



# ITAL CANDITI



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2021  
SUSTAINABILITY PROGRESS REPORT

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# A MESSAGE TO OUR STAKEHOLDERS

## Sustainability, craftsmanship and innovation



This third Sustainability Report is an important achievement for Italcanditi. Thanks to Investindustrial's experience, we've gained a mature know-how in defining, monitoring and analyzing each activity from a Sustainability point of view.

In 2021 we formalized our Sustainability Policy, which will define Italcanditi's future strategies from an ESG perspective. The process of integrating the group's companies, namely Comprital and Rubicone, has also begun. The path is in its infancy, but the increasing importance of a group level common understanding, of what is the impact in

terms of sustainability, from day-to-day operations to investment planning, **is the basis for achieving ambitious goals**. The Covid-19 pandemic and the war in Ukraine are constantly increasing the overall awareness of ESG topics and the request for urgent, immediate actions; this Report aims to underline Italcanditi's engagement in creating value and well-being for all our stakeholders. This Report presents the results achieved in ESG terms thanks to specific indices and parameters. All readers will be able to understand, in an immediate and simple way, how Italcanditi pursued all the objectives stated in the previous Sustainability Progress Report during the year 2021.

The link with the territory and local communities is intrinsic in the history of Italcanditi itself, which combines craftsmanship, and manual skills with the most advanced technologies to guarantee our customers and clients the highest quality in the products we offer.

On the front page, you will find a work by Alessandro Conti, also known as Etsom: the Wave.

We thank Alessandro for letting us use this work in our Sustainability Report. This work not only embellished a roundabout between the municipalities of Bergamo and Treviolo, adjacent to the Papa Giovanni Hospital, but in the words of Etsom himself: **“the positive values it inspires convey a timeless, but very current message”**.

To further prove our ESG commitments, we pledge to tighten our collaboration with the territory. Furthermore, through this art and its undoubtedly strong communicative impact, we wish to unify different associative realities through constructive, educational messages, making more “colorful” the environment that surrounds us.

*Maurizio Goffi, CEO*

# OUR DASHBOARD



## GHG emissions reduction

We are committing to reduce our Scope 1 and Scope 2 market-based GHG emissions by

**27.5%**

according to the 2019 baseline by 2030, taking direct inspiration from the methodology of the Science Based Targets initiative.

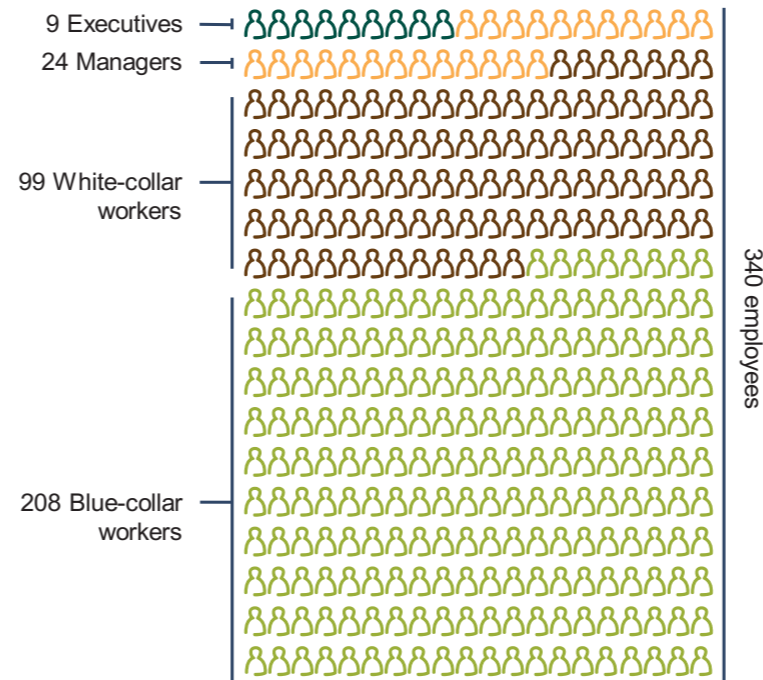
## Health and safety

We aim to guarantee a safe and healthy working environment by investing not only in training activities but also in the highest quality equipment. For this reason, we have drafted a dedicated H&S Policy and implemented a Management System.

**5.0**

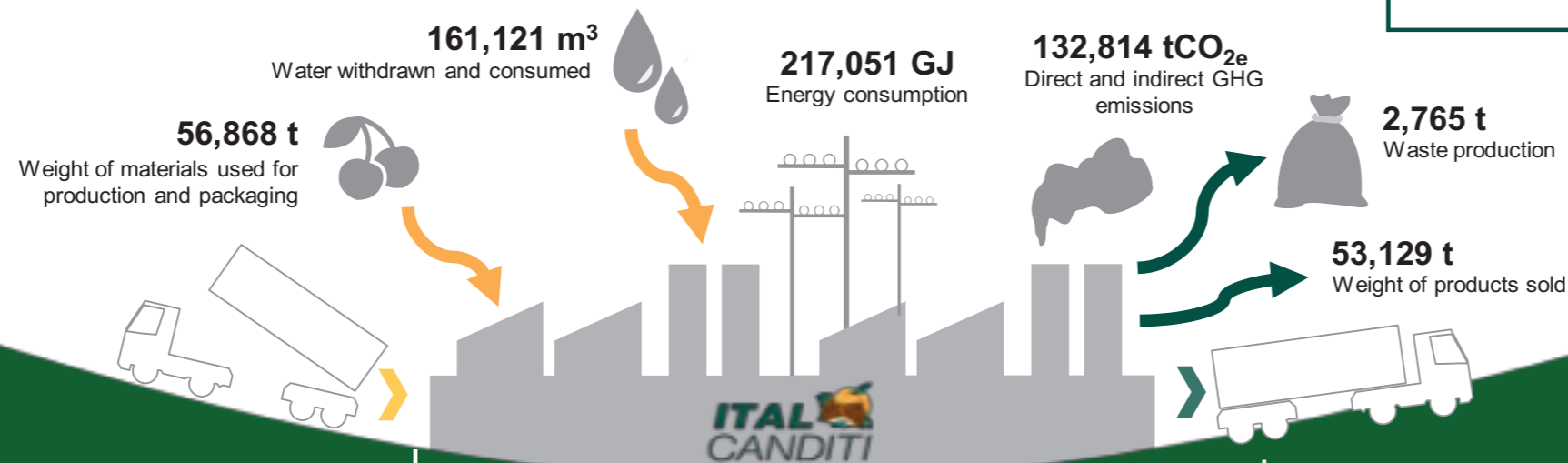
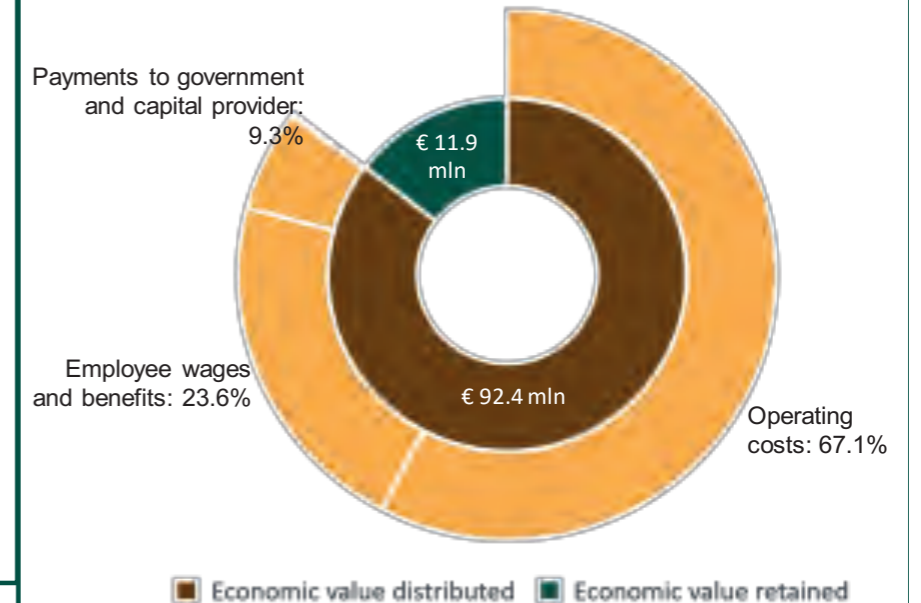
The rate of recordable work-related injuries  
(Number of recordable work-related injuries divided by number of hours worked and multiplied by 200,000)

## Italcanditi in numbers



## Value creation and distribution

Value generation is one of the key impacts we have on our stakeholders, from the local community – with which we are closely linked – to our suppliers and clients. In 2021, our economic value generated came to 104 million euros, thus recording an 8% increase with respect to last year.



## Relationship across supply chain

About 90% of all of our suppliers are located within the European Union. These range from medium-sized companies to multinational corporations specialised in dealing with agricultural processed food products, with whom we build long-lasting business relationships.

## Biofuel energy production

Thanks to our cogeneration power plant, fuelled with the biogas produced by the anaerobic digestion process of our water treatment plant, we sold approximately 1,797 MWh to the grid, thus helping to reduce the carbon intensity of the national energy mix.

## Solar energy production

The photovoltaic panels installed in our facility in Pedrengo allowed us to produce as much as 227 MWh of green electricity, entirely consumed internally for production activities.

## Reusable packaging

About 80% of our products are delivered to our clients using reusable steel tanks. Only when smaller quantities are requested by our clients, we use plastic-based solutions specifically designed to reduce food loss and material consumption.

## Waste recycling and reuse

95% of the total waste produced was sent to be recycled or reused. In particular, composting accounted for 65% of all the waste disposed of, thus allowing us to recover organic substances from production waste.

## Client-centricity

The perfect integration between quality standards and our people's commitment allows for flexibility and speed. These are essential elements in delivering customised products able to satisfy all of our clients' needs. We work closely with our clients' R&D departments to meet all the technical specifications required for their products.





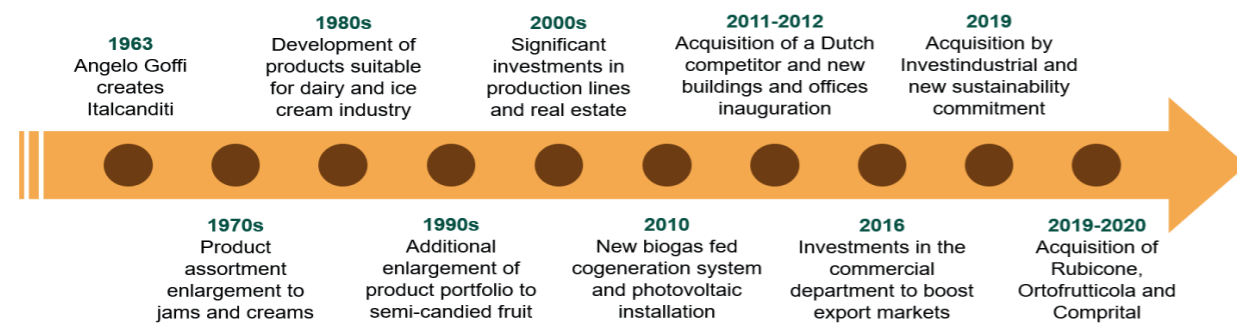


# ABOUT US

Located in the town of Pedrengo in the province of Bergamo, with a reach that extends across 30 different countries and more than 2,000 clients, Italcanditi S.p.A. can count on a market share that covers up to 90% of the Italian bakery industry. Initially founded in 1963 by Angelo Goffi to produce candied fruit and marrons glacés, it gradually gained a foothold, recording a turnover of 104 million euros and a workforce of 340 employees in 2021.

Today, under the brand Vitalfood, Italcanditi's reputation is based on its unique research and development skills and the quality and scope of its product portfolio, which consists of approximately 2,500 recipes divided into seven main categories: preparations for yoghurt, jams and fruit preparations, water-based creams, marrons glacés, semi-candied fruit, candied fruit, creams and salty sauces.

Although each of our clients receives individual attention and care, we can divide them into two main categories. On the one hand we have industries, for which we develop customised products that provide large-scale companies with their desired output. On the other hand we have bakers, for whom we have drawn up ad hoc solutions capable of meeting their specific needs.



Following its acquisition in 2019 by a fund managed by Investindustrial, a leading European group of independently managed investment, holding and advisory companies, Italcanditi successfully expanded its corporate scope through the acquisition of three companies: Prodotti Rubicone, Comprital Group and Ortofrutticola del Mugello<sup>1</sup>. As a result of both external and internal growth, at the end of 2021, Italcanditi Group could count on 4502 FTEs<sup>3</sup>.

Regarding our value generation, in 2021 we generated 104 million euros of economic value, thus recording an 8% increase compared to 2020. This rise can be attributed to both the slowing down of the coronavirus pandemic and the expansion of the company's scope.

<sup>1</sup> During 2021, the decision was taken to sell the business unit by moving marron production to Pedrengo. The initiative involved the direct participation of labour unions and the Italian government and ended up with Italcanditi playing an active role in keeping the Mugello factory running for the coming two years while ensuring the same level of salary for all the workers.

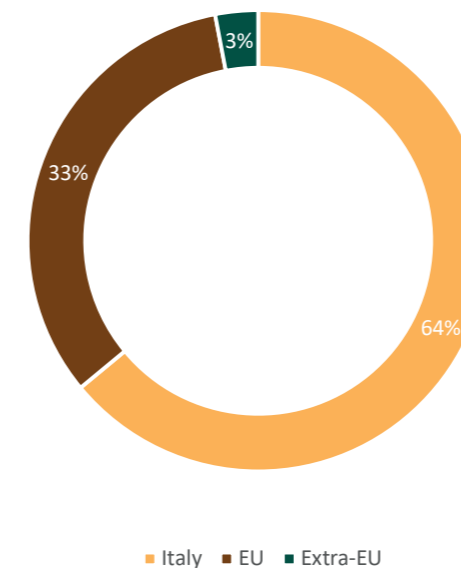
<sup>2</sup> Data refers to the entire Group, thus including the Pedrengo plant, Rubicone, Comprital Group and Ortofrutticola.

<sup>3</sup> A full-time equivalent, abbreviated as FTE, is a unit to measure employed people in a way that makes them comparable even though they may work a different number of hours per week. Annually, a company generally considers an FTE to be valued at 2,080 hours (40 hours per week x 52 weeks per year).

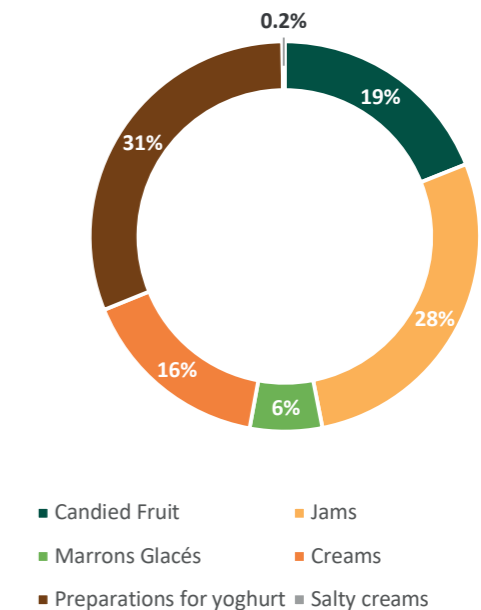
Direct economic value generated and distributed in thousands of €	2019	2020	2021
<b>Direct economic value generated</b>	<b>107,433</b>	<b>97,033</b>	<b>104,386</b>
<b>Economic value distributed</b>	<b>99,811</b>	<b>82,908</b>	<b>92,448</b>
Operating costs	61,722	56,012	62,056
Employee wages and benefits	22,344	20,701	21,783
Payments to providers of capital	11,658	6,006	5,757
Payments to government	4,077	86	2,848
Community investments	10	103	4
<b>Economic value retained</b>	<b>7,622</b>	<b>14,125</b>	<b>11,938</b>

Revenues by geographic area show that the majority of our business is based in Italy, with the largest shares coming from preparations for yoghurt, jams, and candied fruit.<sup>4</sup>

Revenues, by geographic area (2021)



Revenues, by business line (2021)



<sup>4</sup> Revenues by geographic area and business line refer to 2021.

We implemented a control and governance system based on a Board of Directors that comprises six members - 2 women and 4 men - and which is entrusted with the power to ensure the ordinary and extraordinary management of the Company.

**Members of the Board**

<b>Chair of the Board</b>	Caverni Mara Anna Rita
<b>Chief Executive Officer</b>	Goffi Maurizio Pieralfredo
<b>Board member</b>	Goffi Patrizia
<b>Board member</b>	Razzano Dante
<b>Board member</b>	Catapano Salvatore
<b>Board member</b>	Romeo Bruno

An independent auditing firm has also been appointed.

Furthermore, in 2021 Italcanditi S.p.A. continued the process to define an Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001. This is expected to be finalised in the coming years.

## OUR SUSTAINABILITY PATH

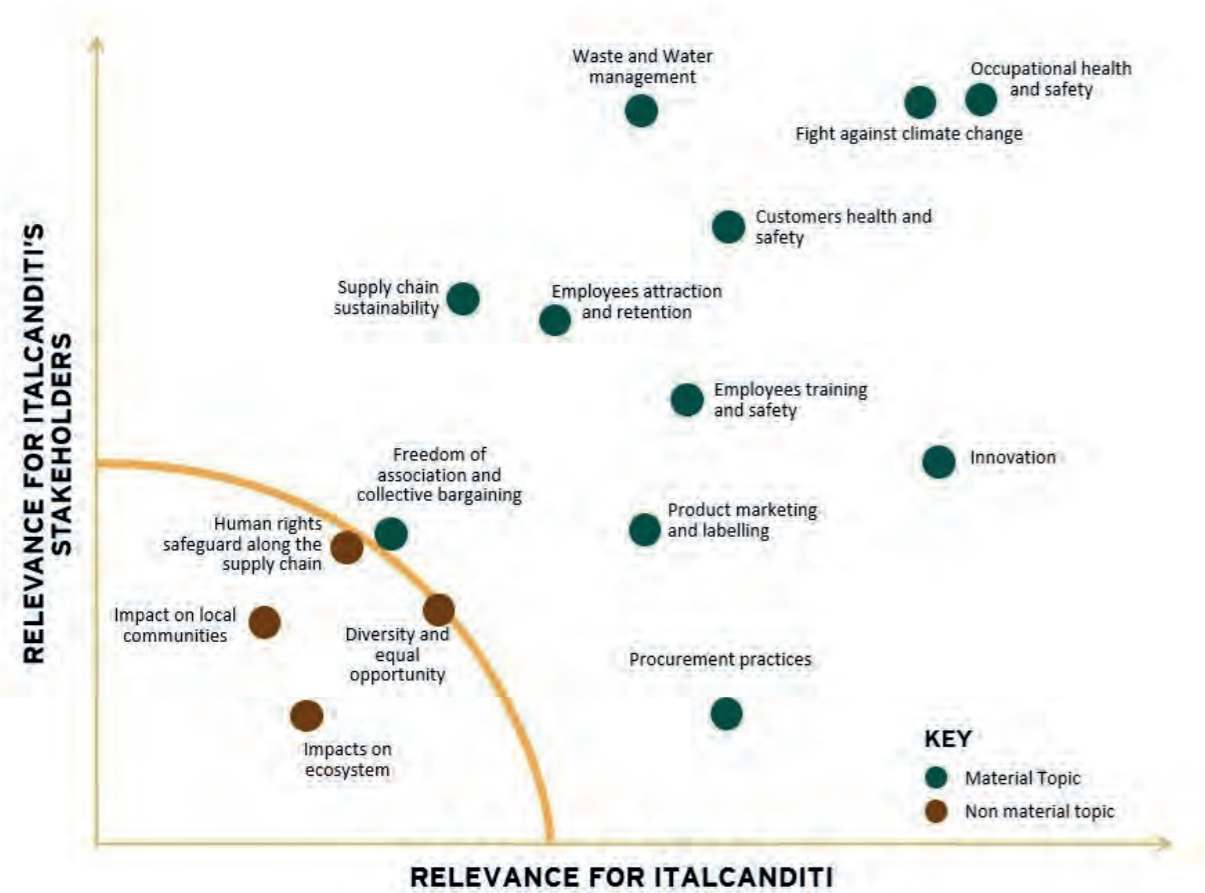
Participating in the United Nations Global Compact was the first step we decided to take on our journey towards a sustainability commitment. The UNGC is a voluntary initiative based on CEOs' willingness to take on the responsibility to implement the universal sustainability principles and to undertake partnerships in support of UN goals. The ten principles address human rights, labour, the environment and anti-corruption. In addition, from January 2020, we committed to adhere to the UNGC through the Signatory engagement tier.

Our next step was to identify and map our key stakeholders, acknowledged as the categories of actors that are most subject to Italcanditi's influence or dependence, in order to be able to gauge the outcome of our daily activities. Stakeholders are located in the upper (suppliers and carriers), middle (local communities, banks and investors, unions, among others) and lower (clients, distributors and end consumers) sections of our value chain, as well as within the company (collaborators). We continuously engage with our stakeholders through a range of specific activities.<sup>5</sup>



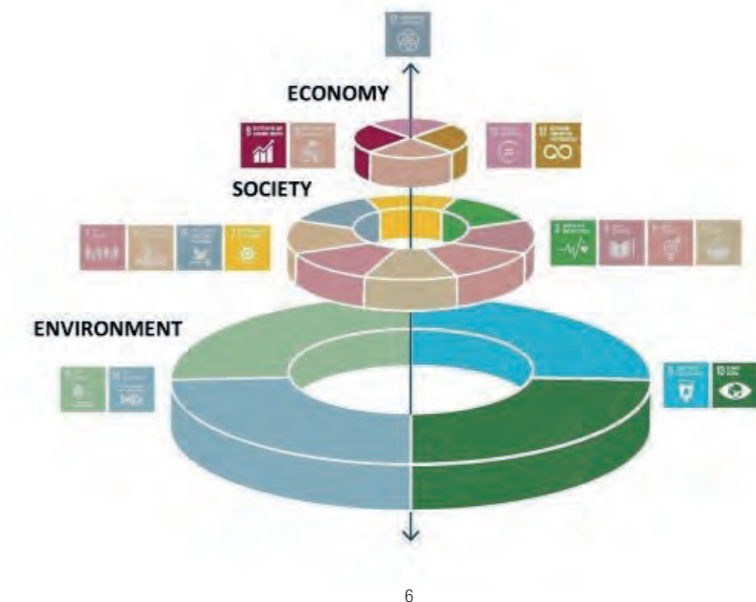
<sup>5</sup> During 2020 and partially in 2021, all engagement activities that inherently require direct and personal contact were put on hold and postponed so as to guarantee full adherence with local and national government regulations concerning social distancing and the mitigation of Covid-19 infection risks.

Following the mapping of our stakeholders, we carried out a materiality assessment with the intention of updating the 2021 results and incorporating any new specific topics and impacts. A workshop with our top management was carried out, where we performed a context analysis based on the GRI Sustainability Reporting Standards and including competitive benchmarking. Furthermore, we analysed sustainability reporting best practices and global sustainability trends. The workshop focused on mapping all the relevant sustainability topics that influence the key stakeholders' decisions and are appropriate for Italcanditi's economic, environmental and social impacts. The result of this process is our materiality matrix: all of the topics deemed appropriate by both stakeholders and our management are defined as material and constitute the foundations of the reporting exercise. In particular, all the 11 material aspects highlighted are included and described in detail in this Sustainability Progress Report.



Issues positioned in the upper-right corner are acknowledged to be of great importance to both Italcanditi and its stakeholders. On the contrary, those placed in the lower-left corner are to be considered relevant but not material topics and are thus managed but not disclosed in this report. Moreover, "Anti-corruption", "Economic value directly generated and distributed" and "Compliance with applicable laws and regulations" are considered preconditions for operating. Responsibility and oversight in these areas is an integral part of Italcanditi's daily activities. Consequently, these topics are not included in our materiality matrix but are nonetheless reported on.

As part of our commitment to sustainability, we have made significant efforts to tackle the 17 United Nations Sustainability Development Goals (SDGs) of the 2030 Agenda for Sustainable Development. The SDGs, adopted by world leaders in September 2015, aim to eradicate poverty, the mistreatment of human rights and the unequal distribution of resources whilst developing effective strategies to improve and encourage health, education and economic growth. In parallel with all these humanitarian efforts, the goals audaciously strive to tackle climate change and preserve marine and land ecosystems. To integrate the SDGs into our activities and initiatives, we draw inspiration from the Stockholm Resilience Centre's "wedding cake": the linear and segregated view of development shifts towards an integrated, multi-level paradigm that implies that economies and societies are embedded parts of the environment. Moreover, the model positions the food sector as the one that links all the SDGs together, since all the goals are directly or indirectly connected to sustainable and healthy food. We will highlight the 6 SDGs that most closely align with our sustainability initiatives and commitments throughout this report.










<sup>6</sup> Re-work based on Azote Images for Stockholm Resilience Centre, Stockholm University.

Amidst the steps taken by Italcanditi on its journey towards sustainability, **the Sustainability Policy was drafted and approved in 2021**. In a nutshell, Italcanditi is convinced that sustainability is inextricably intertwined with all upstream and downstream processes and internal activities. As a result, the company's primary goal is to increase the relevance of ESG topics to bolster the connection between quality and operations. Moreover, through this policy and by identifying the principles and values delineated by the United Nations Global Compact, Italcanditi has defined the sustainability pillars that serve to highlight the areas upon which to focus its environmental, social and governance efforts.

Sustainability Pillars		
Sustainable Production	Production Excellence & Sustainable supply chain	Safe Workspace
Italcanditi engages to deliver on the environmental dimension by reducing its energy consumption, increasing the efficiency in the use of resources and contributing to the fight against climate change and global warming.	Italcanditi focuses its efforts towards client's demands and requests satisfaction, and the relentless quest for quality and product safety, also by engaging its supply chain on sustainability.	Italcanditi commits to safeguarding its employees across different Dimensions in various areas, from training and welfare measures to health and safety through prevention and mitigation efforts.

## INTRODUCING OUR ESG TARGETS

In line with our 2020 efforts, we wanted to drive our commitment to sustainability even further. To pursue this goal, we are focusing this year's Progress Report on the events that occurred in 2021 and on future ESG targets for which we will be held accountable. In addition, the proactive collaboration between Italcanditi's functions and management helped identify some areas that need to be addressed, thus resulting in seven quantitative targets to be set. All individually linked to their corresponding SDG, these objectives are presented below. We thus commit to transparently report on each and every target by disclosing our performance on an annual basis.

SDGs	Target	KPI	Baseline	Status
	27.5% reduction in GHG emissions by 2030 <sup>7</sup>	% reduction in GHG emissions (Scope 1 + Scope 2 – Market-based)	16,786.2 t CO <sub>2</sub> e (2019)	Ongoing
	Purchase of Guarantees of Origin covering 100% of the Italcanditi Pedrengo site's electricity consumption needs by 2022	% of electricity covered with GOs against the total electricity purchased and consumed	0% (2020)	Ongoing
	Installation of new photovoltaic panels with an installed power of 300 kW by 2024	kW of power from new photovoltaic panels installed	0 kW (2020)	Ongoing
	Drafting and adoption of a Sustainability Policy by 2021	Adoption of a Sustainability Policy	Not applicable	Achieved
	20% reduction in employee work-related injuries by 2021	% reduction in work-related injuries	20 injuries (2020)	Achieved <sup>8</sup>
	Carrying out a risk assessment of our Tier 1 suppliers based on ESG criteria by 2023	Implementation of an ESG risk assessment on Tier 1 suppliers	Not applicable	Ongoing
	Implementation of an integrated management system in line with and certified according to ISO 14001 and ISO 45001 by 2022-2023	Obtaining ISO 14001 and ISO 45001 certifications	Not applicable	Ongoing

<sup>7</sup> The target for the GHG emissions reduction has been defined based on the WB2C (Well Below 2°C) scenario according to the methodology outlined by the Science Based Targets initiative.

<sup>8</sup> The objective appears to have been reached with respect to the baseline for the number of injuries published in last year's SPR (20 injuries in 2020, 14 injuries in 2021).



# ITALCANDITI IN NUMBERS

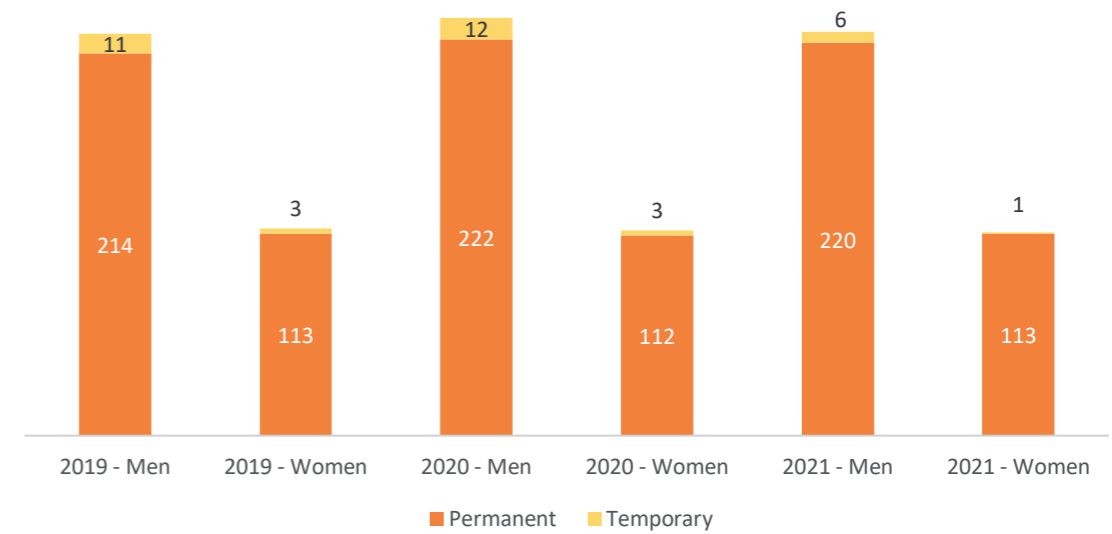
To us, employees are first and foremost individuals. From the outset, we have therefore worked towards establishing a relationship that goes beyond mere contractual conditions and reflects our organisational structure, which is typical of a family business.

Following the trend of growth in last year's workforce, by the end of 2021, Italcanditi recorded a 3% increase with respect to the previous reporting year, with a workforce totalling 364 people (of which 93% are employees and 7% are agency workers). In terms of gender, the ratio of male and female employees seems to have remained stable, with approximately two-thirds male and one-third female throughout recent years. There is similar yearly stability when it comes to permanent (98% share) versus temporary contracts. Furthermore, due to the production-focused nature of our core business model, a significant proportion of our workers work in blue-collar positions.

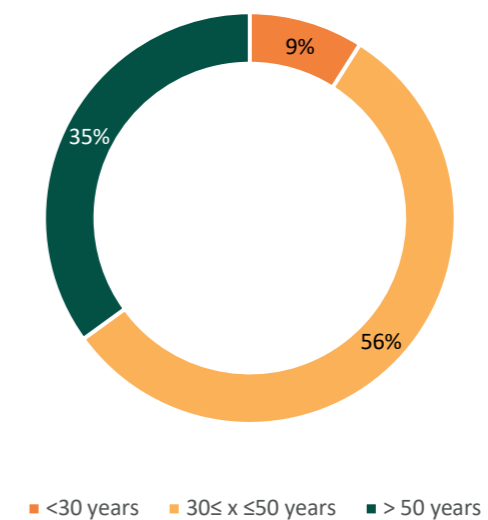
2021 saw a decrease in the hiring and turnover rate, even though the total number of employees remained relatively stable, with a slight decrease since 2020. We decided to develop and focus on the workers we already had in house in order to take full advantage of their skills and know-how. By the end of the year, the hiring and turnover rates were 16.3% and 18.9% respectively. Given that a particular characteristic of our employee structure is seasonality, most of our product lines have fluctuations throughout the year. With regard to food product availability and market demand trends, some lines are tied to celebrations such as Easter and Christmas, while others depend on fruit seasonality. Considering how critical skilled workers are in providing the highest quality standards for our products, we have worked hard to build close and long-lasting relationships with the local community. This affinity with our seasonal workers, employed under either temporary or full-time contracts, is evident from the fact that the team is almost identical year after year. We can therefore count on trusted and skilled employees to carry out essential production tasks with the expertise and flexibility that define our business model.

## Key performance indicators

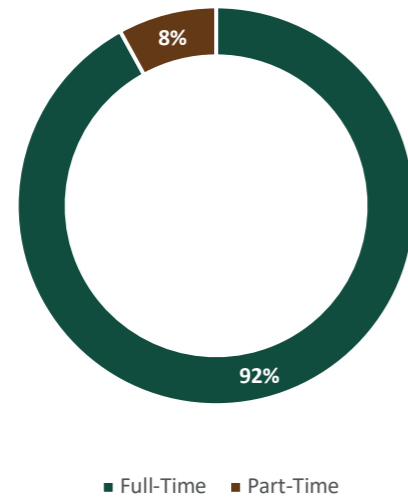
Employees, by contract type and gender



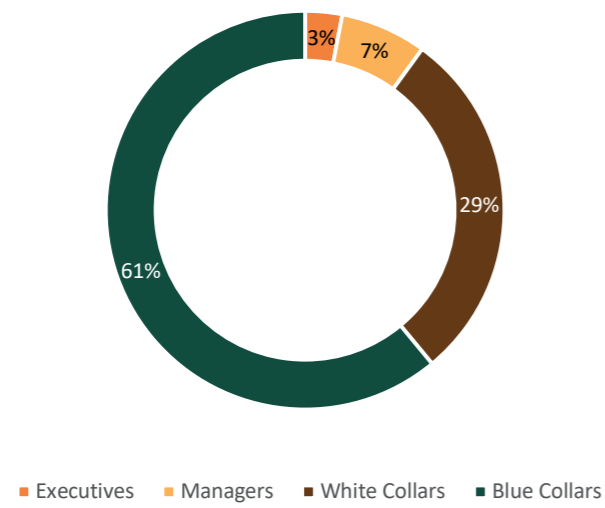
Employees, by age (2021)



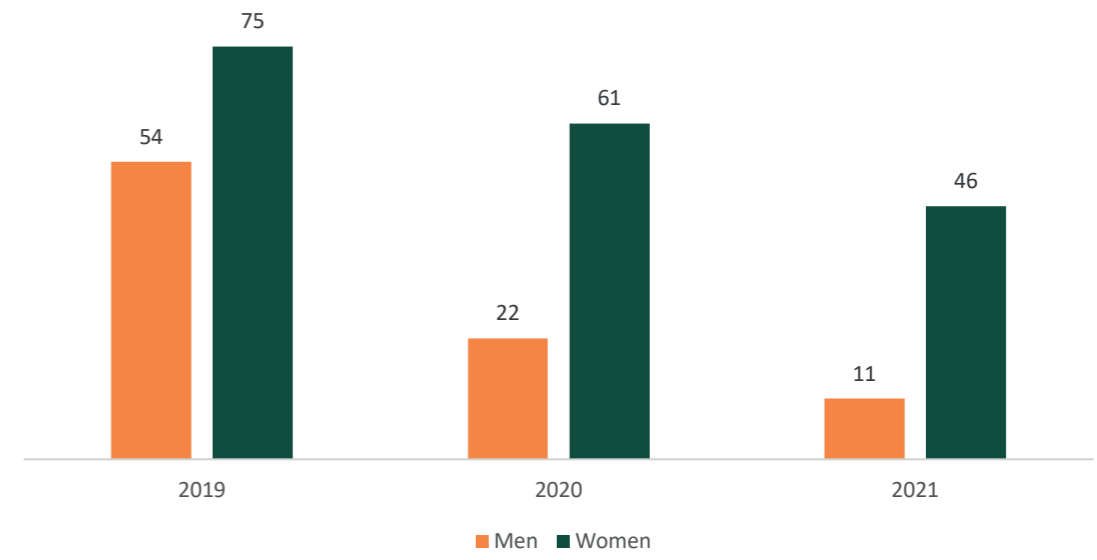
Full-Time and Part-Time employees



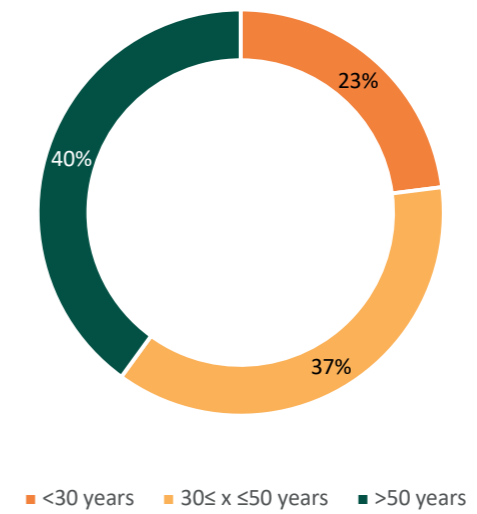
Employees, by category



Hires, by gender

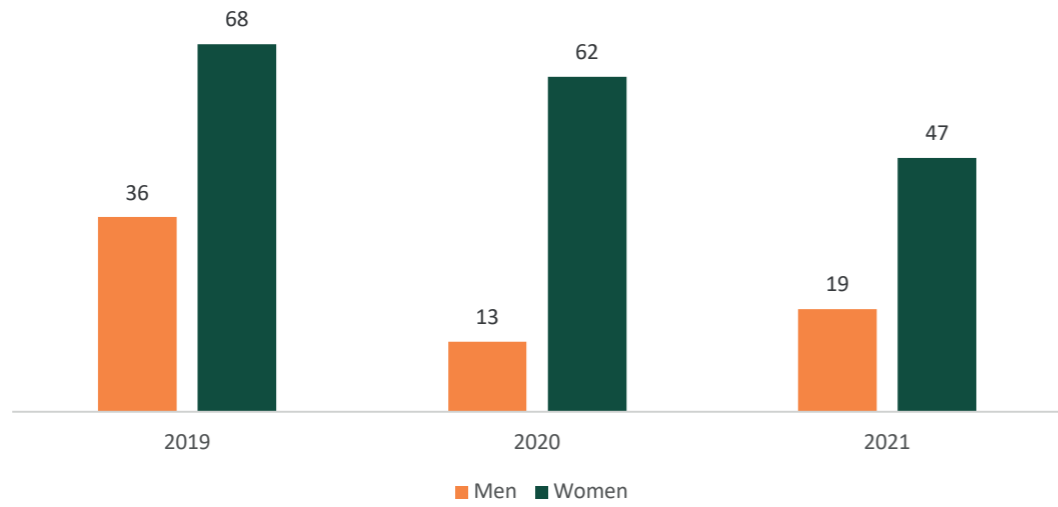


Hires, by age (2021)

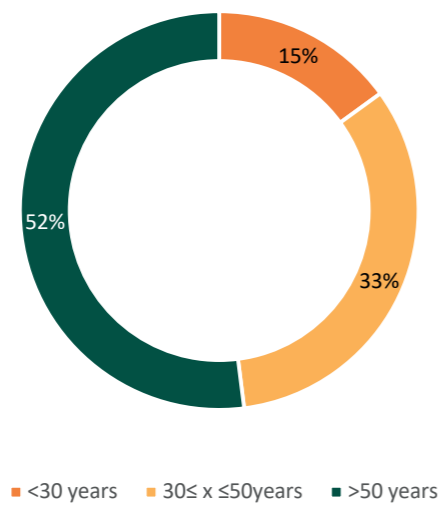




Termination, by gender



Termination, by age





## ENHANCING PEOPLES' POTENTIAL

We place an important focus on our people, driven by the belief that training and development activities are key enablers of safe and high-quality processes. Accordingly, most of the training courses carried out during the reporting period focused on health and safety topics and aspects related to quality and operations.

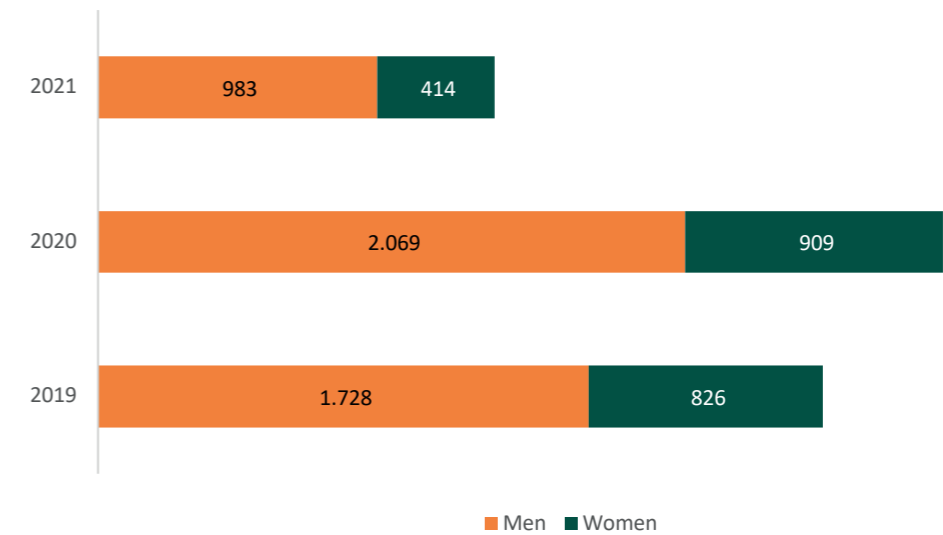
Each of our departments is responsible for periodically verifying people's skills and competencies to foster personal and professional development. To this end, the head of each department is the key figure who, drawing on their relationship with employees, can best identify strengths and areas for improvement to ensure the efficacy of the training programme. To maintain the highest levels of quality throughout all the different types of training, we rely on on-the-job training, which allows us to take full advantage of each employee's strengths and competencies. Furthermore, to develop the necessary professional skills and improve employee engagement among our office teams, we partner with local manufacturing and service company associations as well as neighbouring universities to offer valuable language and legislative refresher courses.

In 2021, 1,397 training hours were recorded, representing a 53% decrease in training hours with respect to 2020. This significant reduction in the number of training hours is a direct consequence of the increase in the proportion of temporary workers hired during the fiscal year, for which we were not able to record quantitative data. Moreover, this reduction in training is also tied to the periodic nature of a number of courses already held in the previous reporting years. Despite the reduction in hours, our close relationship with employees remains one of our most valuable assets. Because of this, and to increase the safety of working environments, we plan to focus on the training provided with respect to health and safety topics.

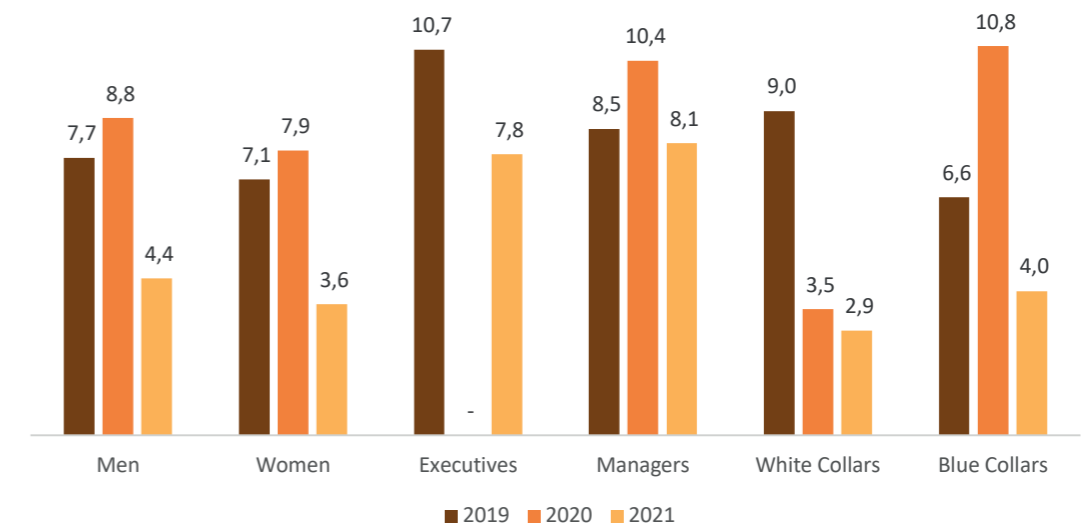
Over the years, we have implemented several initiatives aimed at helping our people, with ad hoc measures typical of a "family business" approach. For example, regardless of role type and hierarchy, all employees can count on a second-level contract that incorporates the collective bargaining agreement already in force; one of the main features is an annual production bonus. In addition, formalised procedures have been designed to establish practices and various initiatives, such as tax form assistance, to foster people's well-being by promoting a healthy balance between work and personal life.

### Key performance indicators

Training hours, by gender



Average training hours, by gender and category





# HEALTH & SAFETY

To guarantee the highest safety standards, we have a formalised Health & Safety Policy and employ the best available technology in protective equipment and safety solutions. Furthermore, as part of our commitment to further strengthen our health and safety culture, in 2019, we began implementing a health and safety management system consistent with the ISO 45001:2018 standard. We aim to achieve third-party certification of this system by 2022-2023.<sup>9</sup>

Our management considers health and safety-related topics to be of the utmost importance. Consequently, at Italcanditi, these topics are directly addressed within our different departments and at all levels of our organisation. Specific skills and responsibilities for the application of safety procedures are thus allocated, and regular training sessions are provided. In addition, we prevent whistleblowing-related repercussions by adhering to specific guidelines. Furthermore, as required by Italian law, we carry out frequent assessments to update the identification of safety risks in order to put all necessary mitigation and prevention efforts in place. Some of the main risks identified are repetitive movements during production phases, manual work, and the use of technical equipment. In accordance with national regulations, in 2020, we updated our Risk Assessment Document (DVR) by mapping the risks related to Covid-19 infection. Moreover, in 2021, when calculating working hours and data relating to injuries, we did not consider non-employee workers in the scope of our calculations. These workers accounted for 92,445 total hours worked and two recordable work-related injuries.

In 2021, we had no high-consequence accidents and 16 recordable work-related injuries during the year, including two from other non-employee workers. Moreover, in our tireless quest to reduce and ultimately end work-related injuries, we implemented a series of initiatives in 2021. We installed display screens showing the number of days without an injury to raise awareness of the importance of the subject among employees, and we implemented a monitoring team tasked with identifying health and safety issues through random checks in different operating areas.

In full compliance with current national and regional regulations, we systematically analyse accident causes through direct consultation with heads of departments, employee representatives, and all the workers involved. This process was followed to investigate the injuries that occurred in 2021, with the aim of identifying improvement areas and implementing mitigation and prevention measures. Consequently, training courses specifically aimed at reducing the occurrence of such injuries - mainly related to product spills on the floor and consequent slipping - allow us to increase the synergy between production lines and safety on the job. In the coming years, we are willing to firmly commit to eliminating work-related injuries across all of our production lines.

<sup>9</sup> The target was originally set for 2020. It has been postponed due to the consequences of the coronavirus pandemic.

## Our response to the coronavirus pandemic

In 2021, as the Covid-19 pandemic seemed to be slowing down, Italcanditi maintained the existing rules and security measures and introduced new ones to guarantee employee safety, business continuity and ensure proper adherence to Italian legislation. Among these, thermoscanner checks, PPE and appropriate social distancing were maintained concurrently with the implementation of daily green pass certification checks. In addition, being a productive company, remote working was kept as an option where possible, while physical devices – such as plexiglass panels – were maintained on all desks and between workstations.

Through continuous efforts, Italcanditi managed to face the second year of the pandemic effectively, maintaining, for all employees, the highest safety standards. As confirmation of this effort, the recorded Covid positive cases were never work-related and did not even spread or degenerate into an internal outbreak.

## Key performance indicators

	2019 <sup>10</sup>	2020 <sup>10</sup>	2021
<i>Worked hours</i>	603,317	547,562	556,792
<i>Number of recordable work-related injuries</i>	22	15	14
<i>Number of recordable high-consequence work-related injuries</i>	1	0	0
<i>Recordable fatalities as a consequence of work-related injuries</i>	0	0	0
<i>Injury rate*</i>	7.3	5.5	5.0
<i>High-consequence injury rate**</i>	0.3	0.0	0.0
<i>Lost time injury frequency rate (LTIFR)***</i>	8.0	5.5	5.3

\* Calculated by the total number of recordable work-related injuries divided by the number of working hours and multiplied by 200,000.

\*\* Calculated by the total number of recordable high-consequence work-related injuries divided by the number of working hours and multiplied by 200,000.

\*\*\* Calculated by the total number of lost time injuries multiplied by 200,000 divided by the overall number of hours worked in the reporting period.

<sup>10</sup> During 2021, INAIL (Istituto Nazionale Assicurazione Infortuni sul Lavoro) converted 5 injuries from 2020 and 3 injuries from 2019 to sick days. As a consequence, the 2019 and 2020 data was aligned with the most recent figures available.





# ENERGY CONSUMPTION

**Building on the awareness that energy consumption represents one of our most significant environmental impacts, we have always invested in optimising our energy demand and increasing the share of renewable sources in our energy mix.**

In 2021, our energy consumption amounted to an overall 217,051 GJ, thus recording an almost 4% increase with respect to the 2020 data. Fuels for production purposes represent 88% of our energy demand<sup>11</sup>: these are used to generate heat through traditional boilers and to produce combined heat and power through our cogeneration and trigeneration plants. In particular, heat is used in different steps of our production processes, from heating and cooking in the oven to candying fruit and from sterilisation to pasteurisation. The latter is one of the most significant processes in terms of energy consumption since it is based on the application of a combined heating and cooling process designed to guarantee food safety and preservation.

The simultaneous generation of cooling, heat and power allows us to reduce carbon emissions as well as energy costs substantially. Compared to standard combustion systems, less fuel is burned with the same energy output in combined heat and power production. At the same time, transmission and distribution losses are avoided, thus resulting in increased energy efficiency and reduced GHG emissions.

Cogeneration consists of the production of combined heat and power (CHP). The most common cogenerators take advantage of fuel combustion to generate electricity and recover heat. A specific application of this concept is trigeneration (CCHP, i.e. combined cooling, heat and power), which uses thermal energy recovered from combustion to produce cooling energy or refrigerant fluids for air conditioning and industrial processes.

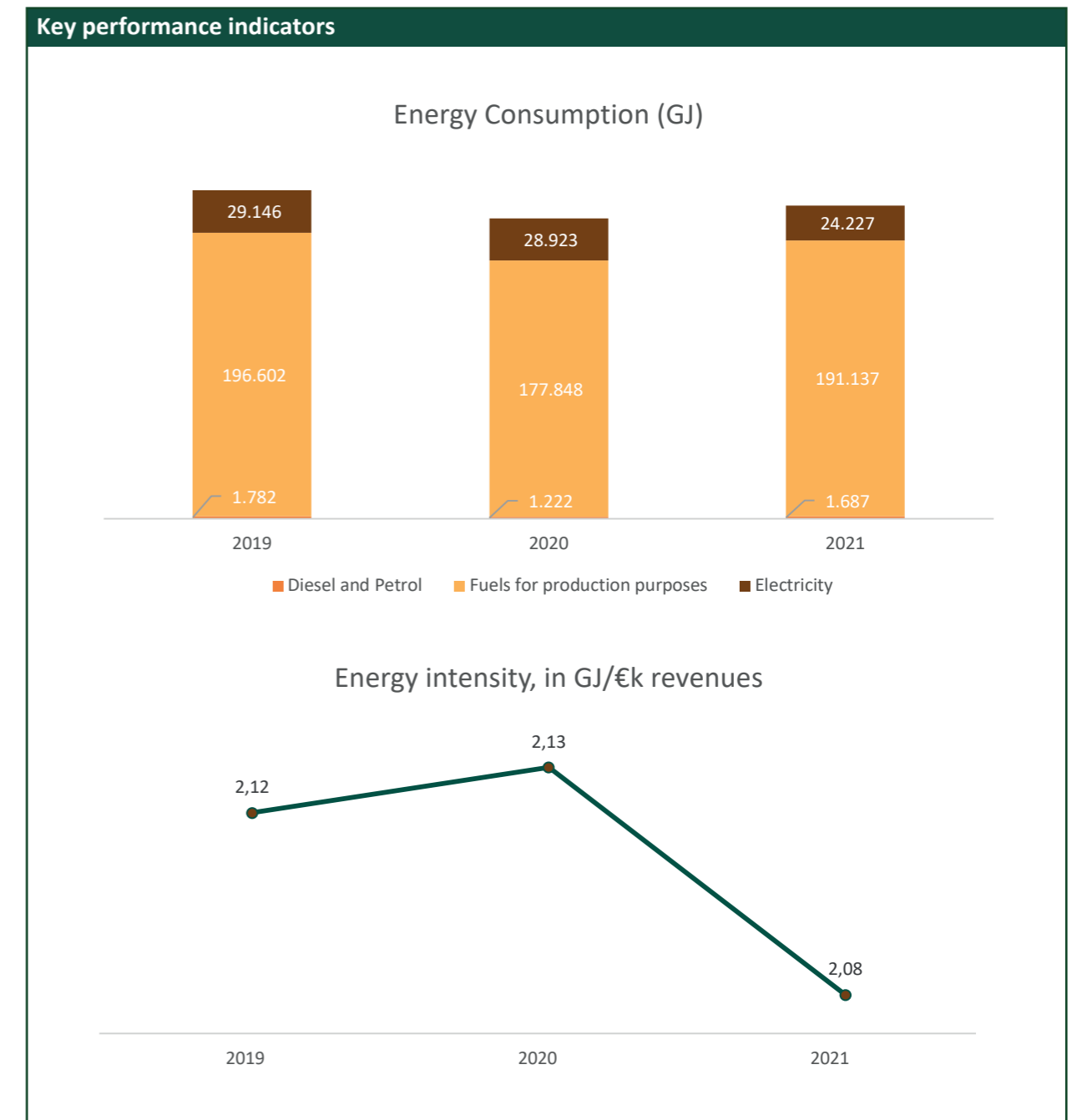
The energy produced from our natural gas-fed trigeneration is entirely consumed. While the electricity covers approximately half of our annual needs, heat and cooling are used in our production processes. As for the cogeneration systems, the only one fully operational in 2021 is fed by biogas, produced through anaerobic digestion carried out in our wastewater treatment plant. While the heat generated by the combustion process in our cogenerators is used internally for production purposes, the power is sold to the national grid. In 2021 alone, we delivered 1,796,524 kWh of electricity to the national grid, thus helping to reduce the carbon intensity of the Italian energy mix.

Electricity makes up for the remaining 11% of our energy needs, while the fuels consumed by our car fleet represent less than 1%. Food preservation is another essential energy consumption source since it requires a wide temperature

<sup>11</sup> Composed by natural gas and fuel oil for technical tests.

range, from -25°C to +4°C. The renewable energy produced through photovoltaic panels - installed in 2011 and gradually upgraded with newer, higher-performance solutions - covers around 3% of our electricity consumption, amounting to as much as 226,614 kWh of renewable electricity and equivalent to around 71 tCO<sub>2</sub> of avoided emissions. In 2021, we continued our commitment to expand the surface area covered by the panels to increase our renewable energy capacity. As a result of the further installation and preliminary research carried out, we predict that we can further increase the power of our photovoltaic panels by 200 kW, thus reaching our target of 300 kW.

We are committed to increasingly mapping our consumption trends to identify areas for improvement and evaluate solutions that can drive high levels of energy efficiency while reducing environmental burdens.



## OUR CARBON FOOTPRINT

As part of our sustainability journey, we continued to monitor our greenhouse gas (GHG) emissions whilst significantly enlarging our reporting scope in 2020 to include our value chain. Our carbon footprint includes direct emissions (Scope 1), indirect emissions (Scope 2) from the electricity purchased from the national grid, and a selection of emissions categories falling within the classification of other indirect emissions (Scope 3).

In 2021, direct emissions amounted to 11,667 tCO<sub>2</sub>, remaining in line with the previous year, mainly attributable to reduced refrigerant gas refilling. The most significant contributors to these emissions are the combustion of fuels for boilers, heating, cogeneration and trigeneration systems (95%), followed by refrigerant gas refills for refrigerating rooms (4%) and car fleet related emissions (1%).

In 2021, indirect energy-related emissions amounted to 2,049 tCO<sub>2</sub>, accounting for the electricity purchased from the national grid only. Following our target to further reduce our emissions, in April 2021, we purchased Guarantees of Origin for the electricity acquired, consequently reducing our Scope 2 market-based emissions to 542 tCO<sub>2</sub>. We recognise the importance of contributing to the fight against climate change, and for this reason, we commit to continue purchasing certified renewable energy in the future.

Finally, **other indirect Scope 3 emissions have been extended to include capital goods as a new emissions category**. The choice to add capital goods to the reporting of Scope 3 emissions was prompted by the implementation of investments in new machinery for our production lines in 2021. This choice is an integral part of our commitment to strengthen and broaden our knowledge and understanding and thus manage our direct and indirect impacts on the environment. The additional overall indirect GHG emissions amounted to 119,098 tCO<sub>2</sub>e, the vast majority of which can be attributed to purchases of raw materials and logistics.

Reported GHG Scope 3 emissions categories <sup>12</sup>	Description
<b>1 - Purchased goods and services</b>	Upstream emissions from the production of products purchased or acquired.
<b>2 - Capital goods</b>	Upstream emissions from the production of capital goods purchased or acquired.
<b>3 - Fuel- and energy-related activities</b>	Emissions related to the production of fuels and energy purchased and consumed.
<b>4 - Upstream transportation</b>	Emissions associated with the transportation and distribution of products purchased in the reporting year between a company's tier 1 suppliers and its own operations in vehicles not owned or operated by the reporting company.  Emissions related to the transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g. for sold products) and transportation and distribution between a company's own facilities.
<b>5 - Waste generated in operations</b>	Emissions from the third-party disposal and treatment of waste generated by the Group's owned or controlled operations.
<b>6 - Business travel</b>	Emissions from the transportation of employees for business-related activities.
<b>7 - Commuting</b>	Emissions from the transportation of employees between their homes and their worksites.


<sup>12</sup> The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard - Revised edition.



# CARBON OFFSETTING PROJECTS

Since 2020, Italcanditi has achieved carbon neutrality by balancing carbon emissions with offsetting, thus using carbon credits from positive impact projects. Each credit is certified according to international standards and corresponds to the reduction (or removal) of one tonne of CO<sub>2</sub> equivalent. Last year, Italcanditi bought credits from two projects: the Great Bear Forest Carbon Project and the Guatemalan Conservation Coast Project.

The Great Bear Forest Carbon project aims at improving forest management in British Columbia (BC), the westernmost province of Canada, generating emission reductions through the protection of forest areas previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that result in the protection of forest areas and reduction of harvest levels.



The second project is being developed in the Guatemalan Conservation Coast region by addressing the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Some of the most important project achievements to date are the protection of 30 threatened species, including the Baird's tapir and West Indian manatee, the protection of 54,157 hectares of threatened forest in the Mesoamerican Biological Corridor and the creation or support of 487 jobs for indigenous and local communities.

Key performance indicators				
GHG emissions	UoM	2019	2020	2021
<b>Direct emissions (Scope 1)</b>	<b>tCO<sub>2</sub>e</b>	<b>12,947</b>	<b>11,717</b>	<b>11,667</b>
Refrigerant gas refills for refrigerating rooms and air conditioning	tCO <sub>2</sub> e	1,662	1,567	434
Car fleet	tCO <sub>2</sub> e	132	91	118
Fuels for boilers, heating, and cogeneration and trigeneration systems	tCO <sub>2</sub> e	11,153	10,059	11,115
<b>Indirect emissions (Scope 2) – Location-based</b>	<b>tCO<sub>2</sub></b>	<b>2,817</b>	<b>2,616</b>	<b>2,048</b>
<b>Indirect emissions (Scope 2) – Market-based</b>	<b>tCO<sub>2</sub>e</b>	<b>3,839</b>	<b>3,627</b>	<b>542</b>
<b>Other indirect emissions (Scope 3)</b>	<b>tCO<sub>2</sub>e</b>	<b>5,788</b>	<b>92,525</b>	<b>119,098</b>
<b>Total – Location-based</b>	<b>tCO<sub>2</sub>e</b>	<b>21,552</b>	<b>106,858</b>	<b>132,814</b>
<b>Total – Market-based</b>	<b>tCO<sub>2</sub>e</b>	<b>22,574</b>	<b>107,869</b>	<b>131,307</b>
<b>GHG emissions</b>	<b>UoM</b>	<b>2020</b>	<b>2021</b>	
<b>Other indirect emissions (Scope 3)</b>	<b>tCO<sub>2</sub>e</b>	<b>92,525</b>	<b>119,098</b>	
1 - Purchased goods and services	tCO <sub>2</sub> e	76,268	90,608	
2 - Capital goods	tCO <sub>2</sub> e	-	1,045	
3 - Fuel- and energy-related activities	tCO <sub>2</sub> e	1,780	2,591	
4 - Upstream transportation	tCO <sub>2</sub> e	14,127	24,547	
5 - Waste generated in operations	tCO <sub>2</sub> e	117	67	
6 - Business travel	tCO <sub>2</sub> e	6	2	
7 - Commuting	tCO <sub>2</sub> e	228	236	





Great Bear Forest Carbon Project  
In 2021 Italcanditi has offset 12,210 tCO<sub>2</sub>e thanks to the purchase of carbon credits



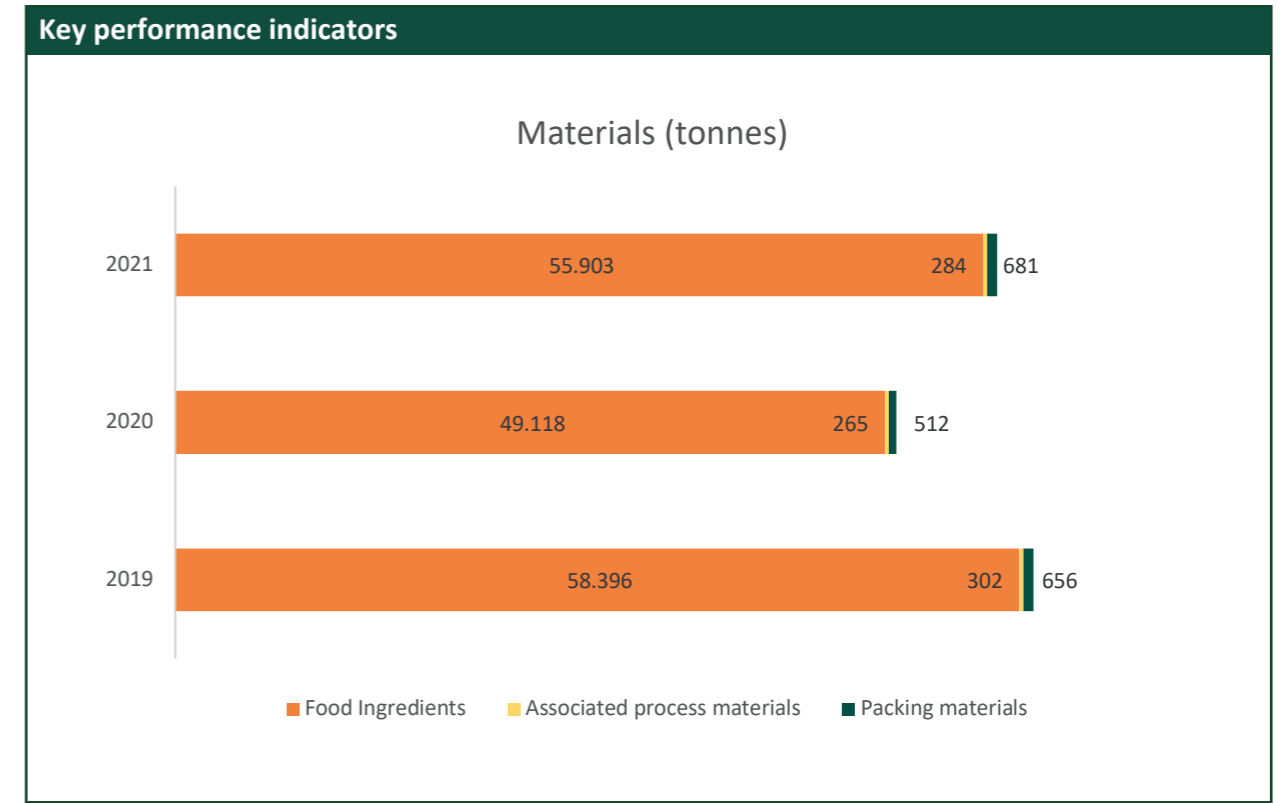
# MATERIAL CONSUMPTION AND SUSTAINABLE PACKAGING

Carefully selected food products and ingredients are the key components of our business model. These are mainly made up of sugar, fruit, milk and other food products and ingredients, accounting for 98% of the total weight of purchased materials, followed by packaging materials (1%) and associated process materials (0.5%).

About 80% of our products are sold to clients in owned, reusable steel tanks that, once empty, are returned, sanitised, checked and prepared for reuse. The tanks are available in different sizes, offering transportation solutions that range from 400 kilos to 1 tonne of product per tank to better adapt to the client's needs. This allows us to use low amounts of single-use packaging materials such as plastic and cardboard, thus reducing the related impacts on the environment. The remainder of our packaging consists of smaller containers that are only used residually in line with clients' needs and requests, much preferred by the bakery sector and by buyers that handle smaller quantities of products. These mainly consist of plastic buckets and piping bags specifically designed to minimise the risks of product contamination and deterioration while reducing food waste - for instance, with closable bags with pockets. Additionally, we introduced recyclable or reusable solutions for light weights, namely bags in boxes (10 to 1,000 kilos) and metal tins (3 to 5 kilos), thus increasing the flexibility of our packaging solutions to promote the efficient use of materials while also being able to address all of our clients' requirements.

Throughout 2021, we saw an increase in all the categories monitored (14% for food ingredients, 7% for process materials, 33% for packaging materials) as a direct consequence of the lessening of the effects of the pandemic. In addition, even though the consumption of materials increased, we encountered some issues as far as ingredient procurement was concerned, with sourcing and timely delivery the main vulnerabilities highlighted.

Customised packaging projects may be implemented based on special requests from key accounts. In these cases, we support our clients throughout the entire packaging creation process, from technical requirements to graphic studio drafting. Depending on the client's needs, this kind of project entails the use of various materials and certification schemes, such as paper and cardboard certified by the Forest Stewardship Council (FSC): FSC certification attests that the packaging material is procured from sustainably managed forests that meet environmental and social standards.



# WASTE AND WATER MANAGEMENT

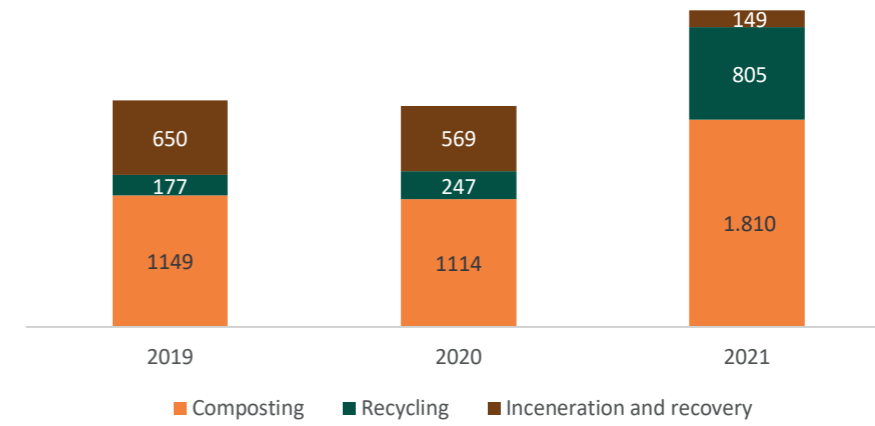
Responsible waste management is a fundamental aspect of our daily operations. The composition of our waste is divided into two main clusters. On the one hand, we handle the inbound packaging that accompanies the materials we source from our suppliers, which is made up almost entirely of paper and cardboard. On the other hand, we produce organic waste that comes from food filtering and processing, from the separation of fruit stones and from wastewater treatment.

The efficient use of water resources is another key aspect of our environmental footprint since, in 2021 alone, we consumed 161,121 m<sup>3</sup> of water, which was used for different purposes as part of the production process: to generate steam, the majority of which is used for product pasteurisation, to cool food products, to rinse food ingredients kept in salt solution, and to wash production systems and reusable steel tanks.

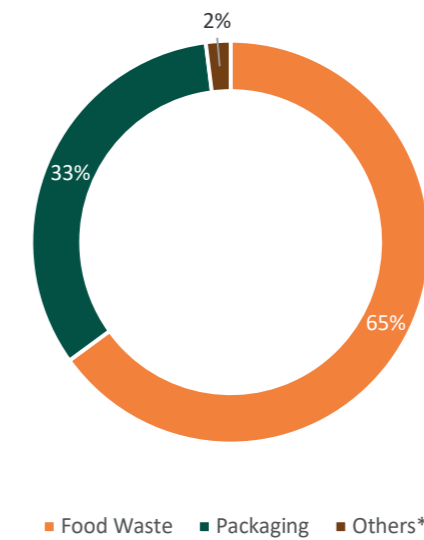
The water used for production purposes is then treated in our two water treatment plants, which are able to treat between 30 and 50 m<sup>3</sup> of water per hour on average. Besides lowering the levels of organic substances present in the wastewater, we also produce biogas through the anaerobic digestion process, which is collected and burned in the cogeneration plant.

## Key performance indicator

Waste, by disposal method (tonnes)



Waste, by composition (2021)



\*Electronic devices and batteries, metals, transportation tanks, washing waste and engine oils, printer ink, tar, insulation materials, incineration waste, chemicals, and glass.







## CLIENT-CENTRICITY

**The integration of quality standards and our people's commitment allows for flexibility and speed. These are essential elements in delivering customised products capable of satisfying all our clients' needs.**

Client centricity is a fundamental characteristic of our way of both carrying out daily activities and structuring long-term strategies. According to our business partners' input, we select food ingredients and draft ad hoc production manufacturing processes to ensure that our output perfectly adheres to the requests outlined. This process starts with the relationship we hold with our supply chain: about 90% of our suppliers are located within the European Union. This ranges from medium-sized companies to multinational corporations specialised in dealing with agricultural processed food products. Italcanditi selects them according to product specifics and volumes to ensure the highest combination of quality and fulfilment of client's demands.

Certifications are also an essential part of the product customisation process. Our Quality Department deals with guaranteeing certificates and highlights compliance during everyday activities: we have successfully obtained several certifications recognised in different countries that apply to specific product categories as required by our clients. In particular, for cases of territorial origin denominations, we enrol in consortia and undergo all audits and controls that certify the adherence to labelling requirements. Consortia and origin denominations safeguard the authenticity of a particular food or agricultural product by guaranteeing cultivation, process and/or transportation standards: as a consequence, the procurement of those kinds of products requires detailed terms and procedures to abide by. Moreover, we have completed the introduction of 95% natural aroma as far as Bio-labelled products are concerned and as required by law and the replacement of titan dioxide for product bleaching.

Controls are carried out almost entirely internally and are focused on application compliance, which means satisfying clients' recipes and requests based on physical and chemical characteristics. Quality checks are thus specifically designed to best fit each product category in its various applications: controls are carried out in all production phases. These include microbiological tests to understand whether the product complies with shipment standards. On the basis of our HACCP plan, we have also drawn up a list of controls according to which different microbiological aspects for each product category are assessed. Quality indexes on all the production lines are regularly monitored and discussed, to assess eventual issues, evaluate them and propose mitigation or prevention efforts.

Being business-to-business, our labelling practice depends on clients' requests and indications. It can be described as an internal "cascade" chain of checks directly deriving from the guidelines issued by the business partner. The closed circle heavily relies on the high degree of transparency and trustworthiness we guarantee regarding the product origin, compositions and allergens. Moreover, a fundamental part concerns process controls, for which we avoid cross-contamination between different products and product ingredients along the lines. This includes highly reliable segregation of processes and storage, and the capacity of washing procedures to eliminate contaminants.

To do so, we implemented a barcode-based traceability system that allows us to accurately trace the origin of single solid components with respect to the finished product. Given the sensitivity of the issues of contamination and batch collection, the certifications require minute traceability. In order to guarantee a timely response to potentially critical situations, we also carry out a crisis management exercise on an annual basis, simulating a faulty product emergency. In Italcanditi, to maintain the best possible relationships with our clients, we place great importance on ensuring that our suppliers' products are on par with European standards. Thanks to the close ties we cultivate across our value chain and the fundamental importance that traceability bears within product quality, we were able to promptly manage an ethylene oxide issue from the moment we received an alert from a supplier regarding some batches with ETO traces. As a direct consequence, we decided to increase our quality check to prevent similar matters from happening in the future.

Our R&D department plays a fundamental role in guaranteeing a solid connection between product quality and client satisfaction. Indeed, four laboratories (fruit stuffing, yoghurt preparations, candied fruit and cream stuffing) are dedicated to engineering customised recipes to meet the highest production standards. In particular, since 2020, the tie with production has proved to be fundamental in updating and revisiting recipes based on the materials available on the market. Moreover, thanks to both partnerships and an innovation laboratory that studies new materials, production methods and technologies, in 2021, we experimented new flavour ideas. For our first project, we partnered with two Italian companies, Bionap and Boniser, to develop a flavour with the prickly pear and its blades, reducing to zero the food-related waste generated: the outcome of this project will join the 2022 product collection. On top of that, we have also identified great millet as a raw material to be added in our 2022 product collection. Furthermore, together with Procemsa and OFI, between 2020 and 2021, we developed several semi-finished products enriched with functional extracts for stick pack food supplement applications. Lastly, we are members of the Experimental Station for the Food Preserving Industry (SSICA), a Research Foundation that carries out applied research and experimental development, technological supervision, analysis and laboratory consultancy, transfer of results, training and other related activities in favour of companies operating in the agri-food preserving sector.



Key performance indicators	
Our certifications	
<i>RSPO supply chain certificate</i>	Sustainable palm oil procurement from certified sources.
<i>Kosher certificate</i>	Industrial process and material compliance with Jewish ethical and hygienic health standards.
<i>ISO 22000:2018</i>	Pasteurisation and/or sterilisation and packaging of products.
<i>IFS certificate</i>	
<i>FSSC 22000</i>	
<i>BRC certificate</i>	
<i>Product certification of organic operations</i>	Organic operations according to the European Union regulation on organic production and the labelling of organic products.
<i>Halal product certification</i>	Industrial process and material compliance with Islamic ethical and hygienic health standards.
<i>UTZ certification</i>	Sustainable farming of cocoa.

## APPENDIX

Social data	2020	2021
<b>Total number of Full Time Equivalent (FTE) employees at the end of the reporting period</b>		
Male	316.2	307
Female	155.5	142.7
<b>Total</b>	<b>471.7</b>	<b>449.7</b>
<b>Number of Full Time Equivalent (FTE) employees at the end of the reporting period, excluding external growth</b>		
Male	232.2	224
Female	107	106
<b>Total</b>	<b>339.2</b>	<b>330.2</b>
<b>Number of Senior Management / C-Suite</b>		
Male	7	8
Female	2	1
<b>Total</b>	<b>9</b>	<b>9</b>
<b>Voluntary employee turnover rate</b>	2.8%	4%
<b>Is there a workers' council in place?</b>	Yes	Yes
<b>Lost time injury frequency rate (LTIFR)</b>	5.5	4.4
<b>Accident severity rate</b>	0.9	0.9
<b>Absentee rate</b>	4.6%	4.5%

Environmental data	2020	2021
<b>Do you have an Environmental Manager at the company?</b>	Yes	Yes
<b>How much of your total electricity consumption is met via renewable energy sources? (kWh)</b>	248,690	5,547,083
<b>% renewable electricity</b>	3.1%	82.4%
<b>Energy consumption (kWh)</b>	57,776,231	60,292,001

## NOTE ON METHODOLOGY

Our Sustainability Progress Report has been drafted with reference to the GRI Sustainability Reporting Standards. The content of the document reflects the results of the materiality analysis as described in detail in the section “Our sustainability path”.

As a signatory to the United Nations Global Compact (UNGC) initiative since January 2020, through this Sustainability Progress Report, Italcanditi fulfils its commitment to produce a Communication on Progress - a public disclosure outlining its progress in implementing the principles of the UNGC. The UNGC principles are clearly mapped against the GRI indicators in the GRI Disclosures section. At present, our report does not directly address the UNGC issues and principles related to human rights, since the vast majority of our direct activities and suppliers are located in Europe, where human rights are regulated by law. In addition, some of the most important human rights issues related to Italcanditi’s operations, such as the protection of workers’ occupational health and safety, are already included as part of the Labour principles and issues on which we report.

### SCOPE OF REPORTING

This document includes a description of initiatives and activities carried out from the 1st of January to the 31<sup>st</sup> of December 2021, as well as the related key performance indicators presented for the 2019-2021 period, where available. The data collection process and the report publication activities are structured on an annual basis. The information refers to Italcanditi S.p.A. and includes the company’s registered headquarters, located at Via Cavour, 10 - 24066 Pedrengo (Bergamo, Italy).

### TOPIC BOUNDARIES

The following table provides the link between our material aspects as they are presented in our Materiality Matrix and the corresponding GRI Standards topics. The scope and any limitations concerning the reporting boundary due to the unavailability of data and information on the external perimeter are duly specified.

Our material topics	GRI material aspects	Aspect boundary		Limitations of reporting on boundary	
		Within the organisation	Outside the organisation	Within the organisation	Outside the organisation
Customer health and safety	Customer health and safety	Italcanditi	Clients	-	Reporting scope not extended to clients
Employee attraction and retention	Employment	Italcanditi	-	-	-
Employee training and development	Training and education	Italcanditi	-	-	-
Fight against climate change	Energy	Italcanditi	Suppliers, clients	-	Reporting scope not extended to suppliers and clients
	Emissions	Italcanditi	Suppliers, clients	-	Reporting scope partially extended to clients and suppliers
Freedom of association and collective bargaining	Labour-management relations	Italcanditi	-	-	-
Innovation	-	Italcanditi	-	-	-
Occupational health and safety	Occupational health and safety	Italcanditi	Suppliers	-	-
Procurement practices	Procurement practices	Italcanditi	-	-	-
Product marketing and labelling	Marketing and labelling	Italcanditi	-	-	-
Supply chain sustainability	Materials	Italcanditi	Suppliers	-	Reporting scope not extended to suppliers
	Suppliers environmental assessment	Italcanditi	-	-	-
	Suppliers social assessment	Italcanditi	-	-	-
Waste and water management	Waste	Italcanditi	-	-	-
	Water and effluents	Italcanditi	-	-	-

### QUALITY REPORTING PRINCIPLES

The Sustainability Progress Report is drafted in accordance with the principles of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards. The document highlights both strengths and weaknesses, as well as potential areas of improvement. The data collection and reporting process is structured in order to ensure comparability and the correct interpretation of information by the key stakeholders interested in the evolution of our performance. Furthermore, we apply the precautionary principle in all our activities. This Sustainability Progress Report is not subject to external assurance.



## CALCULATION METHODOLOGIES

The methodologies and assumptions used to calculate the performance indicators included in the report are described below:

- All data related to injuries refers to Italcanditi's employees and contractors. It does not include commuting injuries for which transportation was not organised by the company or first aid cases;
- Waste composition has been determined on the basis of waste weights as reported in the Environmental Declaration Form (Modello Unico di Dichiarazione Ambientale);
- The lost time injury frequency rate has been calculated as the total lost time injuries multiplied by 200,000 and divided by the overall number of hours worked in the reporting period;
- Hiring and turnover rates have been calculated using the total number of employees at the beginning of the reporting period as the denominator;
- The energy consumption related to Italcanditi's owned and long-term leased vehicles has been calculated based on available fuel consumption data. The following table shows the conversion factors used:

Typology	UoM	Source
Fuel density	l/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2019, 2020, 2021
LCV (Lower Calorific Value)	GJ/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2019, 2020, 2021

Greenhouse gas emissions calculations are carried out based on the principles outlined in the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 emissions were calculated as follows:

## GHG EMISSIONS - SCOPE 1

Source	Activity data	Emission factor	GWP
Car fleet	Fuel consumption (petrol and diesel)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2019, 2020, 2021	CO <sub>2</sub> equivalent has been considered.
Fuels for boilers, heating, and cogeneration and trigeneration systems	Fuel consumption (natural gas, fuel oil)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2019, 2020, 2021	CO <sub>2</sub> equivalent has been considered.
Refrigerant gas refills for refrigerating rooms and air conditioning	Leakages (kg)	-	Global Warming Potentials (GWPs) are taken from the IPCC Fifth Assessment Report (AR5).

Refrigerant gas blends for which a conversion factor was not available were taken from available data provided by suppliers, while the Global Warming Potential (GWP) of blend components was taken from the IPCC Fifth Assessment Report (AR5).

Scope 2 emissions resulting from the consumption of electricity purchased from the national grid are calculated according to two different methodologies: the location-based approach reflects the average emissions intensity of grids where the energy consumption occurs; the market-based approach reflects the emissions from the electricity source the company has purposefully chosen. To calculate the amount of emissions avoided thanks to the energy generated by Italcanditi's photovoltaic system, the kWh consumption of self-produced electricity from PV panels was converted into CO<sub>2</sub> emissions using the Terna location-based energy mix.

Scope 2 emissions were calculated as follows:

### GHG EMISSIONS - SCOPE 2

Source	Activity data	Emission factor	GWP
<i>Electricity purchased from the national grid – Location-based</i>	Electricity consumption (kWh)	Terna international comparisons on Enerdata figures, 2018, 2019, 2020	Only CO <sub>2</sub> emissions have been considered.
<i>Electricity purchased from the national grid – Market-based</i>	Electricity consumption (kWh)	AIB, European Residual Mixes, 2018, 2019, 2020	CO <sub>2</sub> equivalent has been considered.

Scope 3 emissions estimates include indirect emissions. In 2021, Scope 3 comprised a number of categories selected according to the criteria of relevance, data availability and improvement potential for future initiatives. The calculations carried out relied on the following assumptions: purchased goods and services (Cat. 1) data covers 100% of goods purchased by Italcanditi (Pedrengo site), thus fruits and packaging; for the majority of the fruit purchased, the available emissions factors only include the emissions related to the production phases (e.g. nursery production, fruit tree seedlings), thus excluding post-harvest activities such as freezing and processing; capital goods-related emissions (Cat. 2) were calculated based on capital expenditure as present in 2021 ledgers: relevant investments were classed as those exceeding 10k€ as the relevance threshold; upstream transportation (Cat. 4) does not include refrigerated services; distances for outbound logistics by ship (Cat. 4) were calculated taking into account shipments of products from (to) the Pedrengo site to (from) the client's city seaport.

For further information about the categories involved in Scope 3 analysis, please refer to the "Our carbon footprint" section.

Scope 3 emissions were calculated as follows:

### GHG EMISSIONS - SCOPE 3

Source	Activity data	Emission factor	GWP
<i>Transportation of sold goods</i>	Product shipped (km*tonne)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2018, 2019	CO <sub>2</sub> equivalent has been considered.
<i>Business travel by air</i>	Kilometres	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2018, 2019	CO <sub>2</sub> equivalent has been considered.
<i>Business travel by train</i>	Kilometres	Ferrovie dello Stato, "Rapporto di Sostenibilità", 2017, 2018	Only CO <sub>2</sub> emissions have been considered.
		Ecoinvent v3.7.1	
<i>Materials procured (Cat. 1)</i>	Weight of raw, process and packaging materials procured	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent has been considered.
<i>Water withdrawal (Cat. 1)</i>	Cubic metres of water withdrawn	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent has been considered.
<i>Capital goods (Cat. 2)</i>	Capex by product category	Department for Environment, Food and Rural Affairs (DEFRA), Conversion factor – "Table 13" Indirect emissions from the supply chain	CO <sub>2</sub> equivalent has been considered.
<i>Fuel- and energy-related activities (Cat. 3)</i>	Fuel and electricity consumption	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent has been considered.



Source	Activity data	Emission factor	GWP
Upstream logistics (Cat. 4)	Kilometres covered by air, truck or ship multiplied by shipped weight (tonnes)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent has been considered.
Waste disposal (Cat. 5)	Weight of waste disposed of	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent has been considered.
Wastewater discharged (Cat. 5)	Cubic metres of water discharged	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021	CO <sub>2</sub> equivalent has been considered.
Business travel by air, train and car (Cat. 6)	Kilometres travelled	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021 Ferrovie dello Stato Italiane, “Rapporto di Sostenibilità”, 2020, 2021	CO <sub>2</sub> equivalent has been considered.
Employee commuting (Cat. 7)	Kilometres travelled	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021 Ferrovie dello Stato Italiane, “Rapporto di Sostenibilità”, 2020, 2021	CO <sub>2</sub> equivalent has been considered.

## GRI DISCLOSURES




The 2021 Sustainability Progress Report references the following GRI Disclosures. If not otherwise specified, the disclosures are in full.

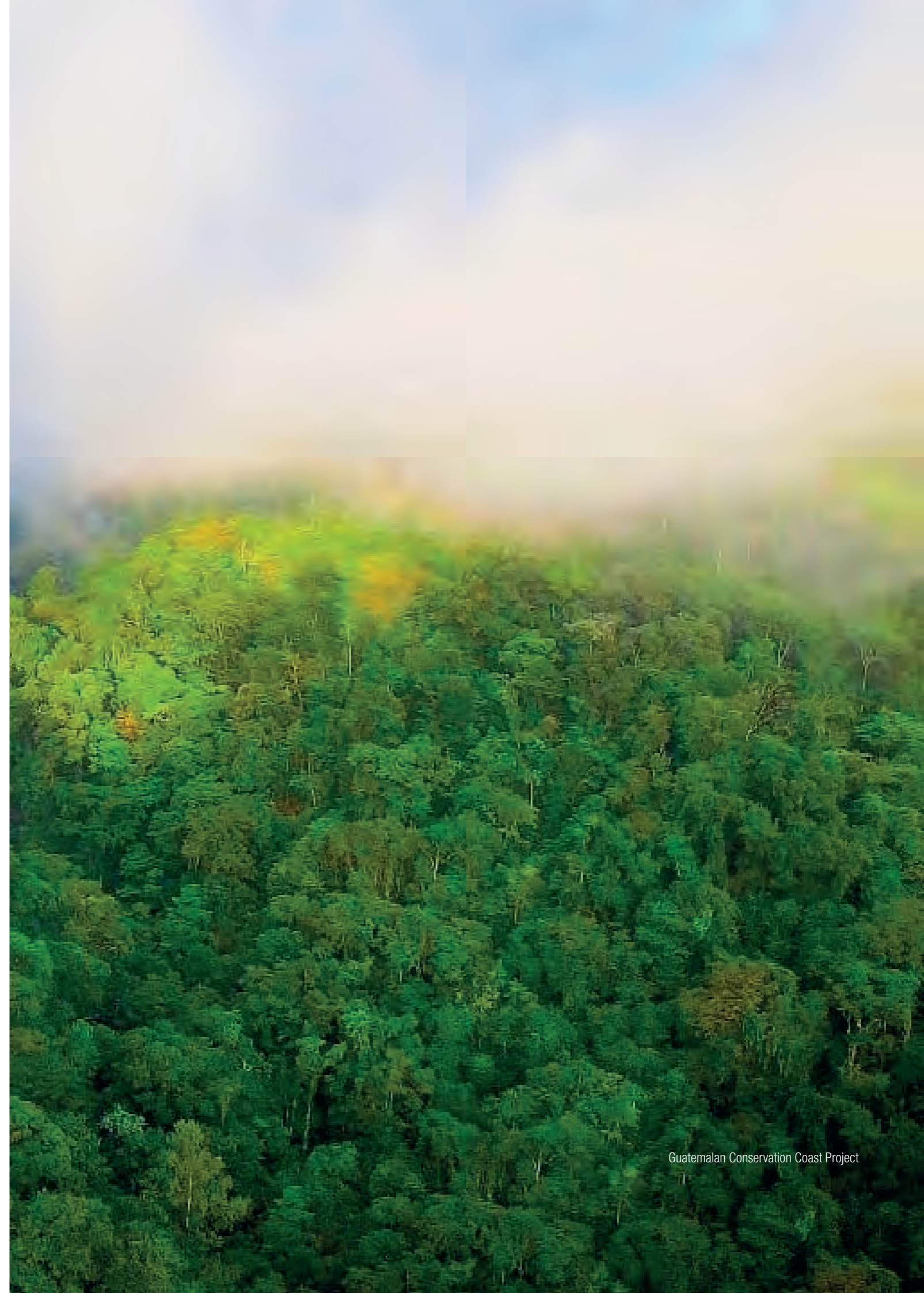
GRI Standard	Disclosure	Notes
GRI 102 – General Disclosures (2016)	102-1 Name of the organisation	
	102-2 Activities, brands, products, and services	
	102-3 Location of headquarters	
	102-4 Location of operations	
	102-5 Ownership and legal form	
	102-7 Scale of the organisation	
	102-8 Information on employees and other workers	
	102-9 Supply chain	
	102-10 Significant changes to the organisation and its supply chain	No significant changes to the organisation's size, structure or supply chain were recorded in the reporting period.
	102-11 Precautionary Principle or approach	
	102-12 External initiatives	
	102-14 Statement from senior decision-maker	
	102-18 Governance structure	
	102-40 List of stakeholder groups	
	102-41 Collective bargaining agreements	
	102-42 Identifying and selecting stakeholders	
	102-46 Defining report content and topic Boundaries	
	102-47 List of material topics	
	102-48 Restatements of information	Restatements and related reasons for restatements are clearly identifiable within the text.
102-49 Changes in reporting	Whenever a change in reporting scope was carried out, it has been duly highlighted	

		and is thus clearly identifiable within the text.
	102-50 Reporting period	
	102-51 Date of the most recent report	The 2021 Sustainability Progress Report is the company's third annual edition of this kind.
	102-52 Reporting cycle	The data collection process and the report publication activities are structured on an annual basis.
	102-53 Contact point for questions regarding the report	
	102-56 External assurance	
<b>Economic performance</b>		
<b>GRI 201 – Economic performance (2016)</b>	201-1 Direct economic value generated and distributed	
<b>Procurement practices</b>		
<b>GRI 204 – Procurement practices (2016)</b>	204-1 Proportion of spending on local suppliers	
<b>Materials</b>		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 301 – Materials (2016)</b>	301-1 Materials used by weight or volume	
<b>Energy</b>		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 302 – Energy (2016)</b>	302-1 Energy consumption within the organisation	
	302-3 Energy intensity	Energy intensity accounts for the energy consumption within the organisation only.
<b>Emissions</b>		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 305 – Emissions (2016)</b>	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	

	305-3 Other indirect (Scope 3) GHG emissions	
<b>Waste</b>		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 306 – Waste (2020)</b>	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
<b>Supplier environmental assessment</b>		
<b>GRI 308 – Supplier environmental assessment (2016)</b>	308-1 New suppliers that were screened using environmental criteria	To date, new suppliers are screened using environmental criteria only if required by clients.
<b>Employment</b>		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 401 – Employment (2016)</b>	401-1 New employee hires and employee turnover	
<b>Labor-management relations</b>		
<b>GRI 402 – Labor-management relations (2016)</b>	402-1 Minimum notice periods regarding operational changes	No minimum notice period regarding operational changes is specified.
<b>Occupational Health and Safety</b>		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 403 – Occupational Health and Safety (2018)</b>	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	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	
<b>Training and education</b> 		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 404 – Training and education (2016)</b>	404-1 Average hours of training per year per employee	
<b>Supplier social assessment</b> 		
<b>GRI 414 – Supplier social assessment (2016)</b>	414-1 New suppliers that were screened using social criteria	To date, new suppliers are screened using social criteria only if required by clients.
<b>Customer health and safety</b> 		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 416 – Customer health and safety (2016)</b>	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
<b>Marketing and labelling</b>		
<b>GRI 103 – Management approach (2016)</b>	103-1 Explanation of the material topic and its Boundary	
	103-2 The management approach and its components	
<b>GRI 417 – Marketing and labelling (2016)</b>	417-2 Incidents of non-compliance concerning product and service information and labelling	No incidents of non-compliance concerning product and service information and labelling were recorded in the reporting period.



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## *Presentation Letter*

### *3° Italcanditi Sustainability Report*



Allow me to spend a few words in order to emphasize the commitment and work behind this Report; the work of about 400 people that is clearly not easy to explain in a few pages.

Today market, the whole society, entrusts companies with ever greater responsibilities and expectations on all fronts. Sustainability brings together the different spheres related to governance, environment and society. It's therefore important to coordinate them in ever closer collaboration

through the use of all the professions, knowledge and skills available. The future requires us to be able to manage an increasing number of information and data to be intertwined and interpreted.

Taking a cue from Etsom's work, "the Wave", chosen as the cover of this Sustainability Report, I want to highlight the importance of strengthening, tightening and coordinating every professional figure and person who's daily involved in the life of the company, following a single and clear direction based on a common vision of what it means to be sustainable. Knowing how to work in unison, both internally and in the system in which the company operates, will be decisive in assuming a role of leader in the market.

So let's surf on this Wave, aware that the closer the bond between these hands will be, the easier it will be to face the future challenges that we will encounter.

*Dr. Marco Vladimir Facchinetti*

*Controller*



"L'Onda", which means the wave, is the title of the mural painted by spray on the walls of the roundabout between Bergamo and Treviolo. An imposing diptych of more than 200 square meters that speaks of collaboration, support, sensitivity and humanity. This is an important intervention because it goes beyond the simple embellishment of a gray and anonymous corner of the city, being a real choral project that actively involved in the design the boys of the Youth Aggregation Center "Il Graffio" and those of the SFA of Treviolo. The creative process that led to the creation of this powerful image began with the suggestion of a young person from the group with disabilities, with a heartfelt tribute to the health personnel placed at the junction that leads from the roundabout to the Papa Giovanni hospital. The work was created during the pandemic, but its meaning is as current and timeless as possible: in a moment of crisis like this, it invites us to express the good that is in each of us, in support of a better future.

*Alessandro "Etsom" Conti*

[www.etsom.it](http://www.etsom.it)







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*"IL FUTURO È IMPETUOSO (COME UN'ONDA). IL DOMANI È MERAVIGLIOSO".  
IN CORRISPONDENZA DI UN CARDEVA DI STRADE, QUESTE MANI RACCONTANO STORIE, VITE,  
INCONTRI E MOSTRANO L'UMANITÀ CHE È LA VERA RISORSA PER SUPERARE TEMPI DIFFICILI.*



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