

**A new
path**

Our 2030 Agenda

SUSTAINABILITY
REPORT
DELLA TOFFOLA
GROUP
2021

DELLA TOFFOLA GROUP

Sustainability Report

First edition | year 2021





**Table of
contents**

INTRODUCTION

Our roadmap	04
Why this report	06

DELLA TOFFOLA GROUP

1.1 Identity	10
1.2 The Group	12
1.3 The History	20
1.4 Structure and Governance	26
1.5 Our ethic of business	28
1.6 Products and services	34
1.7 Markets and supply chain	38
1.8 Economic results	40

OUR PLAN FOR THE FUTURE

2.1 The reference scenario	46
2.2 Our Stakeholders	48
2.3 The materiality analysis	52
2.4 Our ESG strategy	54
2.5 Our ESG action plan	56

OUR SUSTAINABILITY GOALS

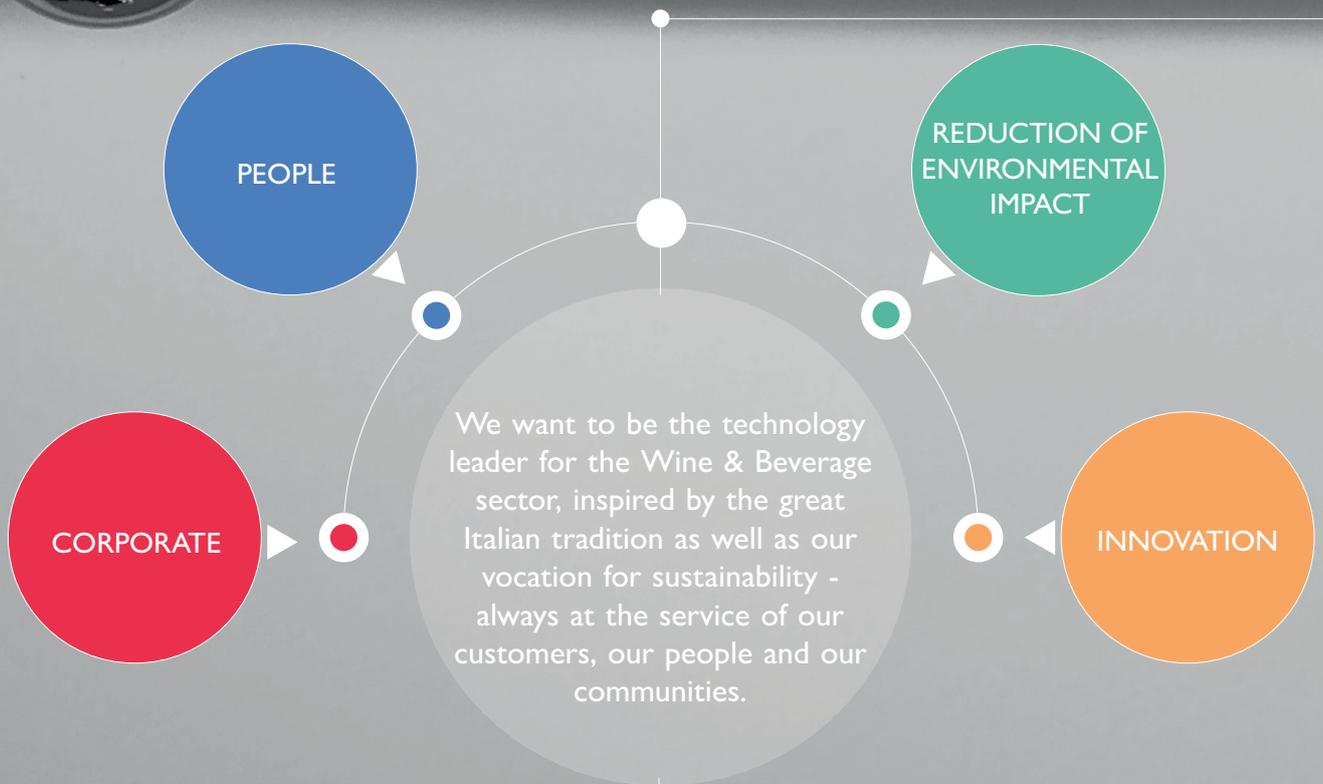
3.1 Pillar I: Corporate	60
3.1.1 Where we start from	62
3.1.2 Where we want to get to	64
3.2 Pillar II: People	66
3.2.1 Where we start from	72
3.2.2 Where we want to get to	84
3.3 Pillar III: Reduction of environmental impact	86
3.3.1 Where we start from	88
3.3.2 Where we want to get to	98
3.4 Pillar IV: Product innovation	100
3.4.1 Where we start from	102
3.4.2 Where we want to get to	106

APPENDIX

Methodological note	108
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Our roadmap

VISION



ESG (Environmental, Social, Governance)

How we want to grow (integration of social and environmental aspects in corporate decision-making processes)

Digital

Promote a digital transition by exploring technologies

Service

Guide the customer throughout the entire product life cycle

GROWTH DRIVERS

STRATEGIC GOALS

CORPORATE

1

Becoming an industry benchmark for ethics and integrity

2

Promote a culture of transparency and involvement toward all stakeholders

3

Become the trusted advisor in the reference market

4

Adopt a risk management approach

5

Obtain B-CORP certification

PEOPLE

6

Implementing a safety culture based on the zero-accident mindset

7

Creating a work environment oriented towards people's well-being

8

Create an organisation based on the values of Gender equity and Diversity

9

Invest in the personal and professional growth of all employees

10

Become active players in the territory

11

Become a highly attractive company to new talents

IMPACTS REDUCTION

12

Achieving Group Net Zero Emission by 2030

13

Building a green and circular energy model

14

Develop a circular materials management model

15

Minimise water consumption

16

Implement an Environmental Management System

17

Make working environments ecofriendly

INNOVATION

18

Orient all development product to generate benefits of sustainability (energy / water / space / circularity).

19

Offer our customers a complete and innovative service with integrated and smart products

20

Revisiting product offerings in key of servitization

Why this report

The last few months have been characterized by **profound uncertainty**: the continuation of the pandemic, the commodity price crisis, the unavailability of electronic components, and now the conflict in Ukraine.

A certainly complex global scenario that makes even more evident the importance of being part of a large Group **with solid values, the ability to govern change and turn difficulties into opportunities and with the shareholders support, who guarantee us financial stability and resilience over time.**

At the beginning of 2022, the Italian Parliament amended **Articles 9 and 41 of our Constitution** by incorporating the principles of sustainable development and intergenerational justice into the founding law of our country (Constitutional Law February 11, 2022 No. 1). This is a great step forward that emphasizes the inherent interdependence between humans and the environment, between economy and society.

In fact, in Della Toffola we believe that businesses, alongside institutions and citizens, have **great responsibility** in charting the course of a **new way of generating development**, pursuing the proper remuneration of shareholders, contributing to meeting the needs of the community while protecting the environment and the people.

The year 2021 marked an important step for us: we consolidated the **process of reorganization** of the Group initiated in late 2020 with the entry of the InvestIndustrial fund into the shareholder base.

The definitive transition from a family business to a management company has prompted us to assert with conviction the primacy of our social purpose - **our purpose** - by placing it at the center of the growth project through the definition of ambitious sustainable growth goals from an ESG perspective.

This document is the story of how we wanted to set up our project from a renewed corporate vision inspired by a great sustainability ambition. **We want to be the technology leader for the Wine & Beverage sector, inspired by the great Italian tradition as well as our vocation for sustainability - always at the service of our customers, our people and our communities.**

The following pages are the result of work **that has involved all the Company's teams** - from production to marketing, from research and development to sales, from personnel to finance - with the aim of helping to bring about sustainable growth conditions for our people and for the ecosystem in which we operate.

Therefore, it is not a matter of recounting a path made but of **engaging all our stakeholders**, starting with our people, our shareholders and our partners, **to realize our sustainability vision and ESG strategy.**

Enjoy reading.

Andrea Stolfa, CEO Della Toffola Group

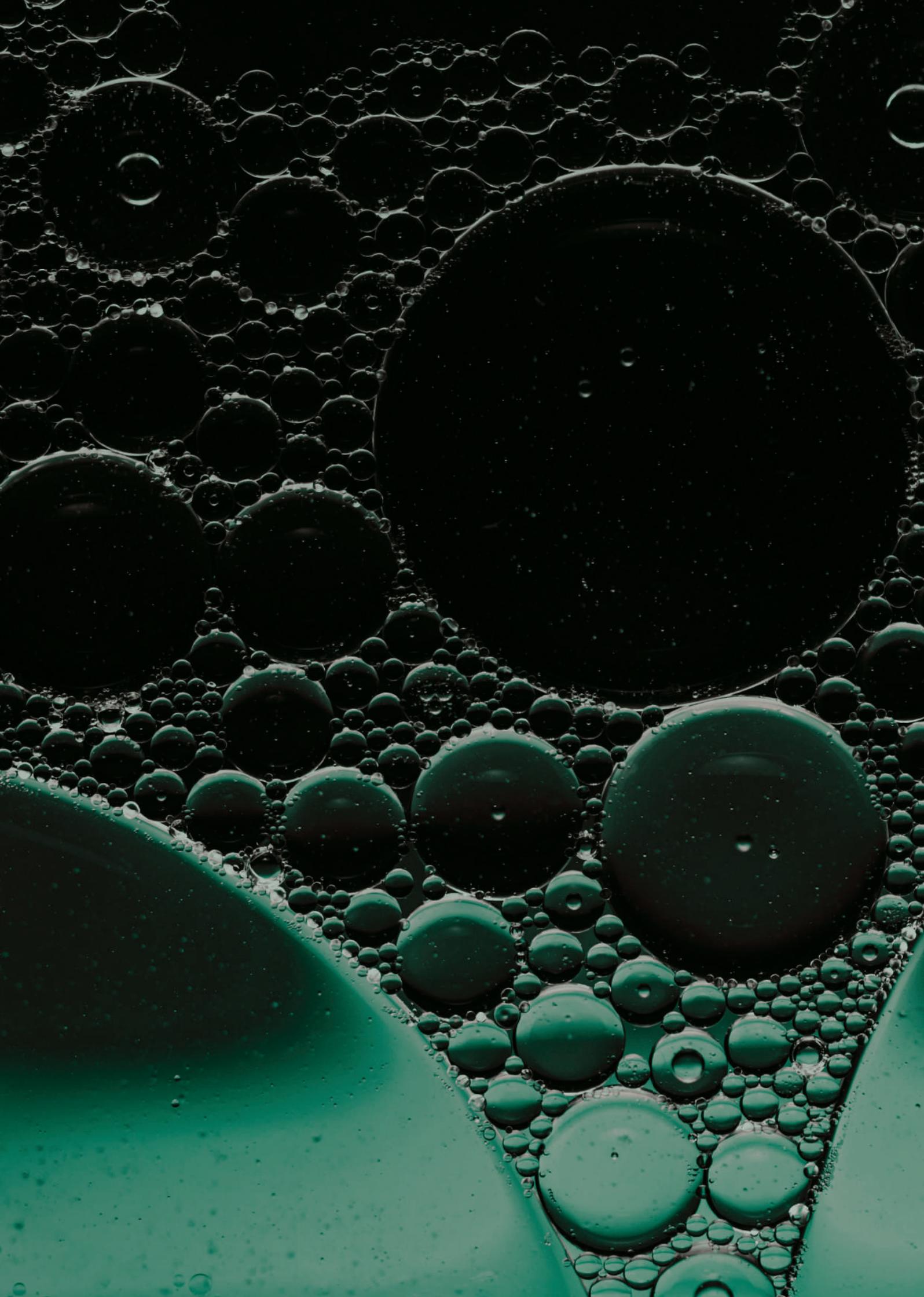
Our sustainability vision

In rethinking **what we would like to be for ourselves and our stakeholders from here to the coming years**, we have defined a new corporate vision inextricably linked to the principles of sustainability.

This vision is our north star, placed at the foundation of all our present and future business development strategies and programs; it's our ultimate purpose within society.

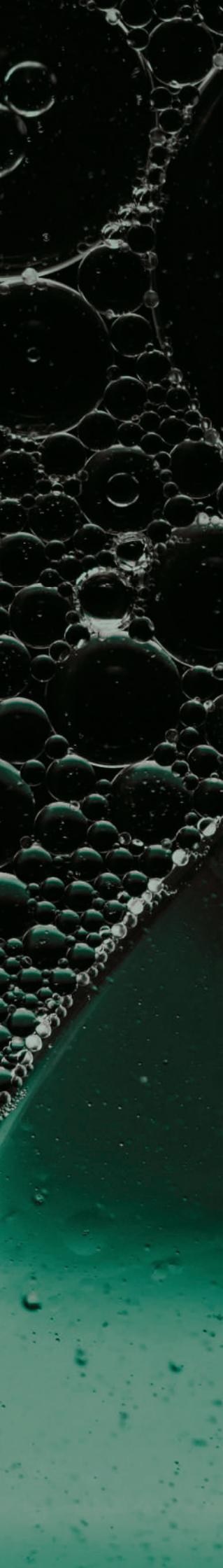
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01

**DELLA TOFFOLA
GROUP**



I.1 Identity

Group profile

Della Toffola was born more than sixty years ago from the interest and passion of Giacomo Della Toffola.

Today, thanks to several acquisitions of leading companies in their reference sector, Della Toffola has grown to become **the team specialists in the design and implementation of technologically advanced solutions** (machines and automated lines) to manage **the entire liquid production and packaging cycle**, in the **food and chemical-pharmaceutical sectors**.

Della Toffola's experience comes from working side by side, day after day, with local producers in developing the most efficient and cutting-edge technology for grape processing and wine bottling. Over the years, we have helped build more than five hundred complete wineries, from small local entities to large consortia, in Italy and abroad.

This has enabled us to become the most important industry technology partner worldwide. But there is more than just wine. We have always worked by adopting the

principle of "complementarity (of sectors and skills). For this, today we develop advanced technological solutions for the treatment of all beverages, alcoholic and non-alcoholic, dairy-case products, water in the industrial cycle, and chemical-pharmaceutical products, promoting the know-how of Italian manufacturing at the disposal of new solutions with low environmental impact.

From here to the coming years, we are committed to being active promoters of a sustainable development model, starting from the enhancement of the people, the territory, and the communities we are part of, promoting the development of our partners and customers.

In this path we will be supported by InvestIndustrial, which has become our majority shareholder since the end of 2020.

Numbers 2021



25

society



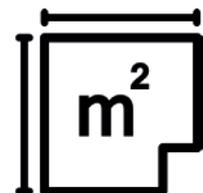
13

production plants
(12 in Italy, 1 in Argentina)



12

commercial branches
(in main target markets)



261.000

mq of total operating
area

The values of how we do business



TECHNOLOGY

- **Technological and digital innovation** that shortens distances and enables quick, timely and flexible responses.
- Ability to develop **customized, high-performance, low-impact engineering solutions**.



SUSTAINABILITY

- Ability to **operate with transparency and respect** for the social and environmental ecosystem in which we operate.
- Building relationships of **mutual trust** that last over time.
- Guarantee of the **highest level of quality, safety and reliability of the final product**, against the principles of "planned obsolescence" and mere profit.



ITALIANNES

- Enhancement of the **skills and peculiarities of the territory** to which each of our Companies belongs (promotion of made in Italy).
- Capillary presence in the territory that translates into services of personalized **assistance and support** for Italian and foreign partners and clients.
- Active **participation** in the sustainable development of the communities and territories of reference.

Numbers 2021



~1000

employees



~160

collaborators engaged
in engineering and
R&D



206 mln

turnover
(80% of which is represented
by export quota)



1.500 t

stainless steel machined
(our main row material)

I.2 The Group

The team of specialists for Wine & Beverage

Della Toffola is a constellation of Italian brands with leading capabilities in designing and manufacturing of automated and sustainable technologies for wine, beverage and dairy.

The Group's integrated offer is configured in a "one-stop one-shop" logic, which allows us to propose ourselves as a business partner for all production processes in the overall wine and beverage sector.

Strong product expertise is coupled with process excellence and an organizational structure that can best support the proposition and commercial offering especially for large international players in the beverage world (carbonated beverages, water and spirits). The products developed by all Group companies are of high quality, flexible, customizable, and can be integrated into our customers' production processes.

Particularly in the oenological world, it has been a path of continuous growth that holds together **Della Toffola's** all-encompassing expertise in the wine-making process and realization of complete cellars; **Permeare's** excellence in filtration solutions; **Sirio Aliberti** and **Gimar's** experience in fermentation and wine-making; **Bertolaso's** prestigious history in bottling lines; and **APE's** specialized expertise in packaging.

This is the picture of the new Della Toffola Group in continuous evolution, **a team of specialists that provides continuous support and trusted advisory to customers worldwide.**

All together we reach **more than a hundred years of experience in process and product engineering.**



Della Toffola Spa



Permeare Srl



Gimar Srl



Sirio Aliberti Srl



Frilli Srl



Bertolaso Spa



Ave Srl



Priamo Srl



Z-italia Srl

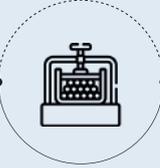
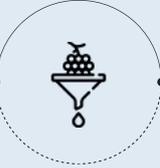
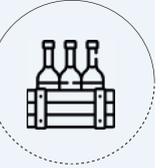


Omb Srl

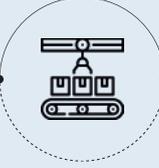
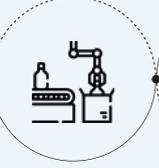
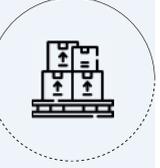


Ape Srl

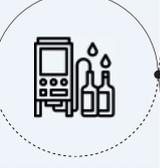
Wine production process

							
Viticulture and harvesting	Grape reception	Crushing/Pressing	Fermentation	Decantation and filtration	Bottling	Labeling	Palletization
Cultivation and harvesting of grapes (usually from February to November)	Grapes are received in thanksgiving and destemmed if necessary	Mechanical presses tread grapes into what is called must	Yeast is added to the must to promote fermentation and ensure the results	Filtration is done using a filter to capture the larger particles in the wine	Wash, fill bottles with bulk wine and cork them with closures	Addition of front/back/top label to capped bottle	Case packer, forming machine of cartons and palletizer
Gruppo Della Toffola					 	 	

Bottling and packaging process

							
PET GLASS HDPE	Depalletizer	Rinser/ Filler/ Tapper	Volumetric back pressure, gravity, vacuum, hot filling/ electronic	Labeling	Roller water system Labeler	Box packer	Palletizer
	Depalletizer based on bottle shape	Glass. PET. HDPE. leavening, sterilization, filling and capping.		Application of front/back/top labels to capped bottles		Case packer, carton former and palletizer	
Gruppo Della Toffola		 	 				

Distillation process

							
Raw materials and their processing	Fermentation	Distillation	Preservation and aging	Water treatment	Blending and filtration	Bottling, Labeling, Palletizing	Water treatment
Complete treatment of raw materials to make them fermentable	Conversion of sugars to alcohol	Processes of batch distillation and/or continuous	In stainless steel tanks or barrels	To dilute process water	Dilution to desired degree, refrigeration, filtration	Washing, filling and capping; label adding; case packer and palletizer	Water treatment plants for recovery and utilization
 	 		 	 	 	   	 

Winemaking and distillation

DELLA TOFFOLA

📍 Trevignano (TV)
Head Quarter

🔗 www.dellatoffola.it

Della Toffola **designs and builds complete wine cellars**: from grape harvesting machines, crushers, pneumatic presses, filters, storage and refrigeration systems to the final stages of bottling and packaging - together with the other companies of the Group. In addition, it **develops technologically advanced solutions** for the beverage sector (such as juices or beer) and water treatment



PERMEARE

📍 Andorno Micca (BI)

🔗 www.permeare.com

Founded in Milan in 1996, it is today an internationally recognized company. It specializes in **membrane separation technologies and complementary separation techniques** for the food-oenological and industrial (pharmaceutical and process water reuse) sectors.



FRILLI

📍 Monteriggioni (SI)

🔗 www.frillisrl.com

It deals with the design and supply of **distillation plants and/or complete distilleries**, starting from any sugary and/or starchy raw material. It was founded in 1912 by the Frilli brothers who that year, still with avant-garde technology for the time, inaugurated the first copper alembic. Today at Frilli we make **most of our equipment in steel and copper**.





Bottling and packaging

BERTOLASO

 Zimella (VR)
 www.bertolaso.com

Active since 1880, it is a world leader in the **design, manufacture and installation of automatic systems for bottling still and sparkling wine, spirits, beer, fruit juices, water and beverages.** It caters to large and small producers, offering standard or customized systems.



AVE TECHNOLOGIES

 Spinea (VE)
 www.ave-technologies.com

It specializes in the design and manufacture of machines and complete plants for **bottling and packaging** food products such as water and beer, and sensitive products such as juices, milk, syrups and oils. It has more than 50 years of experience and over three thousand plants and machines built to its credit.



Z-ITALIA

 Castellucchio (MN)
 www.z-italia.eu

Formed by a team with 30 years' experience in the labelling industry, it specializes in the **construction and maintenance of labelling machines.**



OMB

 Calamandrana (AT)
 www.ombitalia.it

It designs and manufactures labeling and capsuling machines in the heart of an area with a strong wine-growing vocation, and which today is recognized worldwide as an oenological-mechanical technology hub. Since 2022 it has been absorbed by Z-Italia.



APE IMPIANTI

 Zelvio (VR)
 www.apeimpianti.it

Since 1961, it has been designing and manufacturing **machines and complete packaging lines** dedicated to the Wine & Beverage sector, offering a complete range for packaging from carton depalletising and forming to carton closing and subsequent palletising.





Tanks

SIRIO ALIBERTI

📍 Calamandrana (AT)

🔗 www.sirioaliberti.it

First company to produce in 1946 an autoclave in Italy . It has a long industrial history that provides it with solid expertise in the production of autoclaves, tanks, horizontal and vertical winemakers.



GIMAR

📍 Occimiano (AL)

🔗 www.gimardt.it

For almost fifty years, it has specialized in the construction of storage systems and wine-making plants. The flagship of its production is the Selector vertical vinificators: a complete, patented oenological system used to produce many of the world's most prestigious red wines.



Beverage and dairy

PRIAMO

📍 Nervesa della Battaglia (TV)

🔗 www.priamosrl.com

Founded in 1991, it manufactures machines and plants for the dairy industry and is particularly distinguished by its ability to provide engineered solutions applicable to the beverage, dairy and liquid food sectors..



Nota

These companies are joined by: the Argentinian company DT-INOX specializing in the manufacture of stainless steel tanks and the various sales subsidiaries - located on all continents (France, Spain, UK, USA, Mexico, Chile, Argentina, Australia).



1.3 History

Turning a good idea into an investment for the future

It was **1957** when **Giacomo Della Toffola**, a worker at Filatura Monti (a renowned cotton mill in the area of Treviso), **took up carpentry as a second job**, making railings and small ironwork for a local clientele.

In the early seventies, the carpentry business was abandoned and the focus shifted to the construction and marketing of wine-making machinery, designing the **first stainless steel crushers and vertical presses**.

In the years that followed, the founder was joined by his sons Vittorio, Francesco and Luciano, who led Della Toffola to become one of the main world leaders in the sector. This, thanks to a competitive and comprehensive offer and a continuous service.

It was the years around 1990 that marked the turning point, with the start of the **first acquisitions of complementary Italian companies** - which continues to this

1958

Della Toffola born in Trevisano (Treviso)

'90-'00

Della Toffola becomes a full fledged international Group: offices are opened in Francia, Spagna, Argentina, Cile, USA, Messico e Australia.

2008

Acquisition of **OMB**, manufacturer of labelling machines for the beverage industry

2011

Acquisition of **Gimar**, manufacturer of pressure tanks for the wine industry

The Company specialises in solutions for every stage of the winemaking process. It asserts its leadership in the domestic market and opens up to foreign markets

'60-'90

Sirio Aliberti joins the Group

1996

Acquisition of **AVE**, which designs and manufactures bottling and packaging systems for the beverage industry

2010

Acquisition of **Priamo**, manufacturer of machines used in beverage and dairy production processes

2012

day - the diversification of markets (first those of sewage treatment, and then the food and chemical industries), the development of **new patented technologies** and the opening of branches abroad.

Since 1996, in fact, the path towards a **global dimension** has been consolidated with the opening of new offices in France, Spain, Argentina and Chile, until reaching California in 2009 and Mexico in 2016.

A new, further change of pace is marked by **2020 with Investindustrial**, one of Europe's leading independent investment groups, becoming a shareholder.

This is the moment when we begin to **systematize our entrepreneurial and social assets by launching the Group's ESG strategic development plan** as well as of a re-branding process that will conclude in the coming months with the launch of a new Group image and a more effective market positioning.

2013

Acquisition of **Zitalia**, manufacturer of labelling systems

2021

The Group expands and completes its offer with the entry of **Frilli, Bertolaso, Permeare** and **APE Impianti**

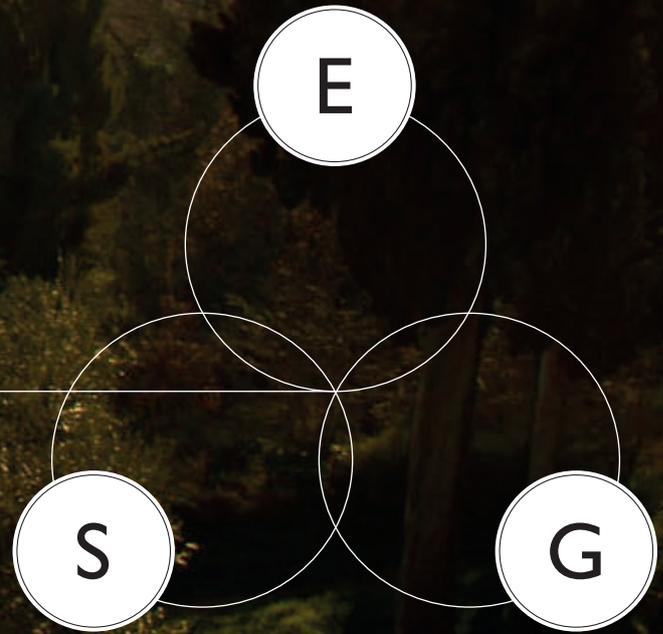


Investindustrial acquires the majority of Della Toffola's capital

2020

The Group, with the support of Investindustrial, **launches its ESG strategic development.**

2022





Insight

The need to change, the desire to innovate. The winery as told by those who design them.

Avni Bajraktari, Commercial Director Della Toffola Group

With over 100 years of experience in the field and thanks to the acquisition of leading companies in the sector, Della Toffola Group is today a world leader in the design and construction of technologically advanced and sustainable solutions for the entire Wine & Beverage sector production process. With an offer that ranges from tangential filters to complete transformation and storage processes, all the way to final packaging, the Group responds concretely to market needs to devise new process systems, saving energy and resources and providing a turnkey service to its customers.

This is the case of Giusti Wine, a wine cellar covering a total area of 100 hectares divided into ten separate estates located in Montello and along the alluvial plain of the "Destra

Piave", in the municipality of Nervesa della Battaglia.

In less than 20 years, Ermenegildo Giusti - founder of Giusti Wine - animated by a strong passion has been able to build a company capable of recalling the roots and tradition of the Giusti family, linked to the world of wine and viticulture since the beginning of the 17th century, with the first estate vineyards planted in 1870.

Characteristic of Giusti Wine is its strong link with the territory: next to the production area of Docg Asolo Prosecco and Doc Montello - Colli Asolani, which extends north-west of the city of Treviso, in the first foothills of the Pedemontana, lies the vast majority of the production area, dedicated to Prosecco Docg.

Finally, in Valpolicella Clas-

sico, Giusti Wine manages two plots of exceptional vocation, where Amarone della Valpolicella Classico Docg and Valpolicella Ripasso Superiore Doc are produced.



On the left:
Giusti Wine cellar



A turnkey plant

The optimal design of a wine-making facility derives its success from the attention paid to technical and process requirements: the operation of the structure must always be combined with meeting the needs of the plant and the type of production, without neglecting the commitment to aesthetics and architectural composition.

For this reason, and starting from the need to make the production processes

efficient, automated and integrated, Della Toffola has created for Giusti Wine a complete, made-to-measure plant that perfectly embodies the values on which the Group's offer and its evolution over time is based: technology, translated into integrated design and a high level of automation, sustainability, deriving from the limitation of inefficiencies and the optimization of energy consumption and territory, with the modern interpretation of a histor-

ical reality, rooted in one of the most ancient soils of Italy (just think that the realization of the project was bound to the specific approval of the Superintendency of Cultural and Environmental Heritage of the Veneto Region).

Therefore, the plant is made considering the set of factors linked to the history and characteristics of the winery: the strong link with the territory, the characteristics of the grape varieties and their quali-

tative peculiarities, the energies involved and, last but not least, sustainability. Sustainability does not mean only saving energy, reducing waste and limiting consumption: it is an effort to minimize all the environmental impacts of the process while fulfilling the workers expectations and needs.



On the left: storage at controlled temperature and sparkling

The design phases

The design of the turnkey plant built by the Della Toffola Group for Giusti Wine began, in coordination with the architectural firm, with a feasibility check from a technical, environmental and economic standpoint: an in-depth evaluation (which lasted almost three years) that focused on the main and potential organizational, environmental, urban planning and management effects of the proposal implementation. Another crucial aspect

considered in the design of the facility was the correspondence between the planned rooms and spaces and the different stages of wine-making: in fact, the footprint of all equipment and the minimum spaces guaranteed for the occupational safety of personnel, as well as the space required for maneuvering vehicles, both inside and outside the facility, must always be assessed. Other fundamental factors affecting the early stages

of the life of a complex winery, such as the one built for Giusti Wine, are: the type of grapes, the harvest period, the production process and the final product selected, the layout of the project area, the specific climatology and the environmental impact assessment.

Therefore, the wine cellar is not only a 'container' for housing and making possible the various production stages, but rather

an element that contributes to the product success and everything that surrounds it. Furthermore, by placing the design of wine production machinery in constant dialogue with the requirements of usability and interaction with all stages of the process.



On the right: process of receiving grapes and pressing in an inert atmosphere

I.4 Structure and Governance

From a "Family Company" to a management group

The Della Toffola Group has adopted a **traditional administration and control system** that includes a Board of Directors and a Board of Auditors, both appointed by the Shareholders' Meeting. In detail:

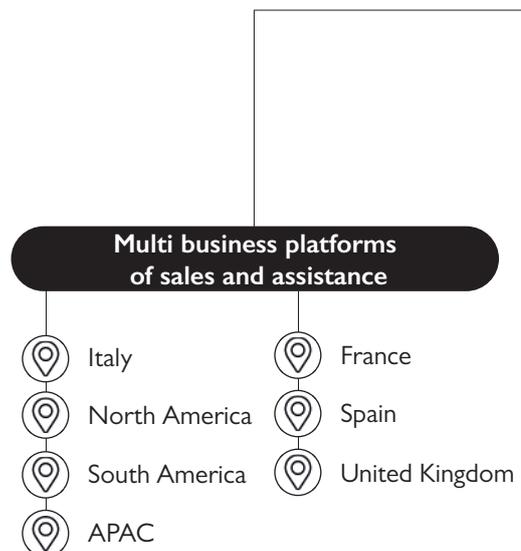
- **The Board of Directors** is the body invested with the broadest powers for ordinary and extraordinary administration. It is responsible for setting the Company's management policy and assessing its performance. Furthermore, it defines the strategic guidelines and assesses the adequacy of the organizational structure. The Board of Directors consists of 7 Directors - including the Group CEO -, 3 directors representing the majority shareholders and 3 directors representing the minority shareholders.
- **The Board of Statutory Auditors** monitors compliance with the law and the Articles of Association and compliance with the principles of proper administration.
- **The Shareholders' Meeting** appoints the members of the Board of Directors and the Board of Statutory Auditors and approves the annual financial statements.

The company has also set up **two governing bodies to support the Board of Directors**:

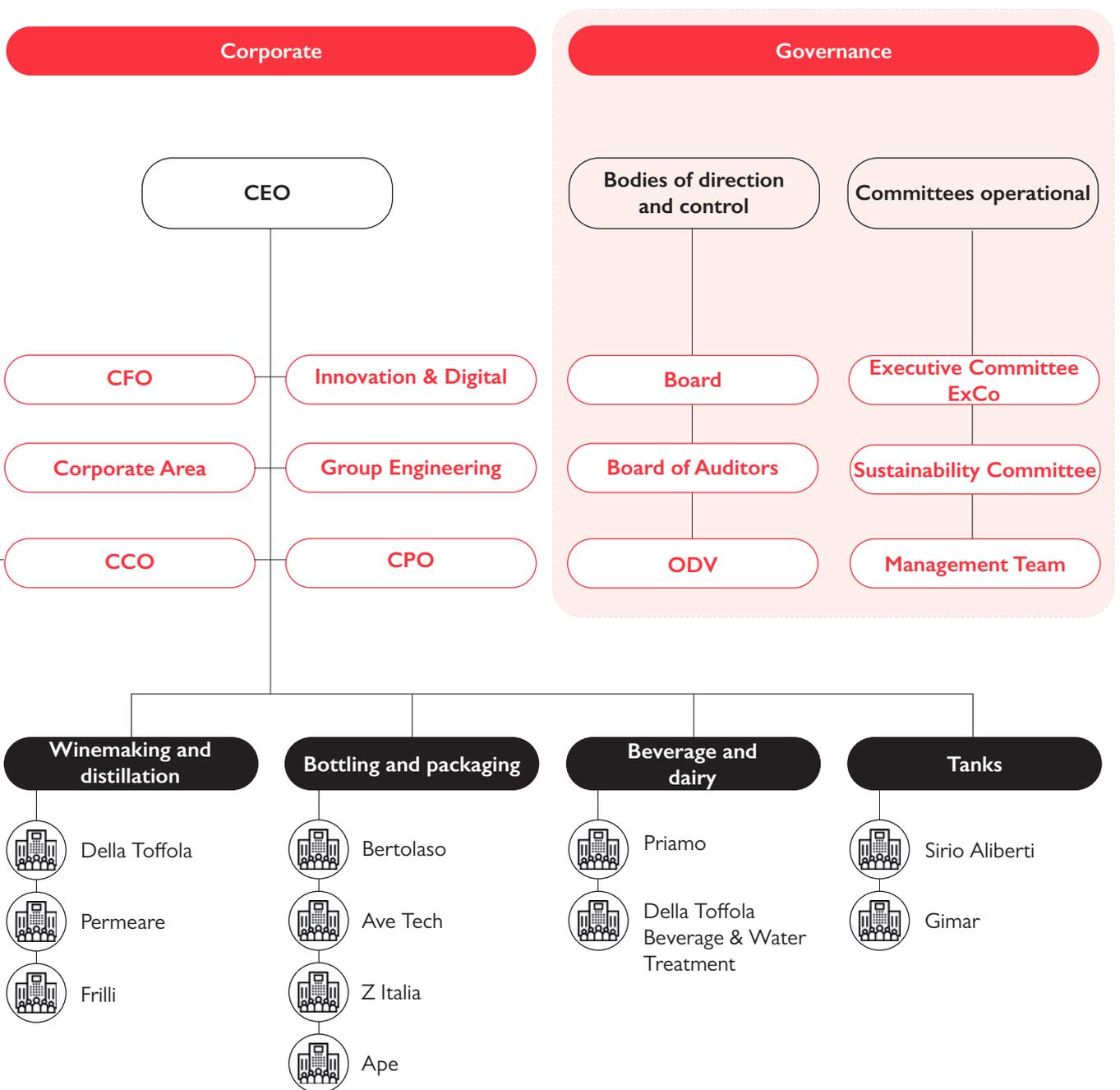
- The **Executive Committee**, composed of the CEO himself and the Directors reporting directly to him. It has the task of proposing and evaluating strategic development projects, as well as proposals to revise goals, and monitoring their progress.
- The **Management Team**, consisting of the members of the Executive Committee and an inter-company and inter-divisional management group, has the task of supporting the Executive Committee in defining and

implementing corporate strategies, while safeguarding economic, environmental and social sustainability perspectives. The management is a mix of the best histories of the acquired companies with new professionals on corporate functions taken from the market.

Finally, it has been established a **system of specific reporting** which is analyzed monthly during specific *Business Reviews*. This, to ensure continuous monitoring of the operational performance of the individual subsidiaries **the HSE, Human Resource, Compliance, Operations, Finance and Commercial** pipeline.



Our operating model



Regulatory compliance

In our business actions, we are inspired by respect for legality and compliance in all its forms. We respect the laws of the countries in which we operate and we promote healthy competition.

In order to ensure that we are aware of and adopt application measures that comply with the laws, regulations and policies in force, the Quality and Legal & Compliance Functions have been set up, reporting directly to the Corporate Area Management, which updates the Executive Committee periodically or promptly if necessary.

In addition, on a voluntary basis, we have started a virtuous path of compliance with Legislative Decree No. 231/2001.

In particular, as of 2021 each Della Toffola Group company, according to the needs dictated by its typical characteristics, is consolidating its own system of internal rules and investing in the professional development of its qualified personnel.

Indeed, both factors work together to ensure that business decisions and daily business conduct are inspired by the standards, including regulatory standards, of the reference sector. The commitment made by the individual companies also reverberates at Group level, making a synergic contribution to Della Toffola Group's reputational positioning.

Among which the expected goals of the regulatory compliance, there are in fact the following:

- Increased business opportunities and sustainability.
- Protection and enhancement of the organization's reputation and credibility.
- Consideration of stakeholders' expectations.
- Demonstration of the organization's commitment to effectively and efficiently managing its compliance risks.
- Increased third party confidence in the organization's ability to achieve lasting success.
- Minimization of breach risks that result in consequential costs and damage to reputation and environmental resources related to our business.

During 2021, no regulatory non-compliances were detected.

Material theme



Regulatory compliance

The company's approach to ensure awareness and adoption of enforcement measures that comply with applicable laws, regulations and policies.



GRI STANDARD

Reference information

419-1 (b) Socio-economic Compliance 2016
307-1 (b) Environmental Compliance 2016



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value
- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, particularly migrant women, and those in precarious employment
- 10.3 Ensure equal opportunities for all and reduce inequalities in outcomes, including through the elimination of discriminatory laws, policies and practices, and the promotion of appropriate laws, policies and actions in this regard

I.5 Our Business Ethics

Respect, fairness, listening, transparency and merit are our codes

The **Code of Ethics** represents the interpretation of the values in which the Della Toffola Group recognizes itself.

The Document was written taking into consideration:

- The **Charter of Rights of the United Nations**, the Charter of Rights of the European Union, the Italian Constitution;
- The **"Core Labour Standards"** contemplated in the ILO (International Labour Organisation) conventions, the **Guidelines for Multinational Enterprises of the OECD** (Organization for Economic Co-operation and Development), the **UN Global Compact**, the principles of Social Accountability 8000 and the Charter of Corporate Values of the European Institute for Social Reporting.
- The Confindustria Guidelines for the construction of Organization, Management and Control Models pursuant to Legislative Decree 231/2001.

The Code **sets out principles and conduct** appropriate to the Group's current organisation and its operating contexts. In particular, it contains:

- The **Ethical Principles** adopted by the Della Toffola Group, i.e. the **Group's commitments to its stakeholders**, which are binding both for the legal entities of the Della Toffola Group - as legal persons - and for every person operating within the Group itself.
- The **Rules of Conduct**, i.e. the more **specific behavioral criteria** to which the persons operating within the Della Toffola Group must adhere in application of the Ethical Principles.

Internally, respect for and adherence to these principles are promoted through specific **training plans, awareness-raising and communication activities** (as of 2021, the companies Ape, Bertolaso and Permeare are excluded from this process); while externally, the Code is **shared with all stakeholders** at the beginning of each

business relationship and is published on the company's institutional website, where it can be consulted online or downloaded by whom is interested.

The Code of Ethics is also an **integral part of the Organization, Management and Control Model** adopted by the Della Toffola Group

During 2021, in fact, we have adopted an Organization, Management and Control Model **pursuant to Legislative Decree 231/2001** in each subsidiary, and we have set up the respective Supervisory Bodies, whose members do not hold any directorships in the Group's companies

This **model is integrated with the principles and provisions of the Group's Code of Ethics**. In this way, the uniqueness of the system of governance of corporate processes and policies is confirmed, favoring the dissemination of a corporate ethical culture.

The **Supervisory Board** meets periodically and carries out its activities - in compliance with the tasks assigned to it by the Model and the Regulation it has autonomously adopted - with the aim of autonomously, independently and professionally supervising the functioning of the model and updating it.

In order to allow all Group's persons to report conduct that is not in line with the Ethical Code, the Policies and Procedures or the regulations in force, the **Code provides for a Group-wide reporting system**. The channels and related activities are under the responsibility of the Group Legal & Compliance department. We are committed to ensuring the highest level of confidentiality in the handling of reports and do not tolerate any form of retaliation as a consequence of the report and its correction.

In 2021, **there were no cases of corruption**.

The ethical vision

We are a large community of people whom we consider our most valuable human capital.

Inspired by the great Italian tradition, always on service for our customers, we pursue goals of improving product solutions and making processes more efficient with a view to sustainability and digital innovation.

We generate value for our stakeholders and our entire ecosystem in order to guarantee concrete results from an ESG perspective.

Material theme



Business ethics, integrity and anti-corruption

How we manage risks and opportunities in conducting our business; the ability to provide services that meet the highest level of expected standards by going beyond what is required by law



GRI STANDARD

Reference information

205-3 Anticorruption 2016



SDGs

Agenda's Goals 2030



Target

SDGs Sub-goals

- 5.5 Guarantee women's full and effective participation and equal leadership opportunities at all levels of decision-making in political, economic and public life
- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, particularly migrant women, and those in precarious employment
- 10.3 Guarantee equal opportunities for all and reduce inequalities in outcomes, including through the elimination of discriminatory laws, policies and practices, and the promotion of appropriate laws, policies and actions in this regard
- 12.2 By 2030, achieve sustainable management and natural resources efficient use



Insight

Antitrust and merger control policy

Competition is expressly recognized as a founding **value of our business activity, therefore, antitrust compliance is an integral part of our corporate culture** and policy and is supported by top management through their concrete involvement in the implementation and monitoring of this policy.

Our Antitrust Law Guidelines are an expression of our effective and ongoing commitment to the promotion of a widespread competition culture in the Group's business fabric and is designed to prevent antitrust offences.

It is **drafted and updated in line with our characteristics** (such as the nature of our business, market position, internal organizational structure, decision-making processes) **and market conditions**.

Our guidelines **refer to:**

- Regulation of antitrust practices, agreements and abuse of dominant position.
- Antitrust Compliance Guidelines adopted on 25 September 2018 by the Antitrust Authority.

Failure to comply with these rules provides for **sanctions against the Group and the persons involved in any breach of regulation** (which include both fines and imprisonment).

In general, antitrust legislation **prohibits two categories of behavior:**

- **Anti-competitive agreements** as part of formal agreements and informal practices or understandings between competitors that fall into



this category (such as, for example, the practice of competing advertisements or other forms of communication relating to prices).

- **Abuse of a dominant position.** Prohibition that applies to companies which alone or together with another leading operator, have circumscribed a particular market in such a way that they can be defined as 'dominant' in that market (e.g. restricting production, technical development or market evolution to the detriment of consumers).

In the appendix, we have included a practical guide on how **to behave or not to behave** in certain common situations.

The guidelines are also regularly updated following **specific information and training sessions dedicated to antitrust, which provide an opportunity for debate and**



discussion among the heads of the company departments most at risk, with regard to the warning signs of critical competition issues that they may have encountered in their daily work experience.

During the reporting period under review, **there were no cases of anti-competitive conduct or violations of antitrust and monopolistic practices** in which Della Toffola Group was identified as a participant.

I.6 Products and Services

A technology built for our customers' needs

Over the years, our **considerable experience in the design, production and installation of oenological and agro-food plants**, has enabled us to meet the growing demand for complete process systems. Thanks to the multidisciplinary expertise of our technicians and close collaboration with customers, we determine the optimal production and plant configuration, combining efficient management of energy vectors and a sustainable economic investment over time.

Our project approach is modular and structured, and that allows us to propose **tailor-made solutions** adapted

to the context and to the different needs of territorial markets; the objective is to **grow together with our customers**, finding solutions to their problems, whether small or large.

With the entry of Frilli, Bertolaso, Ape and Permeare in 2021, a new operating model is set up divided into 4 product divisions (pp.36-37).

Our form of attention

1. We offer a **turnkey product** complete with **installation**, start-up, **testing and training services**.
2. **We design, manufacture and test in our in-house laboratories** every product we place on the market; this ensures complete control of the finished product and compliance with **the highest quality and safety standards**.
3. We work side by side with our customers during all project phases, **guaranteeing service throughout the life of the machinery**.
4. Solving the problem does not always necessarily mean building new plants; it may just require **revamping or upgrading existing ones**. In fact, the principles of **efficiency and economy** are at the basis of all our interventions.
5. We develop **plans for the disposal of decommissioned plants** to ensure occupational and environmental safety.



**A tailor-made service
for each product**

- **PROJECT MANAGEMENT** able to manage, organize, plan and control the various phases of the project: from the concept design to the final development of the systems and equipment.
- **INTEGRATED PLANNING** of systems and processes to obtain maximum efficiency and simple management during all processing phases.
- **GENERAL CONTRACTOR** our "turnkey" service that allows our customer to have a single responsible interlocutor able to manage all the services necessary to guarantee the best yield of the product over time.
- **FACILITY MANAGEMENT:** we take care of the management of all periodic maintenance and monitoring activities.

Divisions

Winemaking and distillation division (Della Toffola, Permeare and Frilli)



Winemaking techniques have undergone continuous development in recent decades aimed at achieving increasingly **rationalized production cycles**. This means ensuring the lowest possible environmental impact, respecting and enhancing the qualities of the end product during all processing stages.

This is why we place great emphasis on **controlling the operating economies of the various technologies** we offer, from reception to storage, from filtration to stabilization treatments.

Our products dedicated to the oenological sector include cross-flow filters, automatic presses, processing and storage machinery, bottling lines up to final packaging. This allows us to directly **oversee every stage of the winemaking process**: from leaving the vineyard to labelling the bottle.

Beverage and dairy division (Della Toffola and Priamo)



The complete range of equipment extends from **filters to refrigeration systems, from processing to storage systems and packaging**.

When we talk about the beverage and dairy division, we mean products dedicated to processing **syrops, beer, fruit juices, vinegar, spirits, water, oil, honey, milk (and derivatives) and any other liquid foodstuff**.

In this division, we produce **micro-filtration, ultra-filtration, reverse osmosis, post mineralization and disinfection systems**.

Bottling and packaging division

(Bertolaso, Ave Technologies, Z-Italia, OMB, Ape)



Bottling and labelling plants are characterized by: technology, efficiency and minimization of consumption.

We develop and manufacture turnkey plants for the bottling industry, especially for the wine, spirits, beer, beverages, milk and oil sectors. The solutions we realize are able to seamlessly fill **containers of different sizes and materials (glass, PET and HDPE - high intensity polyethylene)**. As far as labelling systems are concerned, thanks to our **Returnable bottle system**, the application of the label requires a minimum amount of glue, allowing the bottles to be reused with greater ease and material consumption than traditional systems

Finally, packaging systems include automatic case packers, depalletisers, carton erectors, carton closers and palletisers. All machinery is characterized by high technology and efficiency.

Tanks division

(Sirio Aliberti and Gimar)



Our autoclaves are particularly prized for their **total control capacity, and autonomy in managing the fermentation cycle**, with nutrient dosing, pressure controls and Co2 control.

All the tanks and autoclaves we produce are managed by software and hardware **connected to integrated Industry 4.0 management and control systems**.

I.7 Markets and supply chain

Working alongside our customers to meet the challenges of the future

Our customers mainly belong to the **sectors**:

- Oenology
- Beverages
- Dairy
- Ecology and water purification
- Chemicals, pharmaceuticals and cosmetics

are 20% in Italy and **80% abroad**.

Europe accounts for 68 % of sales, America 13 %, Asia 10 %, the remainder from Africa and Oceania. Our products are distributed all over the world, with an **export share of about 77 %**.

In Italy we have only one direct competitor for the oenological sector, able to supply the complete range of machines; the other competitors only produce certain types of machines.

Sectors



OENOLOGY



BEVERAGES



DAIRY



ECOLOGY AND
WATER
PURIFICATION



CHEMICALS
PHARMACEUTICALS
COSMETICS

Customer origin



20%

Italy



80%

Foreign

Product distribution



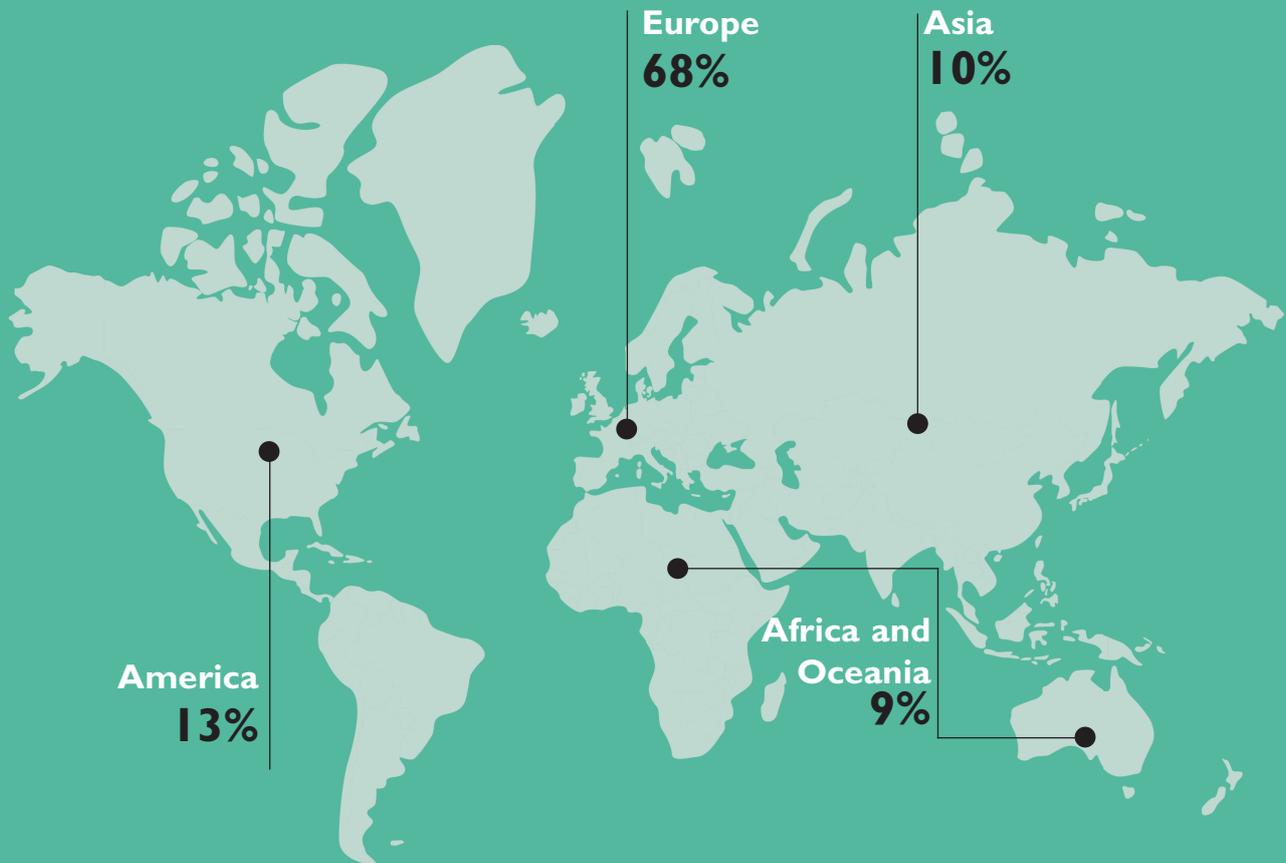
33%

Italy



77%

Foreign



Above:
Percentage of sales by
continent

We source from mainly European companies; we favour Italian companies that are local.
We source from more than 500 different companies.

We purchase the following products:

Raw materials

- Steel sheet.
- Copper sheets.
- Tubes, perforated bars, plates.

Semi-finished products and components

- Plastic material.

- Predefined/machined mechanical components according to our drawings such as tubes, drilled bars, plates.
- Iron and brass components, bronze (supplied to order).
- Electrical/mechanical components: motors, gear-boxes, chips, catalogue electrical components (supplied in series).

According to our **Code of Ethics**, we require suppliers of goods and/or services to comply with **high quality standards of production processes, requirements**, certifications and regulations as well as **best practices in ethics, health and safety protection and respect for the environment**.

I.8 Economic results

Trend 2021

The year 2021 **ended with a growth of more than 30 % to 148.6 mln** against 110.0 mln in 2020 and an overall improvement in the economic and financial performance of the business.

The economic value we generate and distribute, indicates our ability to create wealth and deliver it to our stakeholders.

This wealth remunerates not only shareholders and employees, but also all those who have dealt with us during the reporting period, such as lenders, suppliers of goods and services, partners, trade associations, etc.

Schedule for determining economic value generated, distributed and retained

Economic performance of Della Toffola Group	2021
Economic value directly generated by the Group*	148.590.000
Economic value distributed by the Group	145.675.000
of which operating costs	109.360.000
of which salaries and benefits of employees	34.570.000
of which remuneration of public administration	1.260.000
of which remuneration of lenders	485.000
of which remuneration of shareholders	-
of which remuneration of the community	-
Economic value held by the Group	2.915.000

*The indicated value does not consider the revenues of the three new acquisitions as they do not fall within the reporting scope of this report. Total revenues including these companies would amount to 208,000,000

Material theme



Economic performance

The economic results in terms of revenues and EBITDA achieved in a compliant, legal and ethical manner.

In 2021, our economic value generated was distributed to the following stakeholder categories:

1. **Lenders:** mainly credit institutions.
2. **Human resources,** employees and collaborators .
3. **Suppliers** of raw materials, services, and capital goods.
4. **Public Administration** (in the form of taxes and taxes due, direct, and indirect, excluding deferred taxes).
5. **DT Group** (in the form of accruals to provisions, depreciation and any profits).

+30%

Growth
2021

148,6 mln

Value generated
2021

110,0 mln

Value generated
2020



GRI STANDARD

Reference information

201-1 Economic Performance 2016



SDGs

Agenda's Goals 2030



Target

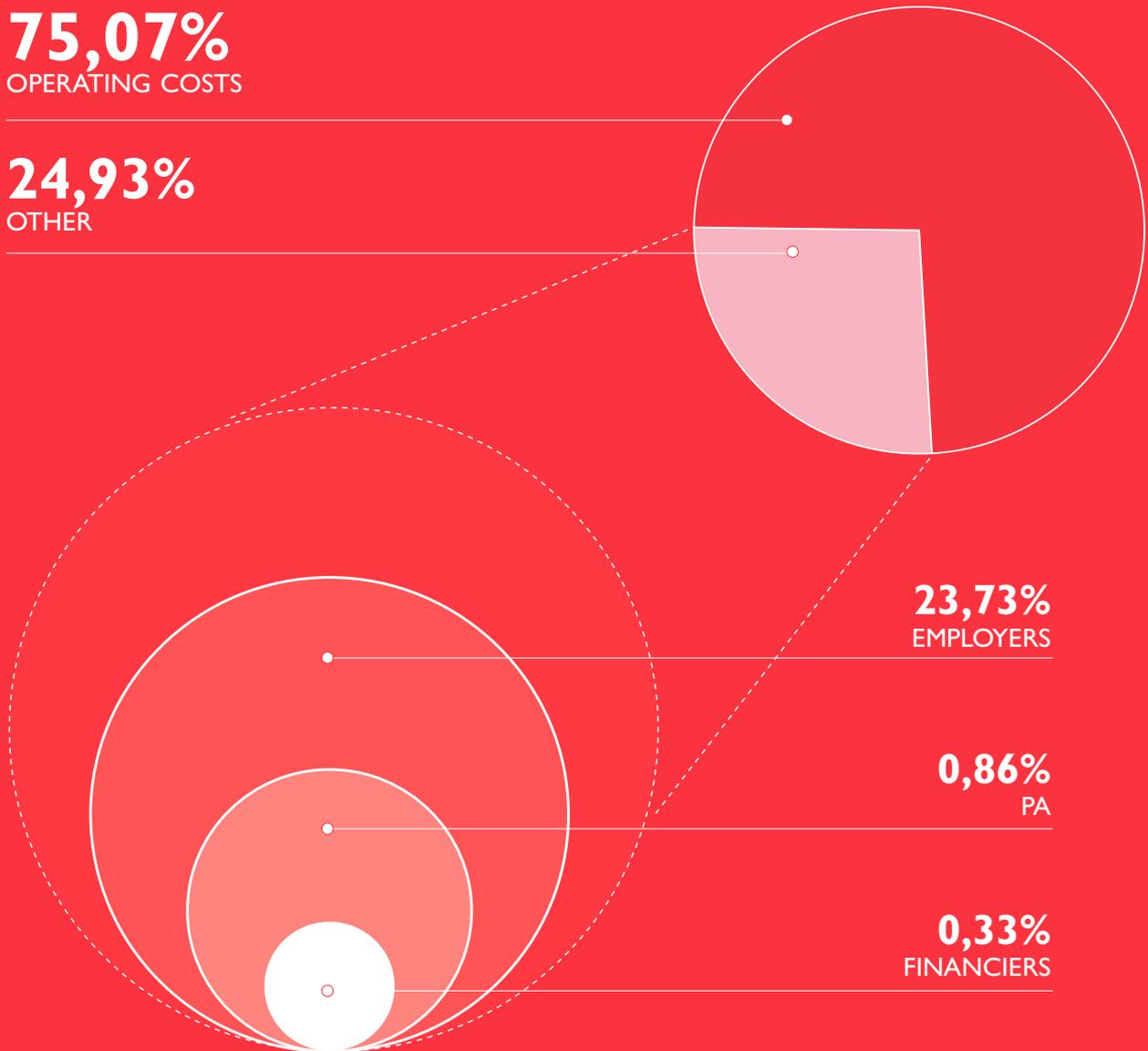
SDGs sub-goals

- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for youth and people with disabilities, and equal of pay for work of equal value

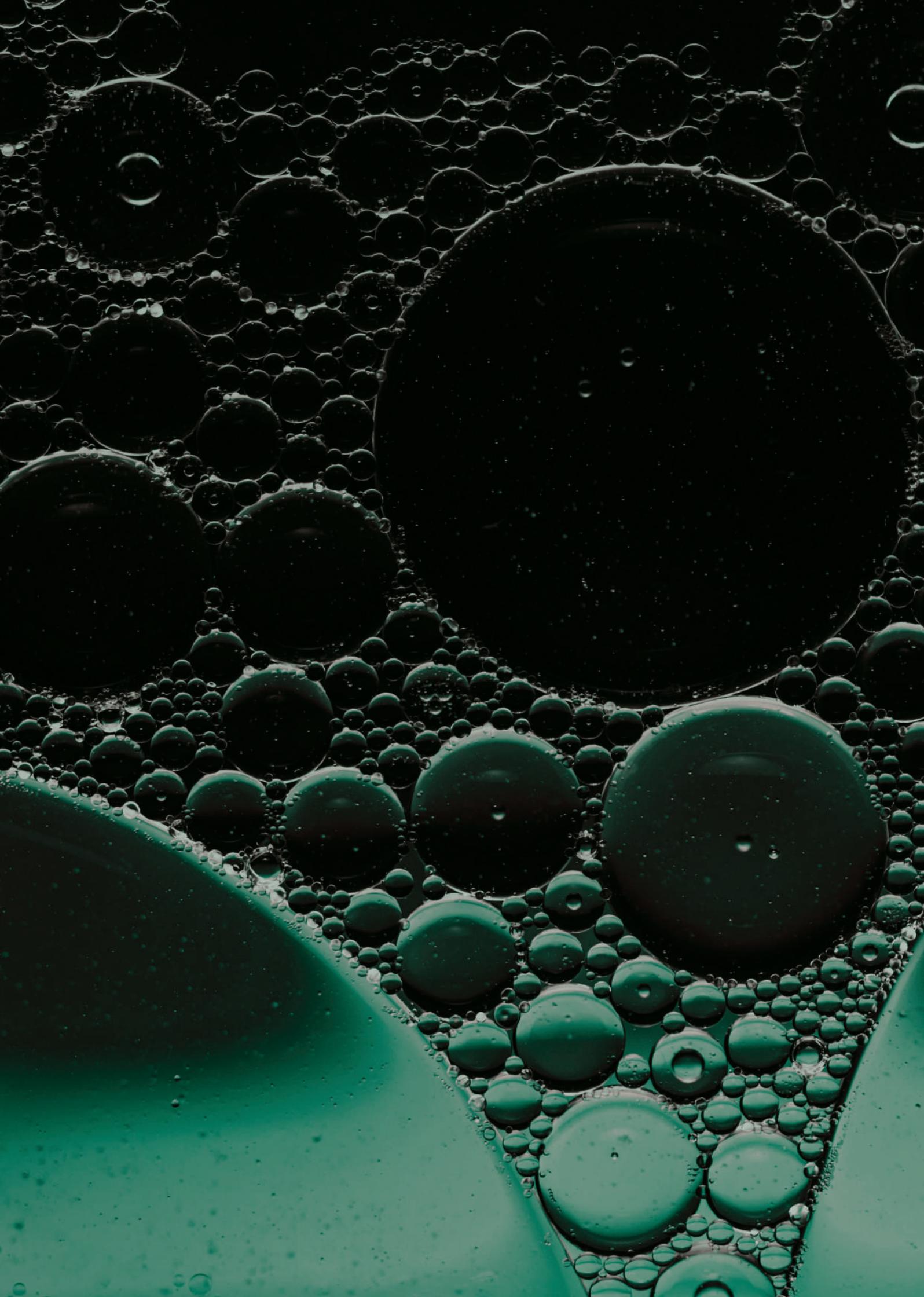
Economic value distributed by the Group

75,07%
OPERATING COSTS

24,93%
OTHER

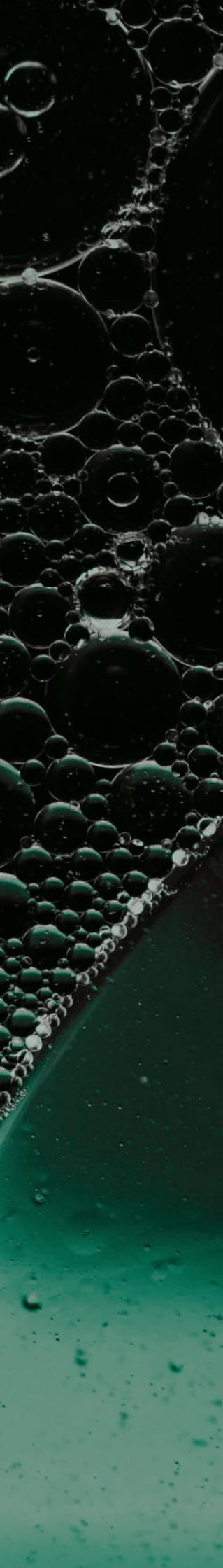






02

OUR PLAN FOR THE FUTURE



2.1 The reference scenario

Today we find ourselves competing and innovating in a socio-economic context that is increasingly difficult to manage and anticipate.

The main challenges we face globally are related to:

- **Environmental crisis**, primarily related to climate (the decade between 2011 and 2020 was the hottest decade since records began) and water (according to independent assessments, the world will face a global water deficit of 40 per cent by 2030).
- **Energy transition**, understood as reduction of emissions and diversification of supply sources.
- **The lack of raw materials**: Italians continue to consume as if we had almost three planets instead of one (Italy's overshoot day in 2021 fell on 15 May).

In addition, **there are the economic and health repercussions** of the ongoing Covid 19 pandemic, which have led to an increased emphasis on employee welfare and general health and safety issues as indirect consequences.

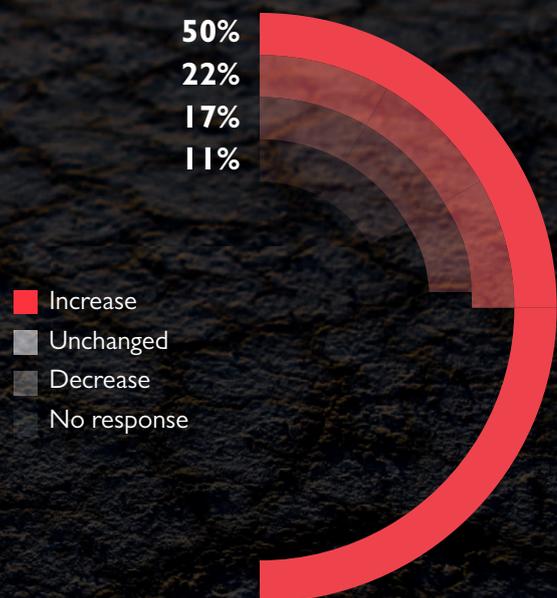
Changes of course at the European institutional level are increasingly pushing the accelerator on the concepts of due diligence and responsible corporate governance extended to **value chains**. The new proposal for a directive on sustainability reporting (April 2021) proposes, among other things, the concept of **dual materiality**, i.e. the need to plan and report on one's sustainability journey by taking into account the risks incurred and generated with regard to sustainability issues. Corporate responsibility is, therefore, increasingly heading in the direction of **Benefit-type companies** (a goal we have set ourselves with B-Corp certification).

On the other hand, if we consider the **needs of our customers**, they are perfectly in line with the increased environmental awareness found in Italians by Ipsos Italia (+30 % in the period 2011-2020), and they demand highly **innovative machines with low impact and operating costs**.

To conclude, PMMI Business Intelligence's latest report, 2021 Beverage Trends Driving Change, notes further trends in the main **industry in which we operate - the beverage industry** - that we undoubtedly need to consider because they directly affect us:

- **ECO DRIVER**. The dominant trends in the beverage sector are sustainability, functionality, convenience, and health awareness. **Consumers** are **increasingly attentive** not only to the **content of beverages** (natural ingredients), **packaging** (no plastic) and information on **labels**, but also to **production processes** that must be low-impact.
- **INNOVATION**. Digital innovation, **intelligent automation** and **robotics** are needed not only to optimize production time and costs, but also to optimize waste of resources and user interface time (reducing errors), benefiting **predictive and preventive maintenance** (including automated product inspection). This means increased investment in technology and the need for skilled labour and expert consultants.
- **FLEXIBILITY**. Sustainability does not only mean reducing impacts or waste; it also means producing at higher speeds, and the ability to **handle** product formulas with different viscosity, acidity, or filling temperatures, contained in packs that differ greatly in size, shape and composition.

How the budget will change in the coming years to cope with the demands of market



Source: Restated graphs proposed in PMMI Business Intelligence, 2021 Beverage Trends Driving Change

The report adds that beverage companies are looking for partners who have an in-depth knowledge not only of the sector, **but also of the specific needs of the operators**, which could be summarized as follows:

Turnkey project

- Ability to develop complete **production lines**
- Delivering **simplified integrated solutions**
- **Support and continuous training**

We can only continue to consider these needs, guaranteeing product quality throughout all stages of the process.

2.2 Our stakeholders

We value the specificities of our ecosystem

Our Group has grown a lot in recent years (in 2021 + 30% compared to 2020) thanks to certain key factors such as passion, expertise, industrial and technological capacity, but it owes its success **to an enabling factor that distinguishes each Company from another: people**, who create relationships, express values, and needs, and who have created **our ecosystem of reference**.

Our strength therefore lies in the **type of relationship** we have been able to build over time with our stakeholders, in our ability to **understand and give space to the needs and peculiarities of each one** to create that **space for collaboration and co-creation that has always characterized our doing business**.

This allows us **to achieve results that we could never reach on our own and to guide our decision-making processes with greater awareness**.

In preparing this, our first report, we have analyzed what we have done so far by starting a process of **mapping our stakeholders and how we routinely engage them**.

This represents a zero point for us to understand where we can improve to guarantee a level of stakeholder involvement that is increasingly high quality and in line

with everyone's expectations. It is the starting point **for achieving increasingly shared and meaningful goals**.

Our stakeholders (individuals, groups, or organizations) **have been identified** according to the parameters of the international standard **AA1000SES (2015)**: dependence, **responsibility**, tension, influence, and diversity of perspective.

In our case, the following parameters were found to be particularly relevant in identifying the most significant stakeholders for us:

- Type and level of **responsibility** applicable (legal, financial or operational).
- **Influence suffered**: ability to influence our performance and to affect whether or not we actually achieve the sustainability goals we set ourselves.
- **Generated influence**: the level of influence we generate externally through our activities or operations.

The table below lists our stakeholders in order of relevance.

Category	Subgroup	Current engagement tools	Themes of involvement
Employees	Executives	- Reporting - Regular updates - Workshops with teams - Budget/project approval	Defining business goals and strategies
	Office	- Training - Internal communication	- Tasks - Product/Process - Code of Ethics - Covid Procedures
	Operations	- Security Training - Internal Communication - Regular Internal Meetings	- Safety and Security - Safety Bulletin - Production Performance and Efficiency

	Interns and New recruits	<ul style="list-style-type: none"> - Specific Training (Frontal Lecture) - Induction Plan - Welcome Kit - Welcome Day 	<ul style="list-style-type: none"> - Induction plan/ Mansions/ Product/ Process - Code of Ethics
Customers	Large organisations	<ul style="list-style-type: none"> - Meetings and calls (visits) - Technical assistance - Product catalogues - Events 	<ul style="list-style-type: none"> - Technical and Business Development* - Deliveries - Quality and Product Safety
	Small organisations	<ul style="list-style-type: none"> - Meetings and calls (visits) - Technical assistance - Product catalogues - Events 	<ul style="list-style-type: none"> - Technical and Business Development* - Deliveries - Product Quality and Safety
Suppliers	Raw material suppliers	<ul style="list-style-type: none"> - Questionnaires - Visits/audits - Development proposals - Non-Disclosure Agreement (NDA) 	<ul style="list-style-type: none"> - Environmental Compliance - Product/Process Compliance - Offering - Innovation
	Technology suppliers	<ul style="list-style-type: none"> - Product training based on service 	
	Services (consultants)	<ul style="list-style-type: none"> - Specific training 	
Investors		<ul style="list-style-type: none"> - Report - Company visits - Call 	<ul style="list-style-type: none"> - Financial and operational performance - ESG
Banks and financial institutions		<ul style="list-style-type: none"> - Mandatory communication - Reporting 	<ul style="list-style-type: none"> - Economic Performance
Communities	Households	<ul style="list-style-type: none"> - Worker mediation 	<ul style="list-style-type: none"> - Welfare
	Associations	<ul style="list-style-type: none"> - Donations 	<ul style="list-style-type: none"> - Charity
Government and regulatory bodies	Institutions	<ul style="list-style-type: none"> - Mandatory communication - Directives - Sector update 	<ul style="list-style-type: none"> - Forms - Regulations
	Certification bodies	<ul style="list-style-type: none"> - Certification - Audits - Standards updates - Training courses 	<ul style="list-style-type: none"> - Reporting - Non-Compliance - Continuous Improvement
	Trade unions	<ul style="list-style-type: none"> - Regular meetings 	<ul style="list-style-type: none"> - Production Performance - Safety and Security - Welfare
	Universities and research	<ul style="list-style-type: none"> - First partnership and contact with SMACT 	<ul style="list-style-type: none"> - Innovation - Training - Human Capital
Competitors		<ul style="list-style-type: none"> - Best practice analysis and reports 	<ul style="list-style-type: none"> - ESG

The customer satisfaction at Della Toffola Spa

First and foremost, for us **quality is synonymous with safety and regulatory compliance**.

The machineries we produce meet the requirements of the "Machinery Directive" and the harmonized standards specific to quality and safety.

Each product is accompanied by **informative material ('Operation and Maintenance Manual')** that contains the following data:

- **Indications on machinery** safety measures.
- **Intended use**.
- **Proper handling and use**.
- **End-of-life** disposal.
- How maintenance activities will be managed.

In the year 2021, **there were no incidents of noncompliance in the Della Toffola Group concerning the health and safety impacts of products and services**.

Customers are among our **main partners with whom we develop our technologies and innovations**. For this

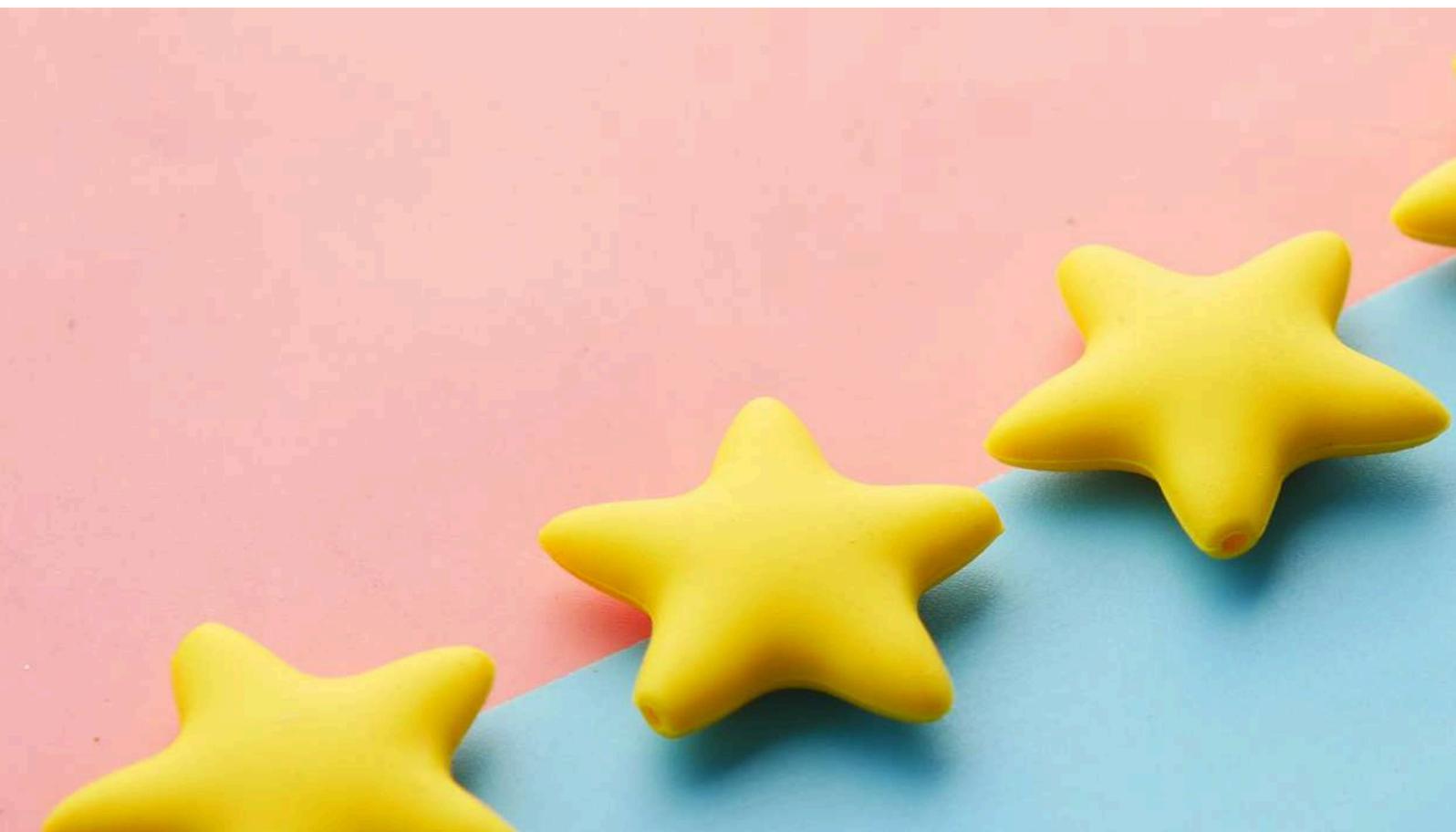
reason, **customer service** represents one of the core activities of our business and the **main communication and listening channel dedicated to them**.

During 2021, we activated an experimental way of measuring the level of trust, service and product quality that covered the parent Company Della Toffola spa. **In this section we report the data related to the quantitative evaluation analysis**.

The Company, **which is ISO 9001:2015 certified**, sent its customers an evaluation questionnaire that concerned all the main areas of the Company: commercial areas, technical/quality development, after-sales, and emergency service.

The resulting score reveals the degree of customer satisfaction.

In the face of ratings lower than 'good' and 'excellent', **direct customer contact is generated to understand the reason for the lack of complete satisfaction**.



Material theme

The data is then shared with the sales area and the after-sales service.

Improvement actions are implemented after direct contact with the customer in order of operationalizing them in the subsequent commercial action.

In 2021, the quality rating expressed by customers is **more than 86% of the time at the levels of "good" and "excellent."**

The slight **percentage drop observed between 2020 and 2021** is due to a lack of raw materials. This had two main effects:

- Difficulty in meeting delivery times.
- Lengthening of response times for after-sales assistance.



Customer satisfaction

Ensuring the satisfaction of expectations and needs of our customers, facilitating a privileged communication where to express their opinions/ suggestions/ complaints.



GRI STANDARD

Reference information

416-2 (b) Health and Safety of customers 2016
417-1 Marketing and labelling 2016



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 9.4 By 2030, upgrade infrastructure and modernize industries to make them sustainable, with greater resource efficiency to use and greater adoption of clean and environmentally friendly technologies and industrial processes, so that all countries act in accordance with their respective capabilities

2.3 Materiality analysis

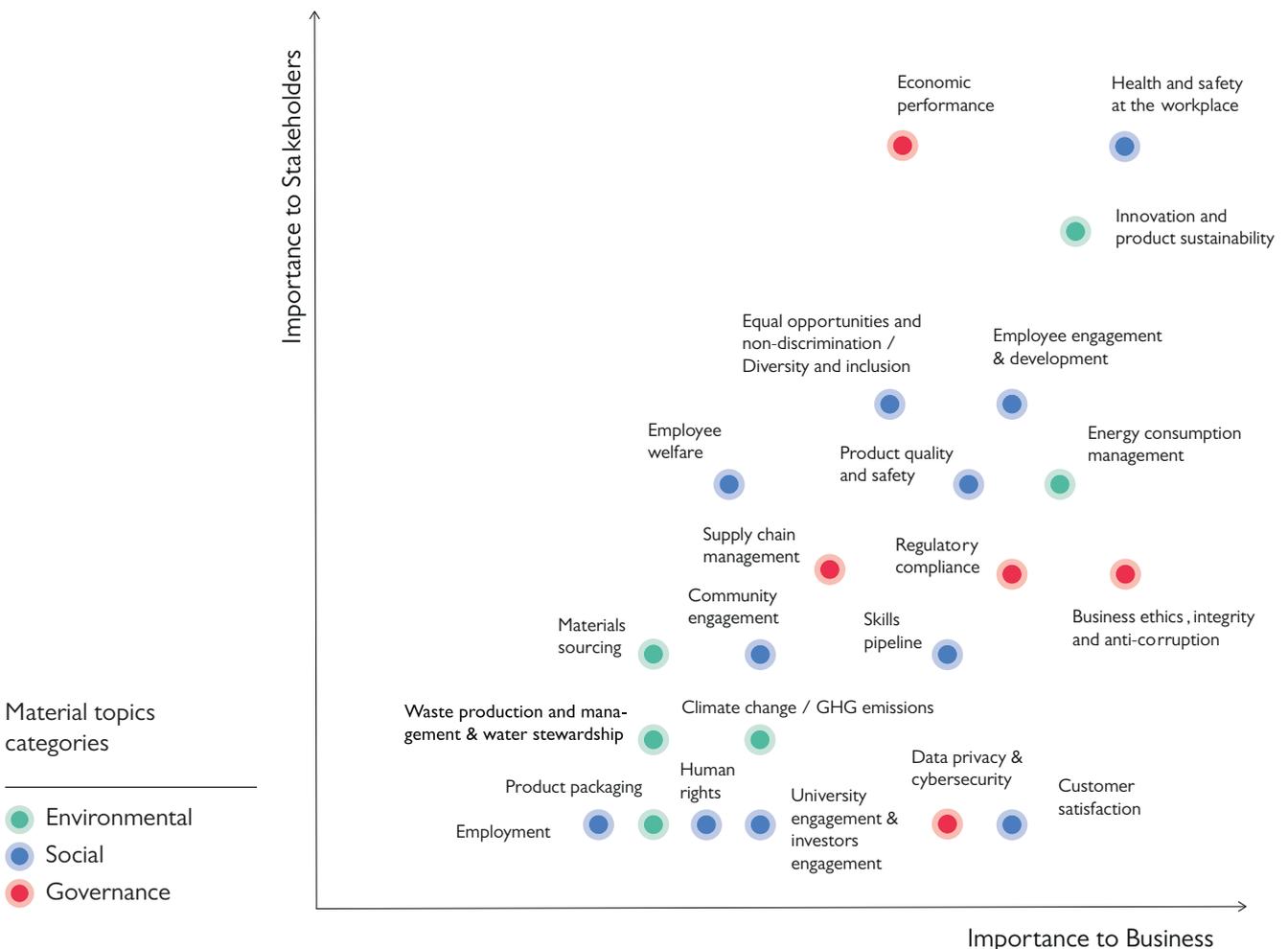
Fundamental requirement for elaborating effective and lasting sustainability strategies

To check how far our perspective of sustainable development was aligned or not with that of our stakeholders, we initiated, with the collaboration of a team of external consultants, **the first materiality analysis of the Della Toffola Group.**

To do this, we first identified **a list of possible material themes** - identifying our main economic, environmental and social impacts, according to a scenario and market

analysis, and then we evaluated them - using a scale of values from 1 to 10 (maximum attributable value) - according to the point of view of the category of external stakeholders that we consider as a priority: customers. We took another point of view by questioning Investindustrial directly.

By cross-referencing **the materiality levels** assigned by the two parties (internal and external), we obtained



the degree of materiality (materiality significance) expressed by each sustainability theme identified (24 themes in total). The materiality threshold was set at 3.6 percentage points.

The material themes thus identified and prioritized were, then **classified in the light of the four pillars at the basis of our sustainability strategy**: people, innovation, governance, and impact reduction.

The **themes, therefore, that are included in the table below are those perceived to be of high relevance**, and they identify the **areas in which we must concentrate** the greatest future efforts in terms of action and reporting, **to achieve the highest possible level of sustainability, meeting the needs of our stakeholders.**

Not all material issues have the same priority.

From this point of view, materiality analysis is of fundamental importance **for orienting, in the short and long term, our sustainability and risk management policies, identifying risk management, critical issues and opportunities for the creation of shared value.**

In the table below - which reinterprets the traditional materiality matrix, there is a list of material issues that **are ordered according to their importance are listed in order of importance, on which we have built our ESG action plan.**

Corporate	People	Reducing impacts	Innovation
(3) Business ethics, integrity and anti-corruption (4) Economic performance (8) Regulatory compliance (10) Customer satisfaction (11) Cybersecurity and privacy	(1) Health and safety in the workplace (5) Human resources engagement and talent development (9) Inclusion, non-discrimination and equality (12) Welfare (13) Community involvement	(6) Energy consumption and supply (6) GHG emissions (6) Waste (14) Infrastructure improvement (water resource management)	(2) Research and development (7) Quality and safety

Nota

Within the report, our priority material topics are proposed according to a summary table with the following information:



A material theme description (our consideration about it)



Correlation between the material theme and the most relevant aspects of the GRI Standards (the lens through which we decided to tell the story).



Correlation between the material theme and the Sustainable Development Goal of the UN 2030 Agenda (SDGs) for which we can make a concrete contribution.

2.4 Our ESG strategy

To ensure long-term profitability and competitiveness

At the end of 2020 Investindustrial acquired the majority of Della Toffola's share capital.

Investindustrial is one of the main European investment and independent management groups with 11 billion euros of total capital raised, which for 30 years has been supporting medium-sized companies in the development

of best practices to create sustainable shared value on a global scale. The Della Toffola Group is one of the 22 companies in the current Investindustrial portfolio.

Sustainability is the essence of Investindustrial's strategy: **'Building Better Companies'**.

10 principles of the United Nations Global Compact

HUMAN RIGHTS



Respect and promote universally recognized human rights within their respective spheres of influence



Make sure that you are not, even indirectly, complicit in human rights abuses



Support the freedom of association of workers and recognize the right to collective bargaining



Eliminate all forms of forced and compulsory labor



Effectively eradicate child labor

ENVIRONMENT



Promote the elimination of all forms of discrimination in employment and profession



Support a preventive approach to environmental challenges



Undertake initiatives that promote greater environmental responsibility



Encourage the development and dissemination of technologies that respect the environment



Countering corruption in all its forms, including extortion and bribery

Companies that decide to join the United Nations Global Compact are required to publish every year - on the organization's website - a document that demonstrates the efforts made and the results achieved in implementing the Ten Principles.

For us, as for all other portfolio companies, sustainability is the driving force behind our evolution and an integral part of the international growth path we are living.

Our goal is to apply sustainability, understood as ESG (Environment, Social, Governance), in every area - thereby strengthening our Group's positioning in the markets we currently serve and entering new business segments.

Our ESG strategy is integrated with our **financial growth and internalisation strategy**. Considering material, non-financial factors allows us to reduce business risks and focus on new market opportunities, activating positive synergies and sharing responsibilities.

The definition of the strategy saw the active involvement of Investindustrial, the leadership and all responsible corporate functions in order to progressively affect the entire corporate value chain according to the following development phases:

2021-2022

PHASE 1
Definition of
ESG strategy and
related action plan

- **Pre-assessment and risk analysis** activities (mapping of our positioning).
- Implementation of **corporate policies** (e.g. Due Diligence, Risk Management and Anti-corruption).
- Definition of ESG governance structure and establishment of **internal ESG Committee**.
- Definition of **medium to long-term goals**, related **actions and KPIs**.

2022-2023

PHASE 2
Consolidation of
ESG governance

- Accession to the UN **Global Compact**.
- Initiation and **development of projects** foreseen in the ESG action plan.
- Monitoring of the contribution to the **SDGs** through specific indicators.

2024-2026

PHASE 3
ESG (and digital)
company

- Fully **integrated financial** governance and **ESG**.
- Full involvement of the **supply chain** in the ESG strategy.
- **B-Corp certification**.

The main ESG management tool is the **ESG action plan** as described in the following chapters.

2.5 Our ESG action plan

Understanding, integrating, and managing change

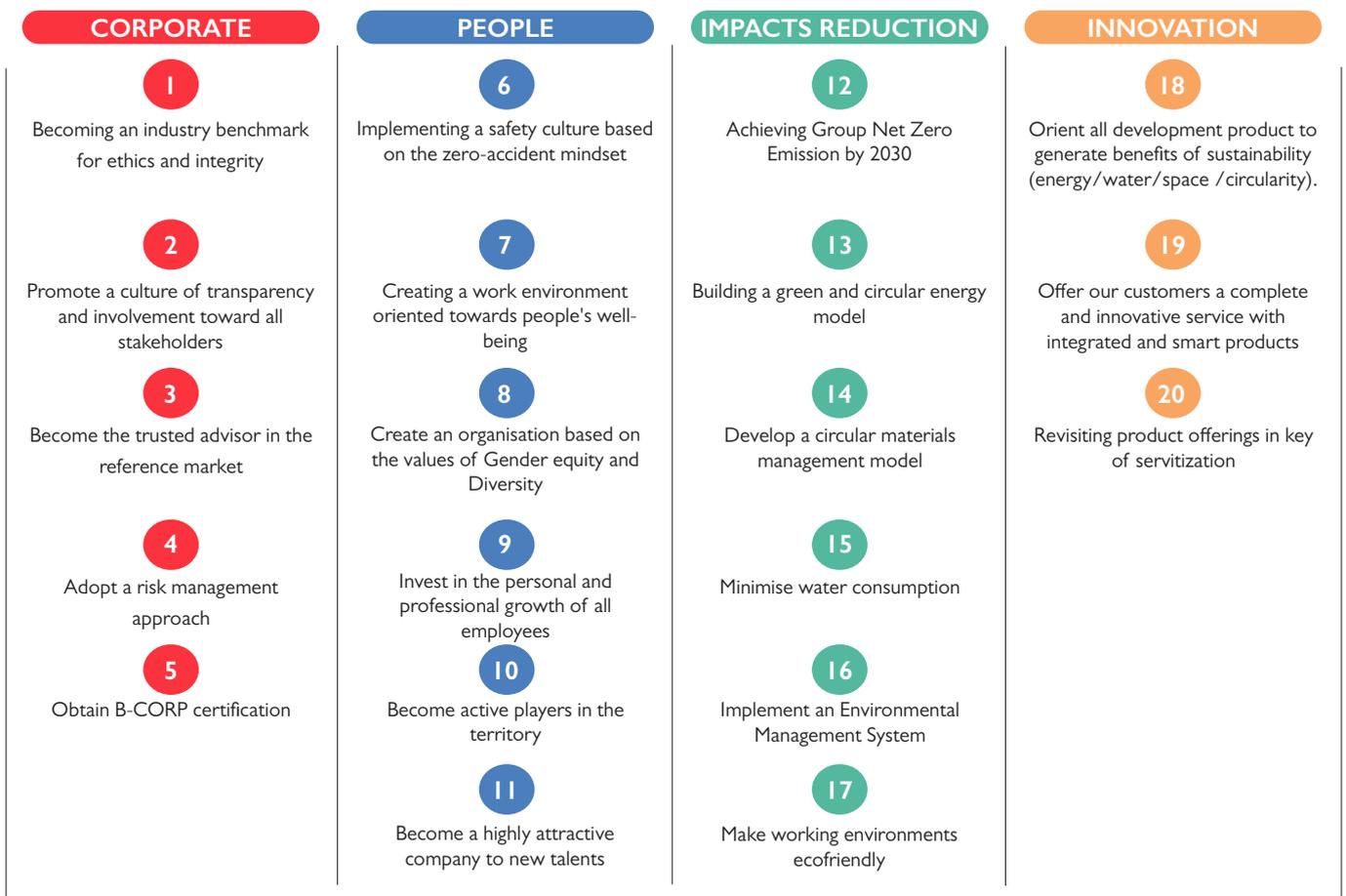
In order to arrive at the definition of our sustainability goals - i.e. the areas of impact/risk where we need to do more - we went through a long process of pre-assessment.

During the pre-assessment activity we **measured ourselves against the ESG metrics or initiatives used by our competitors** or client companies: an effective and direct way of realizing our gaps and development potential.

In this way, we **defined our strategic development baseline** and started to collect non-financial information, thus defining our first package of ESG indicators.

This **first set of indicators was then compared with the reporting requirements of the international GRI Reporting Standards** (version 2016-2020) to be able to define a set that was as appropriate as possible to our specific needs and capacities for impact analysis and management.

At the same time, we **identified our goals** (based on priority material issues) and the **action plan** to achieve them by 2030.



The Company involvement was comprehensive and across functions and roles and this allowed us to rethink and reinterpret our company in an objective and transparent way.

For us, strategically adopting sustainability means rethinking the Company, using a data-driven approach that monitors progress and critical issues.

The development of the plan and the monitoring of activities is managed by the internal **ESG Committee** consisting of the following company figures with control and management capacities.

- **Chief Executive Officer** who ensures that the Group's sustainability path is implemented consistently with the principles and values that inspire and guide the company's operations.
- **Executive Committee** which identifies strategies, guidelines, and identification of projects for sustainable development, assessing consistency with established goals, analyzing the level of business risk and verifying progress.
- The **Managing Director** of the four Business Units who monitor the development of the ESG plan, in accordance with the strategies of their target business, the design of new products and customer relations.

In addition, the **ESG Team** was established - across business functions - with the task of translating strategies into specific projects and initiatives on a multi-year basis.

Members of the ESG Team:

- **Corporate Director** supervises the projects of the Corporate Pillar, supporting work teams and project owners in managing time and methods, and ensuring the achievement of goals.

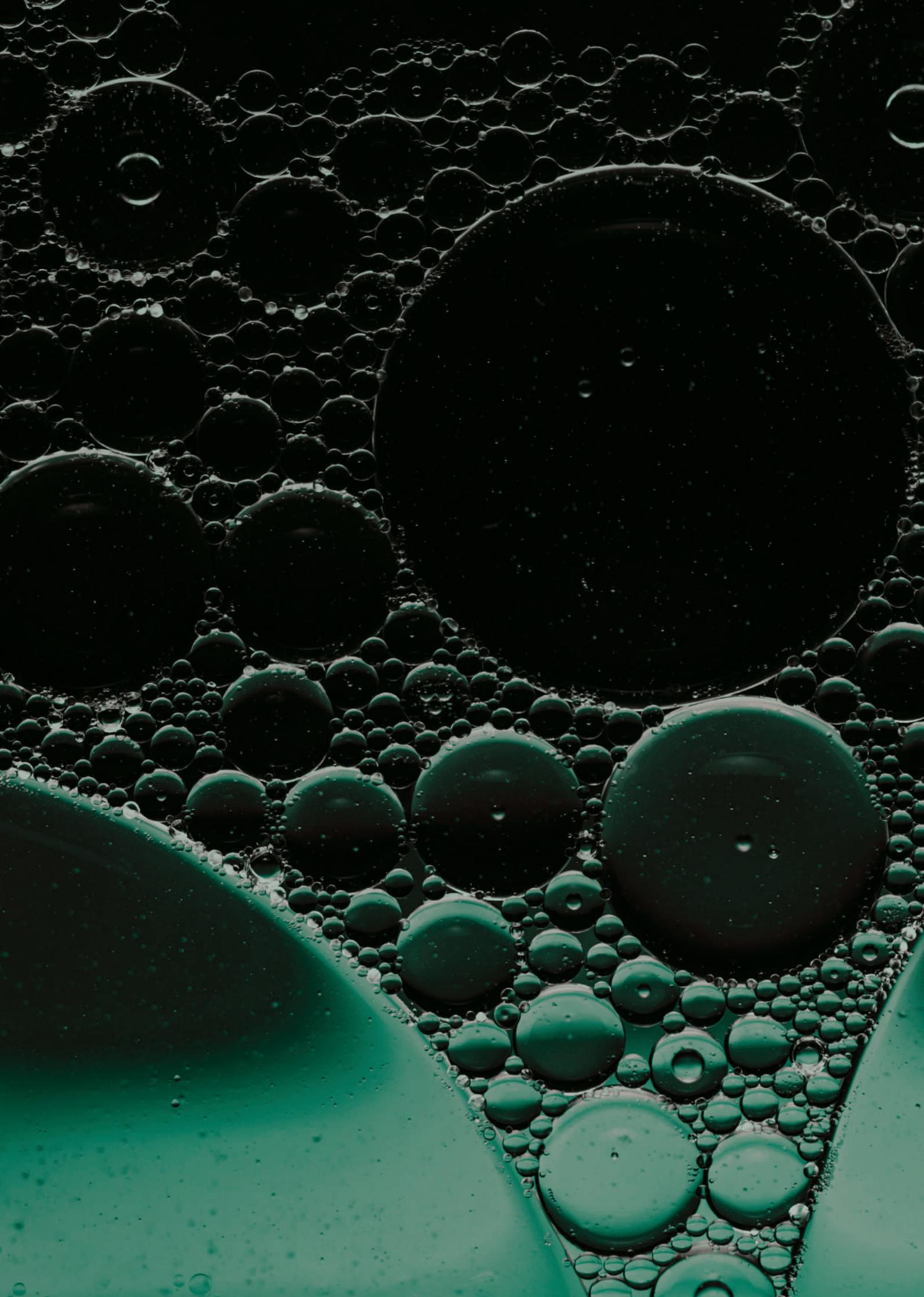
- **MKTG and Branding Manager** supervises Pillar People projects, supporting work teams and project owners in managing time and methods and ensuring the achievement of goals.
- **HSE Manager** supervises the projects of the Environment Pillar and those relating to Health and Safety, supporting the work teams and project owners in managing time and methods, guaranteeing the achievement of goals.
- **Digital Innovation Manager** supervises the projects of the Product Innovation Pillar, supporting the work teams involved in the development of innovative projects and in managing time and methods, guaranteeing the achievement of goals.

All key management positions have performance targets linked to the management of the sustainability journey.

Our plan provides for **four-monthly and annual monitoring** of results to check progress.

From the second edition of the report, we also plan to monitor the achievement of the 2030 Agenda goals by identifying specific indicators.

Every quarter-end, **we share the ESG data with InvestIndustrial's ESG Team, and at the end of each fiscal year we present it to the Group's Board of Directors.**



03

OUR SUSTAINABILITY GOALS

In the following pages we give an overview, for each pillar of our strategy, what is the path we intend to take to **mitigate risks, reduce negative impacts** and increase positive contributions, considering our current starting point.

The following chapters, therefore, **describe in detail our focus areas of action, through the associated material issues (our major impacts) and the goals for improvement we are committed to achieve between now and the next few years.**

What we tell you is our point of arrival and departure together.

3.1



Pillar I

Corporate

The aspects we focus the most in the sustainability area, are those inherent to social spheres or environmental spheres, but good corporate governance and the ability to position itself consistently in the marketplace are the foundational basis for the full realization of the other purposes.

At Della Toffola Group, we consider the following to be fundamental **strategic coherence** in our ESG journey, which must cross all the levels that make up a complex organization.

For this reason, at the beginning of 2021 a new figure in our organization has been included: the **Corporate Director**, who oversees corporate and governance issues at the Group level.

In drafting the ESG plan, we identified the most relevant areas to build our plan for future development. The following material issues fall under the corporate pillar: the issue of cybersecurity and privacy related to data, integrity and business ethics, transparency and stakeholder engagement, trust and relationship with customers, risk management, and finally, transformation into a Benefit Corporation - thus making sustainability an integral part of our DNA.

3.1.1 Where we start from

In this chapter we cover the only material topic that has not already been addressed in other sections of the report: **cyber security and the privacy of our customers.**

Among the specific principles and standards of conduct in our **Code of Ethics**, we have included three rules that are fundamental to us:

1. **Protect the privacy and confidentiality** of strategic or otherwise confidential information. Anyone who handles personal data and strategic or otherwise confidential information must do so within the limits prescribed by the Law and as declared to the parties to whom the data relate.
2. **Ensure transparency** in information provided externally. Anyone who, as part of the proper performance of his or her business functions, is required to communicate or disseminate information must take care of its truthfulness and completeness in relation to the purposes and considering the rights to confidentiality. Information must be provided in a manner that does not mislead the recipients.
3. **Safeguarding the integrity of computer and paper-based systems and documents.**

In our case, protecting privacy and promoting cyber security means not only activating an organizational model for the proper management of the network, computer systems, or even personal data, in accordance with **EU Regulation No. 2016/679, GDPR**, but also - and most importantly - implementing a consolidated and streamlined process for the **protection and integration of our clients' process data.**

Cyber security activities are managed by the Group **Information Technologies** function while integrated

personal data management is handled by the Legal & Compliance function.

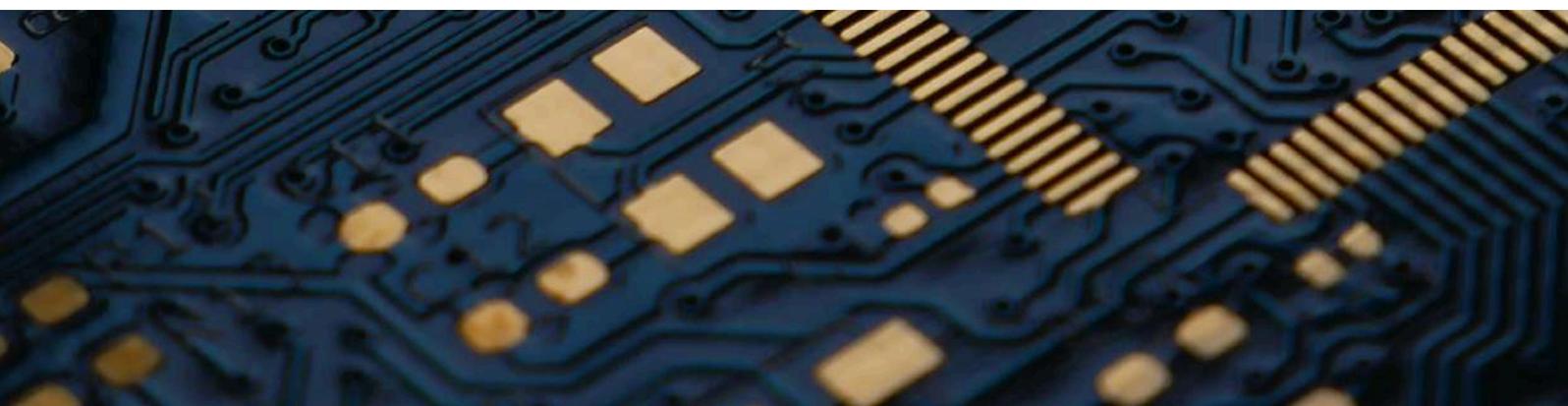
During 2021, the Group suffered an **attack on corporate information systems** of the ransomware type (a computer virus that makes inaccessible the contents of the infected computer and demands payment of a ransom). In the immediacy of the events, we took the following steps:

- **Not give in to any kind of demands** that hackers had made.
- **Promptly report** the facts to the appropriate judicial authority.
- Involve a **team of internationally experienced specialists** to verify the extent of the attack and to complete Digital Forensick activities.
- Extend the scope of **information and training** to risks related to the management of corporate information systems.

The Board of Directors and the Supervisory Board were promptly informed of the event, and in continuous coordination, they decided to take the above steps.

With the exception, of the case just described, **we have not recorded any other cyber incidents involving sensitive and personal data of our customers and stakeholders in the past 5 years.**

Anyone who becomes aware of any violation of organizational and technical security measures is required to immediately notify the Legal & Compliance department at: **privacy@dellatoffola.it**



Material theme



Cybersecurity & Privacy

Management of risks related to the collection, storage, and use of sensitive or confidential.



GRI STANDARD

Reference information

418-I (b-c) Customer privacy 2016



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for youth and people with disabilities, and equal of pay for work of equal value
- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, particularly women migrants, and those in precarious employment
- 10.3 Ensuring equal opportunities for all and reducing inequalities of outcome, including through the elimination of laws, policies and practices that are discriminatory, and the promotion of appropriate laws, policies and actions in this regard

3.1.2 Where we want to get to

The basis of everything. There is no business plan that looks to the future without a clear and defined ethical approach.

This represents for us the 'corporate' pillar: the definition of strategies and decisions that fully represent our identity values.

To ensure this evolution, in a logic of continuous improvement, we have defined concrete areas of implementation through five macro-goals that will guide actions in the corporate area in the coming years:

1. **Becoming a reference point in the industry for ethics and integrity.** We want our values of respect, fairness, listening and merit to be clearly identifiable in attitudes and concrete choices in all our relationships with our stakeholders. We want ethics to come first,

before any other decision-making criteria. We want our principles to be formalized through adherence to major international programs for socially and environmentally aware business. We also want the same principles to be disseminated and shared with all the people who are part of Della Toffola Group.

2. **Promote a culture of maximum transparency and involvement towards all stakeholders.** Incorporating sustainability strategies implies a great responsibility for ethics and transparency. Therefore, we want all stakeholders in our ecosystem to be actively informed and involved in our journey. We believe, in fact, that shared sustainability paths become multipliers and spreaders of good practices in business

CORPORATE GOALS

GOAL	TARGET ACTION	TARGET MATURITY
1 Becoming an industry benchmark for ethics and integrity	100 % implementation of the most important corporate policies, developed by drawing inspiration from the benchmark best practices	2026
2 Promote a culture of transparency and involvement toward all stakeholders	100% of stakeholders actively engaged on the ESG pathway	2024
3 Become the trusted advisor in the reference market	100% implementation of the NPS (Net Promoter Score) model	2025
4 Adopt a risk management approach	100% of the Group adopts the risk management approach	2024
5 Obtain B-CORP certification	Benefit Impact Assessment - Achievement of 100 points required for certification	2024



3. **Become a trusted advisor in the target market.** We want to evolve our market strategy to make our ethical approach tangible also in this specific economic field. We want our clients to choose us based on our values and not only for the group's historical characteristics of product quality and reliability. That is why we intend to implement the Net Promoter Score as a good practice for measuring the level of satisfaction of our customers.
4. **Adopt an approach based on risk management.** For Della Toffola, dealing with sustainability and business ethics cannot and must not be a mere expression of intent. Therefore, the Group intends to adopt objective and consistent procedures that are repeatable over time and demonstrable through a certain and procedural 'risk intelligence' system that provides an objective and methodological basis for all business choices.
5. **Becoming B-corp.** The Benefit Corporation represents today the highest level of expression of sustainable business. Becoming a Benefit Corporation means placing the same level of importance as profit goals and social and/or environmental benefits.

Della Toffola intends to achieve this highest expression through the transformation of the statute that defines our business and, subsequently, through the international B-corp certification.



Piemonte & Valle d'Aosta	
BPO Anonimo	BPO Bari
BPO Anonimo	BPO Bergamo
BPO Anonimo	BPO Bolzano
BPO Anonimo	BPO Brescia
BPO Anonimo	BPO Cagliari
BPO Anonimo	BPO Catania
BPO Anonimo	BPO Cosenza
BPO Anonimo	BPO Cremona
BPO Anonimo	BPO Foggia
BPO Anonimo	BPO Genova
BPO Anonimo	BPO Grosseto
BPO Anonimo	BPO Imperia
BPO Anonimo	BPO Lodi
BPO Anonimo	BPO Livorno
BPO Anonimo	BPO Macerata
BPO Anonimo	BPO Mantova
BPO Anonimo	BPO Matera
BPO Anonimo	BPO Messina
BPO Anonimo	BPO Milano
BPO Anonimo	BPO Modena
BPO Anonimo	BPO Napoli
BPO Anonimo	BPO Novara
BPO Anonimo	BPO Padova
BPO Anonimo	BPO Palermo
BPO Anonimo	BPO Parma
BPO Anonimo	BPO Pavia
BPO Anonimo	BPO Perugia
BPO Anonimo	BPO Pescara
BPO Anonimo	BPO Pistoia
BPO Anonimo	BPO Potenza
BPO Anonimo	BPO Prato
BPO Anonimo	BPO Reggio Emilia
BPO Anonimo	BPO Roma
BPO Anonimo	BPO Salerno
BPO Anonimo	BPO Sondrio
BPO Anonimo	BPO Taranto
BPO Anonimo	BPO Terni
BPO Anonimo	BPO Treviso
BPO Anonimo	BPO Trapani
BPO Anonimo	BPO Udine
BPO Anonimo	BPO Varese
BPO Anonimo	BPO Verona
BPO Anonimo	BPO Vicenza
BPO Anonimo	BPO Viterbo
BPO Anonimo	BPO Cagliari
BPO Anonimo	BPO Sassari
BPO Anonimo	BPO Nuoro
BPO Anonimo	BPO Oristano

3.2

*migliore di come gli è stato
denato*

Pillar II

People

In the Della Toffola Group, **people are the most valuable resource**, starting from the selection and induction phase into the company workforce.

Towards them, we constantly strive to:

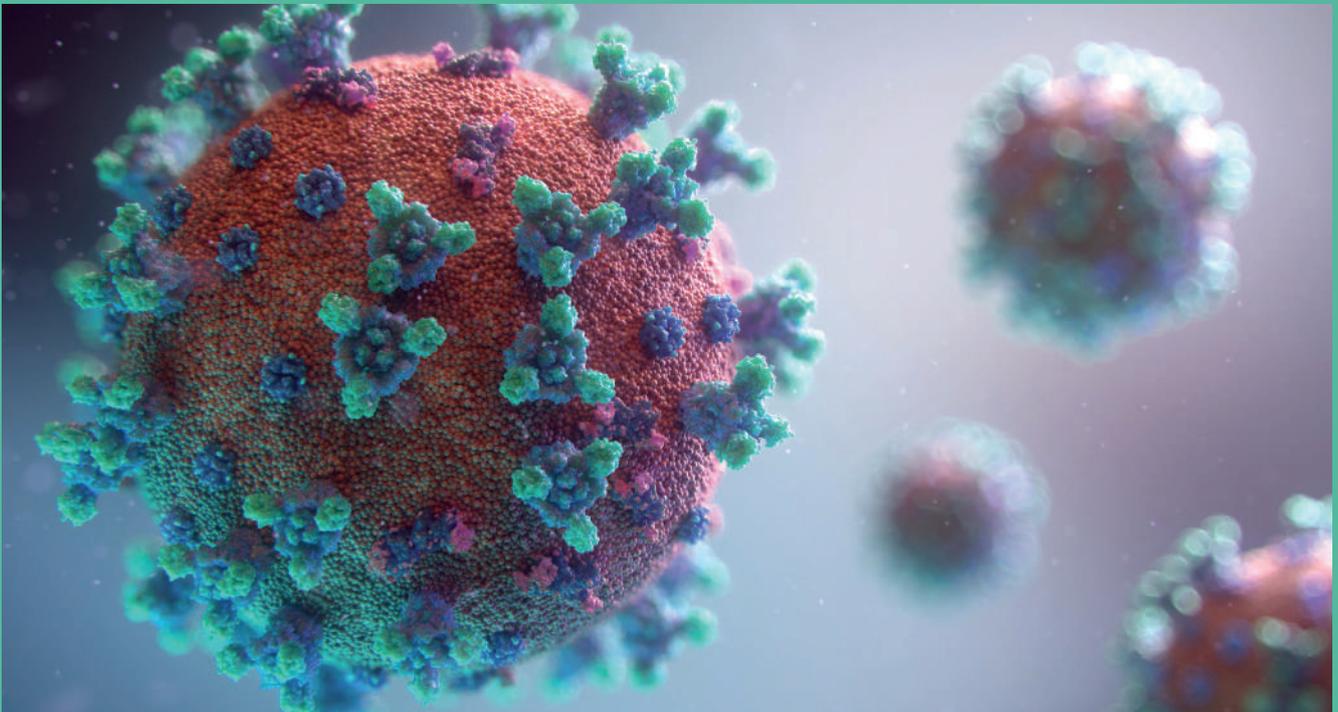
- **Protect health and safety** in our premises locations and any other place where we carry out our activities, taking all the measures provided for law and resulting from the application of the best techniques available.
- **Ensuring equal treatment in the selection and personnel management.** We are committed to select personnel based on **skills experience and potential**. We are committed to guarantee an impartial attitude towards workers, who must be guaranteed **fair opportunities and fair working conditions**. We commit ourselves to prepare **training plans** with a view to continuous improvement and professional growth of all employees. We exclude the employment of workers without legal residence requirements and/or lacking other legal requirements.
- **Do not tolerate any behavior that is discriminatory or that violates personal dignity** We categorically pursue all forms of intolerance, violence harassment and discrimination. We ensure compliance with of all applicable regulations and the provisions of collective bargaining (as **at 31/12/2021, 100% of the Group employees work within the national metal national collective metalworking agreement**), without any distinction based on political opinion, trade union activity, religious faith, gender, sexual orientation, ethnicity or nationality, age or state of health or any other characteristic of the person. Anyone is called upon to **report attitudes insulting, discriminatory or defamatory behavior** perpetrated in the workplace, or even outside the work context, where seriously detrimental to the principles inspiring principles of the company's work.
- **Guaranteeing freedom of association.** We commit ourselves to liaise, through the relevant functions, with the political and trade union organizations and RSUs present in our companies, with the aim of fostering a correct dialectic and cooperation in respect legitimate interests, without any discrimination or different treatment, according to principles of transparency, confidentiality, independence, and integrity.
- **Respecting work/life balance.** We support the balance between professional and personal life through balanced and flexible working hours and by encouraging the search for shared solutions to enable the **social, emotional, and cultural development of the people** that are part of our Group, also in consideration of the different geopolitical realities where it operates.
- **Working in a team and collaborating fairly.** We encourage to collaborate loyally with colleagues and to **participate proactively in team activities**, contributing ideas and solutions that can improve the quality of everyone's work. We support any opportunity aimed at fostering the exchange of information, cooperation, and the spirit of cohesion, even at a distance, in any modality and using traditional and innovative tools.

On the left:
ERP (Enterprise Resource Planning) kick-off event at the Infinite Area spaces in Montebelluna



Insight

Management of Covid-19



The Company has been active since the beginning of the pandemic to contain and limit the spread of the COVID-19, first by following the recommendations of the World Health Organisation, and subsequently the indications of the institutions and the Italian Ministry of Health.

The First 'Shared Protocol of updating of measures to combat and containment the spread of the virus SARS-CoV-2/COVID-19 in the workplace' of 6th April 2021 has been implemented in the Company with a set of clear and precise rules for access to the workplaces of ex-

ternal personnel, for the management of work activities of employees and for the regulation of the activity of Smart Working.

In a voluntary manner the Company, where there was need, has provided the administration of swabs to employees who have been

in contact with positive subjects and safeguarded the health of its employees by encouraging agile working arrangements to keep staff 'spaced out', as required by international rules.



This protocol was subject to revision according to the Associations of trade and social partners, continuing to encourage meetings and using computer tools to avoid direct contact within the Company and/or with external suppliers guaranteeing the continuity of the business. It was also activated in 2021, and subsequently extended in 2022, a health

insurance policy for all Group employees to protect the health of workers for possible hospitalizations resulting from the infection of the virus.



Employees by gender and contract type

Employees	2020			2021		
	Man	Woman	Total	Man	Woman	Total
Full-time employees	547,4	65,6	613	772,6	111,9	884,45
Full-time employees before acquisition	534,4	65,6	600	753,0	105,9	858,83
Part-time employees	3,4	6,6	10	7,6	12,9	20,45

The calculation was based on annual ESG 2021 questionnaire's answers.

A full-time equivalent, abbreviated to FTE, is a unit for measuring people employed in a way that makes them comparable even though they may work different numbers of hours per week. Annually, a company generally considers an FTE valued at 2,080 hours (40 hours per week x 52 weeks per year). Part-time FTEs are a subset of the total FTEs reported.

Employees by gender and contract type

Employees	2020			2021		
	Man	Woman	Total	Man	Woman	Total
Fixed-term contract	18,8	2,0	20,8	31,1	6,8	37,9
Contract for an indefinite	527,6	63,6	591,2	741,5	105,1	846,55

The calculation was based on annual ESG 2021 questionnaire's answers.

Where there were no objective criteria for the termination of an employment relationship or contract of employment, these were of indefinite or unlimited duration. In the calculation of the figure, an employment is considered temporary if it is understood by both the employer and the employee that the termination of employment is determined by objective conditions such as reaching a certain date, the completion of an assignment or the return of another employee who has been temporarily replaced. Included in these groups are: (a) persons with a seasonal job; (b) persons employed by an employment agency or a company and hired by a third party to carry out a 'work mission' (unless there is an employment contract of indefinite duration with the employment agency or commercial employment or business activity); c) persons with specific training contracts.

Employees with disabilities

%	2020	2021
Employees with disabilities	5,0%	4,4%

The calculation was based on annual ESG 2021 questionnaire's answers. Disabilities refer to protected categories.

Number of employees hired by the Group

New employees	2020			2021		
	Man	Woman	Total	Man	Woman	Total
Italy	33,0	7,0	40	76,5	4,6	81,1

The calculation was based on annual ESG 2021 questionnaire's answers.
The figure is total and not divided by country.

Number of employees who have left the Group

Terminated employees	2020			2021		
	Man	Woman	Total	Man	Woman	Total
Italy	51,0	2,0	53	60,0	10,0	70

The calculation was based on annual ESG 2021 questionnaire's answers.
The figure is total and not divided by country.

Number of Senior Management

Management	2020			2021		
	Man	Woman	Total	Man	Woman	Total
Italy	5,0	0	5	11,0	4,0	15

The calculation was based on annual ESG 2021 questionnaire's answers.
The calculation takes into account the personnel of the company that are part of its Core Management team, excluding the Board of Directors.

Women in management positions

%	2020	2021
Women in management positions	4,0%	9,3%

The calculation was based on annual ESG 2021 questionnaire's answers.

3.2.1 Where we start from

The **main activities** carried out at our plants, involve the **assembly of electrical components** and mechanical parts.

In some cases, **carpentry work** is also planned with the use of machine tools or equipment such as: lathe, drill, press brake, shear, welding machines, etc... The handling of products within the warehouses is carried out **using electric trolleys, pallet trucks and overhead travelling cranes**. In addition, part of the activity is carried out at the customer's premises for assembly and service of machines and plants.

To identify the presence of possible hazards and to **quantify the risks**, we carry out the assessment according to the provisions of **Legislative Decree 81/08 et seq.** The analysis is performed by the internal **Prevention and Protection Service in-house** in cooperation with external consulting companies, especially in the case of instrumental assessments. Continuous monitoring makes it possible to take corrective actions and implement continuous improvement plans.

The protection of health and safety in the workplace is fundamental for us and it is one of the most relevant material theme.

Anyone working in Della Toffola Group companies must respect the health and safety needs of all stakeholders.

That is why:

- Procedures are in place in all our plants, **work procedures and data management** and reporting systems integrated.
- We have introduced a figure at Group level for the management of safety and environmental issues (**Group HSE Manager**) and for the organization of a uniform and coordinated data management and reporting service and coordinated on all levels.
- **We organise regular meetings**. Every year, in fact, in all plants, the following meet: Employers (DL), Head of the Prevention and Protection Service Manager (RSPP), Workers' Representative (RLS) and Medical

Accidents occurring in the workplace

	2020	2021
Total number of occupational accidents and incidents recordable that resulted in injury or death	20	21
Total number of hours worked in the reported period	778.876	1.336.240
Rate of recordable work-related injuries	5,1	3,1

The calculation was based on annual ESG 2021 questionnaire's answers.

¹ All employees and contractors working under direct supervision, according to local jurisdiction, are included; fatalities are included; injuries because of commuting accidents are only included if the transport was organized by the company. The calculation also includes any accident or illness at work that results in loss of consciousness, days of absence from work, restricted work, or transfer to another job as well as any accident or illness at work that requires medical treatment other than first aid

² Includes hours worked by employees and contractors

³ The rate is calculated by multiplying the number of recordable occupational accidents by 200,000 divided by the number of total hours worked in the reporting period.

Material theme

Officer (MC). From 2021 onwards, meetings will be promoted between management and the RSU to communicate transparently data and actions related to the area safety environment and company performance.

- **A management system is in place for the health surveillance of employees** in consultation with the competent doctors. The health protocol consists of medical and specialist examinations that contribute to defining the employee's suitability for the job of the employee. Each company, in fact, has a **competent doctor** appointed by the respective employer. The management of health surveillance is assisted by **specialized Occupational Medicine Centres** which take care of the planning of examinations and carry out any specialist examinations. All new employees are provided with information on the **Metasalute fund as an instrument of welfare and supplementary health care (as provided for by the CCNL)**. The fund provides health assistance direct or indirect, including any type of medical examination and specialist assessment, also for tax-dependent family members.
- We are committed to spreading a **culture of safety** and a prevention-oriented mindset, so that all operators are aware of the risks present, promoting the use of personal protective equipment (PPE) and compliance with work procedures and company rules that are fundamental to combat accidents. The goal is to establish a management mindset in the Group linked with a 'zero accidents' approach for all companies - both production and commercial. This process is also facilitated by the **training activity** that involves all workers according of the task performed. Workers are required to report dangerous events or situations, injuries, or accidents or near misses to analyze them and, if implement corrective actions. The Company **promotes the reporting** of events of any kind to promote improvement actions.

In the reporting period under review, **21 injuries were recorded, all minor/medium severity: grazes, bruises, small cuts or foreign bodies in the eye**. The cases related to Italian plants, as productive.



Health & Safety in the workplace

Ensuring safe and healthy workplaces and spaces. Management of occupational safety practices; programmes for the health and wellbeing of employees; promotion of a corporate culture of health and safety.



GRI STANDARD

Reference information

- 403-1 (a) Health and safety at work 2018
- 403-2 (a) Health and safety at work 2018
- 403-3 Health and safety at work 2018
- 403-6 (a) Health and safety at work 2018
- 403-9 (a, b, e) Health and safety at work 2018



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value.
- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Days lost due to accidents

	2020	2021
Number of work days lost due to work-related injuries	503	279
Injury severity rate	0,6	0,2
Absence rate	-	3,2%

The calculation was based on annual ESG 2021 questionnaire's answers.

¹ The number of working days lost due to accidents at work includes both days lost due to injury as a result of injury, as well as working days lost due to unforeseen accidents that caused work stoppages.

² The rate is calculated as follows: number of working days lost (due to work accidents) x 1,000/total hours worked

³ The rate is calculated as the total number of days lost due to illness, injury, etc. (including when employees have entitled to paid sick leave, but excluding other entitlements to periods of paid leave from work (e.g. paid holidays public holidays)), divided by the number of days employees are expected to work.



Absence from work because of injuries or disease

	2020	2021
Days lost due to injury or illness	503	279
Total number of hours worked by direct employees in the reported period	424.613	737.440
Frequency rate of absence from work due to injuries of direct employees (LTIFR)	9,4	5,4
Number of absentee injuries for contractors	-	2
Total number of hours worked by contractors in the reported period	12.524	21.065
Frequency rate of absence from work due to injuries from contractors (LTIFR)	-	19
Total number of injuries in absence from work	20	22
Frequency rate of absence from work (LTIFR)	9,2	5,8

The calculation was based on annual ESG 2021 questionnaire's answers.

1 The number of working days lost due to accidents at work includes both days lost due to injury because of injury, as well as working days lost due to unforeseen accidents that caused work stoppages

2 Includes all permanent and temporary staff

3 For direct employees the LTIFR (Lost Time Injuries Frequency Rate) is calculated as the total number of lost time injuries multiplied by 200,000 divided by the number of total hours worked in the reporting period.

4 Includes all permanent and temporary staff and contractors working under direct supervision

5 For contractors, the LTIFR is calculated as the total number of lost time injuries multiplied by 200,000 divided by the No. of total hours worked in the reporting period.

6 A lost-time injury is an injury or illness in which the injured party has at least one full day or one shift of rest from work.

7 For lost time, the LTIFR is calculated as the total number of lost time injuries multiplied by 200,000 divided by the number of total hours worked in the reporting period. All permanent and temporary staff and contractors working under direct supervision is included.

3.2.1 Where we start from

In the course of 2021, we set up a **Corporate Office** in the Human Resources Department (reporting directly to the CEO) with the aim of **centralising and standardising our resource management model**, not only for the administrative aspect, **but also for talent development and acquisition**.

Education, training, and the continuous nurturing of skills are fundamental requirements to ensure the highest personal fulfillment and production standards of the Group.

To achieve these goals, we have been working on:

- **Support new recruits** in production departments from the resources with the **highest level of seniority** (for a more complete and effective on-the-job learning).
- Involve all staff - operational and managerial - in **training activities and refresher events** such as trade fairs and workshops.
- Disseminate updates on **sector-specific legislation** through internal communication channels.

In 2021 **a total of 1,400 hours of training** were provided (1.6 hours on average per employee). **30% of the workforce** benefited from this, most of them with operational tasks.

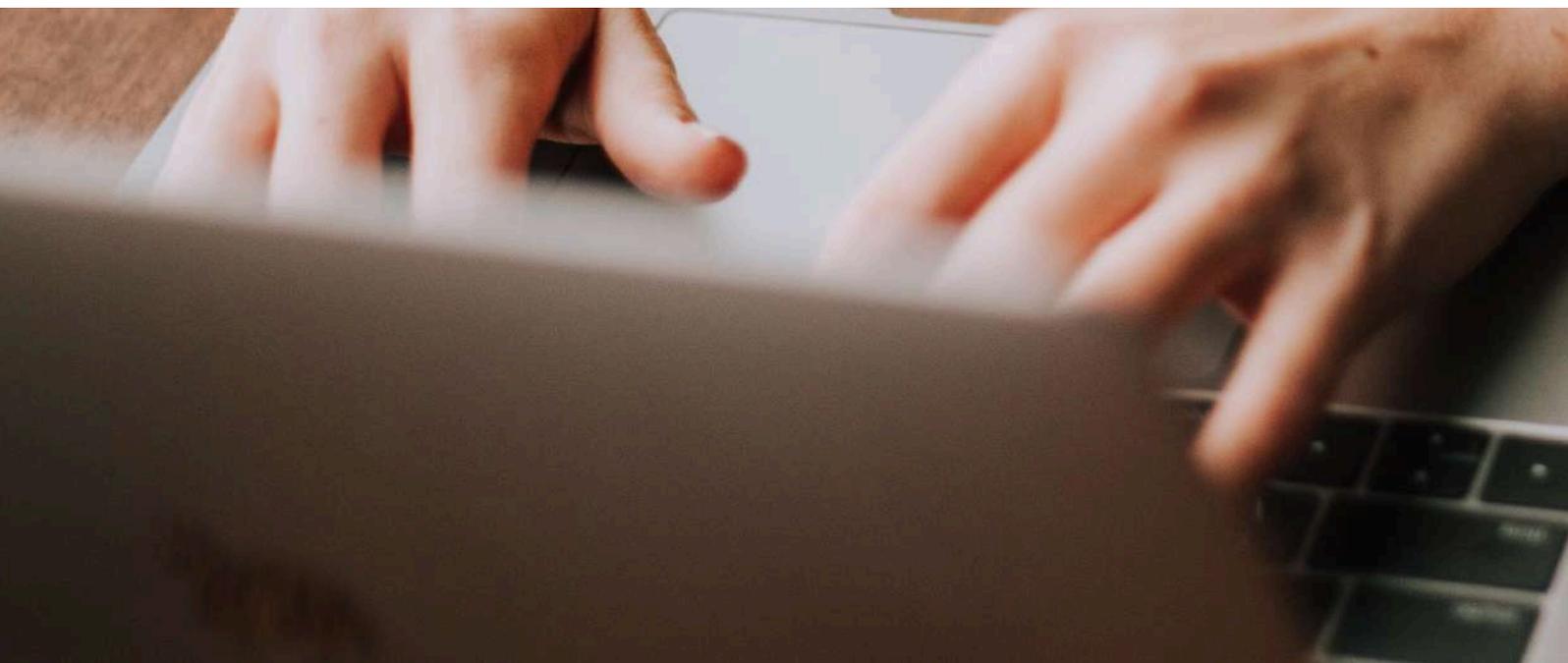
Training was dedicated to the following topics:

- **Health and safety 80%.**
- Technical and instrumental skills 10%.

- Professional skills (language courses, management etc) 10%.

To make the training process as personalized and effective as possible, we are striving to:

- Update the **job descriptions**.
- Update the status of **managerial training needs** through interviews with several first- and second-line strategic figures.
- Elaborate an **incremental skills acquisition process** (including soft skills) that will involve all Group personnel. We start by identifying the competencies needed to fill a certain task and role and compare them with the competencies and skills of the resource that currently holds the same role or will soon hold it, all considering the personal aspirations of each person. The outcome of the discussion defines the individual training plan.
- **Establish a 'long' on boarding procedure** (12 months) with regular monitoring of the level of personal satisfaction and training needs of newcomers. The course also includes participation in one-to-one meetings with key company functions, with the aim of recounting a role or task through the experience of those who have held them for some time.



Material theme



Involvement and development of human resources

Internal training programmes and resource development; launch of the corporate Academy. Development opportunities, benefits to attract, engage and retain valuable and talented resources.



GRI STANDARD

Reference information

404-I Training and education 2016



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 5.5 Ensuring women's full and effective participation and equal leadership opportunities at all levels of decision-making in political, economic, and public life.
- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value.
- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
- 10.3 Ensuring equal opportunities for all and reducing inequalities in outcomes, including through the elimination of discriminatory laws, policies, and practices, and promoting laws, policies and actions in this regard.

3.2.1 Where we start from

In 2021 we initiated a plan for **gender balance and enhancement of female talent**, including some female figures in responsibility and managerial roles.

Government components by gender and group age

Year	2021		
	Man	Woman	Total
Members of the organs of Governance of the organization	88,2%	11,8%	100%
age under 30 years old	0%	0%	0%
between 30 and 50 years old	/	/	29,4%
age over 50 years old	/	/	70,6%
Total	/	/	100%

The calculation was based on annual ESG 2021 questionnaire's answers.

Percentage of employees by gender and level

Year	2021		
	Man	Woman	Total
Executives	70,6%	29,4%	100%
Middle managers	92,5%	7,5%	100%
Clerks	74,1%	25,9%	100%
Blue collar workers	98,7%	1,3%	100%

The calculation was based on annual ESG 2021 questionnaire's answers.

Material theme

Our Group has about 1/5 foreign workers. In 2021 we organized preparatory meetings to identify the issues and needs on which to build a **path of integration of the Company's diversities** (primarily cultural and religious differences).

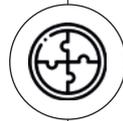
During the reporting period, there were no incidents of discrimination against the guidelines and the monitoring and control system provided by the Code of Ethics.

Employees by nationality	
Nationality	2021
Italian	407
Foreign	112
Total	519

The calculation was based on annual ESG 2021 questionnaire's answers.

Employees by group age	
Year	2021
	Total
Employees	518
under 30 years of age	61
between 30 and 50 years old	275
age over 50 years	182
Total	518

The calculation was based on annual ESG 2021 questionnaire's answers.



Inclusion, non-discrimination, and equality

Promoting and ensuring an inclusive corporate culture and open to diversity; adopt appropriate practices for this purpose, valuing the contribution of all employees.



GRI STANDARD

Reference information

405-I Diversity and equal opportunities 2016
406-I Non-discrimination 2016



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value
- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 10.3 Ensuring equal opportunities for all and reducing inequalities in outcomes, including through the elimination of discriminatory laws, policies, and practices, and promoting laws, policies and actions in this regard.

3.2.1 Where we start from

The **welfare activities and programmes currently in force in our Group are those provided for in the CCNL metalworkers' agreement.**

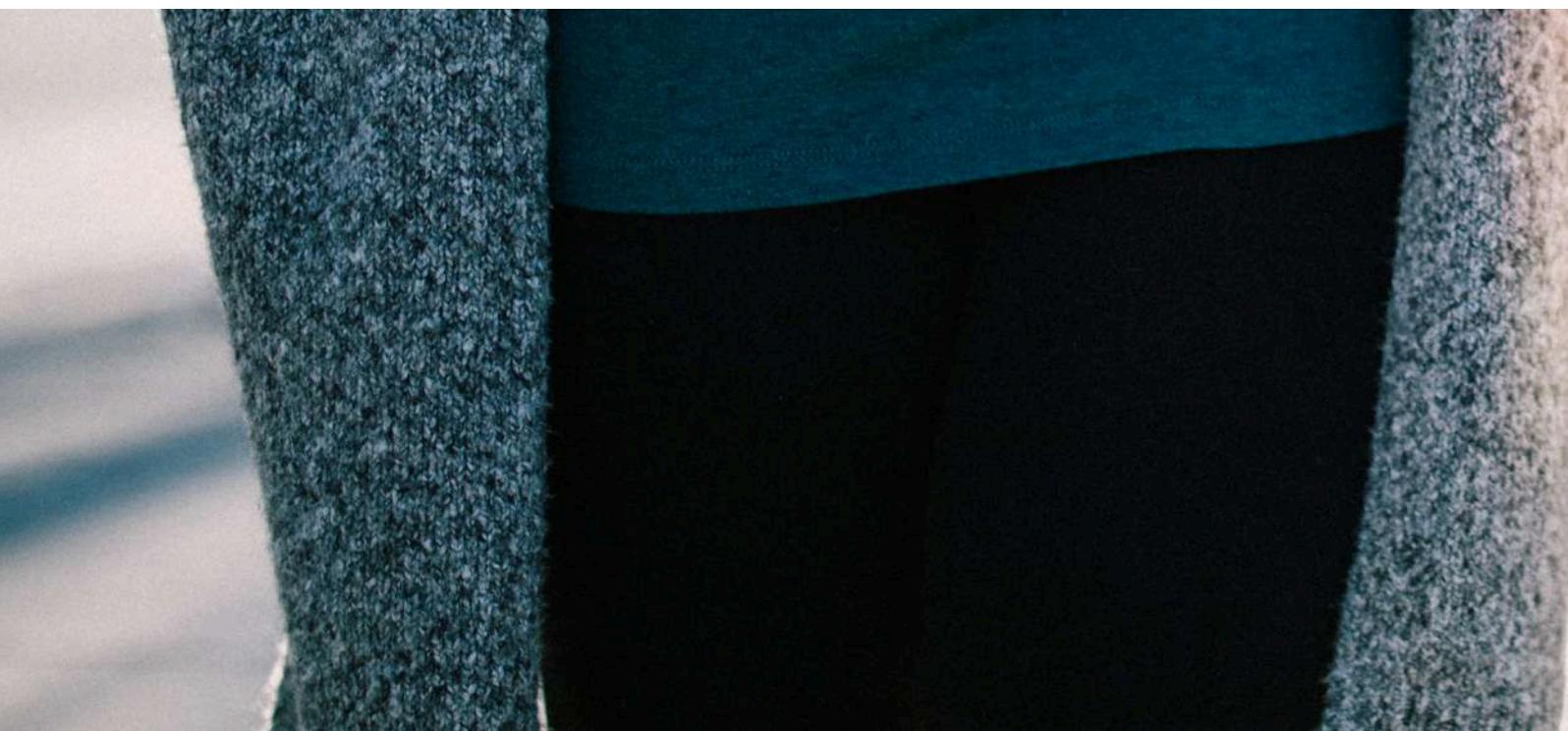
Considering the difficult period, in 2021 we have donated to all employees an **additional purchase voucher worth 300 euros** to spend on welfare services.

In addition, we started analysing the comfort level of workspaces and equipment to enable all employees to achieve a higher level of well-being.

Parental leave	
Employees who are entitled to it	100%
Employees who have taken advantage of it	GIMAR 0, SIRIO 0, DT 1, AVE 1, FRILLI 1, PRIAMO 0, ZITALIA 0
Employees who have returned to work after having taken parental leave	all those who have benefited
Employees who returned to work after taking taken parental leave and who are still employees of the organization in the 12 months following their return	all those who have benefited
Return-to-work rate and retention rate in the company of employees who have taken parental leave, by gender *	100%

Example notes given: Employees are entitled to parental leave if they are covered by company policies, agreements or contracts that provide for rights related to parental leave.

* only maternity leave was taken in 2021



Material theme

**Welfare**

Activities and programmes of corporate welfare

**GRI STANDARD**

Reference information

401-3 Employment 2016

**SDGs**

Agenda's Goals 2030

**Target**

SDGs sub-goals

- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value
- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 10.3 Ensuring equal opportunities for all and reducing inequalities in outcomes, including through the elimination of discriminatory laws, policies, and practices, and promoting laws, policies, and actions in this regard.

3.2.1 Where we start from

Here again, we start with our Code of Ethics, which sets out the commitments we have made to the collective, local communities, and non-profit organisations:

- All of Della Toffola Group's activities are respectful of the communities in which it operates and pay particular **attention to the social, cultural, economic and ecological development of the Collective and Local Communities.**
- Anyone who, for reasons connected with Company operations, interfaces with representatives of the Collective, Local Communities and/or non-profit organisations, is required to **maintain relations based on dialogue and listening, positively assessing requests for participation in projects that can enhance the territory, culture, and well-being of the realities with which we come into contact.**

In 2021, we signed a **three-year partnership with SMACT** - Centro di Competenza Industria 4.0 (Industry 4.0 Competence Centre) dedicated to the collaboration between research and business for the integration of

innovative technologies in companies: Social, Mobile, Analytics, Cloud and Internet of Things.

The centre was founded by forty entities including companies, universities, and research centres in the Triveneto region and offers guidance, advanced training, and funded innovation projects.

SMACT is one of the eight Enterprise 4.0 Competence Centres (CC) - highly specialized centres of excellence - set up in the form of a public-private partnership based on the thrust of the Ministry of Economic Development (MiSE), and our collaboration is primarily aimed at the **dissemination and sharing of best practices**, and participation in **training and networking events for managers and entrepreneurs in the Veneto region.**

At the end of 2021, we started collaborating with **Infinite Area** - a platform to promote innovation and new ideas in the heart of Montebelluna (TV).

The aim of both projects is to make **Della Toffola a point of reference in the area and promote an ongoing and fruitful dialogue with the community.**

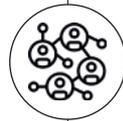
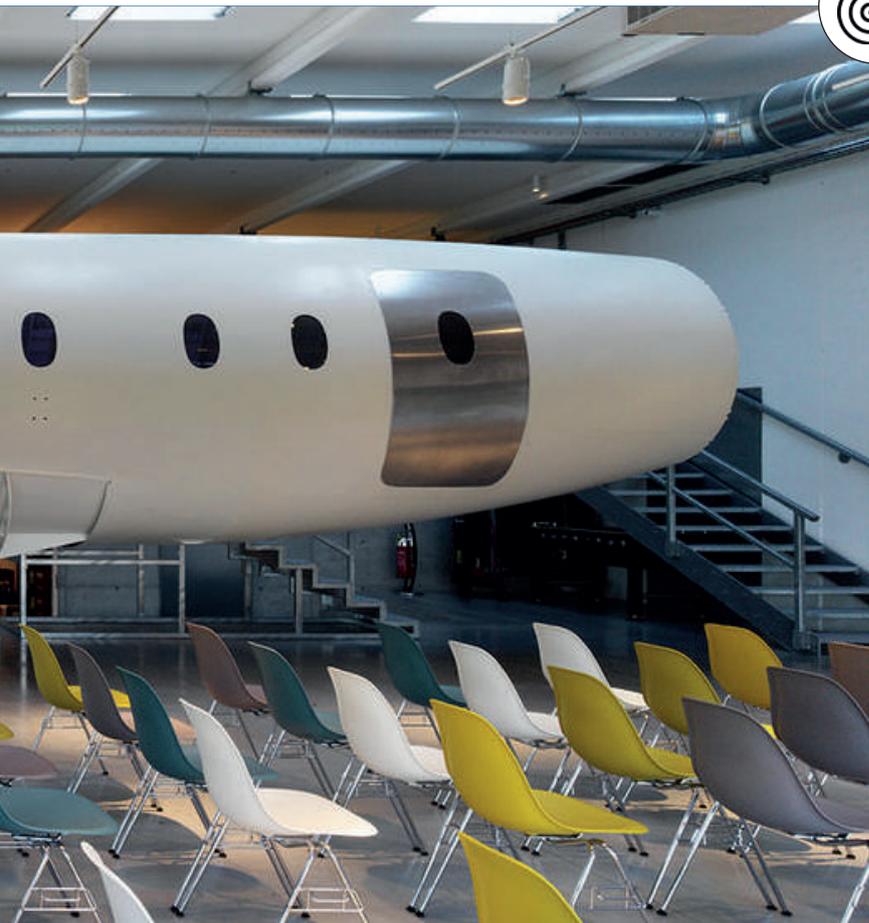


Material theme



Above:
SMACT competence center logo

At the bottom:
Infinite Area space



Involvement of communities

Creating lasting relationships with the communities in which the Group operates promoting continuous dialogue and activating new partnerships and initiatives including: charitable donations, corporate volunteering, and forms of support to local economies



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value
- 8.8 Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- 10.3 Ensuring equal opportunities for all and reducing inequalities in outcomes, including through the elimination of discriminatory laws, policies, and practices, and promoting laws, policies, and actions in this regard

3.2.2 Where we want to go

People make a company successful. In Della Toffola, we have decided that this awareness must become a central driver of all-round organizational development and innovation.

Therefore, the 'people' theme has become a chapter in our Corporate sustainability development plan, which is embodied in six strategic goals:

6. **Implementing a safety culture based on the zero-accident mindset.** Health and safety is a historically established focus of attention. We know, however, that the degree of attention to people's physical well-being must never be lowered; on the contrary, it requires continuous reflection and action. For

this reason, our approach aims to go well beyond the obligations required by current regulations and embrace the topic of security from several points of view: procedural and behavioral in the first place, but also cultural and substantive sensitivity on all organizational levels.

7. **Creating a work environment oriented towards people's well-being.** Personal health concerns not only physical integrity, but also psychological, social, and economic health. We intend to look at people and their well-being from all angles, implementing an advanced corporate welfare plan, working on the work-life balance and on all organizational and

PEOPLE GOALS

GOAL	TARGET ACTION	TARGET MATURITY
<p>6</p> <p>Implementing a safety culture based on the zero-accident mindset</p>	Zero accidents mindset in all our plants	2028
<p>7</p> <p>Creating a work environment oriented towards people's well-being</p>	100% of people have easy and full access to wellbeing programmes	2025
<p>8</p> <p>Create an organization based on the values of Gender equity and Diversity</p>	More than 50% of the new corporate staff positions are women. 25% female presence in leadership positions.	2026
<p>9</p> <p>Invest in the personal and professional growth of all employees</p>	100% of people have a clear career and growth path Launch of the Academy	2026 2025
<p>10</p> <p>Become active players in the territory</p>	10 new partners in the synergetic plan related to initiatives and communication	2023
<p>11</p> <p>Become a highly attractive company to new talents</p>	Launch of the Talent attraction programme	2024



structural aspects to make them more and more vehicles of felt and shared 'well-being'.

8. **Creating an organisation founded on the values of Gender equity and Diversity.** The Group's sector Della Toffola by its historical and anthropological nature has always been considered a 'male' sector. We want to definitively break this paradigm by becoming an organization that does not generate discriminatory gender bias, enhancing the presence of women, especially in leadership positions. Furthermore, the broader concept of diversity will be defined in the specific context to become a corporate policy that values everyone, not only because 'different is beautiful' but also because "diversity" generates wealth and growth for all.
9. **Investing in personal and professional growth of all employees.** The company grows only if the people grow together with it. We want to invest in the professional but also personal training of people to ensure development and growth opportunities for everyone. To achieve this goal we need, first and foremost to take a snapshot of the current state and distribution of our internal competencies and those that the future requires of us. From this photograph, we will shape our Academy, to realize customized and personalized and shared paths of growth that generate value for all the people in our ecosystem.
10. **Becoming active players in the territory.** The interest towards people and the social area begins with a focus on the workers of the Della Toffola Group, but it cannot limit itself to it. We have strong roots in the territories in which we grew up, a desire to create relations with new players and a path of innovation that cannot avoid being part of a broader ecosystem. Our sustainability plan is intended to be a plan of open innovation, where exchange, dialogue and growth are part of a network of subjects which we want to be promoters. That is why we have started to forge partnerships - which we intend to expand - with universities, research and skills centres, institutions and with the third sector.
11. **Becoming a highly attractive enterprise for new talents.** To meet future challenges in our market and contemplating new issues related sustainability, we need to meet and attract talents of all ages, with a specific focus on young people. The labour market and the needs of new workers are changing as fast as the local and global contexts are changing. Our development plan in the 'people' area will result in significant investments in this area with the aim of reaching the people Della Toffola needs, but also to be the working reality that today people need.

3.3



Pillar III

Reducing environmental impacts

In implementing all our corporate strategies and activities we pay special attention to **environmental sustainability and in particular the consumption of resources, the containment of emissions and the optimization of production cycles.**

The responsible corporate bodies **oversee the scrupulous application of the applicable regulations**, promptly report to top management on areas for improvement and **formulate proposals to improve the environmental impact** of the Group.

Reducing environmental impacts has become an issue of strategic priority for the Della Toffola Group which has included **the introduction of a responsible figure for - Health, Safety and Environment Manager from 2021;** this figure has begun coordinating certain areas for the homogeneous management of environmental aspects, including authorizations with the competent bodies in the areas of emissions, water waste and energy.

The goal is to achieve **certification ISO 14001 by 2025, for the whole Group.**

3.3.1 Where we start from

If we talk about energy consumption and supply, our main goals are: **reduction of energy consumption**, increase in energy efficiency (by adopting the best available technologies) and the use of **renewable energy sources**.

In 2021, we implemented a first project for the installation of the best available machines to make **welding processes more efficient**.

In addition, we have checked the energy consumption of the lamps currently in use, to replace them with **energy-efficient lighting fixtures** and that simultaneously

improve the working environment from the ergonomic and **lighting side**.

Other interventions included an **insulation** project of the Gimar company **roof** and a plan to **replacement of unit heaters** (for heating the factory) at Della Toffola spa, both of which were aimed at a dynamic efficiency.

These projects were **preparatory to the development of an energy management and energy efficiency plan** that will take the form, as of 2022, of a management of electricity and gas consumption within of our facilities.

Energy consumption 2020-2021

Total energy consumption	u.m.	2020	2021
Total energy		6.609.572	7.646.140

The calculation was based on annual ESG 2021 questionnaire's answers.



Material theme



Energy consumption & supply

Reducing energy consumption, increasing energy efficiency (adopting the best available technologies) and the use of renewable energy sources. Aim towards zero-emission corporate mobility emissions by 2030.



GRI STANDARD

Reference information

302-1 (a,b,c,e) Energy 2016



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 9.4 By 2030, upgrade infrastructure and modernize industries to make them sustainable, with greater resource efficiency to use and greater adoption of clean and environmentally friendly technologies and industrial processes, so that all countries act in accordance with their respective capabilities
- 12.2 By 2030, achieve sustainable management and efficient use of natural resources
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate information on sustainability in their regular reports

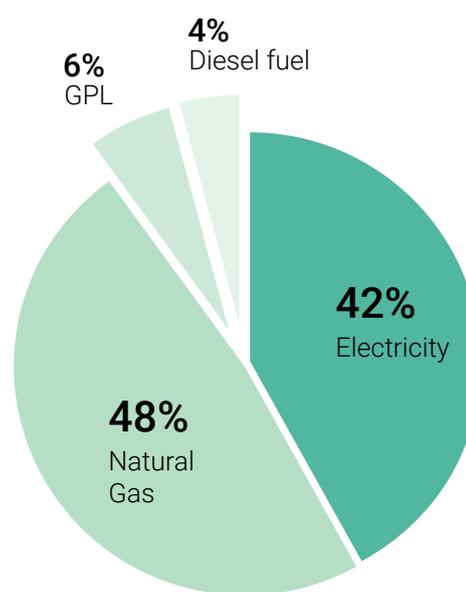
3.3.1 Where we start from

In 2021, the Group's energy supply is based on the following energy sources:

- Electricity.
- Natural gas.
- GPL.
- Diesel fuel.

Compared to 2020, **total energy consumption has increased by 15.7%** because of increased production and the gradual recovery after the health emergency.

With the aim of using 100 % energy from renewable sources by 2030, **the percentage of energy from renewable sources (electricity and natural gas) has been purchased directly from the supplier.**



Sources of energy
The calculation was based on annual ESG 2021 questionnaire's answers.

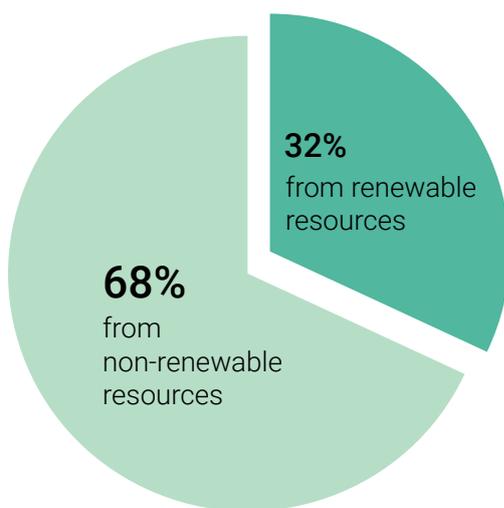
Fuel consumption				
Fuel consumption	u.m.	2021	Conversion factor	2021 (MJ)
Electricity	kWh/year	3.214.283	3,6	11.571.419
Natural Gas	kWh/year	3.626.267	3,6	13.054.562
GPL	kWh/year	485.308	3,6	1.747.109
Diesel Fuel	kWh/year	320.282	3,6	1.153.016
Total energy consumption	kWh	7.646.140		27.526.106

The data are the totals from the supply bills of the various Group Companies

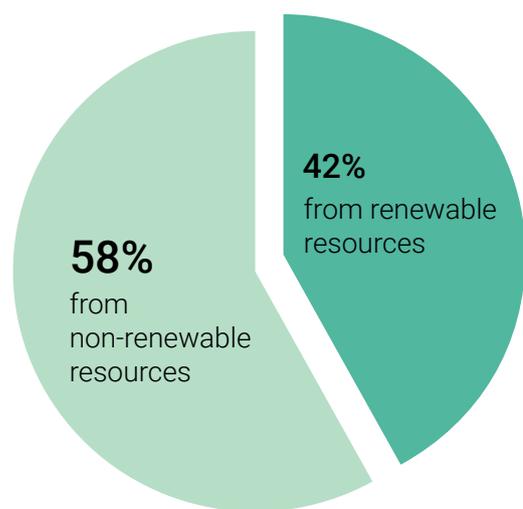
Fuel consumption broken down by renewable and nonrenewable source

	u.m.	2021	Conversion factor	2021 (MJ)
From renewable sources				
Electricity	kWh/year	1.041.156	3,6	3.748.162
Natural gas	kWh/year	1.537.537	3,6	5.535.134
From non-renewable sources				
Electricity	kWh/year	2.173.127	3,6	5.535.134
Natural gas	kWh/year	2.088.730	3,6	7.519.428

The data are the totals from the supply bills of the various Group Companies



Electric energy
The calculation was based on annual ESG 2021 questionnaire's answers.



Natural gas
The calculation was based on annual ESG 2021 questionnaire's answers.

3.3.1 Where we start from

Aiming at *Carbon neutrality* in accordance with European directives, the company began to assess its impact in terms of CO₂ emissions and to design interventions to reduce emissions.

An initial **inventory assessment was carried out and carbon emissions related to Scope 1 and Scope 2.**

Following the *GHG Protocol* methodology were classified and aggregated actual data concerning the energy consumption of gas and electricity referred to Group plants, then subsequently transformed into CO₂ equivalent according to GHG Protocol.

In parallel, Della Toffola will continue to purchase **nature-based carbon credits** in order to compensate for its carbon emissions. **In 2021** this initiative has allowed **the company to become carbon neutral** with respect to the activities falling within the reporting perimeter of scope 1 and scope 2 and is designed as a transition tool to mitigate its impact on the road to effectively reducing carbon emissions.

Indirect GHG Emissions (Scope 2)			
Indirect emissions	u.m.	2020	2021
Market based ¹	t CO ₂ e	359,1	434,6
Location based ¹	t CO ₂ e	459,8	556,5

With regard to indirect emissions, the electricity consumption (purchased electricity) of the buildings (offices and workshop).

¹ The calculation only takes into account the amount of electricity from non-renewable sources* % of total*emission factor (0.25 and 0.5) as per e.g. 6.5 table "GHG Protocol Scope 2 Guidance".

² The calculation only considers the amount of electricity from non-renewable sources* % of total*emission factor (0.225 and 0.197) according to e.g. 6.4 table "GHG Protocol Scope 2 Guidance".

Direct GHG Emissions (Scope 1)

Direct emissions	u.m.	2021	2020
Natural gas from non-renewable sources	t CO ₂ e	309,2	352,0
Total	t CO₂e	309,2	352,0

In the calculation of direct emissions (Scope 1), the gas consumption (heating) of the buildings (office and workshop) has been considered. The calculation only considers gas consumption from non-renewable sources multiplied by the emission factor gas

Della Toffola's carbon neutral status is achieved by offsetting carbon emissions with quality, nature based carbon credits coming from positive impact projects. Each credit is certified according to international standards and it corresponds to the reduction (or removal) of one ton of CO₂ equivalent. In particular, the two projects the Group purchased its credits from are the "**Guatemalan conservation coast**" and the "**Great bear forest carbon**".

The objective is **to consolidate the method of measuring emissions and reduction targets** in accordance with the **Science-Based Target*** system, to:

- Achieving the lowest level of CO₂ emissions according to Best Available Technologies by 2030.
- Minimize non-compressible CO₂ emissions every year from 2025.

In the course of 2021, some new contracts provided for **the inclusion of hybrid company cars**. It is planned to continue this line for future replacements as well. For effect of the increase in energy consumption compared to 2020, GHG emissions also increased compared 2020. The Scope calculation methodology is based on the GHG Protocol.

*Science Based Targets are targets for reductions in emissions of CO₂ and other climate-altering gases consistent with the indications of climate science, particularly those dictated by the IPCC (Intergovernmental Panel on Climate Change) from which came the targets for the containment of global warming agreed upon at COP 21 in Paris (2015).

The most widely used criteria for defining a "Science based target" are those drawn up by the "Science Based Target initiative" (SBTi), a partnership sponsored by the UN Global compact (UNGC), the World Resource Institute (WRI), the CDP (Carbon Disclosure Project) and the WWF, which to date today has the membership of more than 2,000 companies around the world. Source: Reteclima

Material theme

GREAT BEAR FOREST CARBON PROJECT

Land

Costal area on Canadian pacific coast

Location

Great Bear Rainforest, British Columbia, Canada

Standards

British Columbia Forest Offset Protocol v1.0

Community

Members of the Coastal First Nations & Nanwakolas Council Society

Climate Zone

Cfb Oceanic

Species

Plants: Stika Spruce, Western Red Cedar, Western Hemlock, Douglas Fir. Animals: Kermode and Grizzly Bears and Coastel Wolves



GUATEMALAN CONSERVATION COAST PROJECT

Land

over 59,941 hectares protected

Location

Guatemalan Caribbean coastline, Izabel region, Guatemala

Standards²

VCS-CCB, Gold Level for biodiversity

Community

over 100 local and indigenous communities and c.3,250 families

Climate Zone

Tropical rainforest (AF)

Species

30 High Conservation Value and over 400 birds



GHG emissions

Reducing climate-altering emissions



GRI STANDARD

Reference information

305-1 (a) Emissions 2016

305-2 (a,b) Emissions 2016



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

9.4 By 2030, upgrade infrastructure and modernise industries to make them sustainable, with greater resource efficiency to use and greater adoption of clean and environmentally friendly technologies and industrial processes, so that all countries act in accordance with their respective capabilities

12.2 By 2030, achieve sustainable management and efficient use of natural resources

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate information on sustainability in their regular reports

3.3.1 Where we start from

Internal activities that lead to impacts related to waste are as follows:

- **Laser cutting** to produce semi-finished products.
- Steel machining **for finishing materials**.
- **Washing of certain components** for preparation final assembly to produce the machine/plant.
- Packaging waste (of incoming products/semi-finished incoming and outgoing finished products).

About waste production, it was planned **an activity of classification and standardization of waste** by the HSE manager, its characteristics, and chemical analyses to verify the **methods of disposal and recovery** in agreement with the companies authorized to transport and treat the waste.

In addition to this, **two actions of improvement** were defined (already implemented in production processes) to **reduce waste production**:

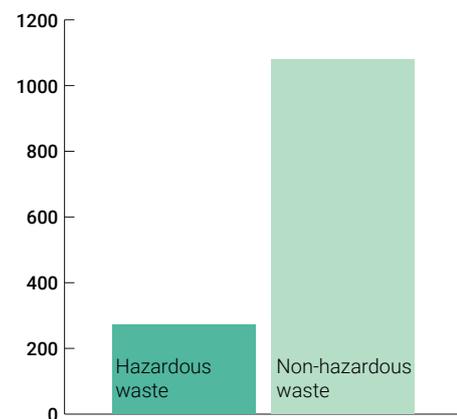
- Improve the design of steel cutting to minimize waste production.
- Minimize the waste of materials used to produce finished product packaging.

Our future goal when it comes to waste is "**Zero Waste**", that is, to make the management of waste to zero that is sent to landfill and enhance its possible reuse including through circular economy practices.

Specifically, steel scrap is a type of waste that is 100% recyclable and reusable in the production cycle (of external suppliers - **steel mills**).

Waste production	ton
Hazardous waste	272,99
Non-hazardous waste	1.078,23
Tot waste produced	1.351,22

The figures refer to the sum of waste produced in the different Group companies in 2021



The calculation was based on annual ESG 2021 questionnaire's answers.

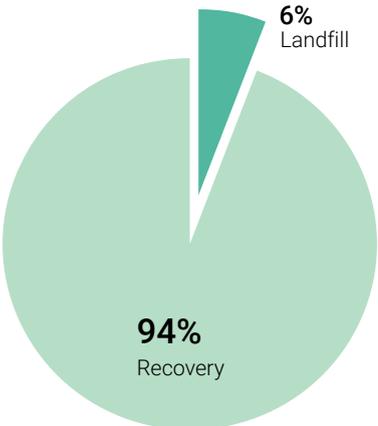
On the right:
washing equipment



Material theme

Waste Destination	ton
Landfill	78,92
Recovery operations	1.272,30

The calculation was based on annual ESG 2021 questionnaire's answers.



The calculation was based on annual ESG 2021 questionnaire's answers.



Waste

Waste production and management



GRI STANDARD

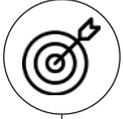
Reference information

- 306-3 (a,b) Waste 2020
- 306-4 (a) Waste 2020
- 306-5 (a) Waste 2020



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 12.2 By 2030, achieve sustainable management and efficient use of natural resources
- 12.5 By 2030, substantially reduce the waste generation through prevention reduction, recycling and reuse
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate information on sustainability in their regular reports

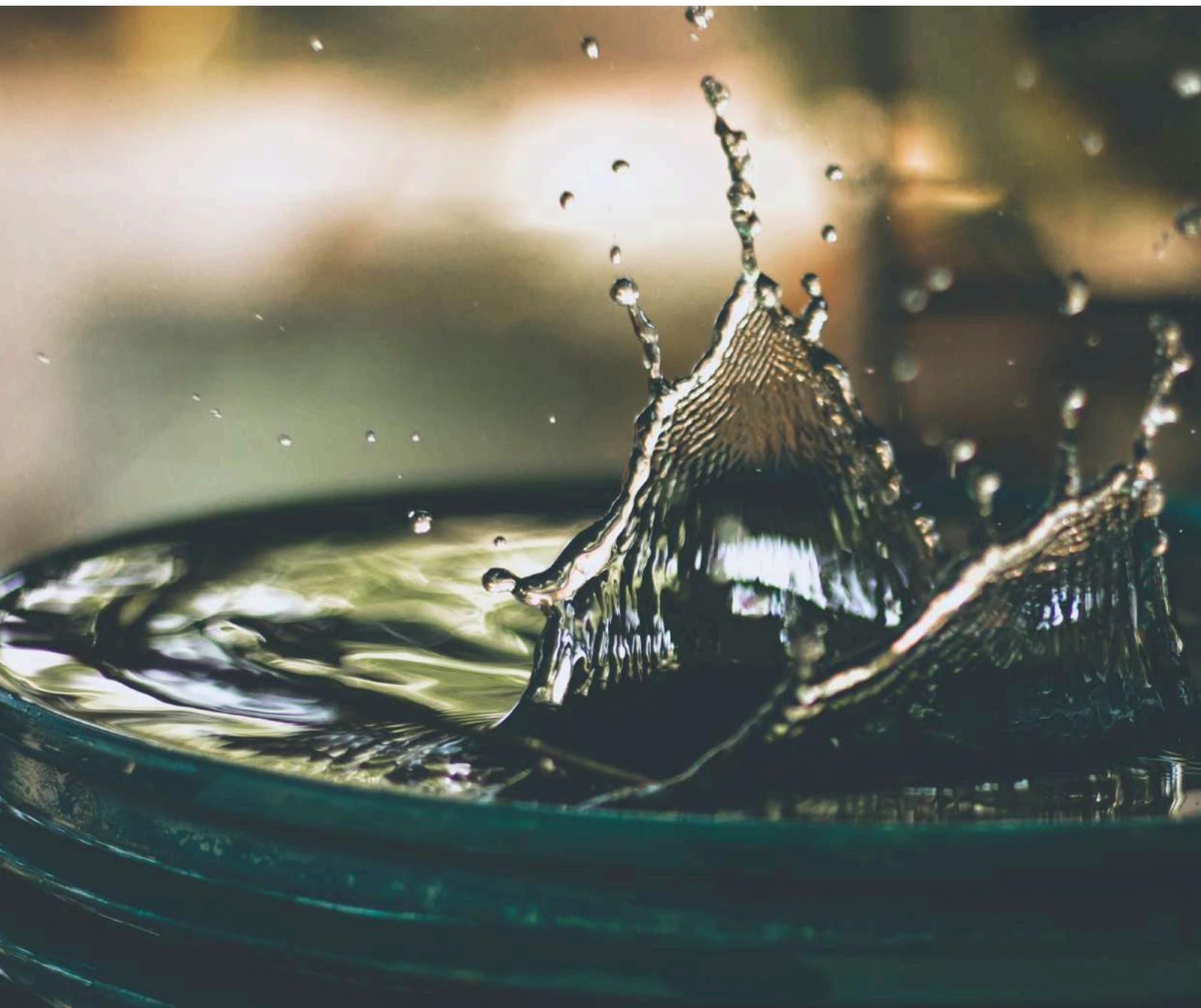


3.3.1 Where we start from

Generally, the water used by our companies in production processes and sanitary facilities is **taken from the aqueduct** (with the exception of Z-Italia, which does not have a public aqueduct in the industrial area and takes it from a well), and subsequently **discharged into the sewerage system** or **delivered to an authorized plant as waste**.

Discharge quality standards are kept under control through **regular monitoring**.

About water use, a **14% decrease in water consumption** was recorded compared to 2020.



Material theme

Amount of water consumed	m3
2020	13.346
2021	11.431

The data refer to the sum of the water consumption of the different Group companies



Infrastructure improvement

Improvement of processes and technologies in use in production processes to limit the consumption of water resources and raw materials and limit negative environmental externalities.



GRI STANDARD

Reference information
303-5 (a) Water and wastewater 2018



SDGs

Agenda's Goals 2030



Target

SDGs sub-goals

- 9.4 By 2030, upgrade infrastructure and modernise industries to make them sustainable, with greater resource efficiency to use and greater adoption of clean and environmentally friendly technologies and industrial processes, so that all countries act in accordance with their respective capabilities
- 12.2 By 2030, achieve sustainable management and efficient use of natural resources
- 12.5 By 2030, substantially reduce the waste generation through prevention reduction, recycling, and reuse
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate information on sustainability in their regular reports



3.3.2 Where we want to go

The Environment is truly a key resource for us. It is so because our customers transform valuable natural raw materials into quality food and foodstuffs, and it must be preserved with the utmost care. It is because our organization uses renewable and non-renewable resources to fuel our production processes and wants to continue to do so for a long time. It is also because the Environment represents our common home, which hosts us, our employees, and the communities in which we operate, and on which the life quality of present and future generations depends.

For all these and other reasons, our commitment to the environment wants to be more and more important, with 6 different strategic goals:

12. **Achieving Group Net Zero Emission by 2030.** The challenge of climate change can no longer see us hesitant, which is why we have set ourselves the goal of eliminating our impact within this decade, ahead of the targets set at European and global level.
13. **Building a green and circular energy model** We help our customers to process the products of the earth from organic cycles, which is why we feel a strong push towards an energy model based on renewable and clean sources of energy to accompany our society towards the green transition.

RIDUZIONE IMPATTI AMBIENTALI GOALS

GOAL	TARGET ACTION	TARGET MATURITY
<p>12</p> <p>Achieving Group Net Zero Emission by 2030</p>	Zero emission (scope 1, 2 and 3)	2030
<p>13</p> <p>Building a green and circular energy model</p>	<p>100% energy from renewable sources</p> <p>Zero-emission mobility</p>	<p>2026</p> <p>2030</p>
<p>14</p> <p>Develop a circular materials management model</p>	<p>All materials are selected through a sustainable purchasing model</p> <p>Zero waste</p>	<p>2025</p> <p>2026</p>
<p>15</p> <p>Minimize water consumption</p>	Water conservation management	2026
<p>16</p> <p>Implement an Environmental Management System</p>	Obtain the environmental management certification and update it according to the best reference standards	2025
<p>17</p> <p>Make working environments ecofriendly</p>	100% implementation of the plan to transform workspaces and facilities management in an ecofriendly way	2026

-
14. **Develop a circular materials management model.** Every resource is precious, even more so if it is non-renewable, which is why we want to adopt where possible the principles of circular economy to extend the life of materials as much as possible and minimizing systematic withdrawals and releases into the environment.
 15. **Minimizing water consumption.** We know that water will be the new blue gold, and already its availability is starting to be critical, even for some of our customers. Our commitment to its preservation and to its conscious usage wants to be maximum.
 16. **Implement an Environmental Management System throughout the Group.** Attention to environmental protection must become part of the company DNA, and to do this we are equipping ourselves with an advanced management system, based on international standards and extended to every company in the Group.
 17. **Making workplaces eco-friendly.** We know that in the environmental challenges of the coming years every single gesture will count, which is why our commitment also goes to reducing impacts in the workplaces; a place that is clean and respectful of natural resources is also a place where you work better.



3.4



Pillar IV

Innovation

The definition of this thematic pillar stems from the awareness that **innovation and technology** are the **enabling factors** for sustainable and efficient solutions.

For us, product innovation represents one of the fundamental pillars of our ESG strategy. Every new product, designed and developed by our R&D team must guarantee **maximum performance** and, at the same time, **minimize environmental impacts** - in the sense of consumption of natural resources.

We want to contribute positively to the sustainability of our value chain by providing our customers with increasingly green and technological products.

Already in 2021, several R&D projects revealed important levels of performance improvement in environmental performance, the details of which can be found in the focus section of this chapter.

From these first good results, we decided to take an ambitious step that represents a real source of value creation in our plan: **to address all application areas of innovation and development of new products with a view to sustainability**, through dimensions: technological, digitization and servitization.

To achieve this, we are structuring an innovation process that can express transparently and measurably our commitment.

3.4.1 Where we start from

Innovation means **governing technological progress to ensure maximum competitiveness in the long term, and to create shared value** for us, our partners, and our territory.

In the Della Toffola Group, we develop **complete plants, integrating all the machines in the line**, which can be managed from a single user interface.

Each of our products **can be managed and controlled from remotely** for the resolution of any technical anomalies and predictive and preventive maintenance.

Thanks to 4.0 technology, our customers perform **the programming, tracking and statistical analysis of production**. In addition, to counter any process drifts, each plant can be **equipped with sensors or interfaces for integration with machines in existing lines**.

Innovation forms the basis of our daily work, and we see it as a wonderful **enabling factor to**:

- Increase the level of **technological innovation** contained in our products (increasingly automated, integrated and data driven).

- Increase **production efficiency** (fewer machines for the same result), **optimizing costs and processing times**.
- **Save resources (water, heat or energy) and raw materials**, from the product design phase.
- Constantly improve the level of **ergonomics (and usability) and safety** of our machines.
- Anticipate competition and the demand of our partners.
- Develop technologies that make **products with increasingly high performances and safety for end users as well**.

Innovating is also being able to imagine what does not yet exist and to make it possible. We were the **first, for example, to use ceramic membranes**: a **patent** Della Toffola that revolutionized the entire enological sector. Ours is a continuous creative process that is strengthened by the experience and passion of our **teams of enologists and engineers** (35% employee share).

Significant is the **number of patents** developed in the **Bottling & Packaging division**, just as equally significant

R&D Innovations 2021	 Energy	 Water	 Waste
Ceramic Filtration Systems New ceramic membrane for beverage filtration	30-40% reduction in energy used	Reduction of 50% of the water used	Reducing the use of the filter cartridge
Ampelos intelligent automatic presses System to separate water from contaminants for reuse it several times in washing cycles	Reduction of more than 40% of energy used	75% reduction in water consumption	Minimising the use of chemicals for system cleaning
Labeler Delabler Plastic-wrapped labels without glue between label and bottles	30% reduction in energy to remove labels	30% reduction in bottle wash water	Use of recyclable plastic OPP labels Minimise use of glue (-70%) and soda ash (-30%)

Material theme

are the product innovations developed in cross-sectional projects that involved all Group companies. Below we describe in detail the **main results in terms of innovation achieved in 2021.**

31 ▶ bertolaso
patents

16 ▶ DELLA TOFFOLA
patents

3 ▶ Zitalia
patents

3 ▶ APE
packaging & palletizing
patents

2 ▶ GIMAR
patents

1 ▶ AVF
patent



Research & Development

Implementation of new technologies or development of new components/processes (e.g. LCA) that can significantly reduce the environmental impact of the product or increase the benefits for the society.



SDGs
Agenda's Goals 2030



Target
SDGs sub-goals

- 9.4 By 2030, upgrade infrastructure and modernise industries to make them sustainable, with greater resource efficiency to use and greater adoption of clean and environmentally friendly technologies and industrial processes, so that all countries act in accordance with their respective capabilities
- 12.2 By 2030, achieve sustainable management and efficient use of natural resources
- 12.5 By 2030, substantially reduce the waste generation through prevention reduction, recycling, and reuse
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate information on sustainability in their regular reports

3.4.1 Where we start from

Della Toffola, has always made it a priority to pursue customer satisfaction through the supplying machines for the Wine & Beverage sector, with important features including high construction and aesthetic quality, excellent functionality, ease of use and safety.

The achievement of these goals is monitored through the adoption of a **Quality Management System responding to the UNI norm ISO 9001 standard**. The system ensures through a series of procedures and control measures the effective management of all business processes (which include the stages Customer orders, design, procurement of materials and services, production, inspection and testing, shipping, after-sales service, etc.).

Market needs and expected quality are identified through the relationships that the Commercial, Technical, After-sales and Quality departments constantly maintain with the customers. The Technical Department incorporates these requirements to develop complete and detailed designs that are used for the construction of parts. Construction standards are monitored both by production and the Quality Control Department to ensure constant compliance with the quality goals.

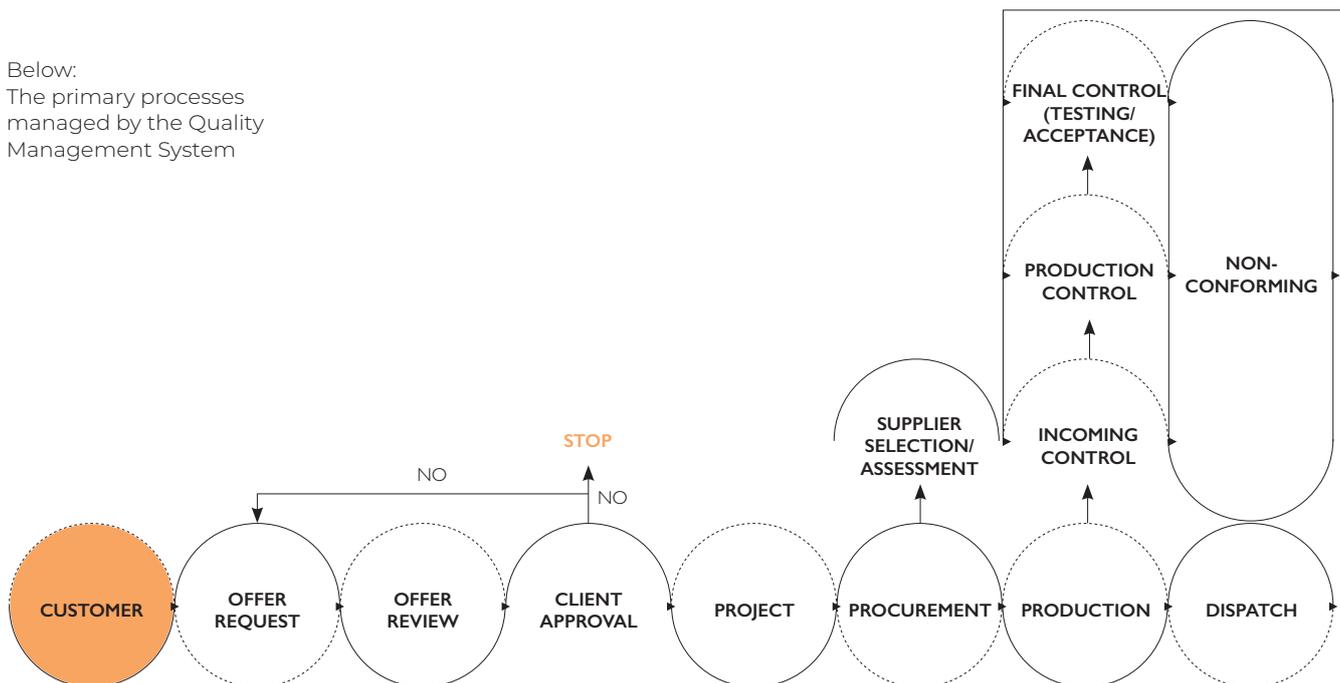
The safety of the equipment and machinery produced, is ensured by applying procedures of design in accordance with the regulatory requirements applicable to the machines/equipment also through a continuous activity of risk assessment and identification of relevant measures. The aim is eliminating any foreseeable risk in the life cycle of the machine.

To achieve the best safety results on machinery, the Group applies the following principles:

- Eliminate or reduce safety risks at the design and construction stage.
- Take the necessary protective measures to mitigate residual risks.
- Ensure adequate and comprehensive training (where necessary) and information to customers about residual risks and the use of the correct collective and individual protective equipment.

The chart below shows the primary processes managed by the Quality Management System.

Below:
The primary processes managed by the Quality Management System

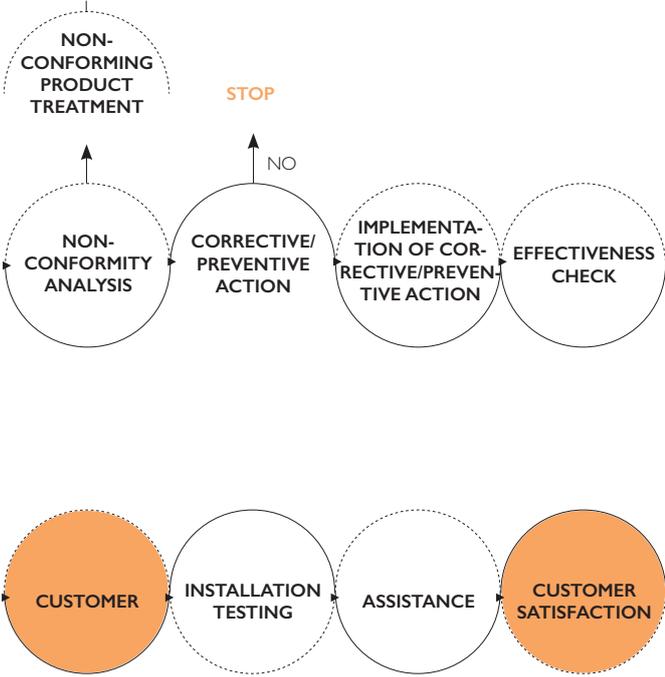


Material theme



Quality and safety

Ensuring the quality and safety of the product through the design, production and customer information.



ISO 9001 certified company	First certificate date
Della Toffola	31/03/2005
Priamo	17/10/2002
Sirio Aliberti	20/08/2007
Frilli	15/09/2014
Permeare	22/01/2008
Bertolaso	10/04/2008

3.4.2 Where we want to go

We want to contribute to the sustainable development of our Group, through products and services that help our customers reduce their impacts while increasing their competitiveness. Therefore, we have placed environmental, social, and economic sustainability at the centre of our innovation policy as the main driver for change and improvement. There are three lines on which we want to develop our offer:

18. **Direct the product development to generate sustainability benefits for customers.** Every new product that leaves our factories will not only be higher in performance but will also bring with it the ability to reduce consumption, waste, emissions, and any other form of impact along our customers' value chain, enabling them to increase their economic and production performance. Our companies stand to become true laboratories of sustainable innovation and a benchmark for the industry.
19. **Offering a comprehensive and innovative service to our customers with integrated and smart products.** Reducing environmental and social impacts also comes with the ability to manage large amounts of data to constantly monitor performance and impacts and intervene at the right time in the right place to correct performance and prevent malfunctions.
20. **Revisiting product offerings in terms of servitization.** With a view to the circular economy, we believe it is increasingly necessary to extend the useful life of products and push towards servitization, understood both as the ability to assist the customer throughout the product life cycle and as the possibility of selling services without necessarily relinquishing ownership of the products.

INNOVATION GOALS

GOAL	TARGET ACTION	TARGET MATURITY
<p>18</p> <p>Orient all development product to generate benefits of sustainability (energy/water/space /circularity).</p>	<p>100% of product development geared toward generating benefits of sustainability</p>	<p>2025</p>
<p>19</p> <p>Offer our customers a complete and innovative service with integrated and smart products</p>	<p>100% implementation of machine digitization projects</p>	<p>2025</p>
<p>20</p> <p>Revisiting product offerings in key of servitization</p>	<p>Define the servitization plan for 100% of new products</p>	<p>2025</p>



Methodological note

The Sustainability Report of the Della Toffola Group (hereinafter also referred to as the "Report") was prepared for the first time for the financial year 2021 (01 January - 31 December).

The document has been prepared in accordance with the **GRI-Referenced Claim option** of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) version 2016 - 2020.

The tables explain in detail the material topics, in particular disclosures to which we have referred in producing this document, in accordance with GRI Standard 101: Reporting Principles, paragraph 3.

Unless otherwise specified, the **reporting scope** of the data and information contained in the document refers to the following Group companies:

- DELLA TOFFOLA – Trevignano (TV)
- AVE TECHNOLOGIES – Spinea (VE)
- FRILLI – Monteriggioni (SI)
- GIMAR – Occimiano (AL)
- OMB – Calamandrana (AT)
- PRIAMO – Nervesa della Battaglia (TV)
- SIRIO ALIBERTI – Calamandrana (AT)
- Z-ITALIA – Castellucchio (MN)

An exception is the data proposed in the **Pillar 'Impact Reduction'**, which does not consider the performance of **Ape**, **Bertolaso** and **Permeare** because it is too limited in time and therefore not significant.

The data reported in this first edition of the report **refers to impacts generated within the Company perimeter only** and therefore does not consider those generated (or generable) through our value chain.

The data and information reported in this document were collected **through workshops, interviews, and data collection forms**. The structure of the document and the contents of the report were shared and validated by the internal ESG Committee and the functions involved.

Where possible, **data are presented in comparative form with 2020 performance**.

The document **has not been subject to third-party verification**.

For further information, please contact us at: esg@dellatoffola.it

GRI Content Index (Referenced Claim option)

GRI Standard	Informative	Paragraph on page	
GRI 201: Economic Performance 2016	Directly generated and distributed economic value	201-1	40
GRI 205: Anti-corruption 2016	Proven incidents of corruption and actions taken	205-3	30
GRI 302: Energy 2016	Energy consumed within the organization	302-1 (a,b,c,e)	88, 90-91
GRI 303: Water and water discharges 2018	Water consumption	303-5 (a)	97
GRI 305: Emissions 2016	Direct GHG emissions (Scope 1) Indirect GHG emissions from energy consumption (Scope 2)	305-1 (a) 305-2 (a,b)	92 92
GRI 306: Waste 2020	Waste generated Waste not for disposal Waste for disposal	306-3 (a,b) 306-4 (a) 306-5 (a)	94 95 95
GRI 307: Environmental Compliance 2016	Non-compliance with environmental laws and regulations	307-1 (b)	28
GRI 401: Employment 2016	Parental leave	401-3	80
GRI 403: Health and safety at work 2018	Health and safety at work management system Risk identification, risk assessment and accident investigation Occupational health services Workers' health Promotion Accidents at work	403-1 (a) 403-2 (a) 403-3 403-6 (a) 403-9 (a,b,e)	72-73 72-73 72-73 73 72-73

GRI Content Index (Referenced Claim option)

GRI Standard	Informative	Paragraph on page	
GRI 404: Training and education 2016	Average annual training hours per employee	404-1	76
GRI 405: Diversity and equal opportunities 2016	Diversity in governing bodies and among employees	405-1	78-79
GRI 406: Non-discrimination 2016	Incidents of discrimination and corrective measures taken	406-1	79
GRI 416: Customer health and safety 2016	Incidents of non-compliance concerning impacts on health and safety of products and services	416-2 (b)	50
GRI 417: Marketing and labelling 2016	Information and labelling requirements for products and services	417-1	50
GRI 418: Customer privacy 2016	Substantiated complaints regarding breaches of customer privacy and loss of customer data	418-1 (b,c)	62
GRI 419: Socio-economic compliance 2016	Non-compliance with social and economic laws and regulations	419-1 (b)	28

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