

60

ANNIVERSARY



# ITAL CANDITI



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2022  
SUSTAINABILITY PROGRESS REPORT

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This work was created during the seventh edition of Treviva, involving a group of young people enrolled in the “Officina di Merlino” the Autonomy Training Service in Treviolo. The mural is inspired by the sustainability issues such as inclusion, told through the depiction of a gesture shared between two hands which together draw with the same pencil. Being sustainable must embrace everyone’s needs and characteristics, searching for the best way to proceed together in a common direction. Attendance and public involvement are definitely fundamental values of street art. The initiative promoted by Italcanditi, whose logo inspired the colors used, represented a moment of meeting and growth that has culminated in the valorization of a common space where to date the work has been placed.

*Etsom \_ Alessandro Conti*

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## A MESSAGE TO OUR STAKEHOLDERS

### 60° Anniversary. Congratulations Italcanditi!



Such an important anniversary, as Italcanditi's one, is a good moment for insightful reflection, to think about the past, at the numerous challenges faced, at the goals achieved and the difficulties incurred, as well as to the future.

60 years is a long journey and certainly also a goal achieved, happy birthday Italcanditi!

This journey gives us a unique experience, a precious and useful tool in making courageous choices and in detecting today's opportunities which are inextricably intertwined with a sustainability that sees us committed to managing issues as complex as urgent. Let's think

about climate change, biodiversity to be safeguarded, the difficulties linked to the demographic growth and the wars that still afflict our society, like the one in our neighbor Ukraine.

We are now in October 2023, with winter upon us and the energy prices scaring citizens and industries. The current speculation affects not only energy, but any good or service, making it impossible to sketch any explanation or interpretation. Adding also the challenges and fears posed by the climate transition, the result is a society that is constantly searching for reference points and certainties.

Our history is characterized by the passion and tenacity transmitted by my father, Angelo Goffi. This reassures us about the strength, using an in-vogue term, the "resilience", of our company and above all it helps us in identifying the characteristics, those aspects and behaviors that have allowed us to build and develop today's Italcanditi, a leading company in the Italian and European food industry.

*Maurizio Goffi, President*

## NET POSITIVE MISSION



It is a pleasure to present this fourth Sustainability Report within a context that witnesses at the same time, our 60th anniversary and the cities of Bergamo-Brescia as capitals of the Italian culture. The year 2022 marks several important steps in terms of sustainability, such as the drafting of our Supplier Code of Conduct, the construction of two additional photovoltaic systems with an installed power of 300 kW and the purchase of electricity from renewable sources only. I want to remark the great work carried out by the Italcanditi Sustainability Team, made up of Matteo Negrini \_ Deputy Plant

Manager, Marzo Zucchetti \_ Quality Assurance Manager, Valentina Colnago and Lisa Salmaso \_ Quality Assurance. We accomplished a project involving Treviolo SFA (Independence Training Service) which has helped us to strengthen relationships with local communities in the creation of a mural made on a wood panel together with Alessandro Conti, Etsom, also author of the work on the cover of our last year's Sustainability Report. This live-painting was held within a socio-cultural event in the Municipality of Treviolo called Treviva, of which I thank all the organization/staff for their effective collaboration. An heartfelt thank you goes to the guys and educators of the SFA, to Etsom as well as to Martina Locatelli, Councilor for Youth Policies, Communication and Innovation in Treviolo.

Furthermore, we have joined the excellent initiative called "The culture of work and the excellence of the territory", promoted by the association Terre del Vescovado and the Municipality of Pedrengo, that led to the opening, with the production plants at a standstill, of the Italcanditi site to citizens.

Having achieved the silver medal of Ecovadis, among the major eco-sustainability rating platforms, certifies how our commitment is going in the right direction.

Last but not least, we welcome Ernesto Di Pietro, appointed CEO of the Italcanditi Group during 2023 and with whom we are outlining the next steps and sustainability objectives. Every product, investment, as well as the daily working life of each of us, in Italcanditi will not only be "respectful of" but built and evaluated according to sustainability criteria. This will allow us to carry out our work with satisfaction and pride.

A more direct and personal engagement of all Italcanditi staff, as well as a structured involvement of the top Management, will allow us to continue this Sustainability path in the firm belief that our work will have a positive impact, respecting also future generations.



*Dott. Marco Vladimir Facchinetti, Controller*

# 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.

**5.3**

The rate of recordable work-related injuries

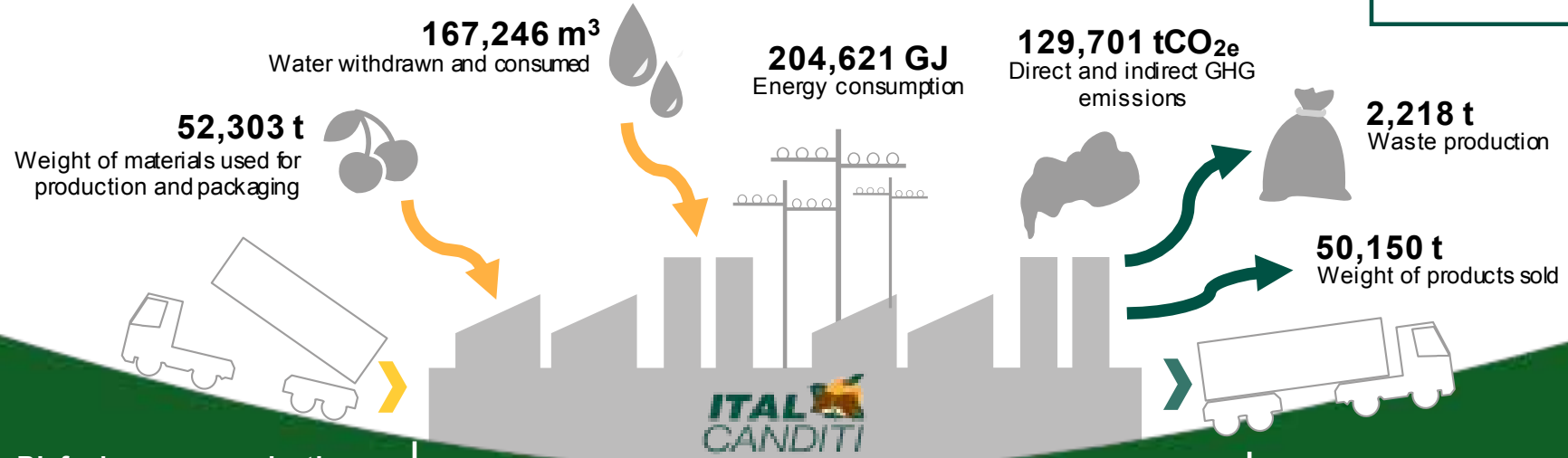
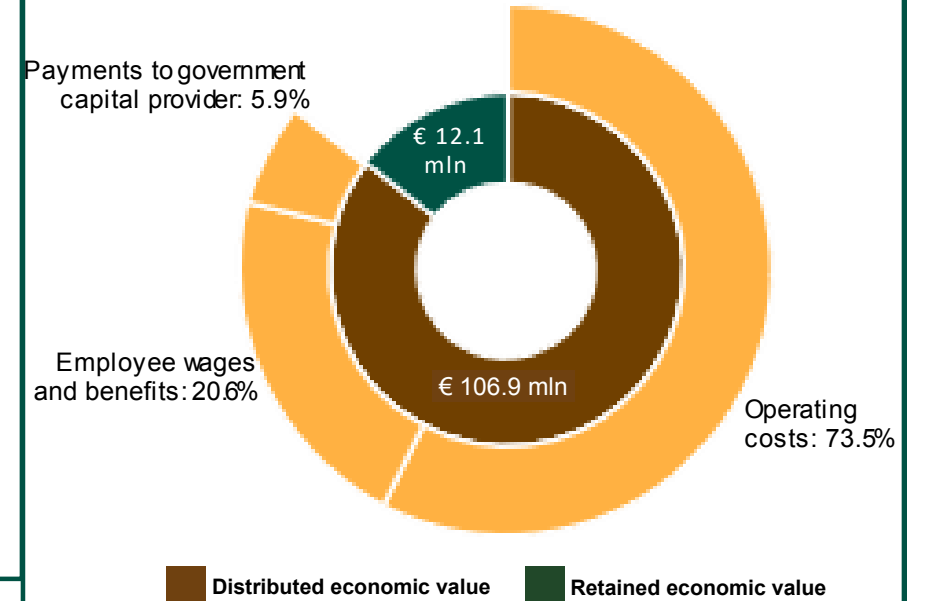
(Number of recordable work-related injuries divided by number of hours worked and multiplied by 200,000)

## 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 2022, our economic value generated came to 118 million euros, thus recording an 14% 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 1,505 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 234 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

93% of the total waste produced was sent to be recycled or reused. In particular, composting accounted for 59% of all the waste disposed of, thus allowing us to recover organic substances from production waste.

## Client-centricity

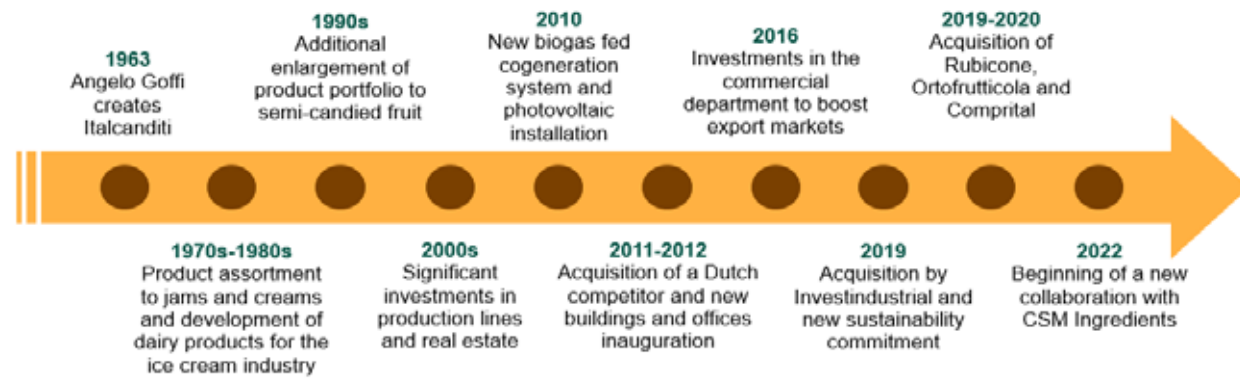
The perfect integration between quality standards and our people's commitment allows for flexibility and speed. These are essential elements in delivering customised products able to satisfy all of our clients' needs. We work closely with our clients' R&D departments to meet all the technical specifications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



# ABOUT US

Italcanditi S.p.A., headquartered in Pedrengo in the province of Bergamo, was founded in 1963 by Angelo Goffi to produce candied fruit and marrons glacés. Having grown progressively from year to year, the company is now present in 40 countries, boasts over 2,000 customers, has a staff of 322 employees and, in 2022, recorded a turnover of 119 million euros. In 2022 Italcanditi became part of an Ingredient-tech Solutions Platform<sup>1</sup> coordinated by CSM Ingredients, which aims to promote the evolution of the food ecosystem by developing increasingly innovative and sustainable solutions.

Italcanditi's reputation is strongly rooted in its advanced research and development capabilities, as well as the quality and breadth of its product portfolio, of approximately 2,500 recipes divided into seven main categories: preparations for yoghurt, jams and fruit preparations, water-based creams, marrons glacés, semi-candied and candied fruit, savoury creams and vegetables. In reference to its product categories, Italcanditi holds a 70% market share in the Italian bakery products industry.



Following its acquisition in 2019 by Investindustrial, a European investment group that manages leading companies, Italcanditi successfully expanded its corporate scope through the acquisition of two companies: Prodotti Rubicone and Comprital Group. Considering the whole business perimeter at the end of 2022 Italcanditi Group could count on 440<sup>2</sup> FTEs<sup>3</sup>.

Regarding our value generation, in 2022 we generated 119 million euros of economic value, thus recording a 14% increase compared to 2021. 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> Drawing upon over a century of industry experience and leveraging significant cross-business synergies, the Ingredient-tech Solutions Platform comprises diverse companies – CSM Ingredients, HI-FOOD, Italcanditi, Comprital, Rubicone, Parker Products and Creative Food Ingredients - united by one, collective purpose: to support the evolution of the food ecosystem enhancing human well-being and planet health.

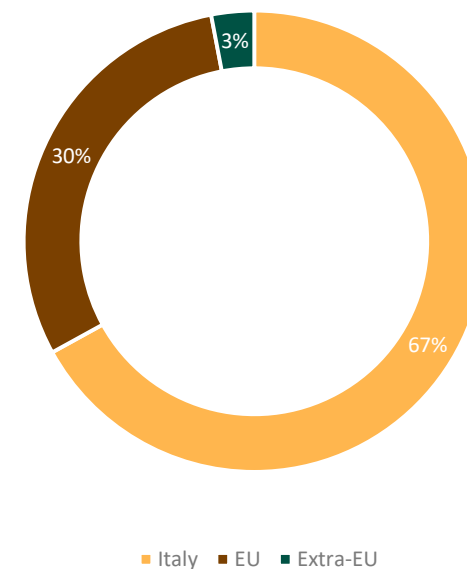
<sup>2</sup> Data refers to the entire Group, thus including the Pedrengo plant, Rubicone and Comprital Group.

<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).

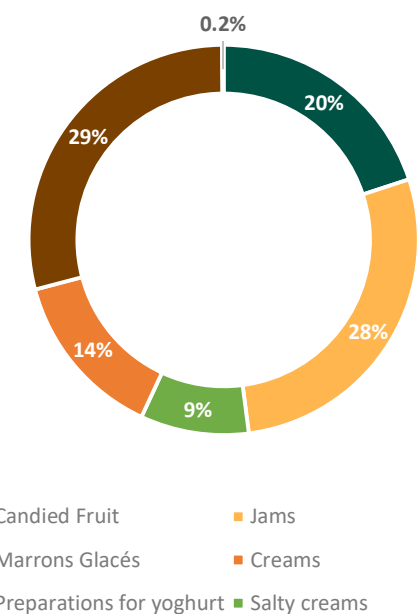
<i>Direct economic value generated and distributed in thousands of €</i>	2020	2021 <sup>4</sup>	2022
<b>Direct economic value generated</b>	<b>97,033</b>	<b>104,386</b>	<b>118,786</b>
<b>Economic value distributed</b>	<b>82,908</b>	<b>92,448</b>	<b>106,708</b>
<i>Operating costs</i>	56,012	62,056	78,362
<i>Employee wages and benefits</i>	20,701	21,783	21,979
<i>Payments to providers of capital</i>	6,006	5,757	5,819
<i>Payments to government</i>	86	2,848	525
<i>Community investments</i>	103	4	23
<b>Economic value retained</b>	<b>14,125</b>	<b>11,938</b>	<b>12,078</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>5</sup>

Revenues, by geographic area (2022)



Revenues, by business line (2022)



<sup>4</sup> Data referring to Direct economic value generated and distributed in 2021 has been updated.

<sup>5</sup> Revenues by geographic area and business line refer to 2022.

We implemented a control and governance system based on a Board of Directors that comprises six members – 1 woman and 5 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>	Goffi Maurizio Pieralfredo
<b>Chief Executive Officer</b>	Aldo Uva
<b>Board member</b>	Caverni Mara Anna Rita
<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 2022 Italcanditi S.p.A. continued the process to define an Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001. The Model is expected to be signed and approved by the Board by the end of 2023 and be fully integrated within Italcanditi in the coming years.

## OUR SUSTAINABILITY PATH

Since the beginning of our path, we adhered to the United Nations Global Compact as the first step we decided to take to formalize our 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, we anticipate that we are confirming our dedication to the movement by embracing the brand-new Communication on Progress Questionnaire, compulsory starting from 2023, that we will fill in and submit in order to guarantee transparency and accountability towards our stakeholders.

A novelty that we are introducing starting from the 2022 reporting is the brand-new impact materiality. We carried out an assessment aiming at identifying and prioritizing the impacts we generate on the economy, environment, people, also considering human rights. Our first step involved conducting a comprehensive evaluation of our activities and value chain to gain a thorough understanding of our operational context and business partnerships. Furthermore, we examined global sustainability trends and carried out a comparative analysis of sustainability reports from our peers and competitors. These evaluations enabled us to identify a list of impacts that encompassed positive and negative, actual and potential, and their consequences for the economy, environment, and people. We then assessed the significance of these impacts by considering their severity and likelihood, ultimately determining which ones were to be considered material to our organisation.

To assess the width of the impacts we generate, we mapped all stages of our value chain, identifying activities managed directly by us (defined as "core") and activities performed by suppliers and other stakeholders, both upstream and downstream. Our value chain encompasses multiple interconnected phases that contribute to creating and delivering our products. The process begins with upstream activities involving the cultivation of agricultural products used in our goods, which are then processed and transported to our production facilities through our inbound logistics network. The core of our value chain involves preparing and cooking our products, as well as the research and development efforts carried out both independently and in collaboration with partners to meet our clients' demands. Subsequently, our products are distributed to end consumers, either directly or after being downstream processed by our clients. Together with our value chain, we also identified the key stakeholders that, according to the upstream-core-downstream scheme, are most subject to Italcanditi's influence or dependence. These actors 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. Finally, in 2022 we took a significant step towards reinforcing our commitment to responsible business practices. We drafted and approved our Supplier Code of Conduct, which sets clear guidelines and expectations for our suppliers. By 2023, we will ensure that this code is effectively implemented within all our contracts, promoting ethical standards throughout our value chain.



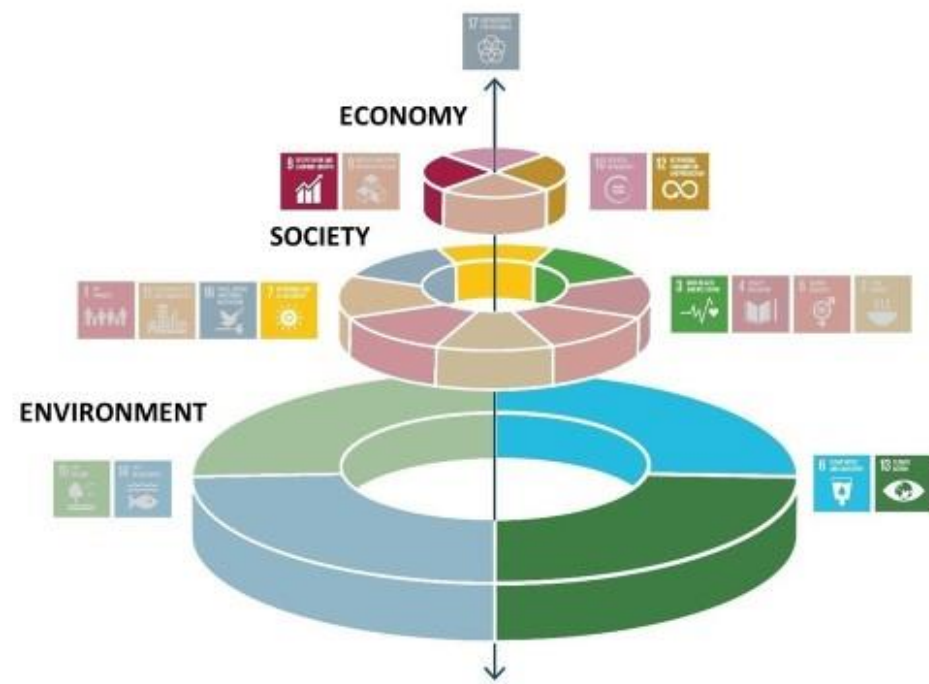
After thoroughly analysing the impacts, we strategically ranked them based on our existing measures to minimise their likelihood and severity. In particular, the severity takes into account three key aspects: the scale, encompassing the impact's magnitude on the economy, environment, and people; the scope, which evaluates the extension of the impact happening throughout the value chain; and the irremediable character. The most relevant ones have then been linked to our material topics, thus constituting the foundation for the reporting exercise engraved in this Sustainability Progress Report. The senior management of Italcanditi was involved in the process and validated the whole analysis and output to ensure accuracy and relevance.

The impact table outlines the material topics that reflect our entire value chain's relevant actual and potential negative and positive impacts, including upstream, core, and downstream activities.

Material topic	Impact	Description	Value chain
Fight against climate change	Climate change caused by greenhouse gas emissions	Energy consumption for cultivation, production and transport, mainly from fossil sources, generates greenhouse gas emissions that contribute to climate change.	Upstream Core Downstream
Waste and Water management	Environmental damage caused by incorrect waste management	Improper waste disposal along the entire Italcanditi value chain, including both packaging and process materials, can have an impact on ecosystems.	Upstream Core Downstream
	Depletion of water resources due to intensive exploitation	Agriculture and food-related activities typically require significant amounts of water in both the direct and upstream stages of the value chain. For this reason, intensive exploitation can lead to serious damage to ecosystems.	Upstream Core

Material topic	Impact	Description	Value chain
Occupational health and safety	Health damage due to workplace accidents	The activities carried out by Italcanditi, including those of suppliers along the value chain, expose workers to various types of health and safety risks and accidents.	Upstream Core Downstream
Human capital development	Failure to develop skills as a result of an inadequate training plan	The absence of adequate training programmes by Italcanditi for its employees could lead to problems with talent attraction and retention, as well as business continuity with regard to the specific skills needed to perform production tasks.	Core
Diversity and equal opportunities	Workplace discrimination due to a lack of supervision	The absence of adequate worker protection practices could lead to cases of discrimination.	Upstream Core Downstream
Human rights safeguard	Human rights violations resulting from inadequate working conditions	The absence of adequate worker protection practices could lead to cases of human rights violations along the entire value chain.	Upstream Core Downstream
Product quality and innovation	Implementation of good practices related to food safety	Product quality and consumer safety are central aspects of Italcanditi's business model, from material selection to traceability.	Upstream Core Downstream
Impact on local communities	Value creation for local communities	Italcanditi has always been attentive to the needs of the local community, taking an active part by supporting charitable initiatives and supporting local organisations.	Core
Business ethics	Consequences on the socio-economic system caused by business practices in violation of regulations	The absence of adequate supervision of suppliers and throughout the entire value chain could lead to the emergence of corruption and unfair business practices in violation of regulations.	Upstream Core

As part of our commitment to sustainability, we intend to address the 17 United Nations Sustainability Development Goals (SDGs) of the 2030 Agenda for Sustainable Development. The SDGs, which were adopted by world leaders in September 2015, aim to eradicate poverty, the mistreatment of human rights, and the unequal distribution of resources while devising effective strategies to promote health, education, and economic growth. In addition to these humanitarian efforts, the goals boldly seek to combat climate change and preserve marine and terrestrial ecosystems. To integrate the SDGs into our activities and initiatives, we draw inspiration from the Stockholm Resilience Centre's "wedding cake": the linear and compartmentalised view of development gives way to an integrated, multi-level paradigm that assumes economies and societies are embedded components of the environment. In addition, the model positions the food sector as the link between all SDGs.



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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.

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






## 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.



## OUR ESG TARGETS

In line with previous years, we want 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 2022 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 five 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 tCO <sub>2</sub> e (2019)	Ongoing
	Purchase of Guarantees of Origin covering 100% of the Italcanditi Pedrengo site's electricity consumption needs by 2023	% of electricity covered with GOs against the total electricity purchased and consumed	0% (2020)	Achieved
	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
	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.

## 60 YEARS OF PASSION FOR FRUIT

### CRAFTSMANSHIP, PASSION AND ENTREPRENEURSHIP

Italcanditi was founded on 23 October 1963 in Pedrengo, from the will and idea of Angelo Goffi and with the help of his partners Giuseppe Bertolotti, owner of a well-known pastry shop in Piazza Pontida, in the heart of Bergamo, and Micheli Pieramabile, owner of a small candied fruit company, the Candifruit in Turin.

The passion that allowed Angelo Goffi to find the strength and tenacity that gave life to Italcanditi also developed thanks to his father. In 1939 Alfredo Goffi took over the Donizzeti pastry shop in upper Bergamo, the old part of the city named "Città Alta", and then bought, in 1942, a small artisan workshop that produced marrons glacés in the center of lower Bergamo, the new part of the city. After the war, more precisely in 1948, Alfredo took over a further room of around 400 Sqm in via San Bernardino, also in Bergamo, where production expanded including candied fruit and jams. In this context, his son Angelo became immediately familiar with the world of pastry making and artisanal production. He learned how to relate to people, handling more and more ingredients and trying to expand production in order to face a continuously growing demand, linked to the recovery that characterized the post-war years. We report an image of the book written by Angelo Goffi in 2019 "Are entrepreneurs born or made?".

Coming back to Italcanditi, whose activity began in 1963, with a factory of 4,500 Sqm and a production capacity of 1,100 tons per year, it saw in the following years an exponential growth, both in terms of volumes and products offered, following at first the evolution of the Italian economy and society, and then of the international/European one. This is also thanks to the entry of his children Patrizia, heading the administration and finance area, and Maurizio, who is currently the President. Among the most important moments that characterized this growth, we remember, in

the 1970s, the birth of the R&D, Research and Development department,

aimed at offering "tailor-made" products to its customers, the

creation, in the mid-1980s, of the first plant for the industrial

production of hydrated creams and, in the late 1980s,

the start of semi-finished fruit products development for

yoghurt. In 2002 the internationalization path led to the

creation of the Vitalfood brand, targeted at characterizing the

entire range of Italcanditi products on the European market.

Since 2019 Italcanditi has been part of Investindustrial, a Private

Equity fund, B-Corp certified, which has brought an increasingly

global, sustainable vision and mindset.



# OUR PEOPLE ARE OUR CORE

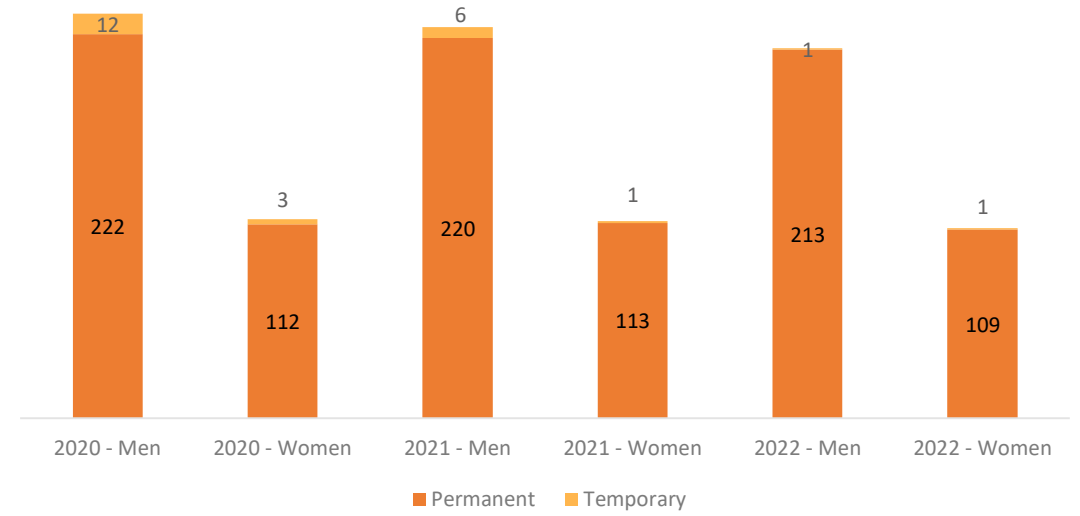
**To us, employees are first and foremost individuals. From the outset, we have therefore worked towards establishing a relationship that goes beyond mere contractual conditions and reflects our organisational structure, which is typical of a family business.**

In 2022, Italcanditi recorded a slight decrease with respect to the previous reporting year in terms of workforce, totalling 353 people (of which 92% are employees, 8% are agency workers, with the addition of 1 intern). In terms of gender, the ratio of male and female employees remained stable, with approximately two-thirds male and one-third female. There is similar yearly stability when it comes to permanent (99.7% share) versus temporary contracts. Furthermore, due to the inherent production-focused nature of our business, a significant proportion of our workers are blue-collar (59%).

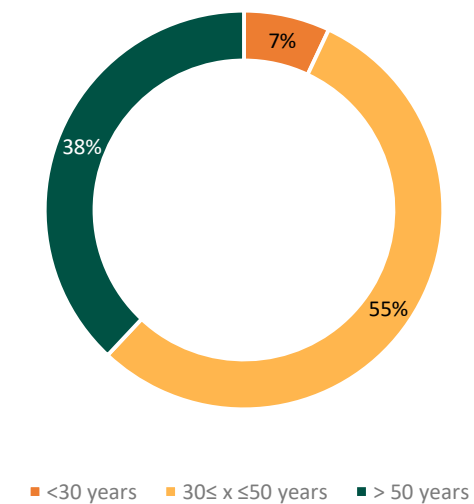
2022 saw an increase in both hiring and turnover rate compared to the previous year. Consolidating 2020 and 2021 performance, we have been developing and focusing on in-house workers in order to take full advantage of their skills and know-how. By the end of the year, the hiring and turnover rates were 17.9% and 22.9% respectively. Given that the seasonality of our workforce is a distinguishing feature, the majority of our product lines experience fluctuations throughout the year. Some food product availability and market demand trends are dependent on specific moments, such as Easter and Christmas, while others depend on the seasonality of fruits. Due to the importance of skilled employees in maintaining the highest quality standards for our products, we have worked diligently to establish close and long-lasting ties with the local community. This affinity with our seasonal workers, who are either on part-time or full-time contracts, is evidenced by the fact that the team is nearly identical from year to year. Therefore, we can rely on dependable and competent employees to execute crucial production tasks with the expertise and adaptability that define our business model.

## Key performance indicators

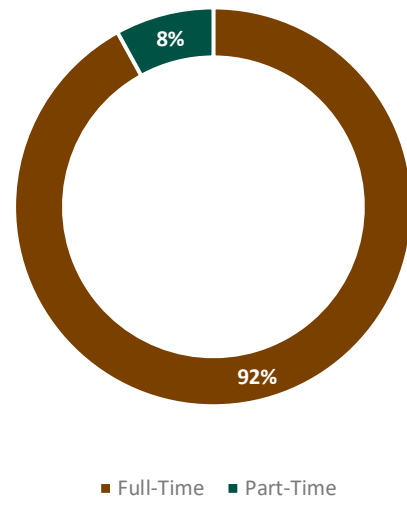
Employees, by contract type and gender



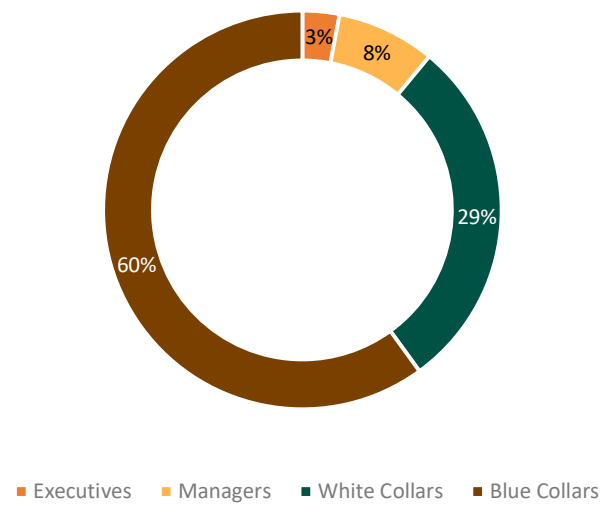
Employees, by age (2022)



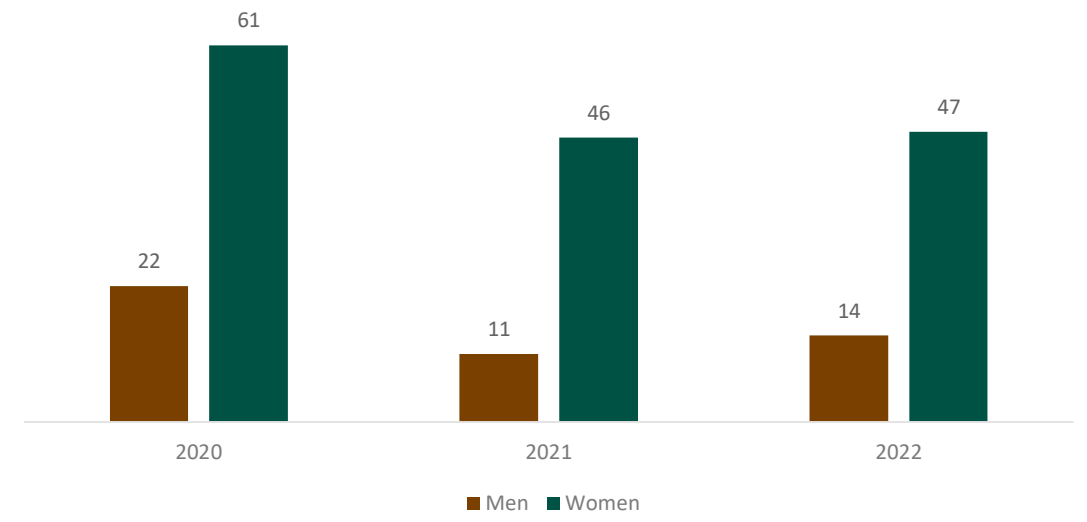
Full-Time and Part-Time employees



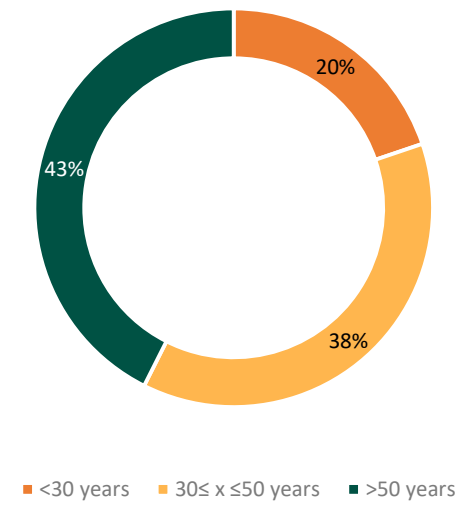
Employees, by category



Hires, by gender



Hires, by age (2022)



## ENHANCING PEOPLES' POTENTIAL

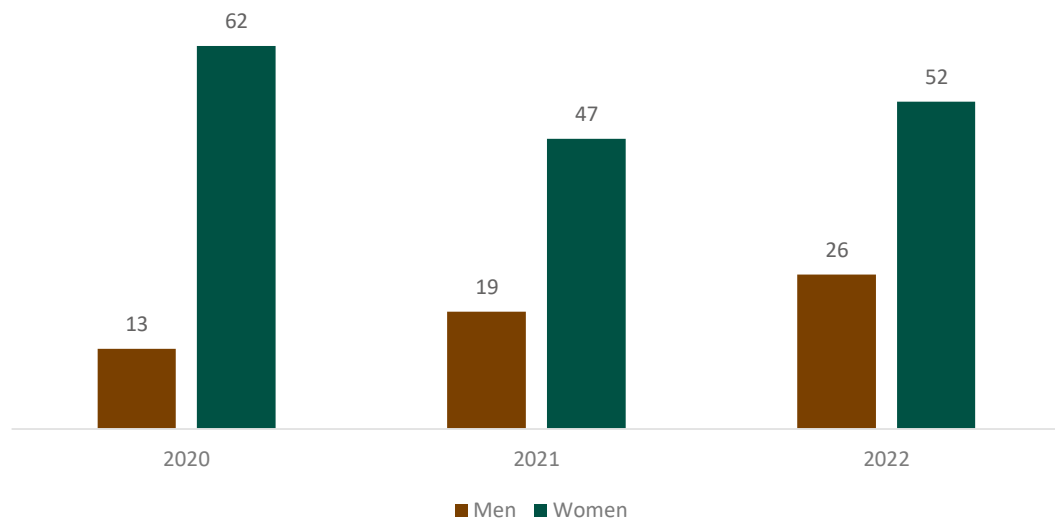
**We place an important focus on our people, driven by the belief that training and development activities are key enablers of safe and high-quality processes. Accordingly, most of the training courses carried out during the reporting period focused on health and safety topics and aspects related to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

Each of our departments is responsible for periodically verifying people's skills and competencies in order to promote their personal and professional growth. In order to ensure the effectiveness of the training programme, the head of each department is the key figure who, based on their relationship with employees, can best identify strengths and areas for improvement. To maintain the highest levels of quality across all forms of training, we rely on on-the-job training, which allows us to maximise their competencies. In addition, to develop the necessary professional skills and increase worker engagement among our office teams, we collaborate with local manufacturing and service company associations and nearby universities to provide language and legislative refresher courses.

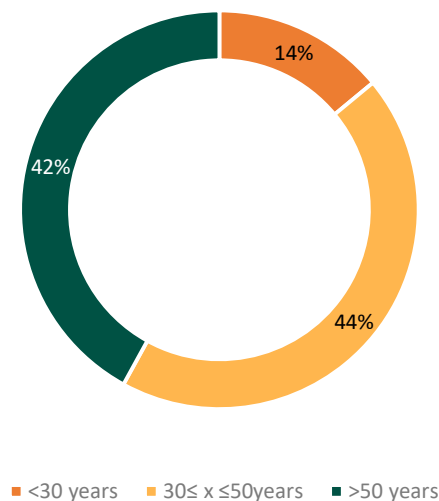
In 2022, 682 training hours were recorded, representing a decrease in training hours provided with respect to 2021. This reduction came as consequence of the periodic nature of a number of courses already held in the previous reporting years. Furthermore, given the rising pressure coming from the markets that affected all the different streams of our value chain in 2022 – from the energy crisis to the increase in raw materials prices, to logistics issues – Italcanditi decided to minimize non-compulsory training in a way to safeguard business stability. 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, in the coming years we plan to focus particularly on the training provided with respect to health and safety topics.

Throughout our journey, we have diligently introduced various initiatives focused on supporting our employees, fostering a sense of well-being, and nurturing a harmonious work-life balance. Our approach reflects the values of a “family business,” where ad hoc measures have been implemented to benefit everyone. Irrespective of their role or position within the hierarchy, all employees are provided with a second-level contract that incorporates the existing collective bargaining agreement, offering additional advantages such as an annual production bonus. Furthermore, we have established formalized procedures to ensure the implementation of practices and diverse initiatives that promote the well-being of our people. These include assistance with tax forms and other programs designed to create a healthy equilibrium between work and personal life.

Termination, by gender

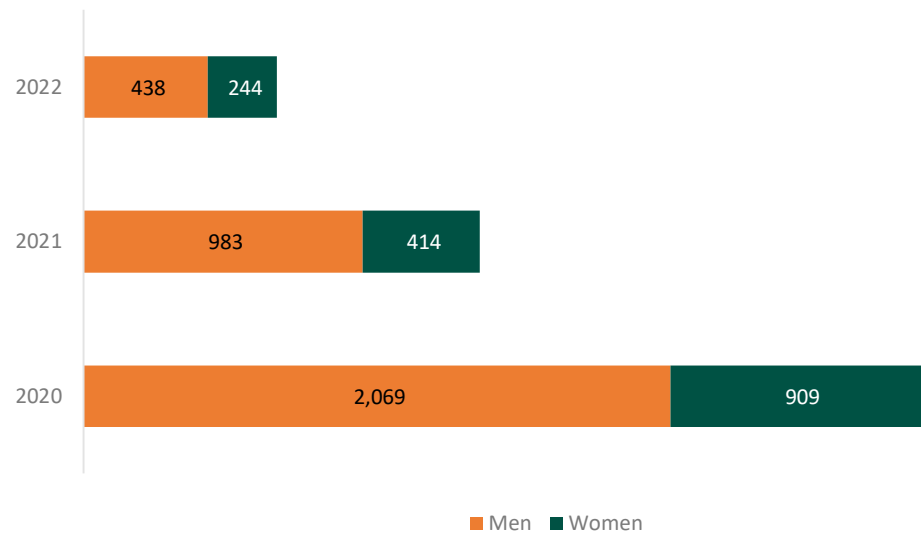


Termination, by age

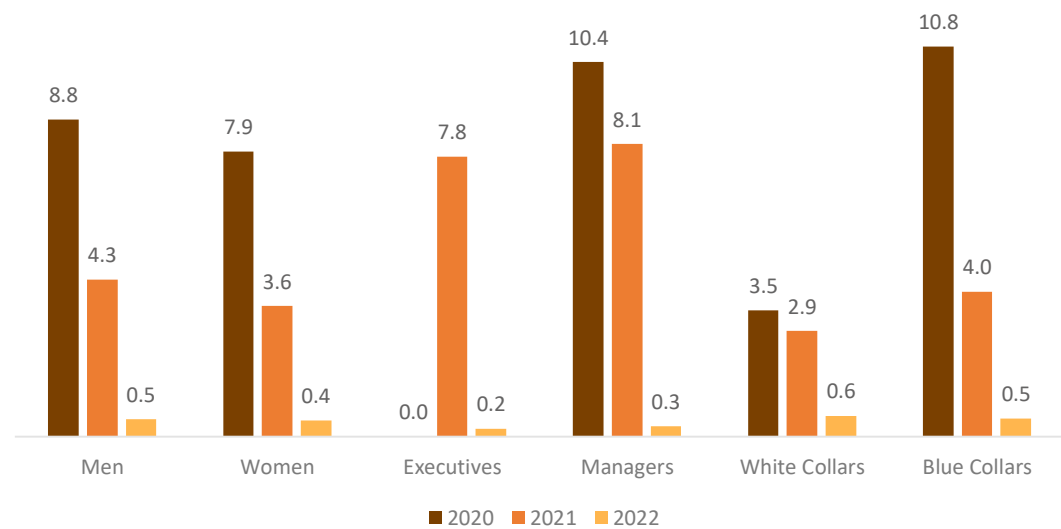




Training hours, by gender



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 2023<sup>8</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. Moreover, in 2022, when calculating working hours and data relating to injuries, we did consider non-employee workers as well: these workers accounted for 134,670 total hours worked and three recordable work-related injuries.

In 2022, we had no high-consequence accidents and 14 recordable employee work-related injuries during the year. Moreover, in our tireless quest to reduce and ultimately end work-related injuries, between 2021 and 2022 we implemented a series of initiatives. Firstly, we installed display screens showing the number of days without an injury to raise awareness of the importance of the subject among employees; we then implemented a monitoring team tasked with identifying health and safety issues through random checks in different operating areas. Furthermore, by the end of 2022, we wrote and disseminated a series of “Golden Rules” to all employees as part of our commitment to reduce accidents. The document outlines both prohibited and mandatory actions to prevent work-related injuries and covers topics such as safety measures when working in confined spaces or while operating heavy machinery. Furthermore, on a weekly basis, we are engaging our people with a questionnaire so as to collect first-hand insights and assess the as-is. These solutions foster a sense of shared responsibility among all members of the organization and hopefully will allow us to lower the number of injuries in the coming years.

In strict adherence to current national and regional regulations, we conduct thorough analyses of accident causes by directly engaging with department heads, employee representatives, and all affected workers. This process was implemented to investigate the incidents that occurred in 2022, to identify areas for improvement and implement measures to mitigate and prevent such occurrences. As a result, we have developed targeted training programs to reduce injuries. These initiatives foster a powerful synergy between production lines and job safety. Together with the Golden Rules, these training courses serve as a further commitment to eliminate work-related injuries throughout all our production lines in the coming years.

<sup>8</sup> The target was originally set for 2020. It has been postponed due to the consequences of the coronavirus pandemic and the crises generated by the conflict in Ukraine.

Key performance indicators			
	2020 <sup>9</sup>	2021	2022
Worked hours	547,562	556,792	530.080
Number of recordable work-related injuries	15	14	14
Number of recordable high-consequence work-related injuries	0	0	0
Recordable fatalities as a consequence of work-related injuries	0	0	0
Injury rate*	5.5	5.0	5.3
High-consequence injury rate**	0.0	0.0	0.0
Lost time injury frequency rate (LTIFR)***	5.5	5.3	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.

## 60 YEARS OF CONNECTION WITH THE COMMUNITY

### VISIT TO ITALCANDITI

Italcanditi's history has always been characterized by a very close bond with the local area and community. From its founding in 1963 to date, the company's headquarters have always remained in Pedrengo, on the outskirts of Bergamo: this has allowed Italcanditi to build solid foundations and a strong relationship with the local community, as well as contribute to generating a positive economic impact on the territory. Indeed, 62% of employees



reside in Pedrengo itself or within 10 km of it. As proof of this strong link with the local community, on October 14, 2023, Italcanditi opened its doors to citizens, promoting, with the plants at a standstill, a visit to the production site, followed by a tasting of its products. This was achieved through the participation in a broader project, which allowed the opening of various production entities in the area, promoting the culture of work by bringing citizens closer to businesses. Here below a comment from Dr. Salvatore Linguanti, Terre del Vescovado Coordinator, whom we thank both for the interest shown in Italcanditi and for his availability and collaboration.

“Terre del Vescovado is a tourism committee that manages the territorial promotion of sixteen municipalities in the eastern part of the province of Bergamo. During the year 2023 we have organized a series of initiatives called “The culture of work and the excellences of the territory”. Within this initiative we had the opportunity to visit Italcanditi thanks to the Mayor of Pedrengo, Simona D’Alba, the Goffi family and Ernesto Di Pietro, Italcanditi CEO, who immediately welcomed our proposal with great enthusiasm. It is also compulsory to thank the “Uninterrupted Productions” project, promoted by the Bergamo Library Network for the event Bergamo-Brescia Italian Capital of Culture, which gave us the opportunity to develop this series of events throughout 2023. “The culture of work and the excellence of the territory” initiative starts from an important objective: to tell and share the “stories” of the great entrepreneurs and their companies, who have made our territory recognized as an excellence not only inside Bergamo boundaries, but also within Italian and European ones. During the visit to Italcanditi we retraced the history of the Company up to the present day, in which it became part of the prestigious Investindustrial group. It was also a unique opportunity to visit the production departments, discovering the processes underlying the many delicacies that have always characterized Italcanditi. The passion and the attention to every detail, as well as the love for the highest quality products were the common thread of our visit to the company.”

<sup>9</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 2022, our energy consumption amounted to an overall 204,621 GJ, thus recording a 6% decrease with respect to the 2021 data mainly due to a decrease in production. Fuels for production purposes represent 88% of our energy demand<sup>10</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.

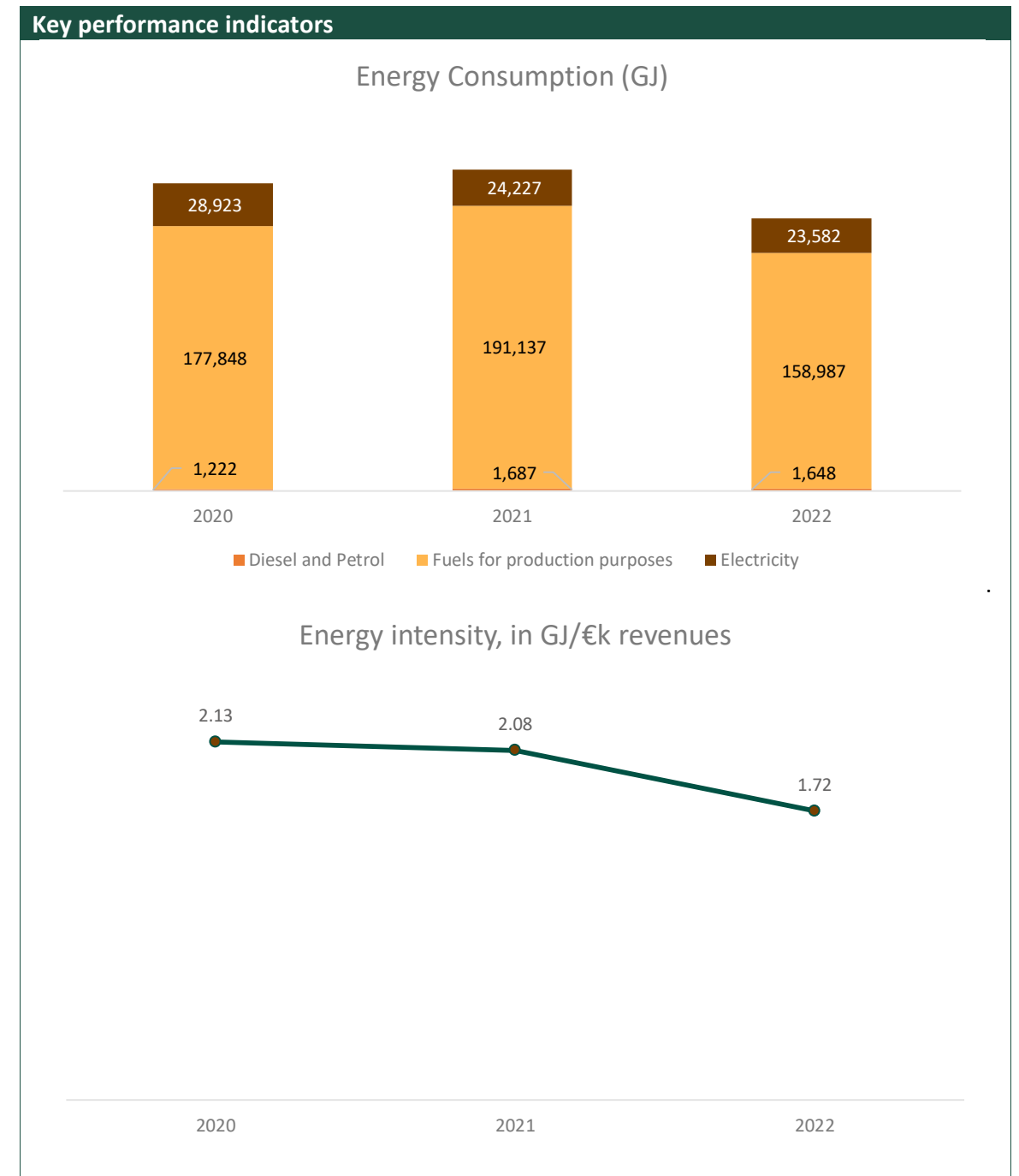
Cogeneration consists of the production of combined heat and power (CHP). The most common cogenerators take advantage of fuel combustion to generate electricity and recover heat. A specific application of this concept is trigeneration (CCHP, i.e. combined cooling, heat and power), which uses thermal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

As of today, all the energy generated from our trigeneration system, fuelled by natural gas, is entirely consumed: heat and cooling are used in production processes, together with electricity which serves offices as well. Our cogeneration system is powered by biogas derived from anaerobic digestion at the wastewater treatment plant. While the heat produced by the combustion process in the cogenerators is used internally for production purposes, the electricity is sold to the national grid. In 2022 alone, we supplied 1,505 MWh of electricity to the national grid, contributing to a reduction in the carbon intensity of Italy's energy mix.

Electricity consumption constitutes the remaining 11% of our energy needs, whereas the fuels consumed by our car fleet accounted for less than 1%. Additionally, energy consumption for food preservation is a significant factor, necessitating a temperature range spanning from -25°C to +4°C. Approximately 4% of electricity consumption

<sup>10</sup> Fuels for production purposes are composed by natural gas and fuel oil used to carry out trials.

is covered by renewable energy generated through photovoltaic panels, which were initially installed in 2011 and gradually upgraded with newer, higher-performance ones. This renewable electricity is equivalent to approximately 74 tCO<sub>2</sub> of avoided emissions. In 2022, to achieve our target of increasing our photovoltaic panels further to reach 300 kW, we completed the installation of new panels, which will allow us to reach our goal by 2023.



## OUR CARBON FOOTPRINT

As part of our sustainability journey, we continued to monitor the greenhouse gas (GHG) emissions generated both in our operations and across 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 2022, direct emissions amounted to 11,380 tCO<sub>2</sub>e, a small decrease with respect to 2021 mainly attributable to reduced natural gas consumption. The most significant contributors to these emissions are the combustion of fuels for boilers, heating, cogeneration and trigeneration systems (93%), followed by refrigerant gas refills for refrigerating rooms (6%) and car fleet related emissions (1%).

In 2022, indirect energy-related emissions amounted to 1,990 tCO<sub>2</sub>e, accounting for the electricity purchased from the national grid only. Following our target to further reduce our emissions, in 2022 we purchased Guarantees of Origin for 100% of the electricity acquired, consequently reducing our Scope 2 market-based emissions to 0 tCO<sub>2</sub>e. 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, we continued to update our other indirect Scope 3 emissions, which contribute to a significant 91% of our total greenhouse gas emissions. These emissions encompass various upstream categories. Notably, the procurement of goods and services (Category 1) constitutes 83% of our Scope 3 emissions, overwhelmingly impacting our environmental footprint. Additionally, the transportation of products to and from our production facility (Category 4) contributes 13% to our Scope 3 emissions. Combined, our overall downstream Scope 3 indirect GHG emissions amounted to 118,321 tCO<sub>2</sub>e.

Reported GHG Scope 3 emissions categories <sup>11</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>11</sup> The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard – Revised edition.





## CARBON OFFSETTING PROJECTS

As a complement to Italcanditi's initiatives to manage and reduce its absolute greenhouse gas ("GHG") emissions, the Company has since 2020 purchased carbon credits to compensate for ("offset") its [residual] Scopes 1 and 2 operational emissions. The Company's primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, Italcanditi also provides carbon financing to climate mitigation projects beyond its value chain. As each credit corresponds to the reduction (or removal) of one ton of CO<sub>2</sub> equivalent (CO<sub>2</sub>e), the Company can – under voluntary carbon market standards and guidance – claim it has reached carbon neutrality (Scope 1 and 2) in a given year by purchasing credits to offset its [residual] emissions. From the outset, the two projects from which Italcanditi has purchased carbon credits are the "Great Bear Forest Carbon" and the "Guatemalan Conservation Coast" projects. These two projects were chosen because of their strong credentials on environmental and biodiversity issues as well as their social initiatives.

The Great Bear Forest<sup>12</sup> covers c. 6.4 million hectares of north and central coast in British Columbia in Canada and is home to the First Nations people who have inhabited this land for up to 10,000 years. This rare and rich ecosystem is also home to rare species of plants and animals (including the Kermode Bear). The aim of this project is to improve forest management in the region, generating emission reductions through the protection of forest areas that were 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 Guatemalan Conservation Coast programme<sup>13</sup> works to address 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 tree 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 1,141 jobs for indigenous and local communities (41% held by women).

<sup>12</sup> The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 104000000011319, Great Bear (Haida Gwaii) 104000000011559 and Great Bear (North and Central-Mid Coast) 104000000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

<sup>13</sup> The Guatemalan Conservation Coast project is registered on the Verra registry, REDD+ Project for Caribbean Guatemala: The Conservation Coast 1622, applies Verra's Verified Carbon Standard (VCS Standard v4.3 VM0015) and the Climate, Community and Biodiversity Standards v.3.1, and will generate carbon credits from avoided unplanned deforestation representing c. 22 million tonnes of CO<sub>2</sub>e.

Key performance indicators					
	GHG emissions	UoM	2020	2021	2022
<b>Direct emissions (Scope 1)</b>		<b>tCO<sub>2</sub>e</b>	<b>11,717</b>	<b>11,667</b>	<b>11,380</b>
Refrigerant gas refills for refrigerating rooms and air conditioning		tCO <sub>2</sub> e	1,567	434	714
Car fleet		tCO <sub>2</sub> e	91	118	117
Fuels for boilers, heating, and cogeneration and trigeneration systems		tCO <sub>2</sub> e	10,059	11,115	10,548
<b>Indirect emissions (Scope 2) – Location-based</b>		<b>tCO<sub>2</sub></b>	<b>2,616</b>	<b>2,048</b>	<b>1,990</b>
<b>Indirect emissions (Scope 2) – Market-based</b>		<b>tCO<sub>2</sub>e</b>	<b>3,627</b>	<b>542</b>	<b>0</b>
<b>Other indirect emissions (Scope 3)</b>		<b>tCO<sub>2</sub>e</b>	<b>92,525</b>	<b>119,098</b>	<b>118,321</b>
<b>Total – Location-based</b>		<b>tCO<sub>2</sub>e</b>	<b>106,858</b>	<b>132,814</b>	<b>131,691</b>
<b>Total – Market-based</b>		<b>tCO<sub>2</sub>e</b>	<b>107,869</b>	<b>131,307</b>	<b>129,701</b>
	GHG emissions	UoM	2020	2021	2022
<b>Other indirect emissions (Scope 3)</b>		<b>tCO<sub>2</sub>e</b>	<b>92,525</b>	<b>119,098</b>	<b>118,321</b>
1 - Purchased goods and services		tCO <sub>2</sub> e	76,268	90,608	98,456
2 - Capital goods		tCO <sub>2</sub> e	-	1,045	2,206
3 - Fuel- and energy-related activities		tCO <sub>2</sub> e	1,780	2,591	2,457
4 - Upstream transportation		tCO <sub>2</sub> e	14,127	24,547	14,907
5 - Waste generated in operations		tCO <sub>2</sub> e	117	67	64
6 - Business travel		tCO <sub>2</sub> e	6	2	5
7 - Commuting		tCO <sub>2</sub> e	228	236	225

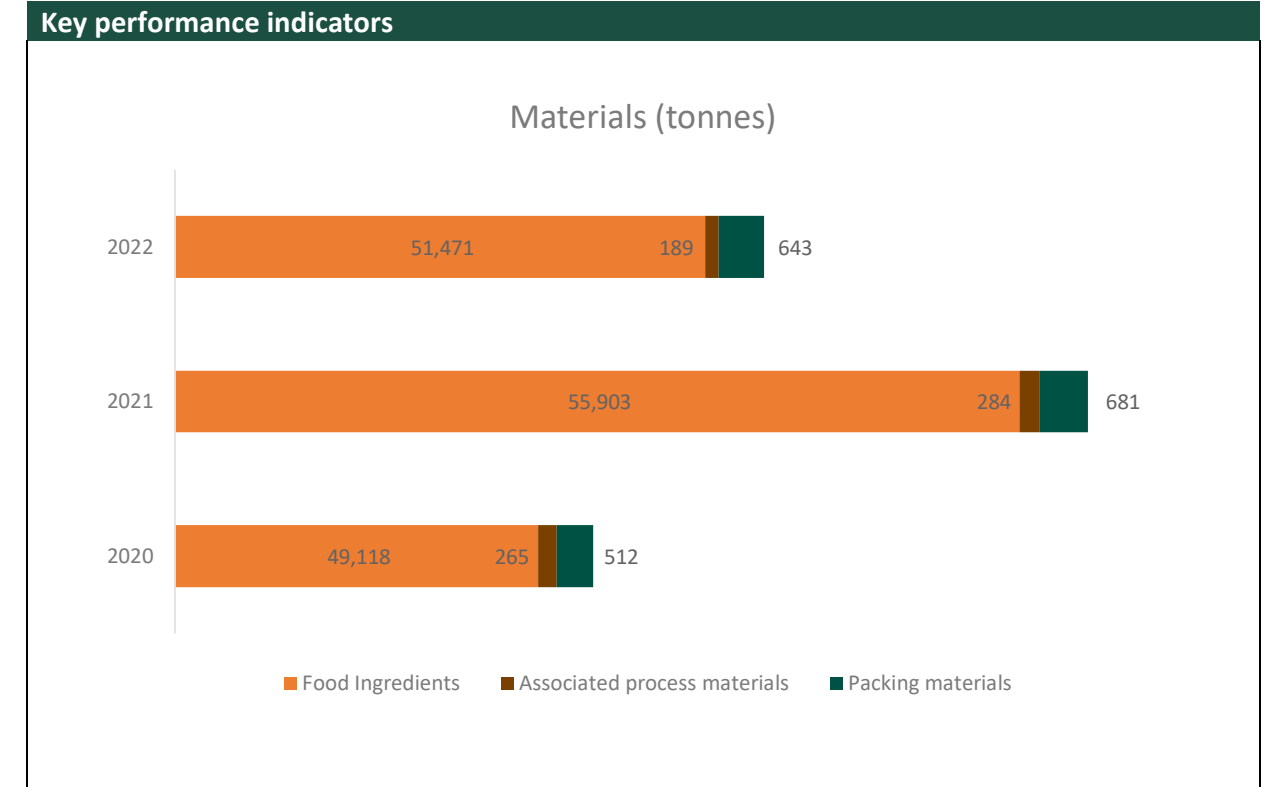
## MATERIAL CONSUMPTION AND SUSTAINABLE PACKAGING

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 (0.4%).

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 2022, we saw a decrease in all the categories monitored (-8% for food ingredients, -33% for process materials, -6% for packaging materials) as a direct consequence of the widespread procurement difficulties caused by the war in Ukraine and general market instability.

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

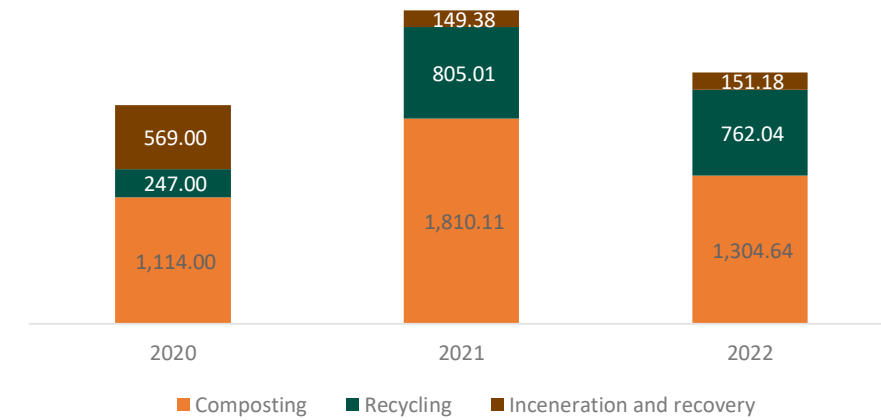
A fundamental aspect of our daily operations is responsible waste management. The composition of our waste can be categorised into two main groups. On the one hand, we manage almost exclusively paper and cardboard packaging that accompanies the materials we receive from our suppliers. On the other hand, we generate organic waste through food filtration and processing, fruit stone separation, and wastewater treatment.

The efficient use of water resources is another key aspect of our environmental footprint since, in 2022 alone, we consumed 167,246 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.

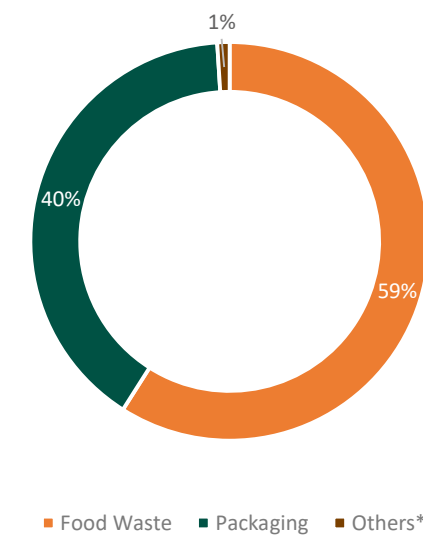
The water used for production purposes is then treated in our two water treatment plants, which are able to treat between 30 and 50 m<sup>3</sup> of water per hour on average. Besides lowering the levels of organic substances present in the wastewater, we also produce biogas through the anaerobic digestion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

## Key performance indicator

Waste, by disposal method (tonnes)



Waste, by composition (2022)



\*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 employees commitment allows for flexibility and speed. These are essential elements in delivering customised products capable of satisfying all clients' needs.**

Client centricity is a fundamental characteristic of our way of both carrying out daily activities and structuring long-term strategies. According to the input of business partners, we chose food ingredients and design ad hoc manufacturing processes to ensure that production perfectly adheres to the requests outlined. This process begins with the relationship with supply chain: roughly 90% of our suppliers are based in the European Union. This ranges from small businesses to multinational corporations that specialise in agriculturally processed food products. Italcanditi chooses them based on product specifications and volume to guarantee the highest level of quality and client satisfaction.

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 adherence to labelling requirements. Furthermore, 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. Due to the close relationships we cultivate across our value chain and the fundamental significance that traceability bears in product quality, in 2021, we were able to promptly manage an ethylene oxide issue as soon as we received an alert from a supplier about some batches containing ETO traces. As a direct result, we have subsequently increased our quality control to prevent similar issues from happening 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, between 2021 and 2022, we experimented and introduced new flavour ideas. In 2021, we collaborated with two Italian companies, Bionap and Boniser, on a new project. We embarked on the task of developing a unique flavour using the prickly pear and its blades, with an emphasis on minimizing food-related waste to zero. The result of this undertaking was an addition to our 2022 product collection. Furthermore, we identified great millet as a key raw material and successfully integrated it into our product range during the same year. 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.

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 sterilization 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>Rainforest Alliance</i>	Sustainable farming of cocoa.



## APPENDIX

Social data <sup>14</sup>	2020	2021	2022
<b>Total number of Full Time Equivalent (FTE) employees at the end of the reporting period</b>			
Male	316.2	307	297.8
Female	155.5	142.7	142.3
<b>Total</b>	<b>471.7</b>	<b>449.7</b>	<b>440.1</b>
<b>Number of Full Time Equivalent (FTE) employees at the end of the reporting period, excluding external growth</b>			
Male	232.2	224	297.8
Female	107	106	142.3
<b>Total</b>	<b>339.2</b>	<b>330.2</b>	<b>440.1</b>
<b>Number of Senior Management / C-Suite</b>			
Male	7	8	6
Female	2	1	1
<b>Total</b>	<b>9</b>	<b>9</b>	<b>7</b>
<b>Voluntary employee turnover rate</b>	2.8%	4%	0%
<b>Presence of a workers' council</b>	Yes	Yes	Yes
<b>Lost time injury frequency rate (LTIFR)</b>	5.5	4.4	4.5
<b>Accident severity rate</b>	0.9	0.9	0.6
<b>Absentee rate</b>	4.6%	4.5%	6.3%

Environmental data <sup>15</sup>	2020	2021	2022
<b>Presence of an Environmental Manager</b>	Yes	Yes	Yes
<b>Total electricity consumption met via renewable energy sources (kWh)</b>	248,690	5,547,083	6,550,681
<b>% renewable electricity</b>	3.1%	82.4%	100%
<b>Energy consumption (kWh)</b>	57,776,231	60,292,001	56,839,126

<sup>14</sup> Social data include Comprital Group and Prodotti Rubicone.

<sup>15</sup> Environmental data cover Italcanditi S.p.A. perimeter.

## 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”.

### SCOPE OF REPORTING

This document includes a description of initiatives and activities carried out from the 1st of January to the 31st of December 2022, as well as the related key performance indicators presented for the 2020–2022 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).

### MATERIAL TOPICS AND GRI

The following table provides the link between our material aspects and the corresponding GRI Standards topics.

Our material topics	GRI material aspects
Human capital development	Training and education
Fight against climate change	Energy
	Emissions
Human rights safeguard	Labour-management relations
Occupational health and safety	Occupational health and safety
Waste and Water management	Waste
	Water and effluents
Product quality and innovation	Marketing and labelling
	Customer health and safety
	Materials
Impact on local communities	Economic Performance
Diversity and equal opportunities	Employment
Business ethics	Procurement practices
	Suppliers environmental assessment
	Suppliers social assessment

### 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
<i>Fuel density</i>	l/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022
<i>LCV (Lower Calorific Value)</i>	GJ/t	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022



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, 2020, 2021, 2022	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, 2020, 2021, 2022	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 IPCC Fifth Assessment Report (AR5) and sixth Assessment Report (AR6).

Refrigerant gas blends for which a conversion factor was not available were taken from available data provided by suppliers, while the Global Warming Potentials (GWPs) was taken from IPCC Fifth Assessment Report (AR5) and sixth Assessment Report (AR6).

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 1

Source	Activity data	Emission factor	GWP
Electricity purchased from the national grid – Location-based	Electricity consumption (kWh)	Terna international comparisons on Enerdata figures, 2019, 2020	Only CO <sub>2</sub> emissions have been considered.
Electricity purchased from the national grid – Market-based	Electricity consumption (kWh)	AIB, European Residual Mixes, 2019, 2020, 2021	CO <sub>2</sub> equivalent has been considered.

Scope 3 emissions estimates include indirect emissions. In 2022, 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 2022 ledgers: relevant investments were classed as those exceeding 10k as the relevance threshold; upstream transportation (Cat. 4) does not include refrigerated services.

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
Transportation of sold goods	Product shipped (km*tonne)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022	CO <sub>2</sub> equivalent has been considered.
Business travel by air	Kilometres	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors – Full set, 2020, 2021, 2022	CO <sub>2</sub> equivalent has been considered.
Business travel by train	Kilometres	Ferrovie dello Stato Italiane, “Rapporto di Sostenibilità”, 2020, 2021 ecoinvent v3.9.1	Only CO <sub>2</sub> emissions have been considered.
Materials procured (Cat. 1)	Weight of raw, process and packaging materials procured	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO <sub>2</sub> equivalent has been considered.
Water withdrawal (Cat. 1)	Cubic metres of water withdrawn	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO <sub>2</sub> equivalent has been considered.

Source	Activity data	Emission factor	GWP
Capital goods (Cat. 2)	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.
Fuel- and energy-related activities (Cat. 3)	Fuel and electricity consumption	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	CO <sub>2</sub> equivalent has been considered.
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, 2022	CO <sub>2</sub> equivalent has been considered.
Waste disposal (Cat. 5)	Weight of waste disposed	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factor – Full set, 2020, 2021, 2022	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, 2022	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, 2022  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, 2022  Ferrovie dello Stato Italiane, “Rapporto di Sostenibilità”, 2020, 2021	CO <sub>2</sub> equivalent has been considered.

## GRI DISCLOSURES

The material of the present Sustainability Progress Report references the following GRI Disclosures. If not otherwise specified, the Disclosures applied have been used in full.

## GRI CONTENT INDEX

Statement of use	Italcanditi S.p.A. has reported with reference to the GRI Standards for the period 01.01.2022 – 31.12.2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not currently available.

	Disclosure	Page	Notes
<i>GRI 2: General Disclosures 2021</i>	2-1 Organizational details	8, 46	
	2-2 Entities included in the organization's sustainability reporting	8	The consolidated perimeter is the same in the financial and non-financial reporting
	2-3 Reporting period, frequency and contact point	52	The reporting period of the financial disclosure is the same as for the Sustainability Progress Report
	2-4 Restatements of information		Restatements and related reasons for restatements are clearly identifiable within the text.
	2-5 External assurance		The report has not been subjected to external assurance
	2-6 Activities, value chain and other business relationships	8, 11	No significant changes to the organisation's size, structure, or supply chain were recorded in the reporting period.
	2-7 Employees	18	
	2-8 Workers who are not employees	18	
	2-12 Role of the highest governance body in overseeing the management of impacts		The policies and commitments are approved and signed by the CEO, and they are periodically updated and renovated.
	2-22 Statement on sustainable development strategy	4	
	2-23 Policy commitments		Commitments are published at operating companies' level (Sustainability Policy).
	2-27 Compliance with laws and regulations		During the reporting period, no cases of non-compliance with laws and regulations have been detected.
	2-29 Approach to stakeholder engagement	11, 12	
	2-30 Collective bargaining agreements		100% of all employees is covered by collective bargaining





Material topics	Disclosure	Notes
GRI 3: Material Topics 2021	3-1 Process to determine material topics	
	3-2 List of material topics	
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 204: Procurement practices (2016)	204-1 Proportion of spending on local suppliers	
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	
	302-3 Energy intensity	Energy intensity accounts for the energy consumption within the organisation only
Water		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 303: Water and Effluents 2018	303-5 Water consumption	The water consumed was withdrawn from areas not categorised as high risk.

Material topics	Disclosure	Notes
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
Supplier environmental assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 308 – Supplier environmental assessment (2016)	308-1 New suppliers that were screened using environmental criteria	To date, new suppliers are screened using environmental criteria only if required by clients.
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
Labor-management relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 402 – Labor-management relations (2016)	402-1 Minimum notice periods regarding operational changes	No minimum notice period regarding operational changes is specified.

Material topics	Disclosure	Notes
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 403: Occupational health and safety 2018	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	
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	
Supplier social assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 414 – Supplier social assessment (2016)	414-1 New suppliers that were screened using social criteria	To date, new suppliers are screened using social criteria only if required by clients.

Material topics	Disclosure	Notes
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
Marketing and labelling		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 417 – Marketing and labelling (2016)	417-2 Incidents of non-compliance concerning product and service	No incidents of non-compliance concerning product and service information and labelling were recorded in the reporting period.





This live-painting was held in June 2023 within a socio-cultural event in the Municipality of Treviolo called Treviva.

A sincere and dutiful thank you to Etsom, to the children and educators of the SFA of Treviolo “Officina di Merlino”, to all the staff of Treviva, to the Councilor for Youth Policies, Communication and Innovation Martina Locatelli, to the Councilor for Ecology Mauro Pesenti and Luca Bigoni for the not easy task of fixing the panel to the wall and, last but not least, Luca Canevari, Esseci Trasporti, for the logistics.



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