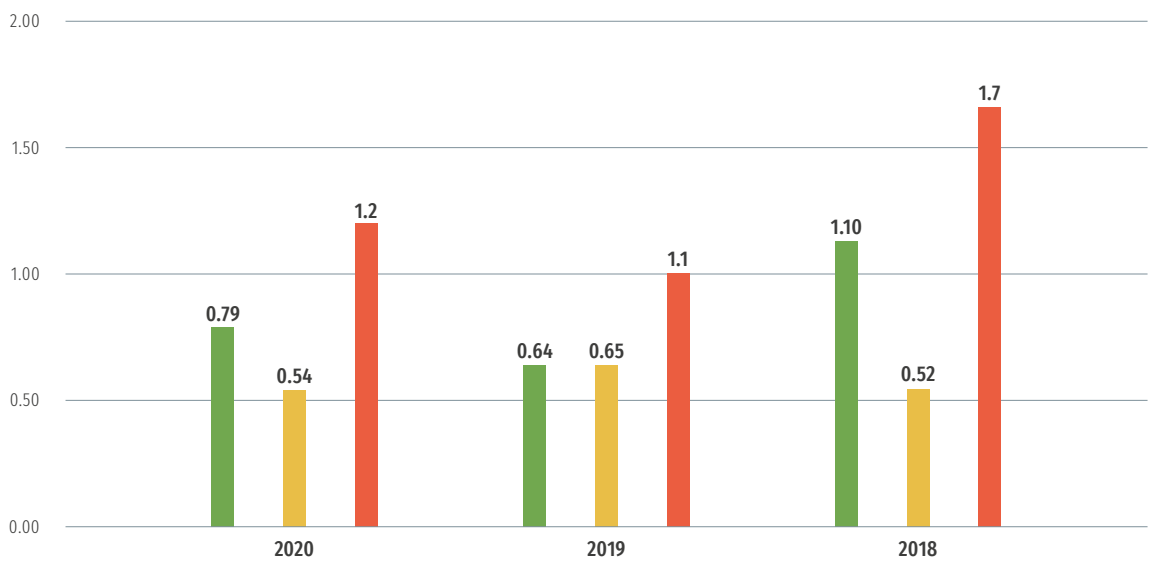
of the team of Terre Bradaniche S.r.l., a subsidiary, and the scientific supervision of Horta S.r.l.

Below is a brief extract of the results obtained in the 2020 campaign. For more information, refer to the [specific report](#).

### DIAGRAM

Average yield per hectare broken down by crop (t/ha)

- Chickpeas
- Lentils
- Protein peas



Fields cultivated with red lentil



## Health Sector

The low use of plant protection products, even in conventional cultivation, has guaranteed low scores for all three crops and all three indicators.



## Air Sector

In this sector, the low yields caused high scores (greater than 4) for all crops. In reference to the *Carbon Footprint* indicator, it should be noted that chickpeas score greater than 4, while lentils and protein peas have lower scores since the yields, while low, are closer to the norm than those obtained instead with the chickpea.

The *Carbon Footprint* and *Carbon Sequestration* indicators depend highly on the final yields, therefore, low yields lead to an increase in the environmental impact value. On the contrary, high yields make it possible to spread the environmental impact over greater production, making cultivation more sustainable. In addition, with high yields there is a greater photosynthetic activity and therefore greater atmospheric carbon sequestration, leading to increased production of biomass and a lower environmental impact, with a subsequent reduction of the indicator score.

The use of technical means, even in conventional activity, is already very limited and only by increasing productivity can these indicators be improved.



## Soil Sector

Again, due to very low and below-average yields, the *Ecological Footprint* indicator received maximum scores. Not very sustainable values (score higher than 3) were also obtained for the *Organic substance* indicator, as

cultivated land had average levels of less than 2%, while for the *Soil coverage indicator* scores were rather low, highlighting a fair level of sustainability. For both indicators, lentils appear to be more sustainable than chickpeas and protein peas. These indices suggest that the soils tend to have low organic substance content, but the vegetation cover was better than in past years with indirect benefits on soil fertility and the increased hindrance to weed development.

The *Erosion* and *Soil compaction* indicators have rather low values, thus showing the legume's good capacity for maintaining the soil and contrasting erosion, especially in years with low rainfall such as 2020.

Overall, the indices for the soil sector are good, except for the *Ecological Footprint*, due to the aforementioned production reasons, and *Organic Substance*. The latter indicator may be improved with the implementation of cover crops.



## Biodiversity Sector

The farms in the area that grow legumes have low variability in soil management: a large part of the farm is in fact cultivated with arable crops, and with very limited rotations over time. Moreover, the few land use alternatives and the general lack of areas favourable to biodiversity have made the *Biodiversity* indicator scores always higher than 3.

For the *Eco Tox Score*, due to the low use of plant protection products and the use of more eco-sustainable products, the final score was very low, showing limited impact on the agricultural ecosystem. Conventional chickpea cultivation required the use of more plant protection products than other crops and crop managements. However, the chemical pressure generated by plant protection products does not appear particularly higher than the norm. In fact, the indicator

shows a final score of below 3.

The use of products that are less damaging to the environment and greater crop diversification are undoubtedly the most effective solutions to improve these indices.



## Energy Sector

The *Consumption of diesel fuel* is average (score between 2 and 3), although the values are higher for organic lentils, which require numerous crop operations for mechanical weed control. On the other hand, the cultivation of organic peas is more sustainable thanks to reduced diesel fuel consumption.



## Water Sector

All indicators in the water sector have really low scores, except for the *Water Footprint* indicator. The latter depends on the final yield, therefore low yields negatively impact the indicator. However, for protein peas, the values are between 0 and 1. This indicates that the necessary water consumption for the production of one tonne of protein pea grains is quite low.

By evaluating the average scores per sector, we can see that the biggest problems (highest scores) are found in the Air and Biodiversity sectors. It is also true that lentil cultivation reports values of just over 3 for these sectors.

In the Health sectors, the scores are very low for all crops considered, with a net advantage to organic rather than conventional. For all three crops, this sector reports scores around 0 for the organic cultivation. As previously stated, the Water sector displays a greater sustainability for the production of protein peas compared to chickpeas and lentils, which, however, have scores less than 3.

The Energy sector recorded very similar values among the three different crops and close to 2 points, except for organic protein pea cultivation, which had a value of 1.5.

Generally, for organic cultivation, the scores are slightly lower (greater sustainability) for the Health and Biodiversity sectors. For the other sectors, there is no clear difference between organic and conventional. The lever to be used to improve many of the indicators considered is to implement cultivation strategies that can better control weeds and increase soil fertility, in order to increase yields while minimising impact.

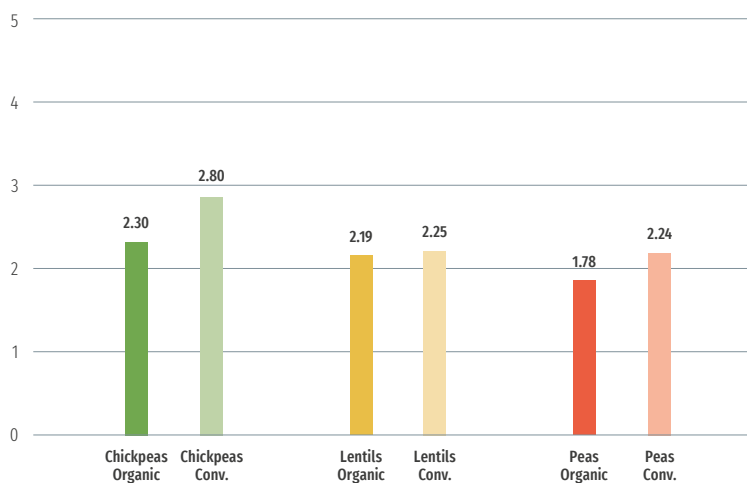
TABLE

Final points

Species	Cultivation system	Health	Air	Soil	Biodiversity	Energy	Water	Average
Chickpeas	Organic	0.06	4.39	2.18	2.94	2.11	2.13	<b>2.30</b>
Chickpeas	Conv.	1.92	4.54	2.03	3.90	2.31	2.09	<b>2.80</b>
Lentils	Organic	0.10	3.68	2.03	2.83	2.37	2.11	<b>2.19</b>
Lentils	Conv.	0.92	3.27	1.97	3.31	1.94	2.10	<b>2.25</b>
Peas	Organic	0.05	3.73	2.32	2.95	1.50	0.15	<b>1.78</b>
Peas	Conv.	1.27	3.86	2.31	3.30	2.23	0.44	<b>2.24</b>

DIAGRAM

Final Score (0-5)



There are no significant differences between the crops and the different crop managements. Only organically-grown protein peas obtained a final score (average of all UPs and all indicators) that was slightly lower than the other crops examined (value of 1.78 compared to the general average of 2.26). On the contrary, conventional chickpea cultivations was higher than the average (value 2.80).

### Comparison with previous years

Comparing the supply chain production with previous years (2018 and 2019), it appears that the results regarding sustainability performance are quite stable overall, with some differences between crops.

The *Air* sector is the one with the highest scores, especially in 2019.

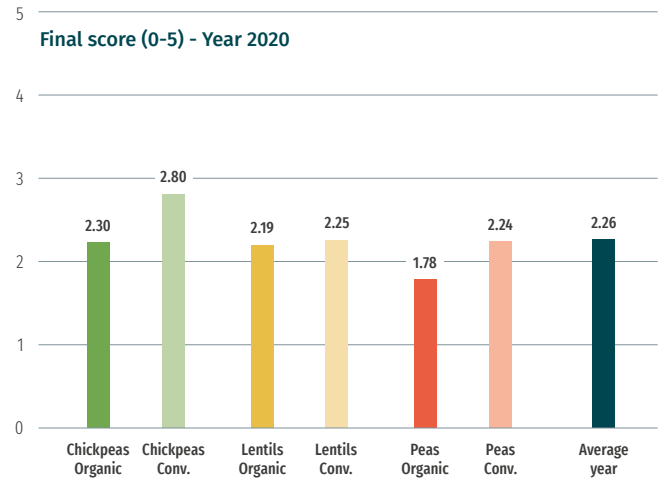
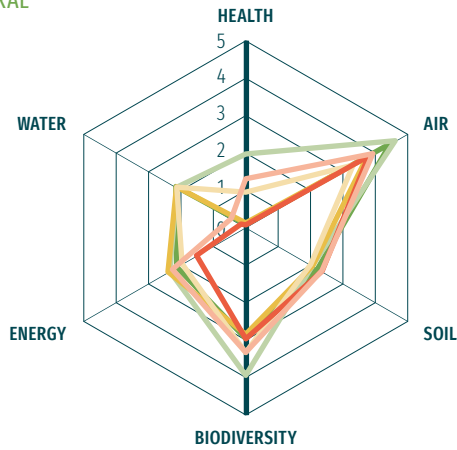
The *Health* sector is the one with very low indices in 2018 and 2019, while the values were higher in

2020, especially for conventional chickpeas. This result shows that chickpeas required more plant protection treatments compared to the previous years.

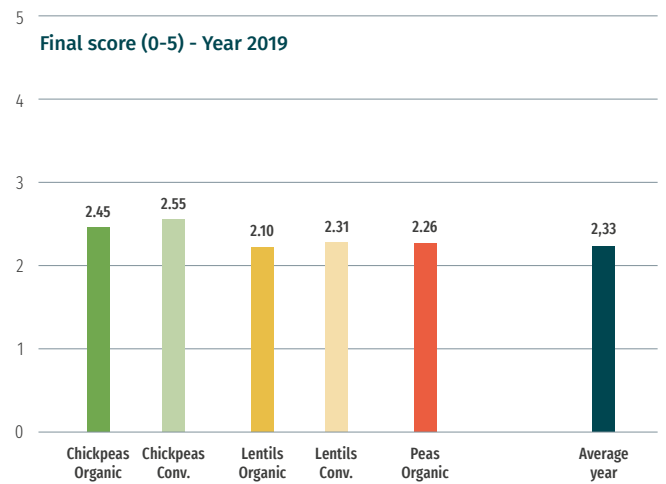
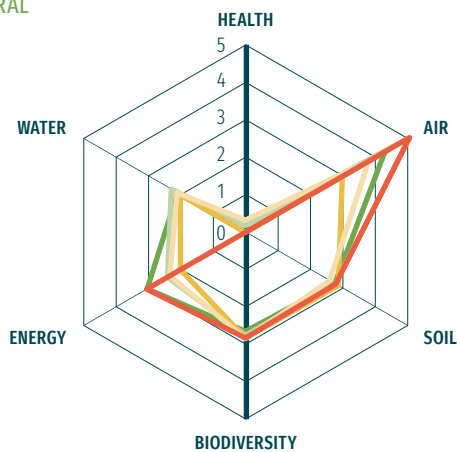
The other sectors are, on average, very stable, although clear improvements were seen in some crops, such as protein peas, which in 2020 showed less environmental impact than other crops, especially in the *Energy* sector.



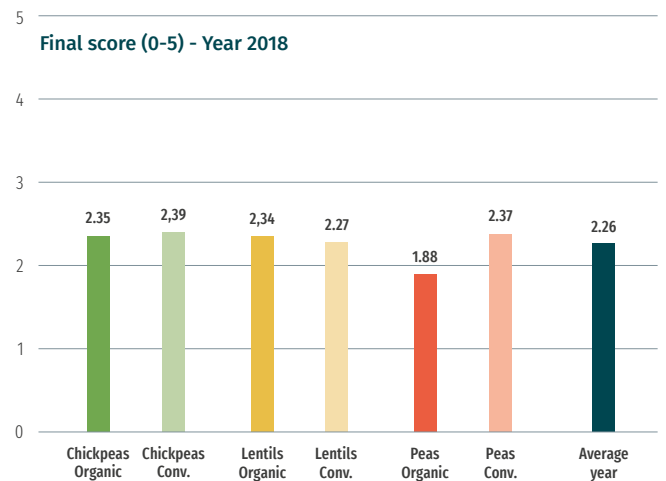
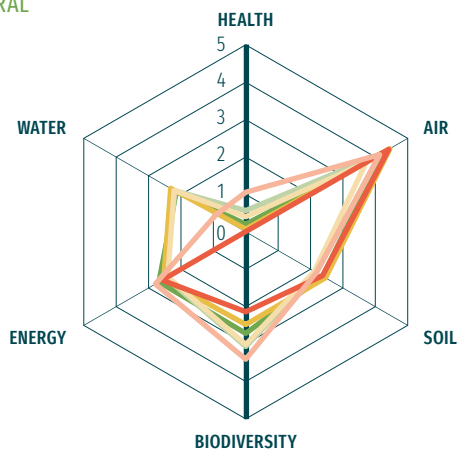
AGRICULTURAL YEAR 2020



AGRICULTURAL YEAR 2019



AGRICULTURAL YEAR 2018



Comparing the final scores for the crops, we can see that the conventional chickpea has higher scores in all agricultural years, while the organic protein pea appears to be more sustainable, except in 2019 when the lowest score was recorded for organic lentils.

However, it is also worth noting that the average score of all crops in the supply chain is rather stable and constant over time: a lower average value was observed in 2020 than in

2019, but identical to that of 2018.

It is, therefore, necessary to provide for further interventions aimed at improving sustainability performance in the long term, along with the continuation of the important monitoring activity for the legume supply chain, which is a tool for continuous learning and an essential component of the scientific path undertaken by Andriani in terms of sustainable agriculture.

# 6.6 Water resources



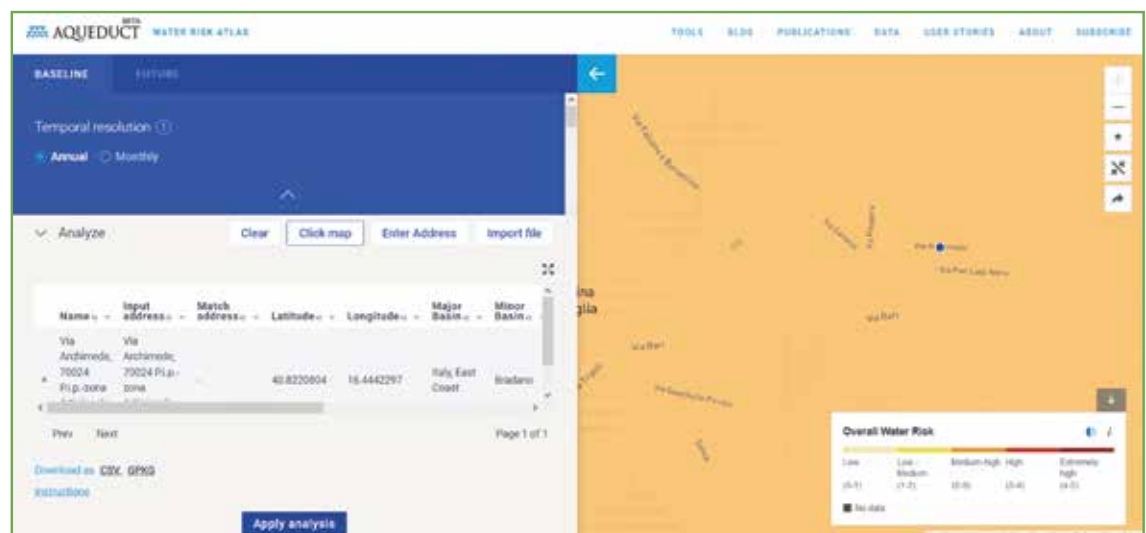
303-1 303-2 303-3

Water, an indispensable resource for the innovative gluten-free pasta productions carried out in the Gravina in Puglia plant, comes from the Puglia aqueduct. In 2020, the quantity received was 31.9 megalitres<sup>5</sup>, the use of which, in the various sectors of the facility, is shown in the table below:

**TABLE**  
**Water withdrawal per sector 2020-2019**

	2020 (MI)	2019 (MI)
Pasta Factory and Mill	12.7	10.9
Cutter washing	6.3	5.4
Services (changing rooms and offices)	7.0	6.1
General plants	5.9	5.0
<b>Total</b>	<b>31.9</b>	<b>27.4</b>

The increase in water consumption (16.42%) is correlated to the increase in production (albeit to a less than proportional extent) and, as previously stated, follows its trend.



The issue of water withdrawal<sup>6</sup> from areas considered to be under water stress is a sensitive one for the Group that, relying on the Aqueduct Water Risk Atlas tool from the World Resources Institute, indicated by the GRI as among the reliable tools for the assessment of water stress areas, has found that the risk for the intervention area is medium-high.

<sup>5</sup> The data related to the 2020 water withdrawal was estimated and mainly based on production values. Starting with the upcoming reporting periods, the Andriani Group will also provide a precise value for distribution inside the production facility.

<sup>6</sup> The water withdrawal is only freshwater (≤1,000 mg/l of total dissolved solids).

Andriani has implemented a procedure that defines the method used to guarantee the use of healthy and clean water intended for the production of food products, so that it does not represent a risk factor for the safety of food products (Italian Legislative Decree no. 31/2001). Also, in order to follow and trace the entire water flow, the healthiness of the wastewater from industrial activities is monitored through the implementation of a targeted analysis plan.

During 2021, the SMET monitoring system will be extended in order to trace water consumption. This will facilitate real time monitoring of the water flow and make it possible to detect malfunctions and other critical issues. Thanks to this system, inefficiencies will be identified and resolved, reducing water waste and allowing the presentation of increasingly more complete reporting on the theme.



## Andriani with ApuliaKundi for the cultivation of Spirulina



In cooperation with ApuliaKundi S.r.l., a young Puglia startup company, Andriani has begun an innovative business solution with the goal being to preserve the planet's resources, like water, through the cultivation of Spirulina.

In fact, the plant will use water coming from Andriani's production processes, purifying it through an oxidation plant paired with a reverse osmosis plant and using it for the production of the microalgae, Spirulina, thus closing the virtuous circular economy process.

Considered to be "the food of the Gods" since ancient times, Spirulina is a microalgae that not only has a high nutritional value, but also has low environmental impact. This has led it to be defined as "the food of the future" (FAO), and the "best food of the 21st century" (WHO).

It is a highly prized raw material that Andriani, based on tests and analyses with Italian universities and re-

search centres to evaluate its use in the food sector, has chosen to launch on the market with its Felicia brand as an Italian, extremely pure and organic Spirulina-based pasta, a source of fibre and naturally gluten-free.

Cultivating Spirulina does not cause pollution and contributes to the reduction of greenhouse gases. For each kg of dry Spirulina produced, in fact, 2 kg of CO<sub>2</sub> is captured from the environment. Using only 1/50 of the water, the same amount proteins are obtained as from consuming meat<sup>7</sup>.

Rich in vitamins and minerals, Pasta Felicia Spirulina has a unique and full-bodied flavour, exceptional nutritional properties, and high protein value. This pasta will soon be available on the market, expanding the innovative assortment of the brand, which once again confirms its role as leader in the *healthy* pasta sector.

<sup>7</sup> Below are some references to scientific publications on the topic: Ahsan M., Habib B., Parvin M. (2008), *FAO Fisheries and Aquaculture Circular No. 1034: a review on culture, production and use of Spirulina as food for humans and feeds for domestic animals and fish*, Food and Agriculture Organization, Rome, Italy; Cui H., Yang Z., Lu Z., Wang Q., Liu J., Song L. (2019), *Combination of utilization of CO<sub>2</sub> from flue gas of biomass power plant and medium recycling to enhance cost-effective Spirulina production*, *Journal of Applied Phycology*, 31(4), pp. 2175-2185; Sydney E. B., Sturm W., de Carvalho J. C., Thomaz-Soccol V., Larroche C., Pandey A., Soccol C. R. (2010), *Potential carbon dioxide fixation by industrially important microalgae*, *Bioresource technology*, 101(15), pp. 5892-5896.

Key numbers

# 7

## Commitment to communities

### In this chapter

- 109 Involvement in local communities, development programmes, sharing of ideas and initiatives
- 116 Economic support for communities

Andriani, Founding Member of the Italian UN Global Compact Network (since January 2021)



€ **124** thousand

CHARITABLE DONATIONS

In a comparison between 2020 and 2019, the Andriani Group nearly doubled its contribution toward the non-profit sector

### INDUSTRIA FELIX AWARD

For the second consecutive year, Andriani was awarded the Industria Felix Award as the best under 40 company in Puglia for management performance and financial reliability



### Stakeholders

Local communities, national and international institutions, universities and research entities, associations, and civil society





For the Andriani Group, the involvement of local communities, participation in meetings, making statements, communicating, and sharing the company's path and its social and environmental commitments, investments in sponsorships, partnerships, and donations are important elements, not only to enhance the value of the territories to which it belongs, but also to increasingly broaden its commitment to the various communities and stakeholders with which the Group increasingly relates. It is a process of openness, listening, and dialogue in which the Group firmly believes, consistent with the choice to become a Benefit Corporation.

Its commitment to social and environmental projects that affect communities is described using two macro-categories:

- 1) involvement in local communities, development programmes, sharing of ideas and initiatives;
- 2) economic support (donations).

# 7.1

## Involvement in local communities, development programmes, sharing of ideas and initiatives

Material topic no. 3

Andriani is an example of a new business model, devoted not only to profit but also to social, economic, and environmental benefit, through concrete initiatives and through its spokesper-

sons' statements at events, webinars, awards, and television broadcasts. The following is a *timeline* of the primary initiatives and the most important moments of sharing, involvement, and listening.

13 February 2020

Andriani was one of the leading players in the **Kyoto Club Energy Efficiency work group**.

26 March 2020

**Michele Andriani**, President of Andriani S.p.A., was a guest of **Focus**, a TRM TV programme, to discuss how virtuous Italian companies are dealing with the **emergency** resulting from the **pandemic**.

6 April 2020

**Mariangela Candido**, HR Director, interviewed by AIF - Associazione Italiana Fornitori (Italian Suppliers' Association), talked about the importance of **taking care of the human capital** in a company.



AIF Interview with Mariangela Candido

21 and 22 April 2020

Andriani celebrated **Earth Day**, the international event for environmental sustainability and preservation of our planet, with elementary school children with the **"Terra ti voglio bene" (We love you, Earth) project**, through its **Andriani Educational** programme, begun in 2018 to increase children's awareness of **sustainability** and a healthy and natural lifestyle that respects people and the environment.



*"Why I love the Earth and what I want to do to protect it. A drawing that illustrates this and includes a phrase that invites my friends and schoolmates to follow my example".* This was the task the elementary school children were given from "Terra ti voglio bene".

The children accepted the challenge with enthusiasm, creating drawings and messages with poignant intensity, which depict the enchantment of flowers blooming on the window sill, the dynamics that arise at home through the connections between people, culture, and nature, and the daily behavior that needs to be changed to protect the environment. They displayed a strong desire for change, accompanied by the knowledge that we must join forces and trust in the community in order to create a better future.



→ Project "Terra ti voglio bene"



→ Andriani Educational



**ANDRIANI EDU**

25 April 2020

**Michele Andriani**, was a guest of RadioNorba TG, discussing **employee initiatives**, concrete support during the Covid-19 pandemic.

13 May 2020

**Mariangela Candido** discussed how the pandemic changed values and the approach to work with HR Voice.

20 May 2020

### From Farm to Fork



**Michele Andriani** participated in the webinar “**From Farm to Fork - the new scenarios of the Italian agri-food supply chain**”, organised by Legalcommunity and Foodcommunity, in collaboration with Trevisan & Cuonzo. During the webinar, our President emphasized the importance and central role of the agri-food supply chain, explaining how excellent results can be obtained through process enhancement and innovation.



→ Video Webinar - From Farm to Fork



5 June 2020

### World Environment Day



On **World Environment Day**, Andriani participated, as a premium partner, in **2020 Planet**, the major digital event organised by **Corriere della Sera**. During the event, more than forty Italian and international personalities from institutions, business, science, food, architecture, culture, and art took turns discussing the major issues of sustainability and the future of the planet to understand how to start again together, after the pandemic emergency, building a different relationship with nature, without plundering its resources. President Michele Andriani participated for our Group, with a contribution entitled “Pasta, the Future”. The guests included Paolo Gentiloni, European Commissioner for the Economy, and Sergio Costa, Minister of the Environment.

6 June 2020

Focus, a TRM TV transmission, dedicated a special to **Pianeta 2020** (2020 Planet) with an interview with **Michele Andriani**.

10 June 2020

Michele Andriani was part of the “**Strategies for Growth**” webinar organised by Italy Post, aimed at promoting a comparison of opinions among the entrepreneurs awarded from among the **Italian Champion Companies**.

11 June 2020



**Filippo Capurso**, the Group’s Sustainability Coordinator, discussed Andriani’s commitment to sustainable development with **students** from the **Piacenza Catholic University of the Sacred Heart**.

12 June 2020



**Michele Andriani** discussed the case of the “sustainable legume supply chain” at the digital conference, “**Smart agriculture and new regional policies**”.

19 June 2020



**Michele Andriani** participated in the webinar, “**The path towards Carbon Neutrality**”, organised by Innovatec Group. The event represented an opportunity to discuss the post Covid-19 energy transition and decarbonisation of companies.



27 June 2020

Andriani participated in the last show of the season of **Linea Verde** (Green Line), the historic **Rai Uno** TV programme.

7 July 2020

**Michele Andriani** was one of the speakers at the “Strategies for Growth” webinar organised by ItalyPost.

9 July 2020

First **workshop** in the company dedicated to **Sustainability projects**, promoted and implemented by the Company.

11 July 2020

**Michele Andriani** participated in the TRM TV transmission dedicated to “Blockchain and the territory of origin guarantee”.

16 July 2020

Through the voices of **Patrizia Stano**, Filippo Capurso, and Mariangela Candido, **Andriani participated in the podcast** “Guaranteeing good health and wellbeing to all” for the **Agenda 2030 series by Roger**, available on Spotify.



→ Podcast on Spotify

22 July 2020

**Mariangela Candido**, guest of the **HR Management Roundtable**, organised by Indeed and held live on LinkedIn.

30 July 2020

**Michele Andriani** was one of the speakers at the “Super-bo-nus and energy communities” conference organised by Edizioni Ambiente.

13 September 2020

**Family Day 2020**

Andriani opened its doors to employees’ families to celebrate the feelings of **belonging** and **sharing** that have always characterised the spirit of Andriani as one large extended family. See paragraph 4.3.

15 September 2020

**Michele Andriani** participated in the “Sustainability: Value for the company” roundtable that was part of *The Day*, the second stage of **Grocery Forum Europe 2020**, the major annual event organized by the Retail Institute, which analyses the **evolutionary scenario** and the **new challenges of modern distribution**.

22 September 2020



For the 75th Session of the United Nations General Assembly, the **United Nations Global Compact - UAE Network** organised the event “**Uniting Business LIVE**” with the goal being to take stock of the state of the art of the implementation of **SDGs** and open a dialogue to address common challenges and develop solutions. The **Andriani Group** shared this important initiative, with the CEO **Michele Andriani signing the Statement from Business Leaders for Renewed Global Cooperation**, thus signifying **participation in the United Nations Global Compact**.



→ Complete agenda for the event

25 September 2020

Andriani participated in “Covid Free Companies”, the **experimental epidemiological screening project** promoted by the **Puglia Region** and **Confindustria**. Consistent with goal number 3 of the United Nations Agenda 2030, Andriani chose to participate in the project aimed at monitoring workers’ health during the delicate economic recovery phase to counteract possible contagions in the workplace in order to ensure maximum **protection of the workers’ health**.



The screening program entails that workers, when first entering the company, are divided into groups of about 40 people and subjected to a nasopharyngeal swab, to be analysed at Bari Polyclinic, and a blood test from the fingertip carried out by the company physician and health workers. The blood tests will be repeated at regular intervals every 14 days. The project makes daily collection and recording of clinical parameters possible in order to carry out screening through Integrated Technological Systems, specifically the Marian App, or Worker App, which allows portable access, from a Telemedicine perspective, to both the worker and the company physician, with the data subject to scientific validation by the Bari Polyclinic University Hospital Consortium.



**Video interview with Claudio Furio**

## L'unione fa la Pasta (Union makes Pasta)

The project is a result of an idea of Massimiliano Sisto, network coordinator of the TRM Network, and the desire of Michele Andriani, President and CEO of Andriani S.p.A. Benefit Corporation, to thank his employees who, with commitment and determination were able to ensure the production continuity of an essential product such as pasta during the various phases of the epidemic crisis.

Set in the format of a documentary series, each episode highlights the commitment of individuals who, moved by a sense of duty and responsibility during the most difficult moments of the Covid-19 pandemic, chose not to stop and continued working to make their contribution to the country's economy.

It is a series of spontaneous tales of professional and human experiences that arouse immediate empathy, through truth and feelings. Guided by the director, Francesco Giase, men and women of the extended Andriani family opened their hearts in front of the cameras in the workplace as well as the home living room, talking about their daily experiences and showing the sense of vulnerability brought forth by the pandemic that united us all.



In a delicate phase for the entire country, in which maintaining a commitment was a privilege for only a few, the story highlights the contrast between the fear of an invisible and unknown enemy, and the awareness of the importance of teamwork in the workplace, in search of a new normality that cannot be separated from feeling part of the group.

Watch the documentary series on YouTube



9 October 2020

At Sana Restart, at the Bologna Sana Fair, **Michele Andriani** spoke with Roberto Tavano, Digital Strategy Director of Strategy& - PwC Network Company about **digital supply chain innovation** and **generating tangible value**, during the “**Bio Revolution**” meeting cycle.

13 October 2020



**Filippo Capurso**, Sustainability Coordinator, participated in the **5th edition of the Annual Forum** of the **Italian Global Compact Network** promoted by the GCNI Foundation, confirming **Andriani's path** towards **sustainable development** through the numerous company initiatives focused on the **SDGs of Agenda 2030**.

24 October 2020

**Michele Andriani** talked about the company's entrepreneurial experience with **RadioNews24**.

29 October 2020

**Tommaso Marvulli**, CEO and CFO of Andriani S.p.A. spoke with **Radio 24** during the Focus Economy program dedicated to 2020 Winning Companies.

5 November 2020



During the “**HR Trends**” webinar organised by Randstad Italia, **Mariangela Candido** transmitted Andriani's affirmation in terms of **enhancing emotional intelligence** and **Learning Agility**, essential aspects in such a complex and unpredictable time such as the present.



10 November 2020

**Francesco Andriani**, Vice President and Chief Executive Officer of Andriani S.p.A., took part in a video interview with **Cassa Depositi e Prestiti** to talk about the “**Business Accelerator**” project, which Andriani participates in, supporting the growth of Italian companies with high potential.

18 November 2020

Andriani presents its second Sustainability Report, called the **Sustainable Development Report** to the national press.

23 November 2020

**Michele Andriani** was a guest on the ninth episode of “**War Room Business**”, a web programme by Enrico Cisnetto dedicated to successful entrepreneurial stories.

24-26 November 2020

Opportunities to meet and hold discussions with **Italian universities**. On November 24, Andriani was a guest at the Aldo Moro University of Bari and the University of Bergamo in the **Sustainability Accounting course**, with a lesson held by **Filippo Capurso**. Then, on November 26, Filippo Capurso held a **seminar on non-financial reporting** – the Andriani S.p.A. case at the Legal Clinic on Corporate Social Responsibility for the Department of Law Master’s Degree Course at the University of Bari.

25 November 2020

**Michele Andriani** participated in the episode “**Young people in the field for a sustainable economy**” by *The Master Class*, an in-depth weekly television news programme on news stories in Puglia.

2 December 2020



**Raffaele Raso**, CSR Manager for Andriani, discussed the company’s path in favour of **Sustainable Development** at the round table entitled “Corporate Social Responsibility: regional experiences” organised by the Aldo Moro University of Bari and Confindustria. The purpose of the online meeting was to talk about how local companies apply the **principles of sustainability** and **corporate responsibility** along with the **benefits** they bring to the **environment** and **local communities**.

2 December 2020

**Michele Andriani**, a guest of “Soldi” (Money), a programme on TV channel **La7**, to discuss the reason why companies devoted to **sustainability** are more appreciated by consumers and financial markets.

16 December 2020



Andriani presented its own case study at the “**Masters in Strategic Management of the Circular Economy for a Transition towards New Production Models**” organised by **Altis Catholic University** and **Circularity**. During the online Master course, the Andriani CSR representatives, **Raffaele Raso**, **Filippo Capurso**, and **Maria Teresa Burdo** described how Andriani is acting in favor of sustainable development, highlighting **circular economy projects** and the company's commitment to implementing the **transition to circular operating models** that can be used to develop innovative solutions capable of generating value from by-products and secondary raw materials.

17 December 2020

In the daily editions of **TG Norba**, Michele Andriani was interviewed by Network Director Vincenzo Magistà.

21 December 2020

**Michele Andriani**, discussed the company’s initiatives in favour of Sustainable Development in an interview with Maria Cristina Alfieri, coordinator of **Food Social Impact**, the new project by Food magazine that promotes the diffusion of responsible practices and sustainable behaviour throughout the entire Italian agro-food supply chain.

23 December 2020

On **Modern Distribution**, Filippo Capurso's video was aired presenting the company's **many initiatives** towards **sustainable development**.

## Educational Project “The magic of legumes - Development and renewal”



“The Magic of Legumes” is the project promoted by **Andriani Educational** to **instruct children about legumes and sustainable nutrition** through a path based on **workshop teaching**: a space in which children can make tools, environments, and knowledge related to sustainability and its relationship with agriculture and food their own, so they can become the bearers of “sustainable” messages to their families and the environments they frequent.

During the 2020-2021 school year, this educational space backed by Andriani Educational was integrated with “Earth, I love you” and underwent a strong renewal impetus, stimulated by the need to support schools in the difficult phase of the health emergency, to help them develop resilience and enhance sustainability education projects in line with the guidelines for civic education issued by the Ministry of Education.



Project  
“The magic of  
legumes”





## Recognition and awards

May 12, 2020  
Champion Company



For the second time, Andriani was listed as one of the **Italian Champion Companies**.

15 June 2020  
Industria Felix Award



For the second consecutive year, Andriani was awarded the **Industria Felix Award** as the best under 40 company in Puglia for management performance and financial reliability.

During the awards ceremony, which took place remotely, Michele Andriani stated,

*"I wish to thank Industria Felix and Cerved Company for this prestigious award that I dedicate, in particular, to our company's over 150 employees and their constant commitment. I am also happy to say that southern Italy is truly beginning to network. The sacrifices shared throughout the supply chain are what allow us to be competitive in the market".*

14 July 2020  
Save The Brand



Francesco Andriani, Vice President and CEO of Andriani, received the **2020 Save The Brand Award** for having renewed nutrition rules, giving legumes and grains a new form with the **Felicia** brand. Now in its seventh edition, Save The Brand awards Made in Italy excellence in the **food & beverage** sector according to criteria including: economic performance, innovation, internationalisation, branding strategies, and communication.

September 7, 2020  
Smart Working Award Contest

Andriani was one of the candidates for the **Smart Working Award Contest** organised by the Smart Working Observatory of the **Milan Polytechnic**.

21 September 2020  
Best Managed Companies Award



Andriani won the **Best Managed Companies Award 2020** promoted by Deloitte in collaboration with Confindustria, Elite (a London Exchange Group programme), and Altis Catholic University. The award is assigned to the best Italian companies based on six methodological **pillars**: strategy, skill and innovation, commitment and company culture, governance and performance, internationalisation, and sustainability. The companies awarded were identified through a meticulous investigation by an independent jury made up of authoritative members of the Italian institutional, academic, and business world.

In reference to the award, Michele Andriani commented, *"We are truly honored and grateful to receive this award that, in a complex year such as this one, takes on even more meaning. This is an award I would like to share with all management and employees. Thanks to their passionate commitment, we were able to overcome the critical issues caused by the Covid-19 pandemic and ensure production continuity for pasta, a primary good".*

October 22, 2020  
Bio & Consumi Award 2020



Felicia, an Andriani brand, confirmed its excellence in the "innovative pasta" sector by winning the Bio & Consumi Awards in the Pasta category. These awards were assigned by Retail, at Sana Restart 2020, International Exhibition of Organic and Natural Products at BolognaFiere. The prestigious recognition was accepted by Domenico Mazzilli, Andriani S.p.A. Commercial and Marketing Director.

November 19, 2020  
Great Place To Work



Andriani receives the **Great Place to Work** certification: refer to paragraph 4.3.

# 7.2 Economic support for communities

Material topic n. 3

The Andriani Group's principles and values are also shared through economic support to various associations, institutions, and groups working in various areas. It is a commitment to communities

that is articulated through concrete projects for social development of the areas, and in donations decided and provided according to a logic of inclusion and support.

In a comparison between 2020 and 2019, the Andriani Group nearly doubled its contribution toward the non-profit sector. The contributions made are shown in the following table:

**TABLE**  
**Andriani Group's contribution to the non-profit sector**

	2020	2019
	€	€
Andriani S.p.A.	93,406	68,200
Felicia S.r.l.	30,230	850
<b>Total</b>	<b>123,636</b>	<b>69,050</b>

The primary disbursements are voluntary contributions for the COVID-19 emergency, in particular to Puglia Regional Hospitals (€50,000) and, in the Felicia brand name, in spontaneous South-North solidarity, to the Pope John XXIII Hospital in Bergamo (€30,000). A contribution of €27,456 was also allocated to Ethiopia for the purchase of equip-

ment for teff cultivation (refer to paragraph 5.1).

Plus, the Group launched an important sustainable supply chain project in India in 2020, aimed at promoting the rural development of farmers' villages in the Uttar Pradesh region, see below.



Andriani's other numerous support initiatives include a donation in May 2020 of 200 kg of Felicia brand organic, naturally gluten-free pasta to the Municipality of Carapelle (Foggia), which suffered difficulties due to the pandemic.



## Project India, in collaboration with Nature Bio Foods and the Fair Farming Foundation



Material topics no. 3, 10, 13, 14

With the goal being to increasingly build sustainability into its procurement processes, the Andriani Group, in collaboration with supplier Nature Bio-Foods Ltd and through the Fair Farming Foundation, decided to participate in major rural development projects in certain villages in Uttar Pradesh, India. The planning of the project activities was combined with the purchase process according to an interaction that does not have an exclusively commercial basis, but is aimed at the proactive involvement of partners in a common scope of social responsibility.

Nature Bio-Foods is a pioneer company in Indian organic production, with more than 64 thousand associated farmers and almost 100 thousand hectares of organic villages dedicated to the production of rice, lentils, millet, and many other products. Production is managed according to the highest international food safety and ethical fair trade standards, as demonstrated by certifications from IFS Food, FairTrade, and participation in the SEDEX platform, and others. In India, the Fair Farming Foundation is engaged in raising awareness of sustainable agriculture and supporting farming communities through the distribution of productive inputs or the creation of strategic infrastructure for the social fabric of rural areas, contributing to the improvement of living conditions in farming communities, as well as reducing the environmental impact of production activities.

Two distinct projects were undertaken, both related to highly relevant themes for the Indian community and called, respectively, Clean Drinking Water and Menstrual Hygiene. The commitment in these areas is a further demonstration of the Group's intention to tangibly

pursue the Sustainable Development Goals of Agenda 2030, all the more so when basic needs such as access to drinking water and adequate personal hygiene care are at stake.

The first project aims at the purification of water for family use through the manufacture and installation of household filters with triple action (physical, mechanical, and biological), directly involving the local community in the activities. With a similar approach, the second project will create a structure dedicated to the production and distribution of biodegradable tampons in a country where these devices are used by only 4% of the female population, who most of the time forced to use less safe materials.



Nano Pored Siliceous filter	Patented, tested results meeting BIS & IS potable water standards	Retains essential minerals & salts in water	Food grade plastic containers moulded & approved by CIPET®	Turbidity removal - As per IS 10500 Standards	Removal of Iron, Arsenic & Fluoride - Conforms to IS 10500 Standards
Removal of pathogens - Conforms to IS 10500	pH level +/- 1.0 from neutrality of pH7	No Electricity	No Chemical	No Water Wastage	No Maintenance





Andriani strongly believes in these projects, also due to their experimental value in the construction of an integrated approach to the supply chain, not only in the geographical sense, but also in a planning sense. In fact, a supply chain's sustainability does not depend only on a geographically set perimeter, but above all on the benefits generated for the environment and the quality of people's lives. With this approach, Andriani links food production to the implementation of socially useful projects and the pursuit of shared sustainability objectives.



# Attachments

120	GRI Content Index [Includes SDGs and B-Impact links]
131	Global Compact Principles and GRI
136	Independent Auditor's Report

# Global Reporting Initiative Content Index


102-55

The following is a summary of the main content of the Andriani Group's 2020 Sustainable Development Report according to the outline required by the GRI Sustainability Reporting Standards.

The Food Processing Sector Disclosures defined by the GRI in 2013 were taken into consideration.

## Universal Standards

GRI Standard	Disclosure	Page no.	Omissions	SDGs
<b>GRI 101: Foundation 2016</b>				
<b>GRI 102: General Disclosures</b>				
<b>Organizational profile</b>				
102-1	Name of the organisation	22-23		
102-2	Activities, brands, products, and services	22-23		
102-3	Location of headquarters	22-23		
102-4	Location of activities	22-23		
102-5	Ownership and legal form	8; 22-23		
102-6	Markets served	80-81		
102-7	Scale of the organisation	46-47; 54		
102-8	Information on employees and other workers	55		
102-9	Supply Chain	72-74; 76-79		
102-10	Significant changes to the organisation and its supply chain	72-74; 76-79		
102-11	Precautionary Principle or approach	39-40		
102-12	External initiatives	20-21		
102-13	Membership of associations	20-21 The main associations the Andriani Group belongs to are: SAI Platform, Kyoto Club, and UN Global Compact Network Italy		
<b>Strategy</b>				
102-14	Statement from senior decision-maker	6		
102-15	Key impacts, risks, and opportunities	39-40		
<b>Ethics and Integrity</b>				
102-16	Values, principles, standards, and norms of behavior	20-21		
<b>Governance</b>				
102-18	Governance structure	32-36		
102-22	Composition of the highest governance body and its committees	32-36		
102-23	Chair of the highest governance body	32-36		

102-32	Highest governance body's role in sustainability reporting	32-36		
<b>Stakeholder engagement</b>				
102-40	List of <i>stakeholder</i> groups	12-13		
102-41	Collective bargaining agreements	100% of employees are covered by the national labour collective (national labour collective agreements for the small and medium food and agricultural industry; executives of commercial companies; executives of industrial companies; trade, distribution, and services; and employees of private security and trust services institutions and companies)		
102-42	Identifying and selecting <i>stakeholders</i>	12-13		
102-43	Approach to <i>stakeholder</i> engagement	12-13		
102-44	Key topics and concerns raised	14-16		
<b>Reporting practices</b>				
102-45	Entities included in the consolidated financial statements	8		
102-46	Defining report content and topic Boundaries	16		
102-47	List of material topics	15-16		
102-48	Restatements of information	94		
102-49	Changes in reporting	14-16		
102-50	Reporting period	10		
102-51	Date of most recent report	The 2019 Sustainable Development Report was published in September 2020		
102-52	Reporting cycle	8-9		
102-53	Contact point for questions regarding the report	8-9		
102-54	Claims of reporting in accordance with the GRI <i>Standards</i>	8-9		
102-55	GRI content index	120-127		
102-56	External assurance	136-137		

## Topic-specific Standards

GRI Standard	Disclosure	Page no.	Omission	SDGs
<b>GRI 200: Economic series</b>				
<b>Material topic: Transparent governance and corporate identity</b>				
<b>GRI 103: Management approach</b>				
103-1	Explanation of the material topic and its Boundary	14-16; 32-40		
103-2	The management approach and its components	32-40		
103-3	Evaluation of the management approach	32-40		
<b>GRI 202: Market presence (2016)</b>				
202-2	Proportion of senior management hired from the local community	54		
<b>GRI 206: Anti-competition behaviour (2016)</b>				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During 2020 there were no legal actions for anti-competitive behaviour, antitrust, and monopolistic practices		
<b>GRI 418: Customer privacy (2016)</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During 2020, no substantiated complaints were received concerning breaches of customer privacy and losses of customer data		
<b>GRI 419: Socioeconomic compliance (2016)</b>				
419-1	Non-compliance with laws and regulations in the social and economic area	No penalties were received in 2020 for non-compliance with social and economic laws or regulations		
<b>Material topic: Anti-corruption</b>				
<b>GRI 103: Management approach</b>				
103-1	Explanation of the material topic and its Boundary	14-16; 41		
103-2	The management approach and its components	41		
103-3	Evaluation of the management approach	41		
<b>GRI 205: Anti-corruption (2016)</b>				
205-3	Confirmed incidents of corruption and actions taken	There were no cases of corruption during 2020		
<b>Material topic: Creation of shared value</b>				
<b>GRI 103: Management approach</b>				
103-1	Explanation of the material topic and its Boundary	14-16; 43-51		
103-2	The management approach and its components	43-51		
103-3	Evaluation of the management approach	43-51		
<b>GRI 201: Economic performance (2016)</b>				
201-1	Direct economic value generated and distributed	46-47		
<b>GRI 202: Market presence (2016)</b>				
202-2	Proportion of senior management hired from the local community	54		



**Material topic: Resilient business model**

**GRI 103: Management approach**


103-1	Explanation of the material topic and its Boundary	14-16; 27-29		
103-2	The management approach and its components	27-29		
103-3	Evaluation of the management approach	27-29		

**Material topic: Sustainable management of the supply chain**

**GRI 103: Management approach**

103-1	Explanation of the material topic and its Boundary	14-16; 72-79		
103-2	The management approach and its components	72-79		
103-3	Evaluation of the management approach	72-79		

**GRI 204: Procurement practices (2016)**

204-1	Proportion of spending on local suppliers	73		
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**GRI 300: Environmental series**

**Material topic: Energy and emissions**




**GRI 103: Management approach**

103-1	Explanation of the material topic and its Boundary	14-16; 94-97		
103-2	The management approach and its components	94-97		
103-3	Evaluation of the management approach	94-97		

**GRI 302: Energy (2016)**

302-1	Energy consumption within the organization	94-96		 
302-3	Energy intensity	94-96		 

**GRI 305: Emissions (2016)**



305-1	Direct (Scope 1) GHG emissions	94-96		
305-2	Energy indirect (Scope 2) GHG emissions	94-96		
305-4	GHG emissions intensity	94-96		

**Material topic: Mitigation of climate risks**

**GRI 103: Management approach**


103-1	Explanation of the material topic and its Boundary	14-16; 94-97		
103-2	The management approach and its components	94-97		
103-3	Evaluation of the management approach	94-97		

**GRI 305: Emissions (2016)**

305-1	Direct (Scope 1) GHG emissions	94-96		
305-2	Energy indirect (Scope 2) GHG emissions	94-96		

305-4	GHG emissions intensity	94-96		
<b>Material topic: Open innovation in sustainability</b>				
<b>GRI 103: Management approach</b>				
103-1	Explanation of the material topic and its Boundary	14-16; 30		
103-2	The management approach and its components	30		
103-3	Evaluation of the management approach	30		
<b>Material topic: Natural food</b>				
<b>GRI 103: Management approach</b>				
103-1	Explanation of the material topic and its Boundary	14-16; 83		
103-2	The management approach and its components	83		
103-3	Evaluation of the management approach	83		
<b>Material topic: Biodiversity</b>				
<b>GRI 103: Management approach</b>				
103-1	Explanation of the material topic and its Boundary	14-16; 100-103		
103-2	The management approach and its components	100-103		
103-3	Evaluation of the management approach	100-103		
<b>GRI 304: Biodiversity (2016)</b>				
304-2	Significant impacts of activities, products and services on biodiversity	100-103		
<b>GRI 307: Environmental Compliance (2016)</b>				
307-1	Non-compliance with environmental laws and regulations	There were no nonconformities to environmental laws and regulations during 2020		
<b>Material topic: Circular economy and responsible use of resources</b>				
<b>GRI 103: Management approach</b>				
103-1	Explanation of the material topic and its Boundary	14-16; 98-99; 104-106		
103-2	The management approach and its components	98-99; 104-106		
103-3	Evaluation of the management approach	98-99; 104-106		
<b>GRI 301: Materials (2016)</b>				
301-1	Materials used by weight or volume	98-99		 
<b>GRI 306: Effluents and waste (2016)</b>				
306-2	Waste by type and disposal method	98-99		
<b>GRI 303: Management Approach (2018)</b>				
303-1	Interactions with water as a shared resource	104-106		
303-2	Management of water discharge-related impacts	104-106		

**GRI 303: Water and Effluents (2018)**

303-3	Water withdrawal	104-106		
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**GRI 400: Social series**

**Material topic: Development and enhancement of the area**

**GRI 103: Management approach**


103-1	Explanation of the material topic and its Boundary	14-16; 108-118		
103-2	The management approach and its components	108-118		
103-3	Evaluation of the management approach	108-118		

**Material topic: Product safety and traceability**




**GRI 103: Management approach**

103-1	Explanation of the material topic and its Boundary	14-16; 83-84; 86-89		
103-2	The management approach and its components	83-84; 86-89		
103-3	Evaluation of the management approach	83-84; 86-89		

**GRI 416: Customer health and safety (2016)**

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During 2020, there were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services		
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**GRI 417: Marketing and labelling (2016)**

417-1	Requirements for product and service information and labeling	73; 83-84		
417-2	Incidents of non-compliance concerning product and service information and labeling	In 2020, there were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling		
417-3	Incidents of non-compliance concerning marketing communications	In 2020, there were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship		

**GRI G4: Food Processing Sector Disclosures (2013)**


FP5	Percentage of the volume produced in certified locations by a third party according to internationally recognised food safety management systems.	100% of the production volume is produced in sites certified by a third party according to internationally recognised food safety management systems (BRC Global standard for Food Safety Issue)		
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**Material topic: Diversity and development of human resources**





**GRI 103: Management approach**

103-1	Explanation of the material topic and its Boundary	14-16; 54-56; 63-70		
103-2	The management approach and its components	54-56; 63-70		
103-3	Evaluation of the management approach	54-56; 63-70		



**GRI 401: Employment (2016)**

401-1	New employee hires and employee turnover	55		  
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**GRI 404: Training and education (2016)**

404-1	Average hours of training per year per employee	68-69		   
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**GRI 405: Diversity and equal opportunity (2016)**









405-1	Diversity of governance bodies and employees	34; 54-56		 
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**Material topic: Health and Safety in the Workplace**







**GRI 103: Management approach**

103-1	Explanation of the material topic and its Boundary	14-16; 57-62		
103-2	The management approach and its components	57-62		
103-3	Evaluation of the management approach	57-62		

**GRI 403: Management Approach (2018)**

403-1	Occupational health and safety management system	57		
403-2	Hazard identification, risk assessment, and incident investigation	57		
403-3	Occupational health services	58		
403-4	Worker participation, consultation, and communication on occupational health and safety	58		 
403-5	Worker training on occupational health and safety	58-59		
403-6	Promotion of worker health	61-62		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	59		







**GRI 403: Occupation health and safety (2018)**

403-9	Work-related injuries	60		  
403-10	Work-related ill health	60		  

**Material topic: Human Rights**

**GRI 103: Management approach**

103-1	Explanation of the material topic and its Boundary	14-16		
103-2	The management approach and its components	14		
103-3	Evaluation of the management approach	14		

<b>GRI 402: Labor/management relations (2016)</b>				
402-1	Minimum notice periods regarding operational changes	55		
<b>GRI 406: Non-discrimination (2016)</b>				
406-1	Incidents of discrimination and corrective actions taken	56		 
<b>GRI 408: Child labour (2016)</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor	76-77 The activities of the Andriani Group are not subject to a high risk of child labour. The Group is committed to subjecting its operations to assessments on human rights starting with the next reporting periods		 
<b>GRI 409: Forced or compulsory labour (2016)</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	76-77 The activities of the Andriani Group are not subject to a high risk of forced labour. The Group is committed to subjecting its operations to assessments on human rights starting with the next reporting periods		



## BIA Linkage

The table shows the linkage between the specific disclosure set forth in the GRI Standards and the different areas of impact set forth in the BIA Standard when applying the “Complementary Use and Linkage of the GRI Standards and B Lab’s B Impact Assessment”.

<b>BIA Impact Area</b>	<b>BIA Impact Topic</b>	<b>GRI</b>	<b>GRI Disclosure Title</b>
Community	Civic Engagement & Giving	201-1	Direct economic value generated and distributed
Community	Diversity, Equity, & Inclusion	102-22	Composition of the highest governance body and its committees
Community	Diversity, Equity, & Inclusion	102-5	Ownership and legal form
Community	Diversity, Equity, & Inclusion	102-8	Information on employees and other workers
Community	Diversity, Equity, & Inclusion	102-9	Supply Chain
Community	Diversity, Equity, & Inclusion	405-1	Diversity of governance bodies and employees
Community	Economic Impact	102-4	Location of activities
Community	Economic Impact	102-5	Ownership and legal form
Community	Economic Impact	102-6	Markets served
Community	Economic Impact	202-2	Proportion of senior management hired from the local community
Community	Economic Impact	204-1	Proportion of spending on local suppliers
Community	Economic Impact	401-1	New employee hires and employee turnover
Community	Supply Chain Management	102-10	Significant changes to the organisation and its supply chain
Community	Supply Chain Management	102-8	Information on employees and other workers
Community	Supply Chain Management	102-9	Supply Chain
Community	Supply Chain Management	408-1	Operations and suppliers at significant risk for incidents of child labor
Community	Supply Chain Management	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
Community	Supply Chain Management	417-1	Requirements for product and service information and labeling
Customers	Customer Stewardship	417-1	Requirements for product and service information and labeling
Customers	Customer Stewardship	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
Customers	Disclosure Outcomes & Penalties	419-1	Non-compliance with laws and regulations in the social and economic area
Disclosure Questionnaire	Disclosure Industries	102-11	Precautionary Principle or approach
Disclosure Questionnaire	Disclosure Industries	102-2	Activities, brands, products, and services
Disclosure Questionnaire	Disclosure Industries	408-1	Operations and suppliers at significant risk for incidents of child labor
Disclosure Questionnaire	Disclosure Industries	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
Disclosure Questionnaire	Disclosure Outcomes & Penalties	205-3	Confirmed incidents of corruption and actions taken
Disclosure Questionnaire	Disclosure Outcomes & Penalties	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Disclosure Questionnaire	Disclosure Outcomes & Penalties	307-1	Non-compliance with environmental laws and regulations
Disclosure Questionnaire	Disclosure Outcomes & Penalties	403-10	Work-related ill health

Disclosure Questionnaire	Disclosure Outcomes & Penalties	403-9	Work-related injuries
Disclosure Questionnaire	Disclosure Outcomes & Penalties	406-1	Incidents of discrimination and corrective actions taken
Disclosure Questionnaire	Disclosure Outcomes & Penalties	417-2	Incidents of non-compliance concerning product and service information and labeling
Disclosure Questionnaire	Disclosure Outcomes & Penalties	417-3	Incidents of non-compliance concerning marketing communications
Disclosure Questionnaire	Disclosure Outcomes & Penalties	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
Disclosure Questionnaire	Disclosure Outcomes & Penalties	419-1	Non-compliance with laws and regulations in the social and economic area
Disclosure Questionnaire	Disclosure Practices	408-1	Operations and suppliers at significant risk for incidents of child labor
Disclosure Questionnaire	Supply Chain Disclosure	408-1	Operations and suppliers at significant risk for incidents of child labor
Environment	Air & Climate	102-9	Supply Chain
Environment	Air & Climate	302-1	Energy consumption within the organization
Environment	Air & Climate	302-3	Energy intensity
Environment	Air & Climate	305-1	Direct (Scope 1) GHG emissions
Environment	Air & Climate	305-2	Energy indirect (Scope 2) GHG emissions
Environment	Air & Climate	305-4	GHG emissions intensity
Environment	Environmental Management	306-2	Waste by type and disposal method
Environment	Land & Life	304-2	Significant impacts of activities, products and services on biodiversity
Environment	Land & Life	306-2	Waste by type and disposal method
Environment	Land & Life	417-1	Requirements for product and service information and labeling
Governance	Ethics & Transparency	102-16	Values, principles, standards, and norms of behavior
Governance	Ethics & Transparency	102-18	Governance structure
Governance	Ethics & Transparency	102-22	Composition of the highest governance body and its committees
Governance	Ethics & Transparency	102-23	Chair of the highest governance body
Governance	Ethics & Transparency	102-43	Approach to stakeholder engagement
Governance	Ethics & Transparency	102-54	Claims of reporting in accordance with the GRI Standards
Governance	Ethics & Transparency	102-56	External assurance
Governance	Ethics & Transparency	205-3	Confirmed incidents of corruption and actions taken
Governance	Ethics & Transparency	419-1	Non-compliance with laws and regulations in the social and economic area
Governance	Governance Metrics	102-50	Reporting period
Governance	Governance Metrics	102-7	Scale of the organisation
Governance	Governance Metrics	201-1	Direct economic value generated and distributed
Governance	Mission & Engagement	102-12	External initiatives
Governance	Mission & Engagement	102-14	Statement from senior decision-maker
Governance	Mission & Engagement	102-15	Key impacts, risks, and opportunities
Governance	Mission & Engagement	102-16	Values, principles, standards, and norms of behavior
Governance	Mission & Engagement	102-32	Highest governance body's role in sustainability reporting
Governance	Mission & Engagement	102-40	List of groups of stakeholders
Governance	Mission & Engagement	102-43	Approach to stakeholder engagement

Governance	Mission & Engagement	102-44	Key topics and concerns raised
Governance	Mission & Engagement	102-46	Defining report content and topic Boundaries
Governance	Mission & Engagement	102-47	List of material topics
Governance	Mission & Engagement	408-1	Operations and suppliers at significant risk for incidents of child labor
Governance	Mission Locked	102-5	Ownership and legal form
Workers	Career Development	102-8	Information on employees and other workers
Workers	Career Development (Hourly)	404-1	Average hours of training per year per employee
Workers	Engagement & Satisfaction	406-1	Incidents of discrimination and corrective actions taken
Workers	Engagement & Satisfaction (Hourly)	102-41	Collective bargaining agreements
Workers	Engagement & Satisfaction (Hourly)	401-1	New employee hires and employee turnover
Workers	Engagement & Satisfaction (Salaried)	401-1	New employee hires and employee turnover
Workers	Financial Security	102-5	Ownership and legal form
Workers	Health, Wellness, & Safety	306-2	Waste by type and disposal method
Workers	Health, Wellness, & Safety	403-1	Occupational health and safety management system
Workers	Health, Wellness, & Safety	403-2	Hazard identification, risk assessment, and incident investigation
Workers	Health, Wellness, & Safety	403-3	Occupational health services
Workers	Health, Wellness, & Safety	403-4	Worker participation, consultation, and communication on occupational health and safety
Workers	Health, Wellness, & Safety	403-5	Worker training on occupational health and safety
Workers	Health, Wellness, & Safety	403-6	Promotion of worker health
Workers	Health, Wellness, & Safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
Workers	Health, Wellness, & Safety	403-9	Work-related injuries
Workers	Workers Impact Area Introduction	102-7	Scale of the organisation
Workers	Workers Impact Area Introduction	102-8	Information on employees and other workers

# Global Compact Principles and GRI

The table shows the relationship between the specific *disclosure* set forth in the GRI Sustainability Reporting Standards and the 10 principles of the Global Compact in the 4 categories according to the breakdown reported in the chapter “The Andriani Group for Sustainable Development” (page 19 of this Report).

## Global Compact Linkage

GRI Disclosure number	GRI Disclosure Title	Global Compact Principles		Categories
102-1	Name of the organisation			
102-2	Activities, brands, products, and services			
102-3	Location of headquarters			
102-4	Location of activities			
102-5	Ownership and legal form			
102-6	Markets served			
102-7	Scale of the organisation			
102-8	Information on employees and other workers	Principle 6	Businesses should eliminate all forms of discrimination related to employment and occupation	Labour
102-9	Supply Chain			
102-10	Significant changes to the organisation and its supply chain			
102-11	Precautionary Principle or approach			
102-12	External initiatives			
102-13	Membership of associations			
102-14	Statement from senior decision-maker			
102-15	Key impacts, risks, and opportunities			
102-16	Values, principles, standards, and norms of behavior	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Fight against corruption
102-18	Governance structure			
102-22	Composition of the highest governance body and its committees			
102-23	Chair of the highest governance body			
102-32	Highest governance body's role in sustainability reporting			
102-40	List of groups of <i>stakeholders</i>			
102-41	Collective bargaining agreements	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Labour
102-42	Identifying and selecting <i>stakeholders</i>			
102-43	Approach to <i>stakeholder</i> engagement			
102-44	Key topics and concerns raised			
102-45	Entities included in the consolidated financial statements			
102-46	Defining report content and topic Boundaries			
102-47	List of material topics			
102-48	Restatements of information			
102-49	Changes in reporting			
102-50	Reporting period			

102-51	Data of most recent report			
102-52	Reporting cycle			
102-53	Contact point for questions regarding the report			
102-54	Claims of reporting in accordance with the GRI <i>Standards</i>			
102-55	GRI content index			
102-56	External assurance			
201-1	Direct economic value generated and distributed	Principle 7	Businesses should support a precautionary approach to environmental challenges	Environment
202-2	Proportion of senior management hired from the local community	Principle 6	Businesses should eliminate all forms of discrimination related to employment and occupation.	Labour
204-1	Proportion of spending on local suppliers			
205-3	Confirmed incidents of corruption and actions taken	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Fight against corruption
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			
301-1	Materials used by weight and volume	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Environment
		Principle 7	Businesses should support a precautionary approach to environmental challenges	
302-1	Energy consumption within the organization	Principle 7	Businesses should support a precautionary approach to environmental challenges	Environment
		Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	
302-3	Energy intensity	Principle 7	Businesses should support a precautionary approach to environmental challenges	Environment
		Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	
303-1	Interactions with water as a shared resource	Principle 7	Businesses should support a precautionary approach to environmental challenges	Environment
		Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	
303-2	Management of water discharge-related impacts	Principle 7	Businesses should support a precautionary approach to environmental challenges	Environment
		Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	
303-3	Water withdrawal	Principle 7	Businesses should support a precautionary approach to environmental challenges	Environment
		Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	
304-2	Significant impacts of activities, products and services on biodiversity	Principle 7	Businesses should support a precautionary approach to environmental challenges	Environment
		Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	
305-1	Direct (Scope 1) GHG emissions	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Environment
		Principle 7	Businesses should support a precautionary approach to environmental challenges	



305-2	Energy indirect (Scope 2) GHG emissions	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Environment
		Principle 7	Businesses should support a precautionary approach to environmental challenges	
305-4	GHG emissions intensity	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Environment
		Principle 7	Businesses should support a precautionary approach to environmental challenges	
306-2	Waste by type and disposal method	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Environment
307-1	Non-compliance with environmental laws and regulations	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Environment
401-1	New employee hires and employee turnover	Principle 6	Businesses should eliminate all forms of discrimination related to employment and occupation.	Labour
402-1	Minimum notice periods regarding operational changes	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Labour
403-1	Occupational health and safety management system			
403-2	Types of injuries, frequency index, severity index, absenteeism rate, and number of deaths related to work			
403-3	Occupational health services			
403-4	Worker participation, consultation, and communication on occupational health and safety			
403-5	Worker training on occupational health and safety			
403-6	Promotion of worker health			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
403-9	Work-related injuries			
403-10	Work-related ill health			
404-1	Average hours of training per year per employee	Principle 6	Businesses should eliminate all forms of discrimination related to employment and occupation.	Labour
405-1	Diversity in governance bodies and among employees	Principle 6	Businesses should eliminate all forms of discrimination related to employment and occupation.	Labour
406-1	Incidents of discrimination and corrective actions taken	Principle 6	Businesses should eliminate all forms of discrimination related to employment and occupation.	Labour
408-1	Operations and suppliers at significant risk for incidents of child labor	Principle 5	Businesses should eliminate child labour	Labour
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Principle 4	Businesses should eliminate forced or compulsory labour	Labour
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			
417-1	Requirements for product and service information and labeling			

417-2	Incidents of non-compliance concerning product and service information and labeling			
417-3	Incidents of non-compliance concerning marketing communications			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			
419-1	Non-compliance with laws and regulations in the social and economic area			



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## INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABLE DEVELOPMENT REPORT

To the Board of Directors of  
 ANDRIANI S.P.A.

We have carried out a limited assurance engagement on the Sustainable Development Report of the Andriani S.p.A. (hereinafter the "Company") as of December 31, 2020.

### Responsibility of the Directors for the Sustainable Development Report

The Directors of the Andriani S.p.A. are responsible for the preparation of the Sustainable Development Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainable Development Report.

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

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

### Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainable Development Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainable Development Report is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

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

Specifically we carried out the following procedures:

- Analysis of the process relating to the definition of material aspects disclosed in the Sustainable Development Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results.
- Comparison between the economic and financial data and information included in the chapter “Economic performance and creation of shared value” of the Sustainable Development Report with those included in the Company’s Financial Statements.
- Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainable Development Report.

In particular, we carried out interviews and discussions with the management of Andriani S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of data and information to the department responsible for the preparation of the Sustainable Development Report.

In addition, for material information, taking into consideration the Company’s activities and characteristics:

- At the Company’s level:
  - a) with regards to qualitative information included in the Sustainable Development Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the office in Gravina in Puglia, which we selected based on its activity and its contribution to the performance indicators at the consolidated level, we have met the management remotely and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

## Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainable Development Report of the Company as of December 31, 2020 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Methodological note” of the Sustainable Development Report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Claudio Lusa**  
Partner

Bari, Italy  
June 29, 2021

*This report has been translated into the English language solely for the convenience of international readers.*

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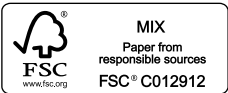
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