



Sustainability Report 2021

Sustainability Report 2021

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

ITALMOBILIARE
Società per Azioni
Registered office: Via Borgonuovo, 20 20121 Milan - Italy
Share capital Euro 100,166,937 fully paid
Milan Companies Register

Translation from the Italian original version which remains the definitive one.

Sustainability Report

ITALMOBILIARE GROUP

Strategic profile

Highlights
Strategy, materiality and contribution to SDGs
Economic result and shared value

Governance

Governance and integrity
Responsible investments

Society

Human capital development
Health, safety and wellbeing
Product and service stewardship
Market & communities

Environment

Responsible use of resources
Low-carbon transition

ITALMOBILIARE

Italmobiliare
Human capital development
Health, safety and wellbeing

PORTFOLIO COMPANIES controlled

Caffè Borbone

Materiality and contribution to SDGs
Governance and integrity
Procurement and supply chain
Human capital development
Health, safety and wellbeing
Product and service stewardship
Market and communities
Responsible use of resources
Low-carbon transition

Officina Profumo-Farmaceutica di Santa Maria Novella

Materiality and contribution to SDGs
Governance and integrity
Procurement and supply chain
Human capital development
Health, safety and wellbeing
Product and service stewardship
Market and communities
Responsible use of resources
Low-carbon transition

Italgel

Materiality and contribution to SDGs
Governance and integrity
Procurement and supply chain
Human capital development
Health, safety and wellbeing
Service stewardship
Market and communities
Responsible use of resources
Low-carbon transition
Land and biodiversity

F8	Casa della Salute	F60
F13	Materiality and contribution to SDGs	F61
F14	Governance and integrity	F62
F18	Procurement and supply chain	F62
F20	Human capital development	F63
F20	Health, safety and wellbeing	F64
F22	Service stewardship	F64
F23	Responsible use of resources	F65
F23	Low-carbon transition	F65
F25	Capitelli	F66
F25	Materiality and contribution to SDGs	F67
F26	Governance and integrity	F68
F28	Procurement and supply chain	F68
F28	Human capital development	F69
F29	Health, safety and wellbeing	F70
	Product and service stewardship	F70
	Market and communities	F71
F32	Responsible use of resources	F71
F32	Low-carbon transition	F73
F33	Callmewine	F74
	Materiality and contribution to SDGs	F75
	Governance and integrity	F76
F36	Procurement and supply chain	F76
F37	Human capital development	F77
F38	Health, safety and wellbeing	F77
F38	Product and service stewardship	F78
F39	Market and communities	F78
F40	Responsible use of resources	F78
F40	Low-carbon transition	F79
F41	Clessidra	F80
F42	Materiality and contribution to SDGs	F81
F43	Governance and integrity	F82
F44	Responsible investments	F83
F45	Human capital development	F84
F46	Health, safety and wellbeing	F85
F46	Market and communities	F86
F47	Low-carbon transition	F87
F48		
F48	PORTFOLIO COMPANIES affiliated	
F49	Tecnica Group	F90
F50	Autogas Nord - AGN Energia	F92
F51	Iseo	F93
F52		
F53	SUPPLEMENTARY DATA	F95
F54		
F54	REPORTING	
F55	Scope and methodology	F106
F56	UN Global Compact: Communication On Progress (COP)	F110
F57	Non-financial report (NFR)	F111
F57	GRI standards	F112
F58	Report of the Independent Auditors	F117
F59		
F59		

ITALMOBILIARE
INVESTMENT HOLDING

ITALMOBILIARE
GROUP

STRATEGIC PROFILE

ITALMOBILIARE INVESTMENT HOLDING

Italmobiliare Investment Holding, founded in 1946 and listed on the Milan Stock Exchange since 1980, is one of the leading Italian investment holding companies. Controlled by Efiparind (Pesenti family), it owns and manages a diversified portfolio of equity and other investments with a strategic vision based on a financial and industrial history that goes back more than 150 years.

Italmobiliare Investment Holding plays an active and continuous role in the process of portfolio growth and enhancement by combining development, internationalisation and innovation with an effective governance and risk management model, and full ESG integration at all stages of investing.

1946	Italcementi, founded in 1864, transferred to the new company Italmobiliare all of its investments that were not to do with the building materials sector.
1950s - 60s	Diversification of investments into insurance (RAS), banking (Finter Bank, Banca Provinciale Lombarda, Credito Commerciale and 8 banking institutions that later became Istituto Bancario Italiano) and public transport (SAB Autoservizi). Purchase of a stake in Franco Tosi, an industrial company in the electromechanical sector..
1970s - 80s	Acquisition of a minority interest in Bastogi, which joined the one held in Falck. In 1979, Italmobiliare became the holding company for the entire Group when it acquired a majority of the ordinary shares in Italcementi. In 1980, Italmobiliare was admitted for trading on the Milan Stock Exchange. The investments in RAS and Banca Provinciale Lombarda were sold and a minority shareholding was acquired in Poligrafici Editoriale.
1990s	Italcementi went international and rose to be a world leader in the construction materials sector through the acquisition of Ciments Français, the largest international acquisition carried out by an Italian group up to that point. Franco Tosi sold its industrial activity to the ABB Group, reinvesting the proceeds in the food packaging sector (Sirap) and in the water and gas sector (Crea). It was then merged with Italmobiliare after the favourable outcome of a takeover bid. Entry into the capital of Credito Italiano
2000s - 2015s	Portfolio diversification into RCS and Mediobanca. Sale of SAB Autoservizi and of the shareholding in Poligrafici Editoriale. In 2014, Italmobiliare participated pro-quota in the recapitalisation and simplification of the Italcementi Group, maintaining a controlling interest of 45%. In September 2015, Finter Bank was sold to the Swiss group Vontobel, acquiring a minority interest in it.
2016	After acquiring direct control of Italgen and BravoSolution, the equity investment in Italcementi was sold to HeidelbergCement, acquiring a minority interest in it. Conversion of the Italmobiliare savings shares. Clessidra SGR, the main Italian private equity operator, was bought and Italmobiliare became anchor investor of the CCP3 fund.

2017	<p>Purchase of a 40% interest in Tecnica Group, leader in outdoor footwear and ski equipment with historical brands such as Tecnica, Nordica, Moon Boot, Lowa, Blizzard and Rollerblade.</p> <p>Entry into the Jaggaer group, operating in the eProcurement sector, by contributing BravoSolution.</p>
2018	<p>Purchase of a 60% stake in Caffè Borbone, one of the leading Italian coffee producers in the compatible pods and capsules sector.</p> <p>Purchase of a 39% shareholding in Iseo Serrature, leader in the production and design of locking and access control systems.</p> <p>Private equity investments increased, including the BDT Capital Partners funds.</p>
2019	<p>Purchase of a 30% shareholding in Autogas-AGN Energia, a national leader in the distribution of LPG gas for domestic, commercial and industrial use.</p> <p>Purchase of an 80% shareholding in Capitelli, active in the production and marketing of cooked ham and other high-quality products.</p> <p>Italmobiliare joins in the STAR segment of the Italian Stock Exchange in September.</p> <p>The investment in Jaggaer was sold to Cinven</p>
2020	<p>Purchase of an 80% interest in Officina Profumo-Farmaceutica di Santa Maria Novella, a historic manufacturer of high-end perfumes and cosmetics.</p> <p>Purchase of a 92.5% interest in Casa della Salute, a network of specialist outpatient clinics.</p> <p>Purchase of a 60% stake in Callmewine, an eCommerce platform for the sale of wines.</p> <p>The Italmobiliare Group joined the United Nations Global Compact Network, the largest strategic corporate citizenship initiative in the world.</p>
2021	<p>Exit from the food plastic packaging sector by disposing Sirap Group's assets.</p> <p>Co-investor with Clessidra SGR in the Botter wine group.</p> <p>Investment in Farmagorà, chain of pharmacies closely linked to the local area.</p> <p>Anchor investor of the Clessidra Capital Partners 4 fund.</p> <p>Increased stake in Officina Profumo-Farmaceutica di Santa Maria Novella to 100%.</p> <p>Finalisation of the acquisition of a 19.99% interest in Bene Assicurazioni, subject to approval by IVASS.</p>

FOCUS 2021: SUSTAINABLE GOVERNANCE

The uncertainties of the traditional economy, the climate challenge, social inequalities, the uneven distribution of wealth and, last but not least, the persistent pandemic emergency repeatedly confirm, with dramatic evidence, that sustainability is a real urgency, no longer an option.

From a different point of view, the increasing reporting and transparency obligations, the recommendations of the stock market, the expectations of consumers and stakeholders, the importance assumed by global references such as the Sustainable Development Goals, the Paris Agreement, and the positions clearly expressed by all ethical, political, associative, academic and financial entities constitute further clear directions.

However, even in this context that inevitably seems to push businesses, institutions, civil society and individuals towards a paradigm shift, the value of choice has a decisive weight. For some time, Italmobiliare has chosen sustainability as an integrated lever of success. In its long history as a holding company with diversified investments, Italmobiliare was among the forerunners, since the 1990s, with structured and challenging programs aimed at sustainability, fully integrated into the strategic development priorities of the main industrial holdings and coordinated by dedicated functions. Thanks to this experience, a constant commitment to best practices has matured, from principles to policies, from processes to products, from local and global initiatives to reporting tools.

Today, Italmobiliare Investment Holding, through the flow of investments and divestments, is aiming at the sustainable success of the Group, assigning priorities and mobilizing financial resources in a targeted and selective manner. The adhesion to the UN Global Compact in 2020, gave a further boost to ESG integration in the business strategy, through the accurate assessment of the profile of potential investments, active ownership in the management phase, transparency and reporting of performance in all management phases up to divestment, also aimed at continuing the path undertaken.

Such an ambitious purpose - increasing permanently the Company's results and net worth, creating shared value for shareholder and the reference markets, and contributing to the most compelling social and environmental challenge- requires strong sustainable governance. The **Code of Ethics**, the **Sustainability Policies**, and the **Responsible Investment Policy** adopted by Italmobiliare in June 2021 build up its renewed references, made available to the Corporate Bodies and the whole management. They are inspired by the highest global references such as the Universal Declaration of Human Rights, the ILO Conventions, Protocols and Recommendations, the UN Global Compact, the SDGs, the Paris Agreement on Climate, International Regulations and Conventions on Animal Rights and Standards such as SA8000, ISO 26000, GRI, SASB and TCFD.

The Code of Ethics lays down a set of fundamental principles and rules of conduct, embedding the Group's sustainable commitments, from the Ten Principles of the Global Compact to the SDGs and the signing of the Women Empowerment Principles.

The Sustainability Policies extend and integrate the Code of Ethics. The "Guiding principles" are their cornerstone and are further detailed in four dedicated policies: Health and safety, Environment and resources, Rights and society, Quality and responsibility. They apply in relations with all the companies or counterparties of the Group and in the active involvement of all stakeholders in its sphere of influence.

The Responsible Investment Policy explains all stages of the investment process: sector criteria, pre-investment, ownership and divestment. It covers all the various components that contribute to Italmobiliare's Net Asset Value: from portfolio companies to equity investments in listed and unlisted companies, from investments in private equity funds to financial assets held for trading and cash management. Contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the Group.

Together, the Code of Ethics, the Sustainability Policies and the Responsible Investment Policy inspire and support daily operations in all the Group's activities: transformative capacity, skills, management and capital for a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

PORTFOLIO COMPANIES

The portfolio of investments in a growing number of subsidiaries or associates makes use of Italmobiliare's experience in the management of business activities at national and international level, also thanks to a presence on their respective boards of directors. The investment horizon is medium-long term and marked by the creation of value. The Portfolio Companies' approach to sustainability is detailed in this report. The consolidation perimeter is detailed in the Reporting section is clarified in the section Reporting.

Company and % held	Investment date	Description	Notes
Italgen 100%	Jul 2016	Italgen operates in the production and distribution of electricity from renewable sources on international markets.	Registered office in Villa di Serio (BG). 25 hydroelectric plants in Lombardy, Piedmont and Veneto connected with 300 kilometres of transmission lines. Investments in two wind plants in Bulgaria with a total capacity of 18 MW.
Clessidra 100%	Sep 2016	Clessidra Holding S.p.A. is the parent company of the Clessidra Financial Group active in alternative investments, private equity, private credit and factoring.	Registered office in Milan. Clessidra Private Equity portfolio at 31 December 2021: Harmont & Blaine, Nexi/BFF-Depobank, L&S, Botter/Mondo del Vino. Clessidra Capital Credit equity portfolio at 31 December 2021: Sisma
Tecnica Group 40%	Nov 2017	Tecnica Group is a leading manufacturer of outdoor footwear and ski equipment with the brands: Tecnica (ski boots and footwear), Nordica (skis and boots), Moon Boot (footwear), Lowa (trekking shoes), Blizzard (skis) and Rollerblade (in-line skates).	Registered office in Gaiavara del Montello (TV). Production sites in Austria, Germany, Italy, Slovakia, Ukraine and Hungary.
Caffè Borbone 60%	May 2018	Caffè Borbone is one of the leading coffee producers specialising in compatible capsules and pods, with a strong distribution network throughout Italy.	Registered office and production site in Caivano (NA).
Iseo 39.28%	Oct 2018	The Iseo Group is one of Europe's leading producers of mechatronic and digital solutions for access control and security. It produces locks, cylinders, padlocks and other products such as emergency exit devices and door closers.	Registered office in Pisogne (BS). Production sites in Italy, Romania, France, Germany and Spain.
Gruppo Autogas Nord-AGN ENERGIA 30%	Jan 2019	The Autogas Nord Group (AGN ENERGIA) operates in Italy mainly in the LPG gas distribution for domestic, commercial and industrial use. The Group has gradually differentiated its business areas, exploiting a loyal customer base for cross-selling opportunities for products (electricity and natural gas) and services (efficiency consultancy).	Registered office in Genoa. 44 offices throughout the country.
Capitelli 80%	Dec 2019	Capitelli is a cured meat producer with a focus on high-quality cooked ham.	Registered office and production site in Borgonovo Val Tidone (PC).
Officina Profumo-Farmaceutica di Santa Maria Novella 100% (20% up to September 2020)	Jan 2020	Officina Profumo-Farmaceutica di Santa Maria Novella, a high-end cosmetics company, manufactures products for body care and ambient fragrances, age-old preparations and liqueurs.	Registered office in Florence. Over 300 owned shops and corners in different countries of the world.
Casa della Salute 84.63%	Dec 2020	Casa della Salute is a network of specialist diagnostic, dental, physiotherapy clinics. Its aim is to help protect the right to health and to ensure that people had rapid access to high-quality healthcare.	Registered office in Genoa. 12 outpatient clinics between Liguria and Piedmont.
Callmewine 60%	Dec 2020	Callmewine is an e-commerce platform that specialises in the sale of wine, where it ranks as one of the market leaders in Italy.	Registered office in Milan. Online business with deliveries throughout Italy.

PRIVATE EQUITY AND ALTERNATIVE INVESTMENT FUNDS

The purpose of investing in Private Equity and Alternative Investment funds is to take advantage of growth opportunities in geographical areas or business sectors not directly covered by Italmobiliare and potentially to allow its shareholdings to develop and diversify.

The portfolio of selected Italian and international investments includes financial products managed by operators who adhere to the UN Principles for Responsible Investment (UN PRI). Furthermore, with the entry into force of EU Regulation 2019/2088 (SFDR) relating to disclosure on the sustainability of financial services, information is available on the consideration of ESG risks and effects in the investment decisions adopted, at manager (AIFM) and single product level.

In 2021, 41% of NAV in Private Equity Funds and Alternative Investments is represented by products that qualify as "article 8" SFDR, explicitly promoting social and environmental characteristics, and verifying that the companies in which investments are made follow good governance practices.

SFDR Regulation

Entered into force in March 2021, it regulates the disclosure on the sustainability of financial services. It applies to financial market participants, including alternative investment fund managers (AIFMs), venture capital and others, with progressive levels of commitment and transparency.

	UN PRI	SFDR Regulation			
		Art. 6	Art. 8	Art. 9	
Clessidra Capital Partners II		✓			SFDR: it does not consider ESG risks and effects of investment decisions
Clessidra Capital Partners 3			✓		SFDR: it considers ESG risks and effects of investment decisions, and promotes social and environmental characteristics
Clessidra Capital Partners 4	✓		✓		
Clessidra Restructuring Fund		✓			SFDR: it considers ESG risks but not ESG effects of investment decisions
BDT Capital Partners					
ICONIQ Capital					Portfolio Tech
Isomer Capital	✓	✓			SFDR: it considers ESG risks but not ESG effects of investment decisions
Connect Ventures					Portfolio Tech
Lauxera Capital Partners	✓	✓			SFDR: it does not consider ESG risks and effects of investment decisions
Lindsay Goldberg					ESG policy and active community involvement
Expedition Growth Capital					Portfolio Tech

INVESTMENTS AND CO-INVESTMENTS

The portfolio of investments in various different sectors is focused on listed and unlisted companies that offer attractive growth prospects or constant returns on the investment.

In the industrial sector, HeidelbergCement, one of the world leaders in cement and building materials, embeds the sustainable heritage of Italcementi, adhering to the UN Global Compact and adopting a sustainable strategy built on innovation, a culture of safety, reduction of the environmental footprint, circular economy, business citizenship and integrity. Its main focus is the fight against climate change (see sidebar).

The co-investment with Fondo Italiano d'Investimento Sgr and Vam Investments for the creation of Florence, the first production hub for luxury clothing in Italy, is of considerable importance.

In the financial sector, it is worth mentioning the investments in Mediobanca and Vontobel, a Swiss private bank that specialises in asset management for private and institutional customers. It has been a pioneer of sustainable investments ever since the 1990s with numerous international awards. It is also a signatory of the UN Principles for Responsible Investment and a member of the Swiss Sustainable Finance association.

HeidelbergCement: fight against climate change

"Sustainability is an integral part of HeidelbergCement and will be at the centre of our strategy going forward. Our focus is on climate protection: as an energy-intensive company, we are committed to fulfilling our share of the global responsibility to keep the rise in worldwide temperature well below 2 degrees Celsius, as set out in the Paris Agreement. Reducing our carbon footprint and increasing energy efficiency are central tasks for HeidelbergCement's management teams on all levels. Much of our investment and research efforts have been and will continue to be directed towards achieving this goal. This is how we contribute to a sustainably built future for the world in which we operate. We want to be the industry leader on the path to carbon neutrality".

Source: www.heidelbergcement.com

CASH, CASH EQUIVALENTS AND OTHER ASSETS

Liquidity under management and financial assets constitute a reserve of cash and cash equivalents, allocated to instruments with a conservative risk profile, which is available to the Company in order to take advantage of new investment opportunities. At the end of 2021, this reserve represented approximately 15% of the entire NAV (target of less than 10% when fully operational). In addition to this activity, there is the management of the real estate assets owned by the Company, including its head office building in Milan.

Highlights







The Italmobiliare Group is represented through the main financial and dimensional figures. We provide a series of non-financial indicators for all of the consolidated Portfolio Companies, which are intended as evidence of the Group's sustainable commitment and transformative capability, for the benefit of the shareholders and all other stakeholders.

- Equal opportunities, as an indicator of social inclusion and full development of human capital.
- Safety at work, as an ethical indicator and driver of managerial skills and motivation for the achievement of great results.
- The use of renewable and recycled materials as an indicator of responsible production.
- Carbon intensity, as an integrated indicator of industrial efficiency and sharing of global challenges.

The trend in indicators may be affected by changes in the Group's scope. In 2021, the **reporting perimeter** reflects the exit of Sirap and the entry of Officina Profumo-Farmaceutica di Santa Maria Novella, Casa della Salute, and Callmewine.

ITALMOBILIARE GROUP		2017	2018	2019	2020	2021
Net Asset Value (NAV)		1,545	1,421	1,741	1,838	2,082
% Portfolio Companies		15%	34%	43%	61%	64%
Revenue and income	<i>in millions of euro</i>	507.6	463.1	565.9	575.5	492.3
Gross operating profit (EBITDA)		146.6	41.2	125.9	106.0	170.5
Profit for the year		115.2	31.7	77.0	103.5	164.5
Employees (reporting perimeter)		1,378	1,789	1,719	1,775	817

ESG LEADING KPIS (reporting perimeter)

	GENDER EQUALITY Women in managerial positions ¹	%	17%	18%	19%	22%	33%
	DECENT WORK Injury frequency rate ²	# per million hours worked	3.9	8.3	6.0	4.8	6.8
	RESPONSIBLE PRODUCTION Responsible resources ³	%	-	40%	45%	52%	83%
	CLIMATE ACTION Carbon intensity ⁴	t CO ₂ per million euro of EBITDA	1,313	840	577	390	88
	BUSINESS INTEGRITY Companies with formalized instruments to combat offenses ⁵	%	100%	80%	100%	83%	88%
	SUSTAINABLE PARTNERSHIP Companies with ESG committed identity reference documents ⁶	%	31%	35%	50%	50%	100%

NOTES AND OBJECTIVES

1 From 2020, it includes "manager" and "middle manager" job titles. The objective is to create the conditions of inclusiveness and social culture that can fuel a solid path aimed at achieving gender equality at least in management positions. The data extended to the Corporate Bodies and all personnel are shown on page F23.

2 Work-related injuries involving direct employees that caused absence from work for at least 24 hours. Any accident at work is unacceptable, therefore the only acceptable objective is a frequency rate equal to zero. Progresses can only be registered through the creation of a culture of safety, beyond mere legal obligations. Further details on Group performance on page F25.

3 Renewable or recycled materials out of the total of materials used. Also considering the changes in the perimeter and the differentiation of the investment sectors, the objective is to keep this indicator safely above the 50% threshold. The continuous research for the responsible sourcing and use of materials will allow further contribution to the transition towards a regenerative economy. Details on page F28.

4 CO₂ emissions, Scope 1 and Scope 2 (market based) are considered. The objective is to decouple the creation of economic value from the carbon footprint. Market-based emissions best represent the ongoing efforts, which, for example, will lead to zero CO₂ emissions from electricity purchase by the end of 2022. Upon further enhancement of Scope 3 emission accounting, the Group will be ready to set Science Based Target programmes towards a net-zero economy. Details of the Group's performance are shown on page F29.

5 Organization and Control Model 231. For new investments, adoption is expected within the second year of presence in the portfolio at the latest.

6 Code of Ethics explicitly oriented towards sustainability and evolved Sustainability Policies, the adoption of which is foreseen for all new investments.

Strategy, materiality and contribution to SDGs

In line with its **Vision, Mission** and **Values**, adopting the principles and rules of conduct defined by the **Code of Ethics**, following the additional guidelines provided by the **Sustainability Policies**, and guided by the **Responsible Investment Policy**, Italmobiliare Investment Holding manages its flow of investments and disposals to ensure the sustainable success of the Group by creating shared long-term value with a view to combining multiple interdependent goals:

- A permanent increase in the Company's results and net worth.
- Adequate remuneration of shareholders and attractiveness for stock markets.
- Smart risk management and mitigation.
- Talent attraction and retention.
- Consolidation of brand equity, image and reputation.

In defining a sustainable strategy and related action plans, the **materiality analysis** offers effective tool to identify the governance, economic, social and environmental issues that are relevant for the Group matching the interests of the business with the expectations of stakeholders. In 2021, the methodological approach was radically changed, with the aim to ensure more dynamic flexibility in following the evolution of the perimeter and better support the operational management of the various components of the Group. In fact, the materiality matrix was created as the weighted aggregation of the individual materiality matrices of Italmobiliare and each Portfolio Company.

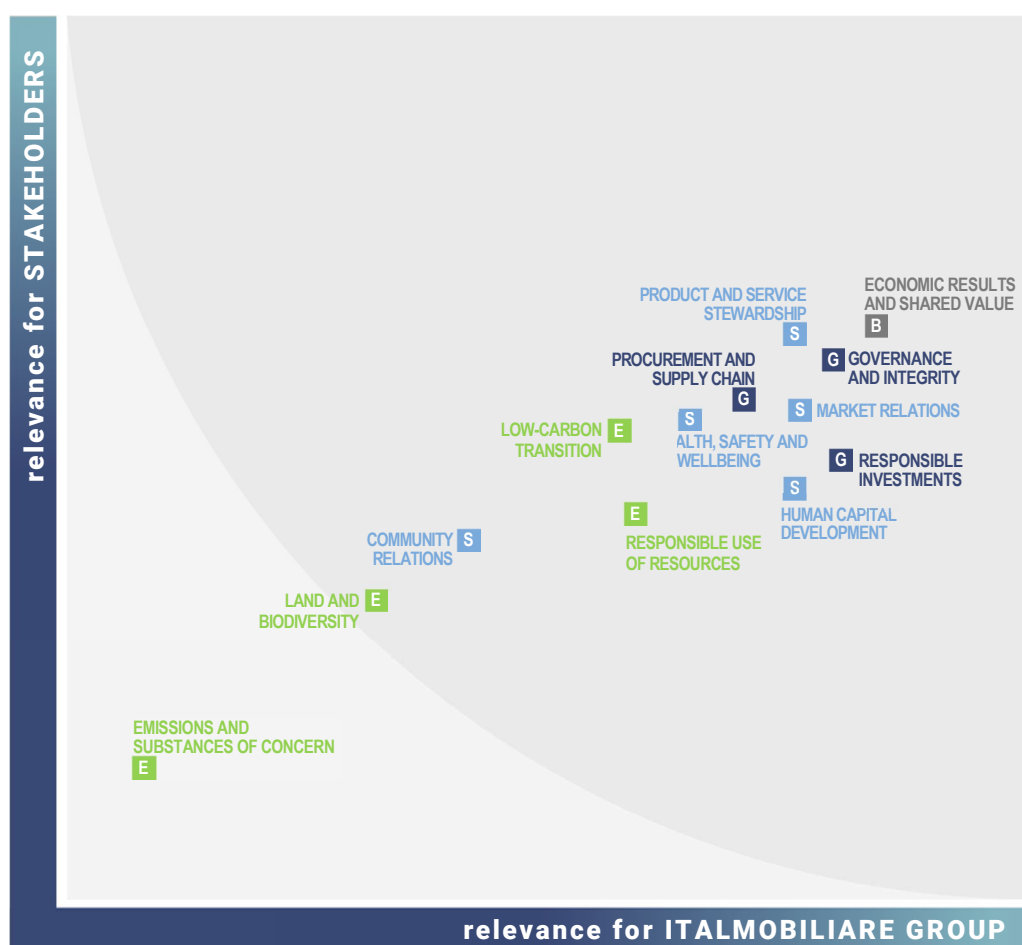
The new guidelines adopted for the materiality analysis, for each entity, provide for three evaluation phases:

- With the support of Italmobiliare Sustainability Department, the first-line functions of the Portfolio Company assess systematically risks, opportunities and positive or negative impacts, analysing all the important aspects for the business and interpreting the point of view of their respective reference stakeholders.
- Subsequently, the functions of the Holding examine the evaluation carried out by the Portfolio Company, proposing alternatives or additions, when necessary.
- Eventually, the position expressed directly by the other relevant stakeholders for the specific Company is collected through dedicated questionnaires, interviews, or other engagement tools.

The data collected on the three evaluation levels are appropriately weighted and graphically represented. Thanks to this structure, the materiality analysis constitutes the tool for identifying the issues potentially subject to reporting and, above all, a strategic support useful for exploring all the success levers of the business through the interdependent assessment of the risks suffered, the effects generated and the opportunities for value creation. In addition, this approach has the advantage of providing each individual Portfolio Company with such tools and of solidly representing the commitment of the Holding in the responsible management of the investment portfolio.

Given its nature as a strategic tool, the matrix was presented and discussed in the Sustainability and Social Responsibility Committee, approved by the Board of Directors and made operational by management.

To make the matrix more communicative, material topics have been aggregated into macro-issues. A reconciliation table and the comparison with previous analysis is provided on page F106.



Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable lifestyles.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.

Identifying, understanding, measuring and managing all the success levers of the business in the best possible way means enhancing all types of capital that are available to the Group, identified according to the framework suggested by the International Integrated Reporting Council (IIRC). **Financial and manufactured capital** includes financial and operating instruments used in obtaining the result. **Human capital** brings together the individual skills and experience of everyone in the Group. **Intellectual capital** is fuelled by innovation and by technological and managerial know-how. **Social and relational capital** represents the importance of stakeholders, communities, supply chains, customers, market, institutions in generating social consensus. **Natural capital** defines the set of natural assets, intended as providers of environmental resources and services for economic production and social well-being.

		Italmobile Group		Portfolio Companies
BUSINESS	ECONOMIC RESULTS AND SHARED VALUE	Financial and manufactured capital	F18	-
	GOVERNANCE AND INTEGRITY	Social and relational capital	F20	F38, 46, 54, 62, 68, 76, 82
GOVERNANCE	RESPONSIBLE INVESTMENTS	Financial and manufactured capital	F22	F83
	PROCUREMENT AND SUPPLY CHAIN	Social and relational capital	-	F38, 46, 54, 62, 68, 76
SOCIAL	HUMAN CAPITAL DEVELOPMENT	Human capital	F23	F39, 47, 55, 63, 69, 77, 84
	HEALTH, SAFETY AND WELLBEING	Human capital	F25	F40, 48, 56, 64, 70, 77, 85
	PRODUCT AND SERVICE STEWARDSHIP	Intellectual capital	F25	F40, 48, 57, 64, 70, 78
	MARKET AND COMMUNITY	Social and relational capital	F26	F41, 49, 57, 71, 78, 86
ENVIRONMENT	RESPONSIBLE USE OF RESOURCES	Natural capital	F28	F42, 50, 58, 65, 71, 78
	LOW-CARBON TRANSITION	Natural capital	F29	F43, 51, 59, 65, 73, 79, 87
	LAND AND BIODIVERSITY	Natural capital	-	F59

By joining the **United Nations Global Compact**, the Italmobiliare Group confirms its commitment - both formal and substantial - to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of protecting the environment and actively involved in every aspect of business integrity. To this end, Italmobiliare shares, supports and applies the fundamental **Ten Principles** of the Global Compact in its sphere of influence and actively contributes to the achievement of the United Nations **Sustainable Development Goals** (SDGs)

The sustainable strategy of the Italmobiliare Group, formalized in the Responsible Investment Policy, mainly targets the following six objectives, subsequently integrated by the portfolio companies with those specific to their respective business sector.

ENVIRONMENT



Ensure sustainable consumption and production patterns, through the responsible use of resources, the implementation of regenerative production cycles, product stewardship and the promotion of conservation-oriented lifestyles and consumption.



Take urgent action to combat climate change and its impacts, fostering the low-carbon transition and implementing monitoring, mitigation and adaptation activities for resilient value chains.

SOCIETY



Achieve gender equality and empower all women and girls, for operational efficiency and social inclusiveness, actively promoting the implementation of the Women Empowerment Principles.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, through diversification, innovation, safe and protected work environments, social and professional growth.

GOVERNANCE

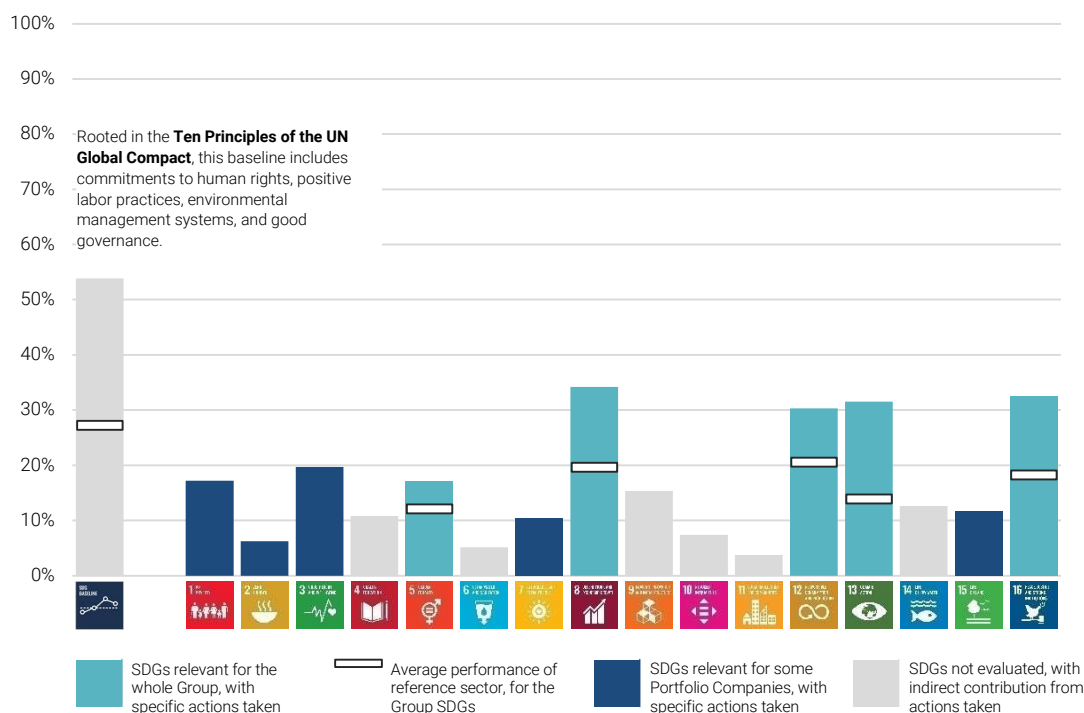


Promote peaceful and inclusive societies for sustainable development; provide access to justice for all and build effective, accountable and inclusive institutions at all levels, starting from sustainable governance and business integrity.



Strengthen the means of implementation and revitalize the global partnership for sustainable development, through responsible investments aimed at creating shared value and bringing global challenges to the agenda of economic organizations.

Performed by the holding and all the portfolio companies as part of the renewal approach to sustainability defined with the Responsible Investments Policy, the **SDG Action Manager** analysis tool integrates B Lab's **B Impact Assessment**, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of the Group's progress. The following graph represents the weighted contribution of holding and portfolio companies, constituting a solid strategic reference.



Materiality and contribution to the SDGs are also the operational reference for the definition of the action plans adopted by the holding and by all the portfolio companies, whose strategies, initiatives and performances are detailed from page F35 onwards.

The ESG Plans adopted are defined, coordinated and monitored with the support of the holding's Sustainability Department, discussed in the Sustainability and Social Responsibility Committee and included in the variable remuneration schemes of the management of the holding and of the portfolio companies.

Economic result and shared value

Thanks to the positive performances of the Portfolio Companies and the investments made during the year, the Italmobiliare Group closed 2021 with a profit of 164.5 million euro, an increase on the previous year.

Furthermore, as confirmation of the effectiveness of the investment strategies and the solidity of the value creation model, the Net Asset Value (NAV) is growing, and with a higher contribution from the Portfolio Companies.

Since 2020, the global economic cycle was hit by the pandemic. Considering the many variables involved, it is still difficult to quantify the overall effects and their duration over time. The Group's portfolio held up well thanks to sector and geographical diversification, though with some fluctuations, some expected and subject to preventive actions to mitigate the impact. The potential effects of this phenomenon on the Group's business will continue to be monitored throughout the year.

GRUPPO ITALMOBILIARE	2019	2020	2021
Net Asset Value (NAV)	1,741	1,838	2,082
% Portfolio Companies	43%	61%	64%
Revenue and income	in millions of euro	565.9	575.5
Gross operating profit (EBITDA)	125.9	106.0	170.5
Profit for the year	77.0	103.5	164.5

The Italmobiliare Group manages the flow of investments and disposals in order to guarantee its sustainable success through the creation of shared value in the long term.

The commitment signed with the United Nations Global Compact confirms the Group's willingness to contribute to global challenges, at the same time protecting and strengthening financial performance for the benefit of shareholders and all other stakeholders.

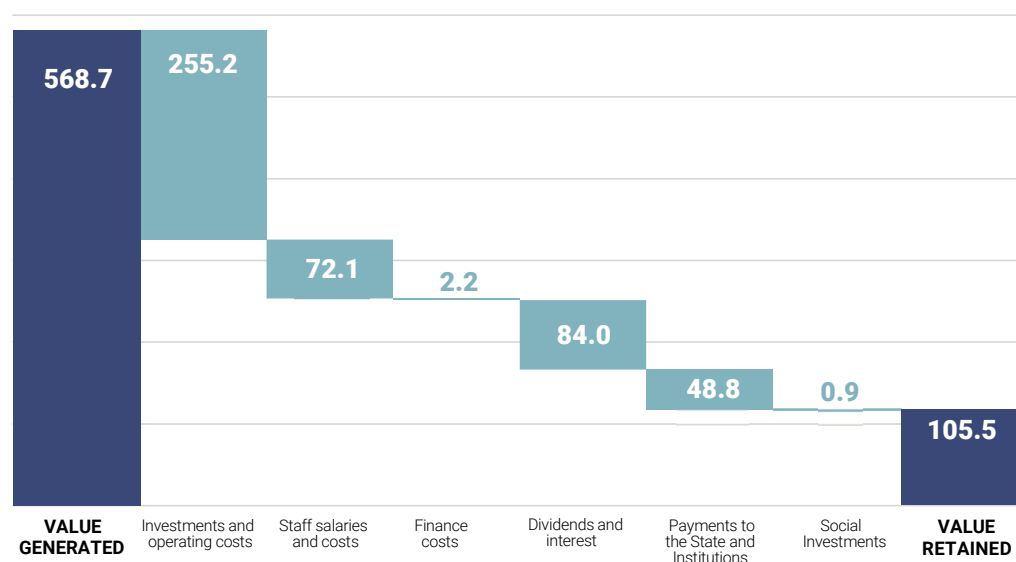
ECONOMIC VALUE GENERATED	2019	2020	2021
TOTAL	589.8	600.3	568.7
Revenue and income	in millions of euro	565.9	575.5
Other	23.9	24.8	76.4
ECONOMIC VALUE RETAINED			
Amortisation and depreciation, retained earnings and provisions for new investments	in millions of euro	65.9	72.3
			105.5

ECONOMIC VALUE DISTRIBUTED		2019	2020	2021	
TOTAL		523.9	527.9	463.2	Stakeholders who benefit
Investments and operating costs		351.7	372.3	255.2	Suppliers of goods and services
Salaries and staff benefits		103.5	111.6	72.1	Personnel
Dividends and interests	in millions of euro	38.8	62.6	84.0	Shareholders and Minorities*
Payments to the State and Institutions		22.5	-26.5	48.8	State and Public Administration
Finance costs		6.0	5.8	2.2	Capital providers
Social investments		1.3	2.3	0.9	Communities

*The figure includes the distribution of profits for the year which the Board of Directors of Italmobiliare S.p.A. will propose to the Shareholders' Meeting.

Economic value distributed to the stakeholders in 2021

(millions of euro)



Governance

GOVERNANCE AND INTEGRITY

The annual **Report on Corporate Governance and the Ownership Structure** details the corporate governance system, the composition and operations of the Board of Directors, the Board of Statutory Auditors and the four Board Committees (Remuneration and Nominations, Transactions with Related Parties, Control and Risk, Sustainability and Social Responsibility).

The **Board of Directors** defines the strategic guidelines of the Company and the Group and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the Company, as all matters not expressly reserved for the Shareholders' Meeting by law and the By-laws fall under its remit. The **Committee for Sustainability and Social Responsibility**, set up in 2020 and chaired by the Chief Executive Officer, has a duty to provide the Board of Directors with advice and proposals in order to implement a development strategy focused on sustainability, consistent with Italmobiliare's mission in all its components: governance, economic, social and environmental (ESG). At corporate level, a **Sustainability Department** is established. The Chief Sustainability Officer has secretarial and management functions for the Committee for Sustainability and Social Responsibility. The composition and management of the governance bodies ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

The Portfolio Companies have governance systems that are consistent with the Group's approach. The presence on the Boards of Directors of members representing the Parent Company, together with independent directors, creates continuity of vision towards sustainable success.

The **Code of Ethics** explicitly recalls the Ten Principles of the United Nations Global Compact, which is internationally recognised as an advanced point of reference, also in terms of corporate governance. Through a sustainable approach aimed at creating shared value for the society and for the environment, the Italmobiliare Group intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand. Further guidance is provided by the various policies adopted and periodically updated, particularly the **Sustainability Policies**, which commit, among other things, to enforce and ensure transparent governance and integrity, implementing appropriate models and effective organisational procedures. During 2021, all the Portfolio Companies have aligned their Codes of Ethics and Sustainability Policies.

Italmobiliare has adopted an **Organisation, Management and Control Model**, regulated by law but voluntary. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, terrorism or violations against the individual, market abuse, tax offences, trafficking in illicit influences, and others. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition, the control functions that supervise compliance with regulations have been identified. They have the support of the Legal and Corporate Affairs and Internal Audit departments of the holding company. Compliance risks are identified and evaluated at least once a year as part of the risk assessment process. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action. The Model adopted by the Parent Company acts as a point of reference for the systematic adoption of consistent approaches by the Portfolio Companies.

More generally, the **Internal Control and Risk Management System** (ICRMS) adopted by Italmobiliare has risk management bodies, systems and processes aligned with international best practices. These allow constant monitoring and effective management of risks of an economic-financial, social and environmental nature at Group level and conscious decision-making on the matter. It consists of rules,

Board of Directors

- 12 members
- 5 female members
- 8 independent members

Committee for Sustainability and Social Responsibility

- 5 members
- 2 male members
- 4 independent members

Code of Ethics

The Code of Ethics lays down the Group's fundamental principles and rules of conduct. Based on Identity, Mission and Values, they constitute a solid point of reference for the sustainable success of the Group through the creation of shared value in the long term. Further guidance is provided by the various Policies adopted and periodically updated, particularly the Sustainability Policies

Sustainability Policies

They extend and integrate the Code of Ethics adopted by Italmobiliare. The "Guiding principles" are their cornerstone of these and are further detailed in four dedicated policies: Health and safety, Environment and resources, Rights and society, Quality and responsibility.

<https://www.italmobiliare.it/en/sustainability/esg-integration>

Anticorruption

Specific communication in 2021:

- 51% members of Boards of Directors
- 47% managers
- 49% middle managers
- 54% office workers
- 17% production workers
- 9% suppliers

Specific training in 2021:

- 9% members of Boards of Directors
- 19% managers and middle managers
- 5% office workers
- 13% production workers

procedures and organisational structures to allow the identification, measurement, management and monitoring of the main risks to which the Company and its subsidiaries are exposed.

The Board of Directors, with the opinion of the **Control and Risk Committee**, defines the Guidelines and assesses their adequacy and effectiveness at least once a year. These Guidelines are sent to the subsidiaries so that they can take them into account when defining and maintaining their own ICRMS, without prejudice to each other's autonomy and independence. Under the coordination of the **Internal Audit Department**, which is responsible for risk management, the process of assessment was further refined in 2021 with a more detailed view of the medium/long-term trends and with an ESG methodological approach based on the outcomes of the materiality analyses. The assessment of climate risk was particularly detailed, carried out in 2021 according to the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), also suggested by the European Securities and Markets Authority (ESMA). The Group's sustainable approach is in itself a strategy of risk anticipation and mitigation, particularly for the categories shown in the table.

Control and Risk Committee

- 3 members
- 2 independent members
- 1 male member

TCFD

Established in 2015 by the Financial Stability Board - the body that promotes and monitors the stability of the global financial system - it provides recommendations on reporting risks related to climate change.

Main risks mitigated through the ESG approach	Key levers affected	Parent Company	Portfolio Companies
Consistency with ESG commitments and effective execution of related action plans	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS	medium/high	from low to medium
Climate change: physical risks for the activities of one or more Group companies		medium	from low to medium
Acute risks Chronic risks		low low	low from low to medium
Climate change: transition risks for the activities of one or more Group companies	RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN MARKET AND COMMUNITIES RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION	medium	from low to high
Policy risks Legal risks Technology risks Markets risks Reputational risks		- low - - medium	from null to medium from null to low from null to medium from null to medium from null to medium
Trends in the ESG and regulatory framework (sector, health, safety, environment, quality, product, or other corporate aspects)	GOVERNANCE AND INTEGRITY MARKET AND COMMUNITIES	medium	from low to high
Competitive sector trends, including commercial, marketing and ESG policies, innovation and M&A processes	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS MARKET AND COMMUNITIES	medium	from low to medium/high
Indirect impacts of the COVID-19 pandemic on the activities of one or more Group companies	MARKET AND COMMUNITIES HEALTH, SAFETY AND WELLBEING	low	from low to medium/high
Sustainability, availability and cost-effectiveness of supplies and raw materials	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN	-	from low to medium/high
Organisational structure, internal processes and skills	GOVERNANCE AND INTEGRITY HUMAN CAPITAL DEVELOPMENT	low	from low to medium/high
IT infrastructure and cyber risk	GOVERNANCE AND INTEGRITY MARKET AND COMMUNITIES	low	from low to high
Quality of products and services in line with expectations of the Group and customers, also in ESG terms	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PRODUCT AND SERVICE STEWARDSHIP	-	from low to medium

The Group's approach to **tax** is grounded on the principle of legality and rigorously follows the legislation in force in Italy and in the other countries in which it operates. The Model 231, subject to the control of the Supervisory Body, includes effectively actions against tax crimes and the updated risk assessment did not reveal any significant aspects in this area. In any case, considering the Group's geography, 99% of taxes is paid to Italian institutions.

Confirming the overall effectiveness of the integrity and compliance safeguards adopted by Italmobiliare and its subsidiaries, in 2021 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illegal behaviour or conduct contrary to the Code of Ethics. Finally, it should be noted that the Court of Justice of the European Union has definitively rejected the appeal filed against the Sirap ruling for facts dating back to the early 2000s already described in the previous reports. With the payment of the fines imposed, the dispute was closed.

RESPONSIBLE INVESTMENTS

In line with its identity, inspired by its Vision, Mission and Values, adopting the principles and rules of conduct defined by the Code of Ethics and following the guidelines provided by the Sustainability Policies, Italmobiliare Investment Holding manages its flow of investments and disposals in order to guarantee the sustainable success of the Group through the creation of shared value in the long term.

The **Responsible Investment Policy**, deeply renewed in 2021, is the guiding document. The various components that contribute to Italmobiliare's Net Asset Value (NAV) require careful assessment of market counterparties with which to undertake investments, partnerships and contractual relationships. Each component, managed according to specific internal procedures, helps to achieve the objectives of return on investment, risk diversification and value creation:

- Portfolio companies.
- Equity investments in listed and unlisted companies.
- Investments in private equity funds.
- Financial assets held for trading and cash management.

Among the various elements to be assessed, the prospects for improving the ESG positioning and alignment with Italmobiliare's sustainable strategy play a significant role. To this end, Italmobiliare refrains from any investment or involvement, whether direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other ascertained direct or indirect practices also lead to exclusion: for example, corruption, money laundering, human rights violations, activities in conflict zones, violations of the fundamental principles of labour, production of goods harmful to health, the environment and morality, an obstacle to sustainability in general. Furthermore, the activities and sectors subject to particular attention are detailed in the chapter "Sectoral criteria" of the Responsible Investment Policy.

Italmobiliare assigns priorities and mobilises financial resources in a targeted and selective manner, thereby contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders and all other stakeholders. The choices of capital allocation, with limited use of financial leverage, are aimed at long-term "core" majority shareholdings, with clear development and enhancement objectives, as well as minority shareholdings with a main focus on stable dividend generation or strong growth.

The attention paid to the sustainability profiles of the companies in the portfolio finds continuity in the management phase, through an active dialogue with the investee companies aimed at fully integrating sustainability into the business strategy. In the organisation of Italmobiliare, the task of translating the strategic indications received from the Board of Directors into current management operations is the responsibility of the Investment Management Department, supported by the other functional departments at holding company level.

In the active ownership of Portfolio Companies, the strategic and operational references suggested by the **European Taxonomy** for sustainable finance are duly considered, tracing the companies that are eligible for the classification criteria. In the 2021 portfolio, only Italgen is among the eligible activities. For all the Portfolio Companies and in order to promote investments and operating costs aimed at sustainable activities, the capital (Capex) and operating (Opex) expenditures related to eligible activities. Details in the box aside and on page F102.

Still on the subject of sustainable finance, the entry into force of Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (**SFDR**) progressively makes direct information available on the ESG approach and performance of asset managers of private equity and private credit funds, venture capital and other alternative investments, with progressive levels of transparency and commitment. The scope includes asset managers and funds at EU level. Details of Italmobiliare's specific investments are shown on page F12.

Responsible Investment Policy

The Responsible Investment Policy explains all stages of the investment process: sector criteria, pre-investment, ownership and divestment.

It covers all the various components that contribute to Italmobiliare's Net Asset Value: from portfolio companies to equity investments in listed and unlisted companies, from investments in private equity funds to financial assets held for trading and cash management.

Contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the Group.

Screening and due diligence

In 2021, 15 dossiers were analysed against around 120 screening investment opportunities.

Preliminary due diligence, including ESG, was carried out for 5 of these in order to formalize the non-binding offer. For 1 (Bene Assicurazioni) full due diligence was carried out, including ESG, in preparation for the investment decision.

For other "non-portfolio" co-investments made in 2021 (e.g. Botter and Farmagorà), the ESG aspects were investigated before the decisions.

Taxonomy Regulation

Conceived as a guiding tool for the decisions of investors and businesses, Regulation (EU) 2020/852 introduces a classification of economic activities that can contribute to six environmental objectives, two of which are already regulated, namely climate change mitigation and adaptation to climate change. The others, in terms of water resources, circular economy, pollution and biodiversity will be progressively introduced. Four criteria must be met:

- Positive contribution to at least one of the objectives.
- No negative impacts on any other objective.
- Respect of the minimum social guarantees.
- Alignment with the identified technical criteria.

Eligibility:

- 8% revenues
- 4% Capex
- <1% Opex

Society

As expressed by the Sustainability Policies, in relations with all the companies or counterparties of the Group and in the active involvement of all stakeholders in its sphere of influence, Italmobiliare commits:

- To support and respect internationally proclaimed human rights, which are universal and belong equally to every person.
- To implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value.
- To ensure the health, safety and well-being of all parties involved by providing adequate working conditions, equipment, information and training.
- To create and maintain relationships with shareholders, investors and the market based on partnerships, transparency, exchange of information and sharing of commitments.
- To invest time, skills and resources in supporting community and fostering local development with the regular involvement of all interested parties.
- To guarantee constant improvement in the quality and in the environmental and social value of processes, products, applications and services, promoting research and innovation.

Materiality

In this section, information and figures include all consolidated companies:

- Italmobiliare (Parent company)
- Caffè Borbone
- Officina Profumo-Farmaceutica di Santa Maria Novella
- Italgas
- Casa della Salute
- Capitelli
- Callmewine
- Clessidra

HUMAN CAPITAL DEVELOPMENT

The growth of the Group also depends on the ability to attract and retain, at the Holding Company and at all the other companies, people with different, complementary skills and leaders capable of guiding the evolution of companies by aligning the interests of management and shareholders and promoting the sustainable success of the Group through the creation of shared value in the long term.

The Group considers the management and development of human capital a clear responsibility of all its managers, not only to respect and protect their skills and diversity, but above all to develop and enhance them to the full.

Equal opportunities are a particular point of attention, with steps being defined to encourage the presence and representation of women in senior positions. In particular, Italmobiliare believes that promoting gender equality is not only indispensable for creating and maintaining an inclusive working environment, but also that it constitutes an essential element for the professional growth of the Group.

By way of confirmation of this specific commitment, since 2020 Italmobiliare subscribes and promotes the Women Empowerment Principles, also recalled in the Code of Ethics of all Group's companies.

HOLDING (% female participation)	2019	2020	2021
Board of Directors	36%	42%	42%
Board of Statutory Auditors (<i>including alternate auditors</i>)	33%	50%	50%
Management positions*	27%	35%	37%
Total personnel	51%	50%	50%
PORTFOLIO COMPANIES (% female participation)			
Boards of Directors	13%	10%	14%
Boards of Statutory Auditors (<i>including alternate auditors</i>)	20%	19%	25%
Management positions*	17%	20%	33%
Total personnel	27%	27%	40%

Women Empowerment Principles

Promoted by UN Women and the United Nations Global Compact, they commit signatories to gender equality and women's empowerment in the workplace, in the economy and in communities.

Commitment includes the measurement and publication of progress made to promote the equal treatment of men and women.

* The indicator includes managers until 2019. From 2020 it also includes middle managers.

Confirming the value given to people, permanent full-time contracts are by far the main type of employment. Part-time jobs constitute an element of flexibility to meet individual needs for work-life balance, but they are limited. 98% of the Group's employees are covered by collective bargaining agreements.

All Group companies prefer to develop and enhance skills and professionalism of people from their local communities. As confirmation, 72% of the Group's executives reside in the same region in which the operational headquarters are located.

With 250 new hires versus 87 terminations, staff turnover in 2021 was significant (41%), confirming dynamic and competitive sectors also in terms of professional skills. This trend is strongly influenced by the particular case of Casa della Salute, described in detail on page F63, which alone accounted for 132 hires and 47 terminations, mainly due to the special dynamics linked to the opening of the Genoa vaccination hub in a period of full Covid-19 emergency. In any case, the assessment of management and the improvement of all levers of attraction and retention of talents remains open, including structured training programmes and individual performance assessment schemes linked to merit-based remuneration policies.

In addition to employees, the Group relies on the support of 670 non-employee workers, mostly temporary or self-employed workers and agents.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	470	1,249	1,719	481	1,294	1,775	327	488	815
Managers	14	60	74	13	58	71	11	42	53
Middle managers	-	-	-	26	78	104	28	39	67
Office workers	231	309	540	208	256	464	255	113	368
Production workers	225	879	1,104	234	902	1,136	33	294	327
Contracts (%)									
Permanent (vs. fixed-term)	91%	93%	93%	90%	94%	93%	80%	92%	87%
Full time (vs. part-time)	90%	96%	94%	90%	97%	95%	57%	95%	80%
Training (hours per capita)									
TOTAL	7.5	5.1	5.8	0.7	4.8	5.0	46.6	17.8	29.4
Managers	32.3	13.1	16.7	9.7	6.4	7.0	15.5	7.8	9.4
Middle managers	-	-	-	7.6	3.0	4.3	13.0	7.4	9.7
Office workers	7.6	7.8	7.7	6.0	13.2	10.0	56.1	58.0	56.7
Production workers	7.5	5.1	5.8	0.0	3.5	3.4	12.4	5.1	5.9
Performance assessment (%)									
TOTAL	18%	16%	16%	44%	20%	23%	18%	25%	22%
Managers	79%	97%	93%	100%	97%	98%	91%	83%	85%
Middle managers	-	-	-	56%	83%	75%	46%	69%	60%
Office workers	19%	34%	27%	33%	44%	39%	14%	32%	19%
Production workers	13%	4%	6%	0%	0%	0%	0%	9%	8%

HEALTH, SAFETY AND WELLBEING

Italmobiliare considers safety, protection and promotion of the health and wellbeing of the person as fundamental values to be integrated into all of the Group's activities and in business or social relations with all stakeholders in its sphere of influence. This principle extends to employees, businesses, suppliers, visitors, local communities and any other interested parties within its sphere of influence.

The Group is committed to taking concrete measures to eliminate accidents, injuries and illnesses caused by work, reducing the risks in all its activities. It also aims to achieve the highest levels of collective and individual awareness, encouraging a process of continuous improvement by adopting effective management systems and visible leadership as the key to success.

All personnel are adequately trained and equipped to carry out their role in conditions of complete safety and health, according to operating procedures aimed at minimising exposure to risk factors and taking into consideration the different needs and requirements of men and women. Also in 2021, no cases of occupational disease were reported throughout the consolidated perimeter.

Great attention was given also in 2021 to implementation of the Covid-19 protocols, well beyond the legal requirements. All Group companies undertake initiatives to promote the psychological and physical wellbeing of their people.

		2019	2020	2021
Employees				
Fatalities		0	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	1	0	0
Injuries	<i>with absence from work for at least 24 hours</i>	15	12	8
Frequency rate	<i>number of injuries per million hours worked</i>	6.0	4.8	6.8
Severity rate	<i>lost days per thousand hours worked</i>	-	-	0.09
Non-employees *				
Fatalities		0	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	0	0	0
Injuries	<i>with absence from work for at least 24 hours</i>	2	3	2
Frequency rate	<i>number of injuries per million hours worked</i>	7.2	7.8	33.3

* Temporary workers, self-employed workers, project collaborators, interns and agents

PRODUCT AND SERVICE STEWARDSHIP

Italmobiliare promotes commercial policies and strategic choices in line with best practices and the principle of professional loyalty towards customers and consumers in all Group companies, in particular those with services and products intended for national or international business or consumer markets.

All Group companies work to ensure and continually improve the quality of processes, products and services, adopting a systematic approach aimed at satisfying increasingly challenging requirements and creating value along the life cycle of products and improving relationships with customers and suppliers.

Initiatives aimed at promoting and encouraging the purchase of products and services must respect the regulations that protect the interests of consumers and customer satisfaction. In addition, customers and consumers must have complete, updated, verified and transparent information on the characteristics and quality of products and services, including, when necessary, aspects related to environmental and social performance. This is not only to allow free and informed choices, but also to promote responsible lifestyles and consumption.

By combining this vision with the growing demands of the market, the Group aims to understand, control and communicate the technical, environmental and social performance of its products and services throughout their life cycle, from the procurement of raw materials to production and final disposal or reuse.

Caffè Borbone	83% of the raw materials, additives, ancillaries and packaging materials used are of renewable origin.
Officina Profumo-Farmaceutica di Santa Maria Novella	76% of the ingredients used are of renewable origin.
Italgas	The electricity sold is 92% renewable hydroelectric. The mix has an overall carbon footprint of far less than 100 g/kWh.
Casa della Salute	High quality health service, short waiting times and affordable prices. Energy consumption at zero CO ₂ .
Capitelli	94% of the raw materials, additives, ancillaries and packaging materials used are of renewable origin.
Callmewine	Packaging exclusively in cardboard, 100% recyclable.
Clessidra	Large prevalence of funds "article 8" SFDR, promoting environmental or social characteristics.

MARKET AND COMMUNITIES

The sustainable success of the Group also involves transparent information, from holding companies to subsidiaries or investee companies, from the single operating site to the corporate level, from local communities to society in general, including institutions, non-governmental organizations and representatives of the public and private sector.

The Parent Company Italmobiliare and all the companies of the Group aim at creating and maintaining relationships with the community and with stakeholders based on long-lasting shared commitments, trust, transparency and active collaboration.

The dialogue methods adopted depend on the nature and specific expectations of the respective stakeholders, also promoting the active involvement of their collaborators. The following table describes the multidimensional approach towards stakeholders, identified by categories.

Stakeholders	Relational modalities	Topics	Group companies
Personnel: employees and their representatives	Continuous manager/team dialogue, safety initiatives, thematic events, industrial relations	Work organisation, corporate climate, health, safety and wellbeing, strategy and sustainability	All
Management: holding company and portfolio companies	Continuous management	Strategy and sustainability, investments	All
Financial community: investors, analysts, shareholders, capital providers, rating agencies	Dedicated meetings, road shows, corporate and web documents	Strategy and sustainability, governance, economic, environmental and social performance, risk management, investments	Italmobiliare Clessidra
Customers: B2B, B2C and end-users	Fairs, forums and sector events, direct individual contacts, customer satisfaction and quality	Customer services and logistics for products and solutions, also with reference to environmental and social performance	Caffè Borbone Officina Profumo-Farmaceutica di Santa Maria Novella Casa della Salute Capitelli Callmewine
Supply chain: suppliers of goods and services	Strategic partnerships, supply chain management, direct individual contacts, qualification audits	Pre-qualification and qualification requirements, contractual terms and conditions, supply chain disciplinary, audit feedback	
Communities, media and NGOs: local and global	Interviews, conferences, dialogue with the community, social initiatives	Transparent communication on strategy and sustainability, social and environmental performance, investments for the community	All
Associations: partnership and academia	Meetings, conferences, shared initiatives, partnerships, research	Strategy and sustainability, governance, individual and sectoral contribution	All
Authorities and institutions	Individual or collective interactions (e.g. meetings, conferences, events)	Governance, legal compliance, strategy and sustainability	All

Considering the nature of an investment holding company, relations with the financial community are particularly relevant, both for Italmobiliare and all the major Portfolio Companies. Italmobiliare is listed on the STAR segment of the Italian Stock Exchange, which groups together mid-cap companies committed to meeting the requirements of excellence in terms of transparency, share liquidity and corporate governance. Relations with Italmobiliare's shareholders are coordinated by the Investor Relator, following the instructions of the Chief Executive Officer - Chief Operating Officer in collaboration with the other Departments and Corporate Functions involved.

In 2021, Investor Relations activities mainly concerned:

- Maintaining a stable coverage by leading equity research analysts, with Equita and Kepler Cheuvreux which today follow the Italmobiliare stock with constant updates on the Group's activities.
- Taking part in the main investor conferences organised by investment banks and Borsa Italiana.
- One-to-one meetings with Italian and international investors.

In support of Investor Relations activities and for the benefit of all interested stakeholders, Italmobiliare constantly updates the contents of its website in order to improve the usability and clarity of information. The periodic newsletter, sent to a list of selected recipients but made available to all through the website, adds further elements of transparency.

All Group companies create relationships with local communities by understanding their needs, promoting sustainable local projects that do not generate relationships of dependency and regularly involving stakeholders. An important role in supporting local communities is played in parallel by the Pesenti Foundation, named after the Cavaliere del Lavoro Carlo Pesenti, one of the protagonists of Italian industry and finance of the last century.

Although they operate in different industrial sectors and different markets, Italmobiliare and its Group companies are united in that they apply the highest possible standards of safety and integrity in the products and services that they offer to customers, as well as the regulatory obligations, which are combined with careful monitoring of the transparency and correctness of communications to customers and effective protection of personal data belonging to customers and other key stakeholders.

In order to comply with the regulatory provisions on privacy and the security of sensitive data, the Italmobiliare Group has defined its own model for the protection of personal data. Through it, the Group aims to guarantee respect for the rights of people subject to the treatment of personal data, to fulfil obligations, to prevent possible violations by monitoring and controlling all obligations and implementing adequate security measures. In 2021, Group companies did not receive any complaints about violations of customer privacy, nor did they suffer any data losses or leaks.

Lastly, active participation in associations is also relevant, encouraging or supporting common initiatives and the adoption of responsible business practices.

The Pesenti Foundation

Established in June 2004 as an autonomous and independent body, it is a tool for promoting and disseminating the culture of innovation understood as the development of ideas, projects and actions capable of creating a positive impact on a social, environmental and cultural level.

It develops evolved forms of interaction between the public sector, the private for-profit and non-profit sectors, with the design of sustainable solutions that meet the main social challenges.

Among the most significant projects, also with the financial contribution of Italmobiliare, the collaboration with Italian and foreign universities, constant support for scientific research and dissemination, humanitarian and social solidarity.

Company	Affiliations
Italmobiliare	AIDAF - Italian Association of Family Businesses, American Chamber of Commerce in Italy, Assolombarda, Assonime, Business Forum Italy/ Thailand, Europeanissuers, United Nations Global Compact, Global Compact Network Italy (Foundation), Group of Italian Initiative of the Embassy of Italy in Brussels, ISPI - Institute for International Political Studies
Caffè Borbone	Comitato Italiano del Caffè at Unione Italiana Food, CONFIDA - Association of Italian Vending Industry
Officina SMN	Cosmetica Italia - member of Cosmetics Europe
Italgen	Confindustria Bergamo, Elettricità Futura
Casa della Salute	Confindustria (Genoa, Alessandria, Savona e La Spezia)
Clessidra	AIFI, AODV (Association of Members of Supervisory Bodies), Invest Europe, ItaSIF (Italian Sustainable Investment Forum), UN PRI - Principles for Responsible Investment

Environment

Materiality

In this section, information and data include the following companies:

Responsible use of resources

- Caffè Borbone
- Officina Profumo-Farmaceutica di Santa Maria Novella
- Italgem
- Casa della Salute
- Capitelli
- Callmewine

Low-carbon transition

- Italmobiliare (Parent Company)
- Caffè Borbone
- Officina Profumo-Farmaceutica di Santa Maria Novella
- Italgem
- Casa della Salute
- Capitelli
- Callmewine
- Clessidra

As expressed by the Sustainability Policies, in relations with all the companies or counterparties of the Group and in the active involvement of all stakeholders in its sphere of influence, Italmobiliare commits, among other things:

- To promote responsible access to natural resources over the entire life cycle and adopt management methods aimed at reducing consumption and preserving availability and quality.
- To tackle pro-actively the challenge of climate change, with the purpose of an overall reduction of greenhouse gas emissions over the entire life cycle, implementing measures aimed at energy saving, the efficiency of plants and the supply and distribution chain and designing products and services that contribute to the global goal of the Paris Agreement.
- To protect the quality of water and soils, to safeguard the collective usability and to preserve biodiversity even outside protected areas.

RESPONSIBLE USE OF RESOURCES

Group companies make responsible use of renewable resources of biological origin and non-renewable resources of extractive or fossil origin, favouring whenever possible those originating from virtuous recycling processes according to technological evolution and in compliance with sector regulations.

Applying the same principle, secondary products, co-products and by-products are intended for use by other parties in the supply chain. The waste generated in the process or in the auxiliary and maintenance activities are best exploited as resources for other consumption or production cycles and only as a last resort is it sent to controlled disposal sites, where further partial valorisation is possible, at least in terms of energy.

Production processes, heating, sanitary uses and company fleets require thermal and electrical energy. Excluding initiatives to raise plant or operational efficiency, attention is focused on choosing fuels that are more favourable to the environment and renewable sources. Italgem plays a fundamental role in the energy transition, producing and marketing renewable hydroelectric energy. Caffè Borbone and Capitelli have photovoltaic systems that produce renewable energy used directly or fed into the grid. Officina Profumo-Farmaceutica di Santa Maria Novella uses only renewable electricity, from photovoltaic self-production and purchase with guarantee of origin. Casa della Salute uses only renewable electricity with a guarantee of origin.

Responsible production

90% of all raw materials, semifinished products and ancillary materials used for production are renewable or come from recycling.

61% of the packaging materials used are renewable or recycled.

	units	2019	2020	2021
Raw materials, semifinished goods and ancillaries				
TOTAL		113,646	78,748	34,415
Renewable		23,797	28,178	30,950
% of total from recycling		0%	0%	0%
Non-renewable	t	89,849	50,570	3,465
% of total from recycling		12%	15%	0%
Packaging materials				
TOTAL		11,817	15,207	10,897
Renewable		6,854	9,612	6,515
% of total from recycling	t	54%	59%	25%
Non-renewable		4,963	5,595	4,382
% of total from recycling		38%	42%	1%

	units	2019	2020	2021
Energy consumed				
TOTAL		489,570	477,823	193,754
Renewable		29,211	31,593	39,785
% of total	GJ	6%	7%	21%
Non-renewable		460,359	446,230	153,969
% of total		94%	93%	79%
Energy fed into the grid				
Renewable		1,073,420	1,115,476	1,084,508
From hydroelectric	GJ	1,073,034	1,115,039	1,084,115
From photovoltaic		386	437	393
Water				
TOTAL consumed		95,730	65,451	14,616
From water-stressed areas	m³	11,140	11,505	3,508
Valorisation of waste generated				
Hazardous waste		157.8	151.9	61.5
% Recovery		27%	18%	50%
% Energy recovery or disposal		73%	82%	50%
Non-hazardous waste	t	9,229.2	7,210.7	2,728.9
% Recovery		86%	65%	71%
% Energy recovery or disposal		14%	35%	29%

Responsible production

21% of the thermal or electrical energy used is renewable. Furthermore, quantities of renewable energy are produced and fed into the grid at least 5 times the consumption.

Water withdrawals are low and only negligible amounts concern areas with water stress.

70% of the waste generated is sent for material recovery. The remainder goes to energy recovery or controlled disposal operations, where further valorisation is possible.

LOW-CARBON TRANSITION

The Group is aware of the priority dimension of the fight against climate change. According to the GHG Protocol, the international reference for the accounting of greenhouse gases, direct emissions (Scope 1) derive from the use of fuels and fuels used in the company perimeter. Indirect emissions (Scope 2) derive from the electricity purchased and used. Value chain emissions (Scope 3) include other indirect emissions in specific categories to be considered, if relevant. The breakdown of the categories considered by single entity of the consolidated Group is shown on page F105. The "investments" category is particularly relevant for Italmobiliare and Clessidra.

The progressive quantification of the emissions of the value chain, with increasingly analytical methods, of the latter and of the emissions avoided is a fundamental step towards a better understanding of one's carbon footprint and of the margins that can be explored for the definition of solid mitigation programs. In fact, the Group intends to align itself with the Science Based Targets (SBT) initiative, that is to define objectives for the reduction of greenhouse gas emissions that are scientifically aligned with the level of decarbonisation required to keep the global temperature increase below 1.5 °C, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Climate Agreement.

	units	2019	2020	2021
Carbon footprint				
Scope 1		10,884	9,742	7,151
Scope 2 market based		39,175	35,737	3,914
location based	t CO₂	33,923	31,655	6,170
Scope 3		-	1,691,946	1,335,074
TOTAL		-	1,737,425	1,346,138
Emissions avoided (location based)				
TOTAL		109,957	107,060	97,462
From hydroelectric production	t CO₂	109,918	106,959	97,327
From photovoltaic production		39	101	134
From use of renewables				3,660
Carbon intensity				
Scope 1+2 market based	t CO₂/M€ EBITDA	577	390	88

GHG Protocol

Scope 1 - direct emissions from fuels

Scope 2 - electricity indirect emissions

Scope 3 - other indirect emissions:

- 1 purchased goods and services
- 2 capital goods
- 3 other energy-related activities
- 4 upstream logistics
- 5 waste generated in operations
- 6 business travel
- 7 employee commuting
- 8 upstream leased assets
- 9 downstream logistics
- 10 processing of sold products
- 11 use of sold products
- 12 end-of-life treatment of sol
- 13 downstream leased assets
- 14 franchises
- 15 Investments

Scope 3 "investments"

In 2021, the estimate is about 850,000 tons of CO₂ (over 1 million in 2020) and includes non-directly consolidated entities considered material for their contribution to the carbon footprint:

- The Portfolio Companies affiliated (Tecnica Group, Autogas Nord - AGN ENERGIA, Iseo)
- Other participations, listed or unlisted (HeidelbergCement, Florence InvestCo)

ITALMOBILIARE
INVESTMENT HOLDING

ITALMOBILIARE



ITALMOBILIARE
INVESTMENT HOLDING

Italmobiliare

HUMAN CAPITAL DEVELOPMENT

The Parent Company Italmobiliare S.p.A. needs know-how, professionalism and internal processes suitable to best support its role as an Investment Holding Company, managing the flow of investments and disposals in order to guarantee the sustainable success of the Group through the creation of shared value over the long term.

At the end of 2021, it has a team of 44 motivated and specialized people (overall turnover 16% with 6 new hires and 1 exit). Direct employees are all covered by a collective bargaining agreement. 37% of managerial positions are held by women.

The selection of human resources aims only to find the required skills and aptitudes, the most suitable types of contracts and the correct timing, without any discrimination or constraints. The hiring of resources at any level is assisted by a dedicated induction programme. Correctness, loyalty, transparency and mutual respect are the guiding elements of personnel management, well beyond the contractual aspects and the regulations in force on labour matters. Consistently with this approach, the remuneration policy is based on a merit matrix that matches performance and benchmarks with the outside market.

With the persistence of the Covid-19 pandemic, all employees were invited to work in remote working mode, with appropriate technical and training interventions for the maximum effectiveness of use of digital platforms, for planning and teamwork, even remotely and for the development of technological, personal, methodological and leadership skills.

Each year, the Human Resources Department plans training initiatives starting from an analysis of individual needs and then follows delivery of the courses and their assessment. In 2021, training mainly involved governance and strategy issues, such as ethics and sustainability, and managerial and technical-operational aspects, such as management, safety and the environment, information systems and data privacy. Following the structured training plan and using mainly digital platforms, a total of 843 hours of training were provided.

The annual assessment of individual performance, extended to all staff, accompanies the development of human capital. Direct interviews between the Head of Human Resources and the managers of the company department or function in question and interviews between the latter and their collaborators feed the assessment scheme. This combines quantitative elements, i.e. achieving the results expected in the particular role held, and qualitative elements, such as the ability to complete tasks autonomously, meeting deadlines, being pro-active, continuity and other soft skills that may have been developed.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	19	18	37	19	19	38	22	22	44
<i>Managers</i>	4	11	15	5	11	16	6	14	20
<i>Middle managers</i>	-	-	-	3	4	7	4	3	7
<i>Office workers</i>	15	7	22	11	4	15	12	5	17
Contracts (%)									
Permanent (vs. fixed-term)	100%	100%	100%	100%	100%	100%	100%	95%	98%
Full time (vs. part-time)	89%	89%	89%	100%	100%	100%	95%	95%	95%
Training (hours per capita)									
TOTAL	33.2	23.5	28.5	9.5	13.6	11.6	22.0	16.0	19.1
<i>Managers</i>	42.1	13.8	21.4	13.9	14.3	14.2	25.3	16.9	19.5
<i>Middle managers</i>	-	-	-	20.2	15.4	17.4	48.0	14.5	33.6
<i>Office workers</i>	30.8	38.7	33.3	4.6	9.8	6.0	12.2	14.3	12.8
Performance assessment (%)									
TOTAL	100%	100%	100%	100%	100%	100%	100%	77%	95%
<i>Managers</i>	100%	100%	100%	100%	100%	100%	100%	93%	95%
<i>Middle managers</i>	-	-	-	100%	100%	100%	100%	67%	86%
<i>Office workers</i>	100%	100%	100%	100%	100%	100%	100%	100%	100%

HEALTH, SAFETY AND WELLBEING

Italmobiliare promotes the health, safety and wellbeing of all employees, creating and maintaining safe offices and other workplaces as an essential condition for the professional growth and enhancement of its resources.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. A dedicated professional contact, the presence of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

In the last three years there have been no accidents of any kind to employees or non-employee workers.

The psychological and physical wellbeing of people is promoted through the offer of health and social security benefits. For middle managers, office workers and intermediate staff, the Company provides a health plan for medical examinations and specialist tests, which covers all or part of the expense. As for management staff, a free annual check-up is provided at accredited facilities.

In 2021, Italmobiliare maintained the welfare initiatives introduced in previous years, including the flexibility of working hours and the portal dedicated to corporate welfare, with the possibility of purchasing goods and services that are useful for themselves and their families, such as health care, leisure, tuition and book reimbursement.

Recharge Room

At the Milan office, the staff may benefit from an area with a green & botanic mood has been created, where it is possible to relax, have lunch, but also to develop ideas and organise informal meetings with guests or colleagues, releasing the tensions of daily commitments with the soundtrack of Spotify Business playlists.

The same area can easily be transformed into an in-house gym and makes it possible to organise courses and other social activities in a relaxing environment.

PORTFOLIO
COMPANIES
controlled



Caffè Borbone

Caffè Borbone was founded in 1997 in Caivano (Naples) as a coffee roasting and packaging business, later becoming one of the main producers specialized in compatible capsules and pods, with a dense commercial network in Italy. It has been part of the Italmobiliare Group since May 2018, as **a subsidiary with a 60% stake**.

Caffè Borbone fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Caffè Borbone upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals, as well as to the broader objectives of the United Nations.

Furthermore, through active membership in the Italian Coffee Committee, it shares the commitment of the European Coffee Federation towards the creation of sustainable value in the entire supply chain.

Italmobiliare and Caffè Borbone recognize the sensitive aspects of the global agro-commodity sector. In fact, the sector highlights important issues for the sustainable success of the business, economic, social and environmental issues, which cover the entire value cycle, from the procurement of raw materials to the management of the products' end of life.

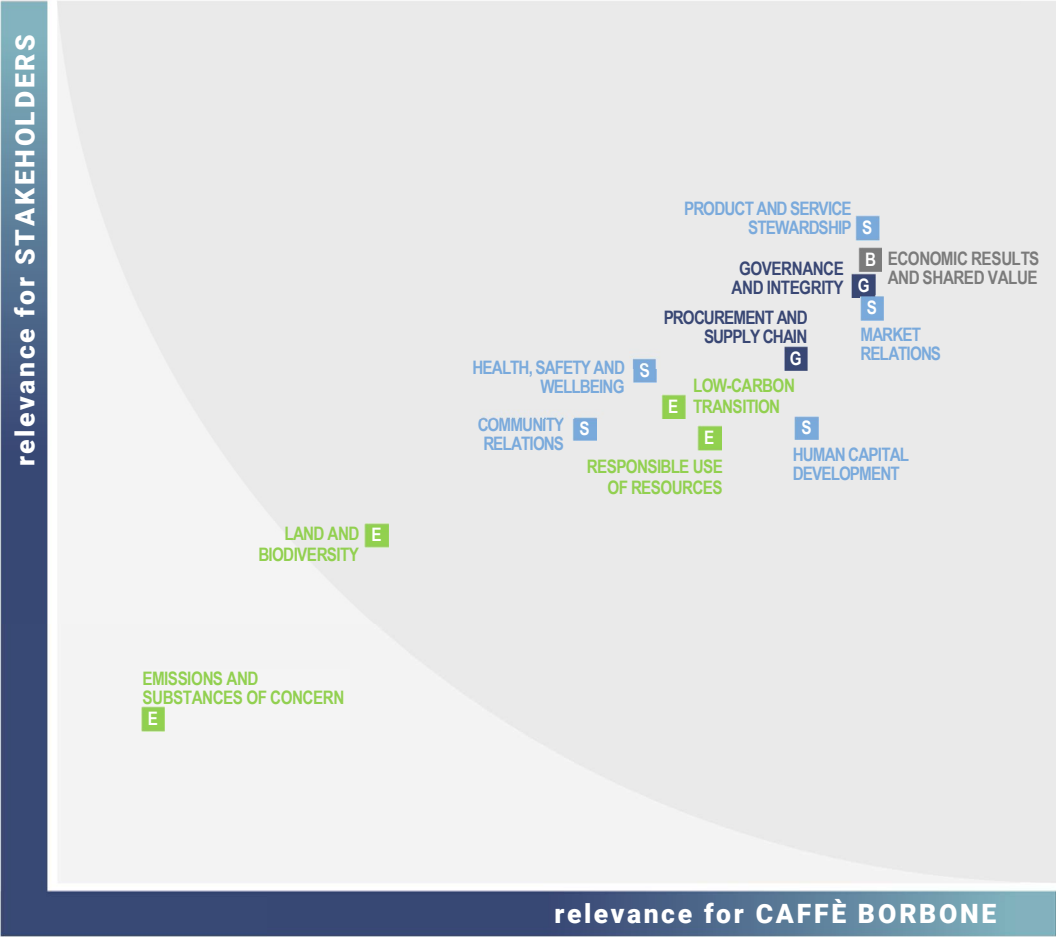
In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Caffè Borbone.

Caffè Borbone upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

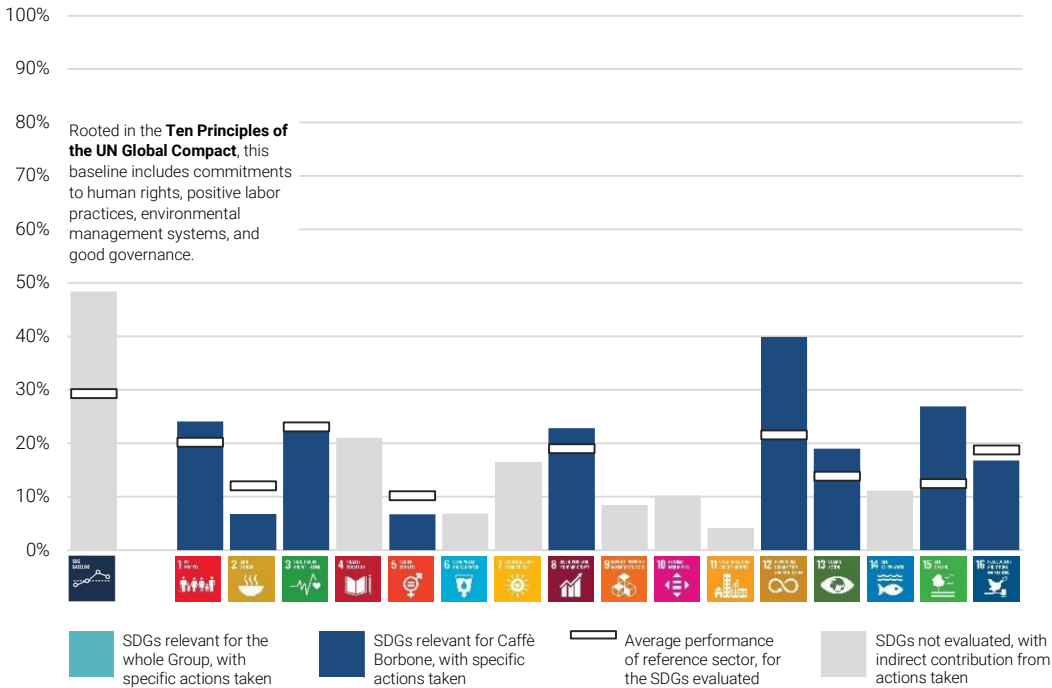
- Responsibility and integrity in the **supply chain** to promote agricultural practices in balance with ecosystems, resilient to climate change and attentive to social needs, women, indigenous peoples and farmers' families.
- Efficiency of **production** to reduce the direct and indirect environmental footprint, from renewable energy to sustainable packaging, and ensure food safety.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including that of consumers, with products and initiatives capable of promoting responsible lifestyles.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

MATERIALITY AND CONTRIBUTION TO SDGS



Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable lifestyles.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



B Impact Assessment (BIA)
Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

SDG Action Manager
Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

GOVERNANCE

GOVERNANCE AND INTEGRITY

Board of Directors

- 6 members
- 1 female member
- 1 independent member

The composition and management of the governance bodies, starting with the Board of Directors, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Caffè Borbone explicitly recall the Ten Principles of the United Nations Global Compact and are inspired by the highest global references. Through a sustainable approach aimed at creating shared value for the society and for the environment, Caffè Borbone intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Caffè Borbone has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, but also terrorism or violations against the individual, market abuse and others. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

Management systems

- Quality: ISO9001
- Food safety: IFS
- Environment: ISO 14001 ongoing

More generally, Caffè Borbone implements and strengthens the Enterprise Risk Management system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, the adopted management systems represent a fundamental asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

OFI

The Olam Food Ingredients Supplier Code is based on clear principles on governance and integrity, quality of goods and services, refusal of all forms of exploitation, respect for the environment, local communities and regulations. Furthermore, child labour, forced labour, the use of banned chemicals and pesticides, the encroachment of legally protected areas, critical habitats or areas with a high carbon stock are considered unacceptable.

NKG

The Supplier Code of Neumann Kaffee Gruppe defines criteria in matters of economy, society and the environment, in particular by rejecting the worst forms of child labour, forced labour and deforestation.

ECOM

The Supplier Code of ECOM Agroindustrial requires legal and ethical compliance, respect for human and labour rights, traceability and sustainability of supplies, environmental protection, health and safety of workers.

LDC

Louis Dreyfus Company adopts a Supplier Code that covers human and labour rights, health and safety, environmental protection and business integrity.

PROCUREMENT AND SUPPLY CHAIN

The main areas in the supply chain are the procurement of raw coffee, packaging materials and logistics and distribution services, which together accounted for over 60% of the total spending. In 2021, the main countries of origin of the coffee used were Uganda, Vietnam, India and Brazil.

In order to consolidate the governance of the supply chain, Caffè Borbone is refining the criteria and protocols for selecting suppliers and the contractual elements to support a sustainable supply chain.

The management of strategic supplies requires special attention. To this end, Caffè Borbone creates partnerships with coffee suppliers, relying on selected international intermediaries committed to sustainability, who offer ample guarantees to align with international standards and to actively promote a sustainable coffee supply chain. Caffè Borbone aims at combining quality with responsibility and integrity in the supply chain to favour agricultural practices in balance with ecosystems, resilient to climate change and attentive to social needs, women, indigenous peoples and farmers' families. In 2021, Caffè Borbone started evaluating the viable certification options for coffee supplies with Ofi, NKG and ECOM, which will be gradually introduced, and the opportunities for continued cooperation in social projects for local communities.

SOCIETY

HUMAN CAPITAL DEVELOPMENT

Caffè Borbone benefits from the value of 260 specialized and motivated people (overall turnover 20%, 45 new hires and 6 exits). Direct employees, by choice mainly of local origin, are all covered by collective bargaining agreements. 8% of managerial positions are held by women.

A significant use of non-employee workers, partly to enable job rotations. In 2021, there were 66 temporary agency workers, agents, self-employed workers and interns. Social dialogue flows in an open and constructive way, ensuring the protection of workers' health and the continuity of production activities, ensuring the health protocols necessary for the persistence of the pandemic emergency and supporting the provision of training at all levels.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	8	191	199	8	210	218	17	243	260
Managers	1	3	4	1	5	6	1	7	8
Middle managers	-	-	-	0	4	4	0	4	4
Office workers	7	22	29	7	19	26	16	30	46
Production workers	0	166	166	0	182	182	0	202	202
Contracts (%)									
Permanent (vs. fixed-term)	100%	81%	82%	100%	90%	91%	94%	93%	93%
Full time (vs. part-time)	100%	81%	82%	100%	98%	98%	82%	98%	97%
Training (hours per capita)									
TOTAL	3.0	5.1	5.0	1.0	3.5	3.4	85.5	6.7	11.9
Managers	16	16.0	16.0	0.0	0.0	0.0	4.0	5.7	7.0
Middle managers	-	-	-	-	0.0	0.0	-	7.0	7.0
Office workers	1.1	3.3	2.8	1.1	0.4	0.6	90.6	19.0	43.9
Production workers	-	5.2	5.2	-	4.0	4.0	-	4.9	4.9
Performance assessment (%)									
TOTAL	100%	39%	11%	63%	10%	10%	24%	8%	9%
Managers	-	100%	100%	100%	100%	100%	100%	57%	63%
Middle managers	-	-	-	-	100%	100%	-	100%	100%
Office workers	100%	100%	63%	57%	42%	46%	19%	33%	28%
Production workers	-	0%	0%	-	0%	0%	-	0%	0%

HEALTH, SAFETY AND WELLBEING

Caffè Borbone promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The interaction between people and mobile vehicles, process machines with moving mechanical parts and the presence of flammable materials are the prevailing risk conditions identified. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

In line with the adopted Sustainability Policies, Caffè Borbone intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

	2019	2020	2021
Employees			
Fatalities	0	0	0
Serious injuries <i>with absence from work for at least 180 days</i>	0	0	0
Injuries <i>with absence from work for at least 24 hours</i>	2	3	5
Frequency rate <i>number of injuries per million hours worked</i>	6.3	8.1	11.5
Severity rate <i>lost days per thousand hours worked</i>			0.11
Non-employees *			
Fatalities	0	0	2
Serious injuries <i>with absence from work for at least 180 days</i>	0	0	0
Injuries <i>with absence from work for at least 24 hours</i>	0	0	0
Frequency rate <i>number of injuries per million hours worked</i>	0.0	0.0	34.6

* Temporary workers and interns

PRODUCT AND SERVICE STEWARDSHIP

Responsible production and consumption

A very large part of the materials used in production and packaging are renewable, recycled or with recycled content, or they are easily recyclable at the end of their life.

- The pods produced are compostable, including the paper, as certified by the Italian Composting Consortium, and marketed in a wrapping recyclable as paper.
- The production of capsules made of compostable plastic has started.
- The paper or cardboard used for packaging is mostly recyclable FSC MIX certified, i.e. with at least 70% certified or recycled materials.
- Packaging aluminium is recycled and recyclable.

Caffè Borbone creates, produces and markets coffee in capsules, pods, beans or ground coffee according to quality regulations. Also in 2020 the level reached with various product lines was awarded a prize by taste experts and consumers.

Adding sustainable value to a recognised quality product is a clear line of strategy for Caffè Borbone. In addition to the responsible procurement of raw materials and the efficient management of the production site, particular attention is paid to the choice of ancillary materials used for the production of pods, capsules, ground coffee or beans and related wrapping and packaging.

All the coffee pods placed on the market (about 35% of production) are certified compostable by the Italian Composting Consortium and are distributed in a wrapping easily recyclable as paper. This activity, fully consolidated in 2021, is progressively being accompanied by the production of coffee in compostable plastic capsules, which allows for easier post-use valorisation.

Moreover, all paper waste produced by the Caivano plant is collected and sent to a local paper mill which processes it, returning products that can be used for packaging.

MARKET AND COMMUNITIES

Food quality and safety are ensured throughout the entire production process with advanced and integrated management systems, which thanks to the effectiveness demonstrated and verified over time have obtained formal third-party certification.

ISO 9001	The ISO 9001 standard lays down the requirements of an organisation quality management system. It is the reference standard for companies that want to submit their production process to quality control in a cyclical manner, starting with the requirements of customers, expressed or otherwise, through to the monitoring of the entire production process, from the procurement of raw materials and utilities to the finished products.	System certified by DNV-GL
IFS FOOD STANDARD	The IFS standard, which is applicable to companies in the food sector, identifies the specific elements of a management system focused on product quality and safety from a hygiene and health point of view. It provides for the adoption of reference good practices, a Hazard Analysis Critical Control Point (HACCP) system, a documented quality management system, control of standards for the workplace, for the product, for the process and for the staff. It also requires defined specifications for raw materials, intermediates/semifinished products and products, monitoring of suppliers and the proactive management of environmental aspects such as waste management and industrial hygiene.	System certified by DNV-GL

Attention to customers and consumers is completed by the management of customer satisfaction and data protection, adopting and continuously improving its application of the legislative and voluntary standards. This approach also includes the shopping experience through digital channels, which the company tries to optimise in terms of user-friendliness and security.

Caffè Borbone also intends to actively promote responsible lifestyles through its brand. Wrappers contain clear and detailed information on the correct way to dispose of waste after use, in order to benefit fully from the products' characteristics of compostability and recyclability.

The many social initiatives in the area and for the local community are also part of this logic by combining business, social value and environmental responsibility.

Caffè Borbone with Plastic Free
On the occasion of Earth Day 2021, Caffè Borbone supported a significant reclamation action of an extended area near the mouth of the Garigliano river in Campania. Organized by Plastic Free Onlus, the event was attended by over 400 volunteers including many employees. Still in Campania, Caffè Borbone also participated in the second annual event, organized on 26 September 2021 with 30,000 volunteers and 338 initiatives nationwide.

ENVIRONMENT

RESPONSIBLE USE OF RESOURCES

Raw materials and energy are procured on the basis of production demand, with the aim of maximising process efficiency and minimising waste. The computerised management of the entire cycle makes it possible to monitor the use of resources and improve traceability, which is also essential for guaranteeing food safety. The environmental management system adopted has passed the verification audits and is awaiting the formal certificate according to the ISO 14001 standard.

* Chapagain, A. K. & Hoekstra, A. Y. 2007. The water footprint of coffee and tea consumption in the Netherlands. Enschede: University of Twente.

Water consumption at the plant is limited to sanitary uses. However, Caffè Borbone is aware of the significant water footprint of its supply chain estimated* for 2021 at around 500 million m³ of water, or 18,000 m³ per tonne of processed coffee.

Circular coffee

In the roasting facility of the Calvano plant, approximately 35,000 tons of raw coffee are roasted with care and competence. In this phase of the process, the coffee has a weight loss of 15-20%. In addition, two by-products are recovered from the roasters: silverskin, the film that wraps the coffee bean, and screening coffee powders. Both fractions are sent for composting or other forms of valorisation. Even the coffee jute bags are at least partially sold to manufacturing activities managed by a social enterprise.

Responsible resources

- 83% renewable raw materials
- 66% recyclable products
- 43% recycled material in packaging

Renewable energies

A 70 kW photovoltaic system produces and feeds to the grid over 100,000 kWh of electricity per year. In 2022, a second 500 kW photovoltaic park is expected to go into operation, directly used by the production plant. Furthermore, it is budgeted to purchase only renewable electricity with guarantee of origin.

	units	2019	2020	2021
Raw materials				
Coffee		23,261	25,829	28,619
Compostable paper for pods and capsules		308	444	412
Plastic for capsules		2,128	2,388	2,614
Compostable plastic for capsules		-	-	3
CO ₂ refrigerant	t	552	761	700
Packaging		6,625	10,258	10,803
Aluminium		232	286	147
Cardboard		3,642	6,577	6,440
Plastic		258	323	299
Poly laminate (plastic prevalence)		2,493	3,072	2,526
Poly laminate (paper prevalence)		-	-	1,391
Energy				
TOTAL consumed		89,231	126,330	134,610
Thermal: natural gas		69,815	102,091	105,897
Electric: non-renewable purchased		19,415	24,239	25,470
Electric renewable purchased	GJ	-	-	2,183
Automotive: diesel		-	-	1,054
TOTAL self-produced renewable		386	392	379
Sold to the grid		386	392	379

The waste generated by the production process can become a resource for other consumption or production cycles. With this awareness, in 2021 almost 2,000 tons of waste were sent for valorisation. In any case, the remainder is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2019	2020	2021
Valorisation of waste generated				
Hazardous waste		4.4	0.2	1.4
% Material recovery		99%	57%	71%
% Energy recovery or disposal		1%	43%	29%
Non-hazardous waste	t	2,104.6	2,114.0	2,044.5
% Material recovery		88%	77%	77%
% Energy recovery or disposal		12%	23%	23%

LOW-CARBON TRANSITION

The carbon footprint largely depends on the supply of raw coffee beans. Pending an analytical assessment of emissions by the value chain (Scope 3), Caffè Borbone is committed to mitigating the climate-altering effects of its business. In addition to the efficiency of the production processes, the plant's photovoltaic system feeds over 100,000 kilowatt hours of electricity per year into the grid. Initiatives to improve compostability and facilitate packaging and product recycling further reduce the total footprint. In mid 2022, a second 500 kW photovoltaic park is expected to go into operation, directly used by the production plant. Furthermore, it is budgeted to purchase only renewable electricity with guarantee of origin.

	units	2019	2020	2021
Carbon footprint				
Scope 1		3,956	5,767	6,046
Scope 2 market based		2,607	3,138	3,244
location based		1,936	2,262	2,420
Scope 3	t CO ₂	-	147,150	170,832
TOTAL		-	156,055	180,122
Emissions avoided (location based)				
From photovoltaic production		38	37	36
From renewable electricity purchased		-	-	191
Carbon intensity				
Scope 1+2 market based	t CO ₂ /M€ EBITDA	126	118	112

Scope 1

Direct emissions from fuels

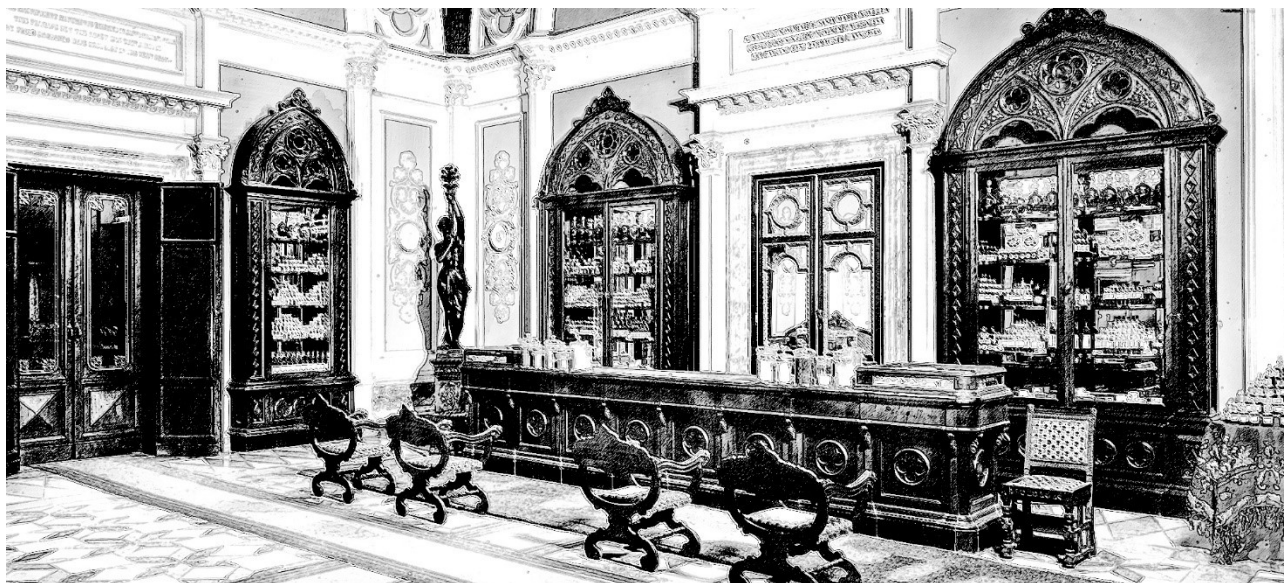
Scope 2

Indirect emissions from the purchase of electricity

Scope 3

The CO₂ emissions of the upstream and downstream value chains are accounted from activity data and emission factors obtained from technical literature or public databases.

Scope 3 upstream	44%
Coffee	21%
Other raw materials	13%
Logistics	11%
Scope 1+2	5%
Scope 3 downstream	50%
Logistics	3%
Use of products	47%
End-of-life	<1%



Officina Profumo-Farmaceutica di Santa Maria Novella

In Florence, for eight centuries and always in the same places, Officina Profumo-Farmaceutica di Santa Maria Novella creates, produces and distributes high-end perfumes and cosmetics, and products for health and well-being. It has been part of Italmobiliare Group since January 2020, with a majority since September 2020, and since 2021 **a subsidiary with a 100% stake**.

Officina Profumo-Farmaceutica di Santa Maria Novella fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Officina Profumo-Farmaceutica di Santa Maria Novella upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals, as well as to the broader objectives of the United Nations.

Furthermore, through active membership in the Cosmetics Italia, it shares the commitment of Cosmetics Europe towards sustainability.

Italmobiliare and Officina Profumo-Farmaceutica di Santa Maria Novella recognize the sensitive aspects of the sector, highlighting important issues for the sustainable success of the business, economic, social and environmental issues, which cover the entire value cycle, from the procurement of raw materials to management of the products' end of life.

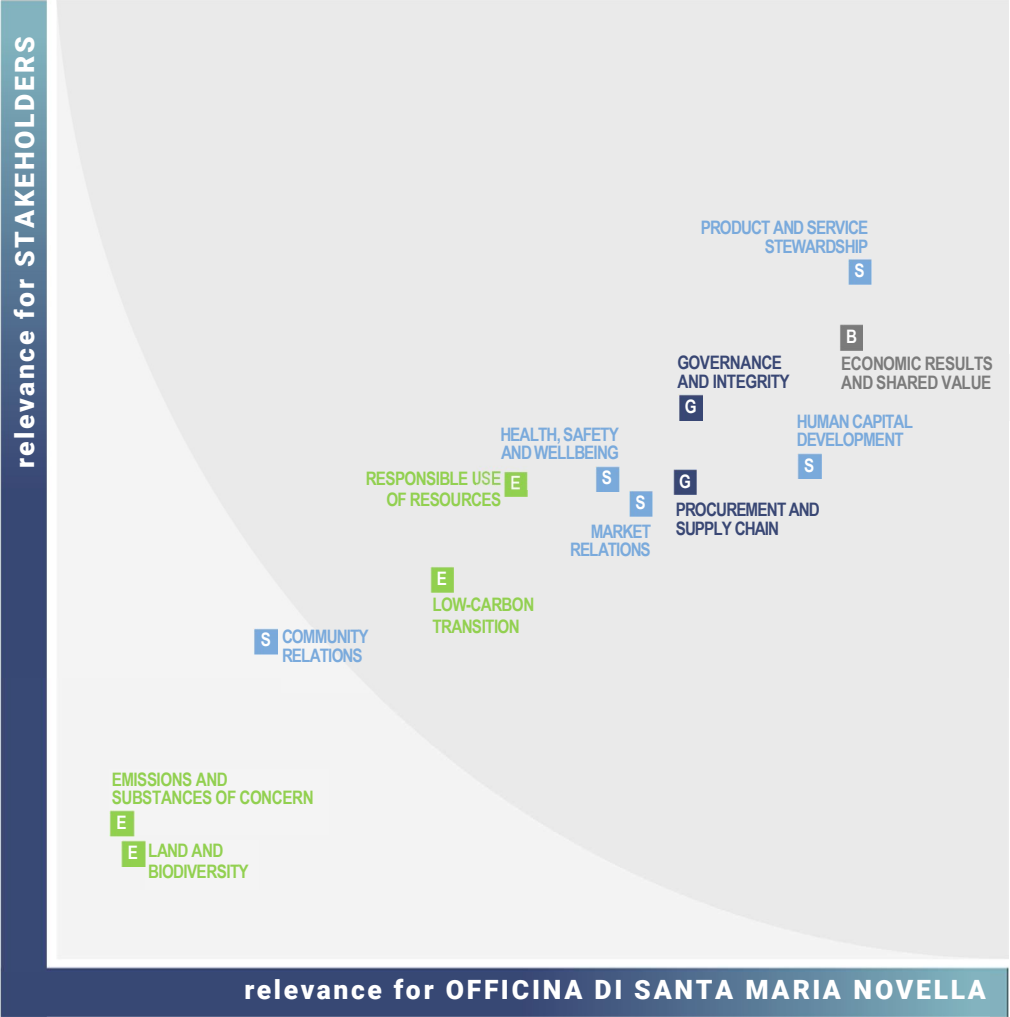
In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Officina Profumo-Farmaceutica di Santa Maria Novella.

Officina Profumo-Farmaceutica di Santa Maria Novella upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

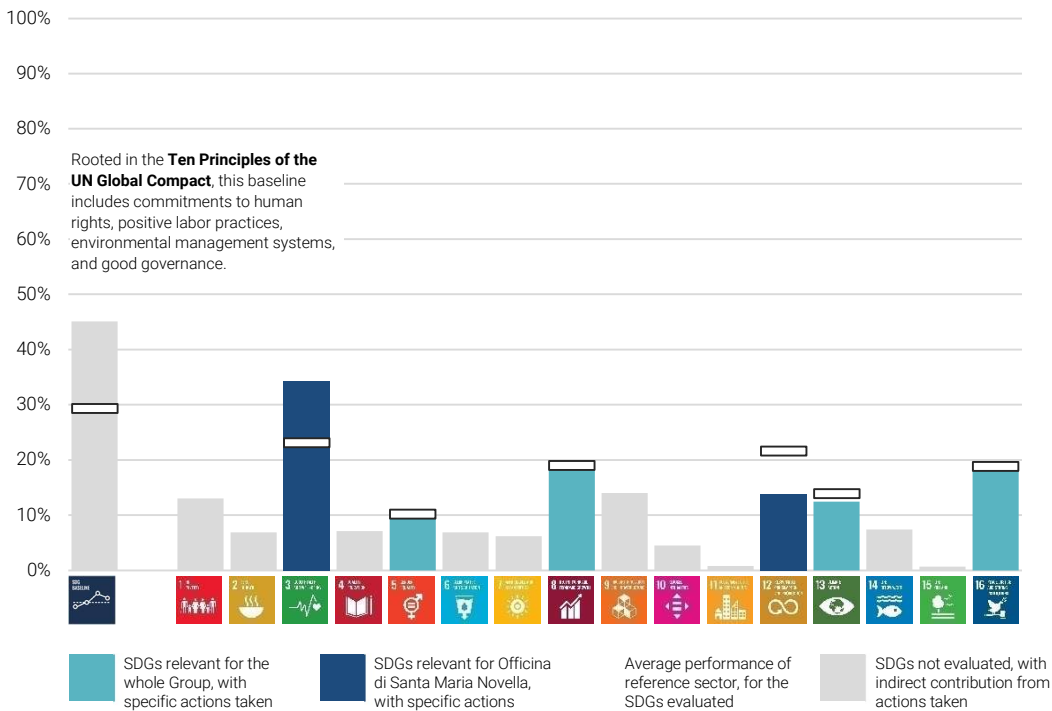
- Responsibility and integrity in the **supply chain** to encourage ethical purchases and services, with social value and a low environmental footprint.
- Efficiency of **production** to reduce the direct and indirect environmental footprint, from renewable energy to sustainable packaging, and to ensure health, safety and wellbeing.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including that of consumers, with products and initiatives capable of promoting responsible lifestyles.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

MATERIALITY AND CONTRIBUTION TO SDGS



Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- A** **Environmental** levers: the fight against climate change and responsible management of natural resources.



B Impact Assessment (BIA)
Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

SDG Action Manager
Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

GOVERNANCE

GOVERNANCE AND INTEGRITY

Board of Directors

- 7 members
- 2 female members
- 2 independent members

The composition and management of the governance bodies, starting with the Board of Directors, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Officina Profumo-Farmaceutica di Santa Maria Novella explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. Through a sustainable approach aimed at creating shared value for the society and for the environment, Officina Profumo-Farmaceutica di Santa Maria Novella intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Officina Profumo-Farmaceutica di Santa Maria Novella has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, but also terrorism or violations against the individual, market abuse and others. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Officina Profumo-Farmaceutica di Santa Maria Novella implements and strengthens the Enterprise Risk Management system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, the ongoing implementation of management systems represent an additional asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

PROCUREMENT AND SUPPLY CHAIN

The supply chain of Officina Profumo-Farmaceutica di Santa Maria Novella mainly includes the basic raw materials, ingredients and fragrances that enter the formulation of a complex range of products. Equally significant are the supplies of packaging materials and logistic-distribution services.

In the selection of raw material suppliers, with the same characteristics, ingredients from the national or European territory and from recovery are preferentially selected, made by companies with certifiable processes according to international standards for the quality and safety of products. In the selection of raw materials of vegetable origin, the risks for the rights of workers over the supply chain, the potential impacts on local communities and any elements of environmental criticality of the productions are analysed, so far in an informal but in-depth way. Ingredients identified as relatively critical are replaced with alternative products.

A formalized supplier qualification process is expected to be adopted in 2022 in order to make strategic procurement more effective and responsible. In any case, the research carried out did not reveal direct suppliers in sectors or countries at significant risk of violating human and workers' rights.

Code of Ethics: relationships with suppliers

Officina Profumo-Farmaceutica di Santa Maria Novella promotes in all its activities the adoption of a Supplier Code of Conduct which, in addition to current legislation, takes into account the values expressed by the Code of Ethics, the guiding principles provided by the Sustainability Policies and in general all of the aspects needed for responsible sourcing, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and protection of privacy and intellectual property.

With the aim to mitigate the risks due to dependence on a small number of suppliers, in recent years Officina Profumo-Farmaceutica di Santa Maria Novella has internally reformulated some fragrances not covered by intellectual property rights, starting their direct production.

Moreover, the company maintains partnerships with suppliers of selected packaging materials, with the aim of increasing the share of recyclable and recovered packaging.

SOCIETY

HUMAN CAPITAL DEVELOPMENT

Officina Profumo-Farmaceutica di Santa Maria Novella benefits from the value of 141 specialized and motivated people (overall turnover 37%, 38 new hires and 14 exits). The direct employees, who work mainly in the production plant and in the shops on the Italian territory, are fully covered by a collective bargaining agreement. The 25 employees of businesses in the UK and US comply with local labour regulations. 59% of managerial positions are held by women.

A significant use of non-employee workers was made. In 2021, there were 19 temporary workers, self-employed workers and interns. The social dialogue, even in the absence of trade union organizations, flows in an open and constructive way, ensuring the protection of workers' health and the continuity of production activities, guaranteeing the health protocols necessary for the persistence of the pandemic emergency and supporting the delivery of training at all levels.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	-	-	-	-	-	-	98	43	141
<i>Managers</i>	-	-	-	-	-	-	1	4	5
<i>Middle managers</i>	-	-	-	-	-	-	9	3	12
<i>Office workers</i>	-	-	-	-	-	-	68	19	87
<i>Production workers</i>	-	-	-	-	-	-	20	17	37
Contracts (%)									
Permanent / fixed-term employment contracts	-	-	-	-	-	-	89%	98%	91%
Full time / part-time	-	-	-	-	-	-	59%	98%	71%
Training (hours per capita)									
TOTAL	-	-	-	-	-	-	14.4	11.7	13.6
<i>Managers</i>	-	-	-	-	-	-	8.0	6.5	6.8
<i>Middle managers</i>	-	-	-	-	-	-	13.2	2.7	10.6
<i>Office workers</i>	-	-	-	-	-	-	16.7	17.2	16.8
<i>Production workers</i>	-	-	-	-	-	-	7.7	8.3	8.0
Performance assessment (%)									
TOTAL	-	-	-	-	-	-	1%	5%	2%
<i>Managers</i>	-	-	-	-	-	-	100%	50%	60%
<i>Middle managers</i>	-	-	-	-	-	-	0%	0%	0%
<i>Office workers</i>	-	-	-	-	-	-	0%	0%	0%
<i>Production workers</i>	-	-	-	-	-	-	0%	0%	0%

HEALTH, SAFETY AND WELLBEING

Officina Profumo-Farmaceutica di Santa Maria Novella promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The interaction between people and mobile vehicles, process machines with moving mechanical parts and the presence of flammable materials are the prevailing risk conditions identified. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

In line with the adopted Sustainability Policies, Officina Profumo-Farmaceutica di Santa Maria Novella intends to further develop the safety management, starting from management leadership that supports a motivational, organisational, and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

	2019	2020	2021
Employees			
Fatalities			0
Serious injuries	<i>with absence from work for at least 180 days</i>		0
Injuries	<i>with absence from work for at least 24 hours</i>		1
Frequency rate	<i>number of injuries per million hours worked</i>		5.3
Severity rate	<i>lost days per thousand hours worked</i>		0.05
Non-employees *			
Fatalities			0
Serious injuries	<i>with absence from work for at least 180 days</i>		0
Injuries	<i>with absence from work for at least 24 hours</i>		0
Frequency rate	<i>number of injuries per million hours worked</i>		0.0

* Temporary workers and interns

PRODUCT AND SERVICE STEWARDSHIP

Product responsibility

Officina Profumo-Farmaceutica di Santa Maria Novella proactively operates in a segment extremely regulated for product quality and safety:

- Legislative Decree 1223/2009 for cosmetic products.
- EU CLP and REACH regulations for room fragrance products.
- Registration with the Ministry of Health for herbal supplements.
- HACCP for food production.
- Enforced legislation in the many countries of market destination.

Officina Profumo-Farmaceutica di Santa Maria Novella operates in full compliance with the complex regulatory system applicable to the sector. The launch of new products is subjected to rigorous testing procedures, conducted in accordance with the law, which also concern the effects on health and those deriving from possible incorrect use, continuous quality and safety standards.

The continuous research and development activity of Officina Profumo-Farmaceutica di Santa Maria Novella has among the main drivers the reduction of the environmental footprint generated by the production, use and end-of-life of the products marketed. This happens both through a progressive reformulation of the recipes, aimed not only at improving the customer experience but also at increasing the presence of ingredients of natural origin or, in any case, with a higher environmental value, such as a lower carbon or water footprint, and the low water demand in the use phase.

Similar attention is paid to the evolutionary development of packaging, primary and secondary, through dimensional resizing, aimed at reducing its weight, or by introducing increasing quantities of materials of renewable origin, coming from recycling or in any case easily recyclable. Currently, the glass supplied contains on average 15% of material recovered directly in the production cycle. For some references, the satin-finished glass has been replaced with transparent glass to reduce the necessary processing steps and the consequent energy consumption. On the main product lines, the plastics used are

switching from PE to recyclable PET and, in a second step, to R-PET, that is recycled PET. The paper and cardboard are FSC certified.

Finally, for products under development and for updates of existing products, the company preferentially searches for and selects ingredients from renewable and recycled sources, sourcing primarily from Italy or Europe to mitigate the footprint of the entire logistics system.

MARKET AND COMMUNITIES

Compliance with the relevant regulations, quality and, for some product lines, even food safety, are ensured throughout the entire production process with constantly evolving management systems. In fact, for the production of cosmetics, the formal certification process of the management system adopted according to good manufacturing practices (GMP - ISO 22716), in terms of quality and safety for the consumer, is in progress. This harmonized standard, specially designed for the cosmetic industry, provides guidelines for the production, control, storage and shipping of cosmetic products.

The attention to customers and consumers is completed by the management of customer satisfaction and data protection, with the alignment and continuous improvement of the application of the applicable legislative and voluntary standards, including the optimization of the shopping experience through digital channels, in terms of usability and safety. The company constantly detects customer complaints, through customer care, digital channels and the distribution network, as a continuous stimulus for improvement

ENVIRONMENT

RESPONSIBLE USE OF RESOURCES

Cosmetic quality water and ethyl alcohol of agricultural origin are the main raw materials used. To these are added, according to the different product lines, a wide variety of ingredients, fragrances, and essences mainly of natural origin. Primary and secondary packaging, mainly in glass, plastic and paper, constitute a significant fraction of the material consumption.

Energy needs are limited. The electricity used is exclusively renewable, self-produced by a photovoltaic system or purchased with a guarantee of origin.

The withdrawal of water is mainly (over about 85%) intended for sanitary uses. The resource is managed with particular attention, as the plant is in an area at risk of water stress.

Renewable raw materials

In cosmetic preparations, the quality of the **water** used is decisive for the quality of the product. Subjected to complex purification, demineralization and sterilization treatments at the production plant, it maintains constant characteristics over time in compliance with the preset chemical-physical and microbiological parameters.

The ethyl **alcohol** (ethanol) used is exclusively of agricultural origin.

Vegetal **soap**, **glycerin**-based components and dried **herbs** for potpourri are among the many other renewable ingredients.

- 76% renewable ingredients
- 32% renewable packaging

Renewable energies

A photovoltaic system produces over 100,000 kilowatt hours per year and covers over 10% of the electricity demand of the production plant. The remainder is supplied with a guarantee of renewable origin.

	units	2019	2020	2021
Raw materials				
Renewable ingredients	t	-	-	137
Water		-	-	65
Ethyl alcohol (ethanol)				21
Other		-	-	51
Non-renewable ingredients		-	-	44
Packaging		-	-	320
Glass		-	-	188
Cardboard		-	-	80
Ceramic		-	-	22
Plastic		-	-	18
Metal		-	-	10
Other		-	-	2
Energy				
TOTAL consumed	GJ	-	-	9,932
Thermal: natural gas		-	-	5,935
Electric: renewable purchased		-	-	3,485
Electric: self-produced renewable				421
Automotive: diesel				94
TOTAL self-produced renewable		-	-	420
Sold to the grid		-	-	1
Water				
TOTAL consumed	m³	-	-	3.508
Withdrawn from an aqueduct		-	-	3.551
Discharged into sewers		-	-	43

The waste generated from the production process can become a resource for other consumption or production cycles. With this awareness, in 2021 almost 30 tons of waste were sent for valorisation. In any case, the remainder is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2019	2020	2021
Valorisation of waste generated				
Hazardous waste		-	-	23.5
% <i>Recovery</i>		-	-	35%
% <i>Energy recovery or disposal</i>	t	-	-	65%
Non-hazardous waste		-	-	24.7
% <i>Recovery</i>		-	-	93%
% <i>Energy recovery or disposal</i>		-	-	7%

LOW-CARBON TRANSITION

Direct emissions (Scope 1) are limited while indirect emissions (Scope 2) are already totally neutralised. The carbon footprint depends almost entirely on the emissions of the value chain (Scope 3), which Officina Profumo-Farmaceutica di Santa Maria Novella strives to analyse more and more in detail to highlight mitigation opportunities. The ongoing initiatives on packaging go in this direction.

	units	2019	2020	2021
Carbon footprint				
Scope 1		-	-	342
Scope 2 market based		-	-	0
location based		-	-	342
Scope 3		-	-	7,372
TOTAL	t CO₂			7,714
Emissions avoided (location based)				
From photovoltaic production		-	-	37
From renewables purchased				305
Carbon intensity				
Scope 1+2 market based	t CO₂/M€ EBITDA			42

Scope 1

Direct emissions from fuels

Scope 2

Indirect emissions from the purchase of electricity

Scope 3 (estimate)

As a first exercise, the CO₂ emissions of the value chain are estimated on the basis of literature data and studies carried out by competitors in the sector. Raw material contribution is calculated only for main ingredients (water and alcohol).

Scope 3 upstream	8%
Raw materials	7%
Logistics	<1%
Scope 1+2	4%
Scope 3 downstream	88%
Logistics	46%
Use of products	42%
End-of-life	<1%



Italgen

Founded in 2001, capitalising on the experience gained as part of the Italcementi Group, Italgen operates as a producer and distributor of electricity from renewable sources, thanks to a production structure consisting of 27 concessions for hydroelectric derivation located in Lombardy, Piedmont and Veneto and over 300 km of transmission lines. The energy generated is sold mainly on the National Power Exchange. Italgen's strategic development plan also includes the minority partnership in Bulgaria that manages two wind farms for a total of 18 MW and activity in the photovoltaic solar sector. It has been part of the Italmobiliare Group since May 2016, as a **subsidiary with a 100% stake**.

Italgen upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- Responsibility and integrity in the choice of **business partners**.
- Renewable energies and integrated services to support the **low-carbon transition**.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including the business community, with products and services capable of promoting responsible lifestyles and social initiatives for the local area.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

Italgen fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Italgen upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals, as well as to the broader objectives of the United Nations.

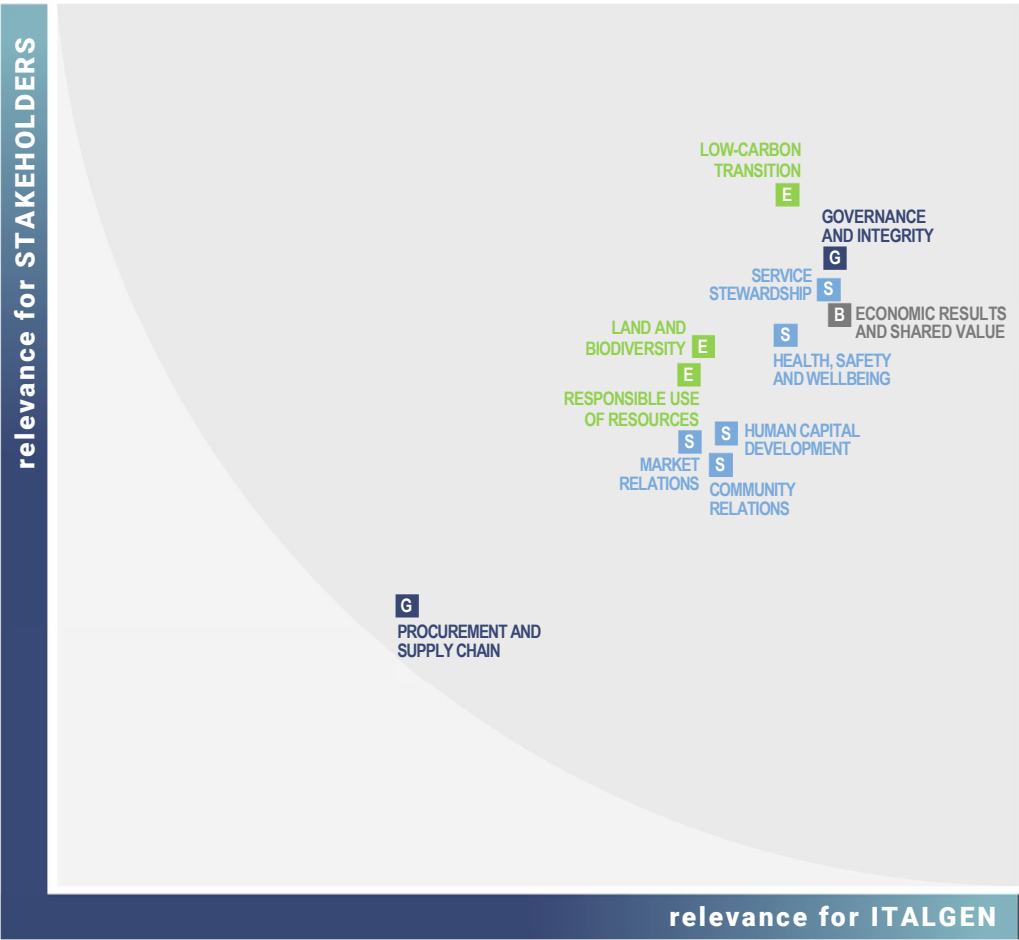
In addition, through active membership of Elettricità Futura, the association of Italian electricity companies, it supports global decarbonisation, energy efficiency and sustainable electrification programmes.

Italmobiliare and Italgen recognize the sensitive aspects of the energy sector and share the key role of renewable energy in the transition to a low-carbon economy and in promoting responsible lifestyles.

In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

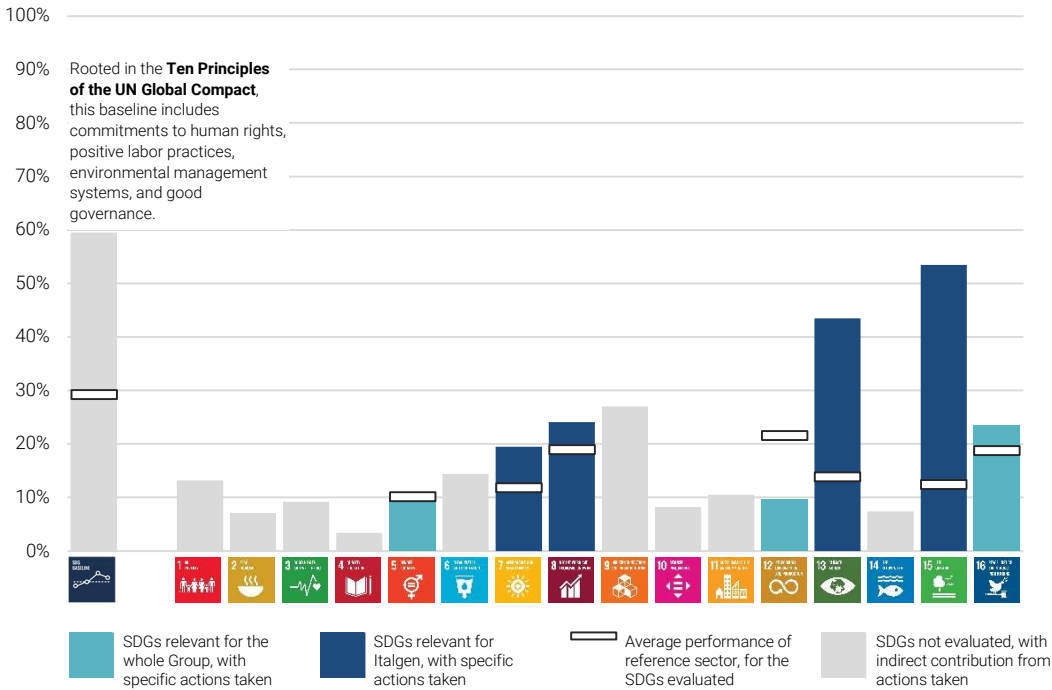
In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Italgen.

MATERIALITY AND CONTRIBUTION TO SDGS



Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



B Impact Assessment (BIA)
Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

SDG Action Manager
Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

GOVERNANCE

GOVERNANCE AND INTEGRITY

Board of Directors

- 5 members
- 1 independent member

Ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Italgén explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. Through a sustainable approach aimed at creating shared value for the society and for the environment, Italgén intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Italgén has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, but also terrorism or violations against the individual, market abuse and others. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Italgén implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG approach. The process adopted allows the identification, measurement, monitoring and management of the risks to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, **management systems** represent a fundamental asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods implemented.

Sustainability Award TOP 100 - Governance

In 2021, Italgén received the "TOP 100 - Governance" award during the first edition of the Sustainability Award, an event promoted by Credit Suisse and KON Group, in recognition of "the adoption of a governance model based on that of listed companies, for the effective supervision of business ethics and integrity, for the adoption of a strategic sustainability plan and for transparency in the reporting of ESG performance".

Management systems

- Quality: ISO 9001
- Environment: ISO 14001 and EMAS registration

PROCUREMENT AND SUPPLY CHAIN

Italgén uses suppliers mainly for the construction, installation, commissioning and maintenance of mechanical, electrical and instrumental equipment for power plants, for the renovation or repair of buildings, intake and derivation works and for design and engineering consultancy activities. The supply chain involves almost exclusively national operators.

The choice of suppliers starts with gathering information on the ethical, dimensional, product and technical profile, including the necessary certifications, reserving the right to carry out direct audits. In the contract, all suppliers are required to sign the compliance clause of the Code of Ethics and the Organisation, Management and Control Model adopted by Italgén. In any case, the type and geography of the subjects involved in Italgén's value chain do not highlight specific risks of violation of human and workers' rights.

SOCIETY

HUMAN CAPITAL DEVELOPMENT

Italgel benefits from the value of 68 specialized and motivated people (overall turnover 10% with 2 new hires, 1 intra-group transfer and 5 exits). Direct employees, by choice mainly of local origin, are all covered by collective bargaining agreements. There are no managerial positions held by women.

Procedures are in place for the hiring of personnel, for the post-hiring induction programme and for remuneration, based on a merit matrix that matches performance and benchmarks with the outside market.

As the pandemic emergency continued, smart working was occasionally used for managers, administrative and technical employees not directly involved in production or in the operation of the plants.

Following a structured training plan and mostly using digital platforms, 574 hours of training were provided in 2021, covering topics well beyond legislative compliance. In addition, the activity of the Internal Academy continued with the aim of enhancing the skills and experience present in the company, sharing know-how at all levels and increasing the level of engagement, raising awareness among staff on the most important issues, both managerial and technical-operational, such as ethics, sustainability, finance, energy management, planning and control.

The skills, behaviours and technical knowledge acquired by the staff are also monitored as part of their performance assessment, which is carried out annually through direct interviews.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	4	66	70	5	65	70	4	64	68
Managers	0	4	4	0	3	3	0	3	3
Middle managers	0	10	10	2	11	13	1	11	12
Office workers	4	12	16	3	12	15	3	12	15
Production workers	0	40	40	0	39	39	0	38	38
Contracts (%)									
Permanent (vs. fixed-term)	100%	100%	100%	100%	100%	100%	100%	98%	99%
Full time (vs. part-time)	75%	97%	96%	80%	98%	97%	75%	98%	97%
Training (hours per capita)									
TOTAL	5.0	16.7	16.1	26.2	10.0	11.2	19.6	7.7	8.4
Managers	-	17.3	17.3	-	15.0	15.0	-	4.0	4.0
Middle managers	-	-	-	0.0	35.0	29.7	6.0	11.6	11.2
Office workers	5.0	37.4	32.4	43.7	8.5	15.6	24.2	20.4	21.2
Production workers	-	5.3	5.3	-	3.1	3.1	-	2.9	2.9
Performance assessment (%)									
TOTAL	100%	39%	43%	80%	32%	36%	100%	41%	44%
Managers	-	100%	100%	-	100%	100%	-	100%	100%
Middle managers	-	-	-	50%	100%	92%	100%	100%	100%
Office workers	100%	100%	100%	100%	58%	67%	100%	100%	100%
Production workers	-	0%	0%	-	0%	0%	-	0%	0%

HEALTH, SAFETY AND WELLBEING

Italgen promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. Electric shock, night work, working at a height and in isolated places, process machines with moving mechanical parts, the presence of flammable materials and the use of vehicles are the prevailing risk conditions that have been identified. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, also through the Supervisory Body, accurate analysis of accidental events, even if not serious, near-accidents and system non-conformities, and intense training activities ensure continuous improvement and correct response to emergencies.

In line with the Sustainability Policies adopted, Italgen has developed the management method far beyond simple legislative compliance, finding a foundation in the managerial leadership that supports the motivational elements, the organisational structures and the necessary operational tools, such as risk assessment and the analysis of accidental events. The goal is to build and maintain a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivation for the achievement of more ambitious objectives.

The correct functioning of the entire management system adopted in compliance with the UNI-NAIL Guidelines is subject to annual verification by an internal audit team coordinated by an external team leader.

Flexible employee benefits

- Life, accident and non-professional permanent disability insurance.
- Supplementary pension fund.
- Supplementary health insurance for managers and their families.
- Integration of the period of compulsory maternity leave with full pay.
- Granting of scholarships to the children of the most deserving employees.
- Possibility of converting all or part of the performance bonus into corporate welfare services of a health, school and recreational type, taking advantage of the relative tax relief.

	2019	2020	2021
Employees			
Fatalities	0	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	0	0
Injuries	<i>with absence from work for at least 24 hours</i>	0	1
Frequency rate	<i>number of injuries per million hours worked</i>	0	8.7
Severity rate	<i>lost days per thousand hours worked</i>	-	0.19

In addition to health and safety, Italgen actively promotes psychological and physical wellbeing and work-life balance, making a range of flexible benefits available to its employees and managers. The activation of remote working, made structural from 2021, will allow the people involved a better work-life balance.

Lastly, it has to be noticed that since 2020 Italgen converted part of the buildings and areas of the former Villa di Serio power plant into a clubhouse with a living area, dining area, changing rooms and a large outdoor green space. The facility allows employees more convenient access to the cycle/foot path and the exercise circuit near the headquarters, along the river Serio.

SERVICE STEWARDSHIP

Italgen aims at the continuous improvement of service quality, in order to guarantee customer satisfaction and safety. The key elements are to supply electricity with the lowest possible carbon footprint and to guarantee production efficiency and distribution continuity and safety.

Progetto Fibra, started in 2019, automated remote monitoring of the entire production process, with high-precision sensors and cameras installed at the plants to monitor production parameters continuously and identify any anomalies and emergency situations in real time. The centralized control room at the Villa di Serio headquarters processes the information collected and is able to react promptly remotely or locally, activating the intervention teams. In 2020, Progetto Fibra continued with the automation and connection to the remote control system of the waterways of the Villa di Serio plant and the revamping of its substation. In 2021, the automation and remote control of the electrical equipment used in transformation and transmission have been initiated.

The 2021-23 Strategic Plan provides for a further reduction in the risk of unscheduled downtime, thanks to production indicators and active diagnostics, capable of anticipating the state of health of assets and generating automatic alerts in the event of performances below the expected values or maintenance problems.

Thanks to the remote control system, in 2021 there were neither accidents or plant malfunctions that could have caused physical injury to people, nor episodes of general service interruptions, while 6 events affected individual distribution lines, without affecting the service as a whole, for a total of 450 minutes. These episodes are mainly to do with extreme weather conditions resulting in heavy storms or falling trees. Italgen mitigates this risk by contributing to the maintenance of the wooded areas adjacent to the plants and transmission networks.

The 2021-23 Strategic Plan provides for the launch of a mapping, monitoring and evaluation process of new technologies able to compensate for the volatility of energy demand, activating tenders and research funding programmes in partnership with public and private entities to support technological innovation in the energy sector.

MARKET AND COMMUNITIES

Protecting the transparency and correctness of customer information is a guiding value for Italgen. Given that an electricity bill is a document that is not particularly easy to understand, together with the tax invoice appropriate explanatory documentation is attached that specifies all of the items that make up the total amount to be paid, their meaning and, in compliance with the law, the energy procurement mix used to supply end-users.

To ensure the protection of its customers' and users' data and to ensure compliance with the requirements of the privacy regulations, Italgen has adopted the data protection model of the parent company Italmobiliare. Particular attention is also paid to the continuity and protection of production data, thanks to a back-up system that duplicates all signals through two suitably configured servers. As regards the company's IT systems, a disaster recovery plan has been activated, which backs up the entire database on a daily basis and stores it in a place other than the primary server. In 2021, an intrusion detection system has been implemented to identify unauthorised access to computers or local networks.

In addition to business relationships, Italgen cultivates ties with the local area and local community, by promoting responsible lifestyles and initiatives to support social and cultural values.

Lastly, Italgen is opening up to global transparency by making available to all stakeholders the performance details contained in the Environmental Declaration foreseen as a result of the EMAS Registration and publishing a Sustainability Report from 2019 onwards.

ENVIRONMENT

RESPONSIBLE USE OF RESOURCES

The main natural resource used by Italgen is the water that passes through the turbines at its hydroelectric plants. It is a process in which water is neither consumed nor modified in its chemical and physical characteristics.

The company's production and administrative structures consume limited quantities of thermal and electrical energy and well water.

Renewable energies

In 2021, Italgen produced and fed into the grid for users 309 million kilowatt hours of 100% renewable electricity, equivalent to the average annual consumption of approximately 90,000 families of 4 people.

Water

Withdrawals and discharges do not affect water-stressed areas.

	units	2019	2020	2021
Energy				
TOTAL consumed		29,892	31,576	28,866
Thermal: diesel		-	106	83
Electricity: self-consumed and network losses		29,212	30,945	28,197
Automotive: diesel	GJ	529	429	533
Automotive: petrol		150	96	52
TOTAL sold		1,432,223	1,396,505	1,195,773
Electric: self-produced hydro		1,102,245	1,145,984	1,084,115
Electric: bought from the grid and resold		359,189	281,466	111,657
Water				
TOTAL consumed		5,706	6,089	5,580
Withdrawn from wells	m³	5,706	6,089	5,580
Withdrawn from an aqueduct		560	1,310	755
Discharged into sewers		560	1,310	755

The operation of the plants produces limited quantities of waste. The main type of waste originates from the cleaning of waterways at the intakes by means of grids installed at the entrance to the plants to hold back the various materials carried by the current, such as wood, plants, leaves, plastic and other organic or inorganic matter, that are collected in special bins waiting to be sent for recovery or disposal according to specific procedures.

The waste generated can become a resource for other consumption or production cycles. With this awareness, the 2021-23 Strategic Plan provides for the identification of objectives for each plant relating to the share of waste sent for recovery.

In 2021, over 330 tons of waste were sent for valorisation. In any case, the remaining part is sent to energy recovery or controlled disposal destinations, where further partial valorisation is possible.

	units	2019	2020	2021
Valorisation of waste generated				
Hazardous waste		8.2	8.6	7.4
% Recovery		98%	95%	92%
% Energy recovery or disposal		2%	5%	5%
Non-hazardous waste	t	1,699.9	258.7	324.4
% Recovery		100%	100%	100%
% Energy recovery or disposal		-	-	-

LOW-CARBON TRANSITION

Italgen actively contributes to the low-carbon transition with hydroelectric plants in Lombardy, Piedmont and Veneto. Self-consumption is extremely limited and decreasing constantly thanks to the continuous updating of the structures. Full implementation of the centralised remote control system and the progressive modernisation of the company's car pool further reduces its carbon footprint. The purchase of energy on the Power Exchange integrates contractual commitments that exceed production.

Hydroelectric production sent to the grid makes it possible to avoid the emission of significant quantities of greenhouse gases compared with the average output currently available on the market.

	units	2019	2020	2021
Carbon footprint				
Scope 1		42	47	47
Scope 2 market based		0	0	0
location based	t CO₂	2,913	2,888	2,467
Scope 3		-	26,270	9,770
TOTAL		-	26,317	9,817
Emissions avoided (location based)				
From hydroelectric production		109,918	106,958	97,327
Carbon intensity				
Scope 1+2 market based	t CO₂ /M€ EBITDA	3.0	3.5	2.0

Scope 1 Direct emissions from fuels	
Scope 2 Indirect emissions from the purchase of electricity	
Scope 3 Electrical energy purchased on the market (location based) and traded.	
Scope 3 upstream	>99%
Scope 1+2	<1%

LAND AND BIODIVERSITY

Italgen's energy source is water, taken from the rivers Adda, Oglio, Dezzo, Povo, Brembo, Cassiglio, Stabina, Serio (Lombardy), Gesso, Vermenagna (Piedmont) and Meschio (Veneto). Thanks to intake and collection works, basins and penstocks or by simple direct flow, the water reaches the hydroelectric power plants where it passes through the turbines connected to the alternators that generate electricity. The total amount of turbine water is extremely significant, in the order of 6,000 million m³, but it is released immediately downstream of the plant, without being consumed or modified in its chemical and physical characteristics. The cooling circuits of the machinery lubrication oil do not come into contact with the water flowing through the turbines.

Italgen undertakes to ensure that its plants do not alter the balance of the ecosystem in which they are located, in particular by not hindering the movements and migrations of fish fauna. The release of the ecological flow, the installation of fish ladders, the restocking of fish species in the waterways on which the power plants are located represent a concrete commitment to the protection of biodiversity. The data of the microclimatic monitoring carried out by Italgen are made available to entities, institutions and other persons upon request.

To protect against any form of unintentional spillage on the ground, the high voltage electrical transformers present in most hydroelectric power plants are placed above a tank which in the event of an emergency intercepts any leakage of dielectric oil. Similarly, all product or waste storage tanks and containment tanks are subject to periodic controls planned according to the environmental management system adopted. The oil used at the shut-off devices is contained in tanks built above ground, making it easy to detect and resolve any leaks. In addition, Italgen has identified biodegradable lubricating oils on the market, undertaking to extend their use progressively to all plants subject to revamping or plant modifications. In 2020 there were no cases of accidental spillage at any operating site.

In order to contain land consumption, the 2021-23 Strategic Plan provides for systematic mapping of any abandoned or unproductive industrial areas and sites owned by Italgen, where new production activities could be installed. In 2021 redevelopment of the former cement plant at Modugno (BA) and its quarry has started. This will see the construction of a new photovoltaic park, an area of high naturalistic value and an artificial lake that can be used by the local community.

Turbine water
Almost 6 km³/ year, slightly less than the volume of Lake Iseo.

Ecological flow
Quantity of water released by any collection work down the length of a lake, river, stream, or any water-course, capable of guaranteeing its natural ecological integrity, albeit with a reduced population, with particular reference to the protection of aquatic life.



Casa della Salute

Casa della Salute is a network of specialist clinics, diagnostics, dentists, physiokinesitherapy, with numerous facilities in Liguria and Piedmont, with the common goal of contributing to the protection of the right to health and guaranteeing citizens a high quality health service and short waiting lists. The clinic was born in 2014 as the first private centre for diagnostics and sports medicine, growing rapidly thanks to its high-quality healthcare service based on the optimisation of internal processes, the use of state-of-the-art technology and highly qualified medical staff. It has been part of the Italmobiliare Group since December 2020, as a **subsidiary with an 84.63% stake**.

Casa della Salute upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- **Innovation** and scientific research to support quality basic and specialist health services.
- Operational **efficiency** of structures to ensure hygiene, wellbeing and a low environmental footprint.
- Attention to **people** through the promotion of health, safety and well-being in a context dedicated to people's health but also inclusive and evolutionary for those who work there.
- Involvement of the **community**, also through initiatives and services dedicated to the most vulnerable of population.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

Casa della Salute fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Casa della Salute upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals, as well as to the broader objectives of the United Nations.

Italmobiliare and Casa della Salute recognize the sensitive aspects of the sector, aiming at innovative and highly digitized healthcare.

In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

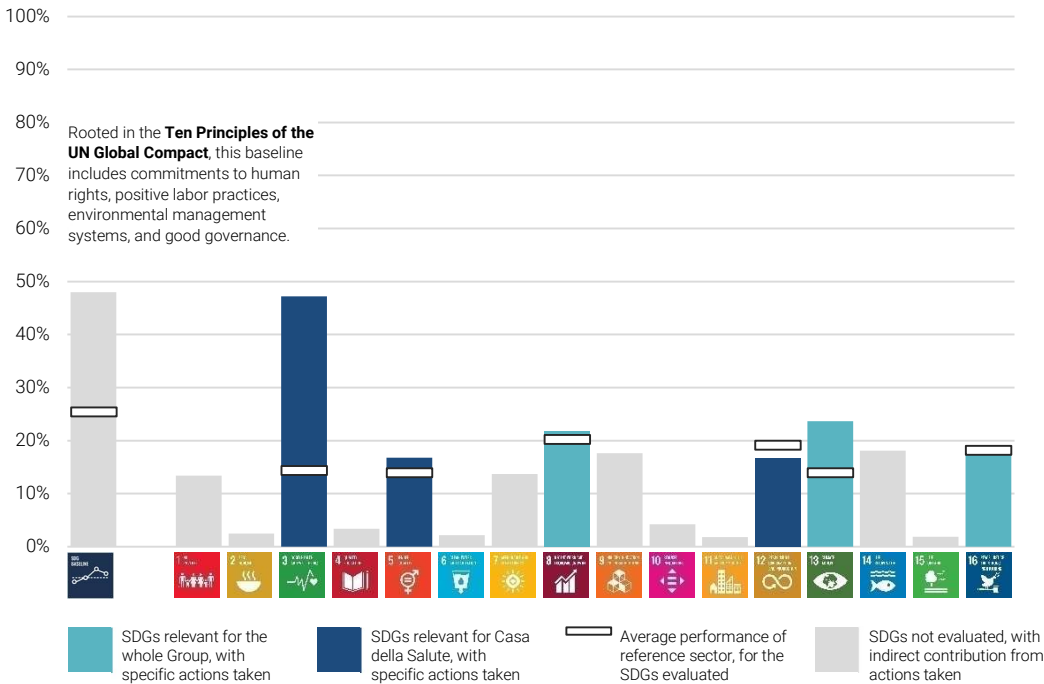
In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Casa della Salute.

MATERIALITY AND CONTRIBUTION TO SDGs



Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance levers:** ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social levers:** people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental levers:** the fight against climate change and responsible management of natural resources.



B Impact Assessment (BIA)
Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

SDG Action Manager
Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

GOVERNANCE

GOVERNANCE AND INTEGRITY

Board of Directors
• 5 members

The composition and management of the governance bodies, starting with the Board of Directors, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Casa della Salute explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. Through a sustainable approach aimed at creating shared value for the society and for the environment, Casa della Salute intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Casa della Salute has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, but also terrorism or violations against the individual, market abuse and others. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Casa della Salute implements and strengthens the Enterprise Risk Management system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, the planned implementation of management systems is expected to represent an additional asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

PROCUREMENT AND SUPPLY CHAIN

Casa della Salute's supply chain includes suppliers of medical-surgical devices, diagnostic systems (managed on the basis of global service contracts), IT solutions and maintenance, cleaning and sanitizing services for the premises.

In the selection process, in addition to the quality and safety requirements of the products, offers are preferentially evaluated that guarantee supply conditions and timing that align with the company targets. With the same technical requirements, interaction with realities rooted in the area is also preferred. At present, the environmental and social criteria evaluated during the selection process concern the presence of environmental certifications for consumables and data security certifications for IT solutions. Scientific partnerships are active with imaging equipment suppliers for testing and improving solutions.

From the research carried out, by 2021 only one supplier operating in a country at significant risk of violating human and workers' rights is active, with a marginal impact on overall spending (0.2%). The formalization of the qualification procedure for new suppliers is expected in 2022, within which the ESG requirements envisaged for the different product categories and the related verification and monitoring methods will be defined.

SOCIETY

HUMAN CAPITAL DEVELOPMENT

For Casa della Salute, making use of competent and qualified collaborators is an essential condition for the success of the company, which is constantly growing. At the end of 2021, the staff of Casa della Salute numbered 192 motivated and specialized people. In a year strongly marked by the pandemic emergency that impacted the entire health system, the turnover was extremely significant (67% incoming, with 132 hires, 3 acquisitions from a merged company, and 24% outgoing, with 47 terminations). The opening of new polyclinics and the vaccination centre in Genoa led to a large number of temporary hires in 2020 and 2021, most of which were renewed and placed in other locations or activities. 45% of managerial positions are occupied by women. Furthermore, in line with the sector specificity, the use of non-employees was significant. In 2021, there were 499 self-employed workers and interns, largely represented by specialized and loyal medical personnel.

The dialogue with the social partners, even in the absence of trade unions, flows in an open and constructive way, ensuring the protection of the health of workers and the continuity of the service, guaranteeing the health protocols necessary for the persistence of the pandemic emergency and supporting the provision of an intense training program at all levels, in the classroom and in the field. A week of intensive training is provided for the call centre and acceptance personnel, carried out by the heads of the business units and the main company functions, aimed at providing a transversal knowledge of the activities and procedures of Casa della Salute, followed by a period of coaching on-the-job of at least three weeks. For technical professionals, the theoretical training relating to the management of equipment and on-the-job takes place alongside the staff in force at the clinics, for a duration of not less than three weeks. In order to allow for adequate organizational flexibility, the laboratory technicians are prepared to use all the equipment in use at the centres. The people involved in administrative activities follow a similar path to that of the technical figures. Continuing training is provided following the induction period, planned on the basis of the needs of the business units.

The formalisation of the company model for assessing individual performance is included in 2022 ESG plan, articulated in a set of qualitative and quantitative objectives and criteria.

In terms of welfare, employees enjoy free health insurance and discounts on services provided by Casa della Salute for themselves and for first-degree relatives.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	-	-	-	-	-	-	148	44	192
<i>Managers</i>	-	-	-	-	-	-	-	-	-
<i>Middle managers</i>	-	-	-	-	-	-	5	6	11
<i>Office workers</i>	-	-	-	-	-	-	134	32	166
<i>Production workers</i>	-	-	-	-	-	-	9	6	15
Contracts (%)									
Permanent (vs. fixed-term)	-	-	-	-	-	-	66%	86%	71%
Full time (vs. part-time)	-	-	-	-	-	-	41%	72%	51%
Training (hours per capita)									
TOTAL	-	-	-	-	-	-	77.7	123.6	88.2
<i>Managers</i>	-	-	-	-	-	-	-	-	-
<i>Middle managers</i>	-	-	-	-	-	-	6.4	5.3	5.8
<i>Office workers</i>	-	-	-	-	-	-	83.7	162.8	98.9
<i>Production workers</i>	-	-	-	-	-	-	28.3	33.3	30.3

HEALTH, SAFETY AND WELLBEING

Casa della Salute promotes the health, safety and well-being of all employees and collaborators, including companies, suppliers, visitors, patients and the local community in the approach.

The management adopted is in line with the applicable national regulations, starting with a solid risk assessment, periodically updated with the support of qualified third parties. The main source of risk for workers is the potential malfunction of medical systems and equipment, which are subject to an intense program of periodic checks and maintenance. A dedicated internal structure, the presence of the doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the reference organization. The preventive reporting by everyone of anomalous or risk conditions, the accurate analysis of accidental events, even if not serious, and adequate training support continuous improvement. It should be noted the adoption of a radiation protection program with a higher profile than the regulatory classification of radio-exposed workers and a ticketing system that allows you to report risk situations due to the state of surfaces or furnishings and to request maintenance.

In line with the Sustainability Policies adopted, Casa della Salute aims to continuously evolve safety management, starting from management leadership to support a motivational, organizational and operational system. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

	2019	2020	2021
Employees			
Fatalities	-	-	0
Serious injuries <i>with absence from work for at least 180 days</i>	-	-	0
Injuries <i>with absence from work for at least 24 hours</i>	-	-	0
Frequency rate <i>number of injuries per million hours worked</i>	-	-	0
Severity rate <i>lost days per thousand hours worked</i>	-	-	0.0

SERVICE STEWARDSHIP

Vision

We want to be a reference for the prevention and promotion of health, responding to the needs of assistance and the needs of people with innovative and patient-oriented management models, with the excellence of instrumental performances always aligned with the most advanced technologies and with a partnership consolidated with the national health system.

Mission

"Health for all" means contributing to the protection of health, a fundamental right of the individual and the interest of the community, through the provision of diagnostic imaging services, clinical analyzes, surgery, recovery and functional rehabilitation, specialist outpatient visits under conditions accessible, reducing waiting times to a minimum, promoting the relationship of trust between patient and doctor, and with an attentive presence in the communities served.

<https://www.casasalute.eu/missione-vision/>

The offer of a high quality and accessible health service is based on the Vision and Mission of Casa della Salute.

In order to allow a timely and regular assessment of patient satisfaction, with a view to continuous improvement, in 2021 a Mystery Client system was launched, managed by a private investigation company, which carries out the entire cycle of care undercover, providing monthly monitoring of the quality of patient acceptance and management and of the punctuality and courtesy of professionals.

Following the increase in activity and the expansion of the specialties covered by Casa della Salute in recent years, a formalization and standardization of the intervention models and reporting processes has been initiated, in order to combine objectives of effectiveness and efficiency. For this purpose, the Scientific Technical Committees for the specialties of Radiology, Cardiology, Vascular Surgery and Sports Medicine were established in 2021, with the task of identifying guidelines and criteria for the definition of a standard report model. This coordination structure will be extended, in 2022, to all the specialties covered.

Technological innovation is a key element in providing patients with high quality services at a low cost. Thanks to strategic partnerships with leading manufacturers of non-invasive imaging and diagnostic solutions such as Esaote, Casa della Salute benefits from the best technologies available and actively contributes to equipment testing and improvement activities.

ENVIRONMENT

RESPONSIBLE USE OF RESOURCES

Casa della Salute uses drugs, medical-surgical aids, health protection devices and other consumables.

Water withdrawals are carried out for the operation of magnetic resonance systems or hygienic-sanitary purposes and are of modest entity. Similarly, the discharges affect only domestic wastewater.

	units	2019	2020	2021
Energy				
TOTAL consumed		-	-	5,298
Electric: renewables purchased	GJ	-	-	4,762
Automotive: diesel		-	-	464
Automotive: gasoline		-	-	72

Renewable energies

Casa della Salute has chosen to source exclusively certified electricity from renewable sources and carbon neutral corporate cloud services.

Healthcare activities generate hazardous and non-hazardous waste with infectious risk, which are managed according to a specific procedure and entrusted to a specialized company with the aim of maximizing the chances of recovery. Administrative activities also generate solid municipal waste, sorted on site and collected by local waste companies.

	units	2019	2020	2021
Valorisation of waste generated				
Hazardous waste	t	-	-	14.6
Non-hazardous waste		-	-	4.2

LOW-CARBON TRANSITION

Direct emissions (Scope 1) of Casa della Salute are limited to the operation of the small company fleet, which is being updated with hybrid or electric vehicles. The health clinics of Casa della Salute have newly or recently installed heating and cooling systems, characterized by high levels of energy efficiency and, by choice, powered exclusively with certified electricity from renewable sources. Therefore, indirect emissions (Scope 2) are zero. The carbon footprint depends almost entirely on the emissions of the value chain (Scope 3), which Casa della Salute is committed to analysing more and more in detail to highlight mitigation opportunities.

	units	2019	2020	2021
Carbon footprint				
Scope 1	t CO ₂	-	-	142
Scope 2 market based		-	-	0
location based		-	-	418
Scope 3		-	-	1,976
TOTAL		-	-	2,118
Emissions avoided (location based)				
From photovoltaic production		-	-	418
Carbon intensity				
Scope 1+2 market based	t CO ₂ /M€ EBITDA	-	-	57

Scope 1

Direct emissions from fuels

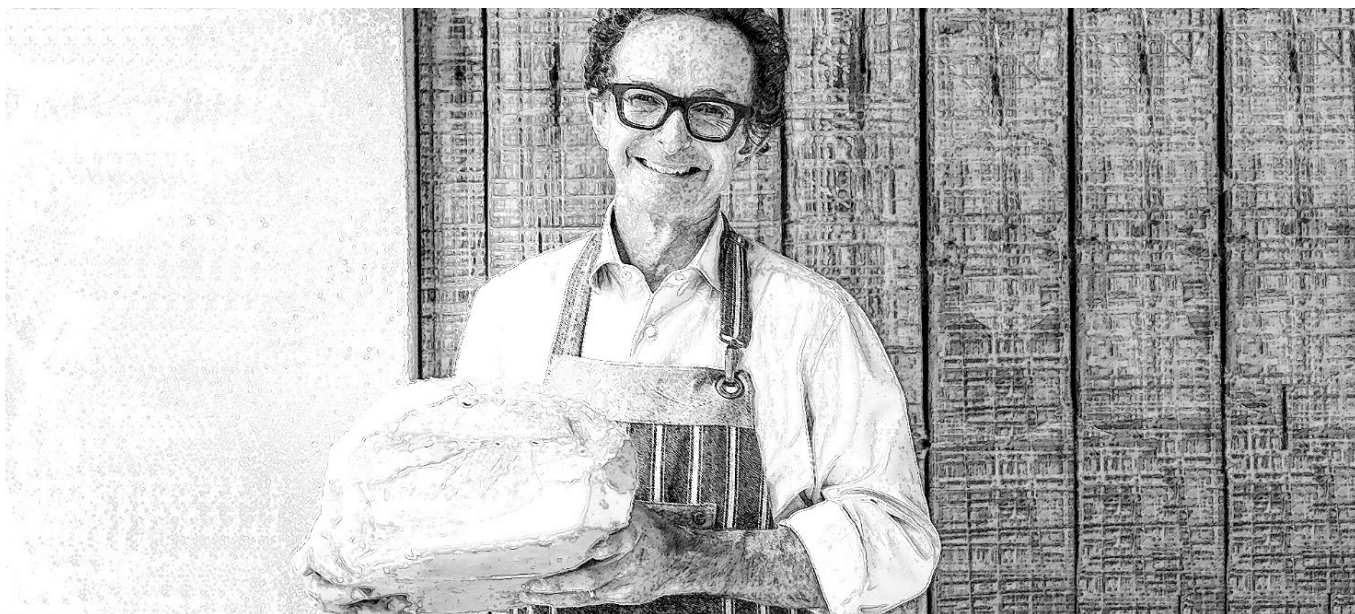
Scope 2

Indirect emissions from the purchase of electricity

Scope 3 (estimate)

As a first exercise, the CO₂ emissions of the upstream and downstream value chains were estimated on the basis of studies carried out in the sector.

Scope 3 upstream	89%
Scope 1+2	7%
Scope 3 downstream	5%



Capitelli



Capitelli, which was founded in 1976 in Borgonovo Val Tidone (Piacenza), produces premium-range cooked ham ("San Giovanni" was awarded a prize as the best cooked ham in Italy for the year 2019 and reconfirmed for 2020 by the Espresso's "Guida Salumi d'Italia"). It is characterised by a careful choice of meats of selected origin and an original craft process, which make it a sought-after, niche product positioned among Italy's food excellences. It has been part of Italmobiliare Group since December 2019, as a **subsidiary with an 80% stake**.

Capitelli upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- Responsibility and integrity in the **supply chain** to promote practices in balance with ecosystems, resilient to climate change, with decent working conditions for all men and women who work in the supply chain and attention to animal welfare.
- **Efficiency** of production to reduce the direct and indirect environmental footprint, from renewable energies to the valorisation of waste, and ensure food safety.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including that of consumers, with products and initiatives capable of promoting responsible lifestyles and consumption.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

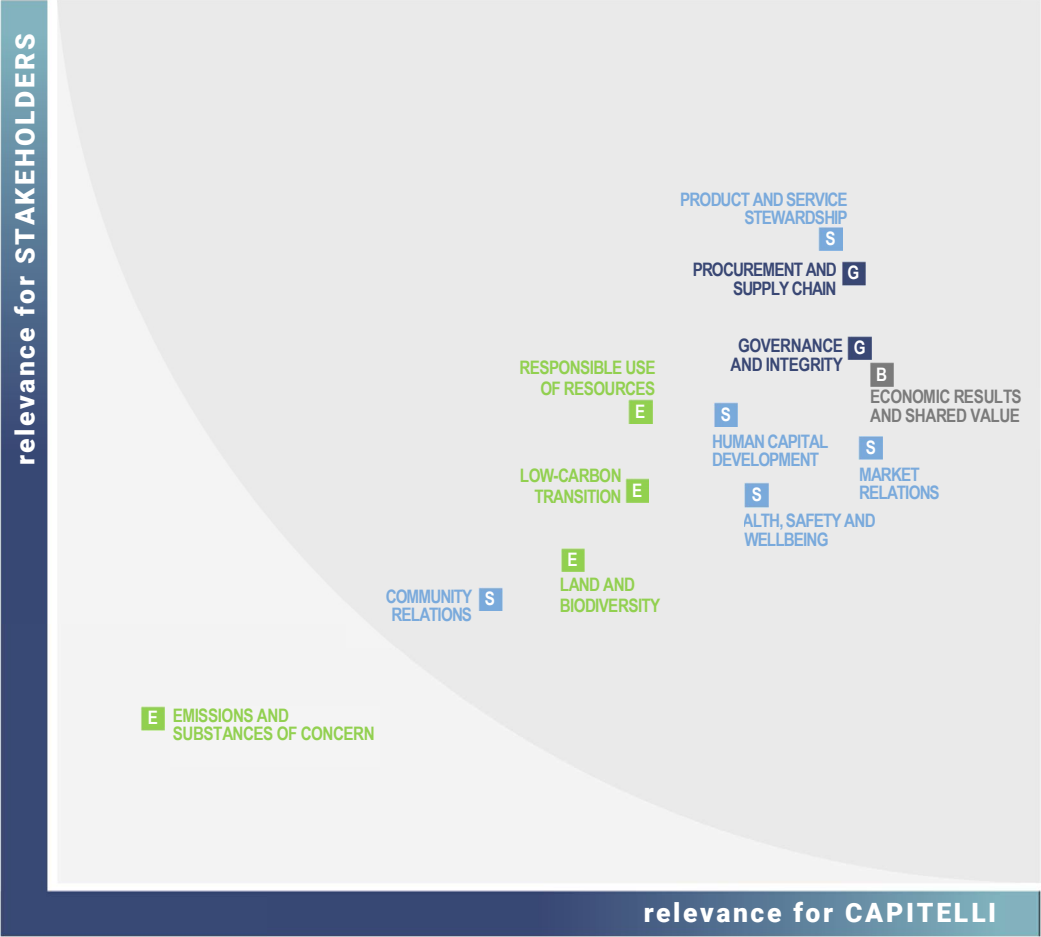
Capitelli fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Capitelli upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals, as well as to the broader objectives of the United Nations.

Italmobiliare and Capitelli recognize the sensitive aspects of the animal-based commodity sector. In particular, the sector highlights important issues for the sustainable success of the business, economic, social and environmental issues, which cover the entire value cycle, from the procurement of raw materials to the promotion of responsible consumption.

In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

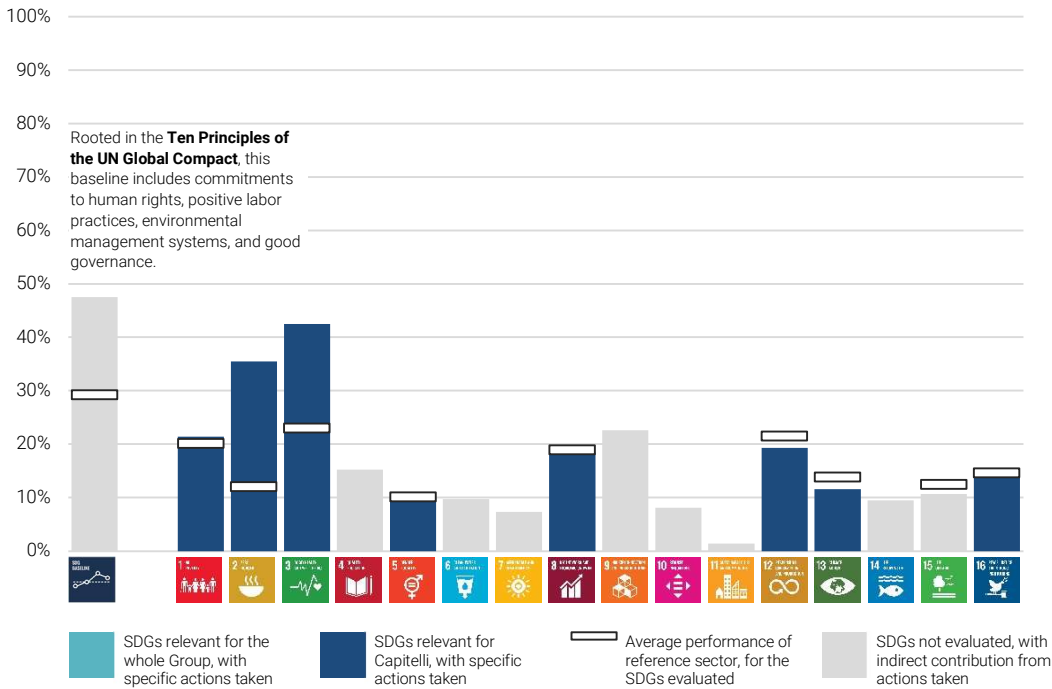
In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Capitelli.

MATERIALITY AND CONTRIBUTION TO SDGs



Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



B Impact Assessment (BIA)
Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

SDG Action Manager
Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

GOVERNANCE

GOVERNANCE AND INTEGRITY

Board of Directors
• 3 members

The composition and management of the governance bodies, starting with the Board of Directors, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Capitelli explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. Through a sustainable approach aimed at creating shared value for the society and for the environment, Capitelli intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Capitelli has adopted an Organisation, Management and Control Model, which is foreseen by law but not mandatory. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, but also terrorism or violations against the individual, market abuse and others. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Capitelli implements and strengthens the Enterprise Risk Management system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, the planned implementation of management systems is expected to represent an additional asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

PROCUREMENT AND SUPPLY CHAIN

The procurement of quality pork constitutes over 60% of Capitelli's total spending, buying largely from national suppliers, chosen on the basis of quality and certified food safety standards.

Collaboration with the Catholic University of Piacenza

Thanks to the new partnerships in the value chain and the collaboration with the Department of Food Science and Technology for a Sustainable Agri-food supply chain (DiSTAS) of the Catholic University - Piacenza site, direct audits will be launched at the farmers in 2022 and drafted the specification and guidelines on nutrition, animal welfare, reduction of the environmental footprint and protection of workers' rights.

The "**Filiera Capitelli**" project was launched in 2020 with the fundamental aim of sharing techniques and good practices with breeders to achieve the highest ethical, socio-environmental and animal welfare standards. Capitelli chooses to reward the efforts of all breeders who share its vision of responsible quality with an additional economic contribution, an essential condition for obtaining a raw material that meets the quality standards needed for the production of premium-range products. Thanks to this policy, Capitelli also intends to mitigate the dependence of farmers on long-standing market logic that requires the offer to be adjusted to the trend in price lists, in favour of direct bargaining between the processing company, the farmers and the slaughterhouses.

In 2021, the development of the project led to the signing of new agreements with Italian slaughterhouses characterized by high quality, environmental and social standards and equipped with an integrated and controlled breeding chain, which constitutes a functional environment for the dissemination and verification of sustainability requirements defined by Capitelli. In only one case, the

preliminary analysis of the agreement revealed the risks of irregular work by a subcontractor and the supplier was invited to terminate the relationship with this subject.

Suppliers of packaging and subsidiary materials are also required to comply with high environmental standards, preferably certified.

The entire approach will be formalized in 2022, with the adoption of a structured procedure for the qualification of suppliers.

SOCIETY

HUMAN CAPITAL DEVELOPMENT

Capitelli benefits from the value of specialized and motivated people (overall turnover 15%, 2 new hires and 5 exits), by choice mainly from the local area, including a fair number of non-EU citizens. A significant use of non-employee workers was made. In 2021, they were 71, mostly agents.

In 2021, an organic review of the corporate organization model was carried out, which saw a formalization of internal functions and responsibilities, the enhancement of female figures, and the definition of the main internal procedures in conjunction with the renewal of company information systems.

At the same time, the training offer was expanded with the inclusion of digital skill courses preparatory to the use of new IT applications and a specific path on food safety as part of the certification process according to IFS - International Food Standard, edited from the Catholic University - Piacenza site.

An incentive system was also defined anchored to an assessment of performance at company, function/area and individual level. The results obtained by the figures with organizational responsibilities include qualitative parameters regarding food safety and sustainability.

The teleworking methods introduced for administrative functions in 2020 were confirmed in 2021 as a measure to prevent contagion from Covid-19 and as a flexibility tool.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	-	-	-	13	37	50	12	35	47
Managers	-	-	-	0	1	1	0	1	1
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	-	-	-	8	3	11	8	3	11
Production workers	-	-	-	5	33	38	4	31	35
Contracts									
Permanent / fixed-term employment	-	-	-	54%	59%	58%	58%	69%	66%
Full time / part-time	-	-	-	26%	65%	60%	42%	74%	66%
Training (hours per capita)									
TOTAL	-	-	-	0	0.6	0.5	22.6	4.4	9.1
Managers	-	-	-	-	0	0	-	0	0
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	-	-	-	0	0	0	33.9	30.0	32.8
Production workers	-	-	-	0.0	0.7	0.6	0.0	2.1	1.9
Performance assessment (%)									
TOTAL	-	-	-	-	-	-	67%	83%	79%
Managers	-	-	-	-	-	-	-	100%	100%
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	-	-	-	-	-	-	100%	100%	100%
Production workers	-	-	-	-	-	-	0%	81%	71%

HEALTH, SAFETY AND WELLBEING

Capitelli promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The use of cutting tools, potentially slippery surfaces, interaction between people and moving vehicles and process machines with moving mechanical parts are the prevailing risk conditions identified. A dedicated internal structure, the presence of the company doctor and the formal involvement of the social partners constitute the reference organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

In line with the Sustainability Policies adopted, Capitelli intends to develop the management method, finding a foundation in the managerial leadership that supports the motivational elements, the organisational structures and the necessary operational tools, such as risk assessment and the analysis of accidental events. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

		2019	2020	2021
Employees				
Fatalities		-	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	-	0	0
Injuries	<i>with absence from work for at least 24 hours</i>	-	2	1
Frequency rate	<i>number of injuries per million hours worked</i>	-	37.6	19.9
Severity rate	<i>lost days per thousand hours worked</i>	-	-	0.34
Non-employees *				
Fatalities		-	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	-	0	0
Injuries	<i>with absence from work for at least 24 hours</i>	-	0	0
Frequency rate	<i>number of injuries per million hours worked</i>	-	0	0

* Agents and self-employed workers

PRODUCT AND SERVICE STEWARDSHIP

The ultimate goal of Capitelli's entire business is quality excellence, repeatedly appreciated by the market. In 2021, the "San Giovanni" cooked ham was confirmed with the assignment of five pins by the Guide to Salumi d'Italia de L'Espresso, the only cooked ham in Italy to obtain this result since the first edition. These awards are the result of careful research conducted in the field since the foundation of the company by Angelo Capitelli, starting from the rediscovery of traditional processing methods to pursue a progressive refinement of the individual phases.

The sustainable value of the products arises from the supply chain, with responsible choices for procurement that will be further consolidated with the full implementation of the "Capitelli Supply Chain". It continues with initiatives aimed at reducing the environmental footprint of production, from renewable energy to the search for business partners for the enhancement of processing waste. In addition, thanks to the close relationship with suppliers, Capitelli monitors the technological opportunities for the introduction of recycled and recyclable packaging and subsidiary materials.

For Capitelli, the pursuit of qualitative excellence is inextricably combined with compliance with the highest food safety standards.

The main suppliers of pork used by the company have certifications in the field of food safety (BRC / IFS). Capitelli also started the certification process according to IFS standards in 2021 and planned the necessary adjustments. Compliance with the HACCP system of the individual processing stages carried out in the plant is ensured by analytical plans for controlling the physical, chemical and biological characteristics of the meat and by the bimonthly carrying out of sample analyses on the finished product by an external analysis laboratory. Furthermore, every two months, analyses are carried out on incoming meat samples and swabs on processing surfaces, cold rooms and technical equipment. For the "San Giovanni" terracotta line, an additional analysis of sample units for the search for bacteria and pathogens is also provided on a six-monthly basis, as well as checks for determining the nitrite and nitrate content. The pork legs are subjected to pasteurization, ensuring a better shelf life.

In addition to direct production, for a marginal portion of its business volume, Capitelli distributes national cured meats made by selected producers and with the highest guarantees of quality and food safety.

The company actively participates in the audits carried out periodically by large-scale distribution chains, whose specific evaluation parameters are integrated from time to time into the HACCP self-control protocol. In order to ensure greater control of the distribution phase, the company has introduced a digital system that allows timely tracking of batches.

BRC (British Retail Consortium)

The BRC Food Standard defines the requirements for the production of safe food and the criteria for managing the quality of products offered by suppliers and retailers, in order to meet customer expectations and protect the consumer.

IFS (International Food Standard)

The International Food Standard is a unified control system of quality and health and hygiene safety systems applied to all levels of food production.

HACCP (Hazard Analysis and Critical Control Points)

The HACCP system is a set of procedures, aimed at guaranteeing the wholesomeness of food, based on prevention at all stages of processing even before analysing the finished product.

MARKET AND COMMUNITIES

Capitelli adopts the utmost transparency criteria in product communication, to allow its customers and the end consumer to appreciate its distinctive characteristics and to promote responsible consumption. In addition to the mandatory information on the product label, the company website provides additional elements, such as nutritional values, ingredients and origin of raw materials, any allergens, packaging materials, advice for use and storage methods.

By virtue of its B2B business model, the company does not collect sensitive data relating to end-consumers.

ENVIRONMENT

RESPONSIBLE USE OF RESOURCES

In addition to pork legs, Capitelli consumes packaging materials, during cooking and pasteurisation, as well as during moulding and packing. Meat processing creates a significant quantity of by-products. At the slaughterhouse, an initial fraction is separated for use by other subjects in the food chain. At Capitelli, trimmings, bones, fat and gelatine (about 600 tons in 2021) are entrusted to specialist operators for direct commercial use or for transformation into animal feed, for the chemical industry, for the production of biofuels and for the production of fertilizers.

The water from internal wells is mainly consumed in the daily sanitation of facilities. However, Capitelli is aware of the significant water footprint of its supply chain*, estimated for 2021 at almost 13 million m³ of water, or 8,000 m³ per tonne of processed meat.

* Engineering - Grandi Salumifici Italiani - Coop, Life cycle assessment applied to cured meats production, 2011

	units	2019	2020	2021
Raw materials				
Pork meat		-	1,632	1,906
Other ingredients		-	77	97
Packaging		-	84	94
Aluminium	t	-	2	2
Cardboard		-	62	76
Plastic		-	20	16
Energy				
TOTAL consumed		-	8,650	10,522
Thermal: natural gas from the grid		-	4,914	6,184
Electric: bought from the grid		-	2,581	3,047
Electric: self-produced renewable	GJ	-	649	722
Automotive: diesel		-	507	569
TOTAL self-produced renewable		-	693	734
Sold to the grid		-	44	13
Water				
TOTAL consumed		-	376	510
Withdrawn from wells	m ³	-	9,782	14,810
Discharged into sewers		-	406	300
Discharged into surface waters		-	9,000	14,000

For the "out of mould" cooking and pasteurisation of the legs, bags made of temperature-resistant polymeric materials are required, currently available only in virgin material and not recyclable except as energy recovery. Agreements with suppliers envisage introducing products with recycled content by 2025. Capitelli's finished products are packaged in bags made of poly laminates in virgin materials, which can be sent for material recovery after differentiation or for energy recovery. The packaged products are delivered to the carrier in FSC MIX certified cardboard packaging, i.e. partially recycled and completely recyclable.

Currently, the waste generated is all sent to controlled disposal destinations, where it is possible to valorise the energy, at least partially.

	units	2019	2020	2021
Valorisation of waste generated				
Non-hazardous waste		-	214.9	335.3
% Recovery	t	-	0%	0%
% Energy recovery or disposal		-	100%	100%

LOW-CARBON TRANSITION

The carbon footprint largely depends on the management of pig farms. Pending an analytical assessment of the emissions of the value chain (Scope 3), Capitelli is committed to mitigating the climate-altering effects of its business.

In 2021 the heating and refrigeration systems were completely renovated with the adoption of highly energy efficient solutions, which entered full capacity at the beginning of 2022.

In addition to the efficiency of the production processes, the plant owns an active photovoltaic system that produces almost 200,000 kilowatt hours of electricity per year, most of which is reused directly.

	units	2019	2020	2021
Carbon footprint				
Scope 1		-	324	415
Scope 2 market based		-	334	388
location based			241	330
Scope 3	t CO₂	-	21,062	24,581
TOTAL		-	21,720	25,384
Emissions avoided (location based)				
From self-production renewables		-	65	64
Carbon intensity				
Scope 1+2 market based	t CO₂/M€ EBITDA	-	173	206

Scope 1
Direct emissions from fuels

Scope 2
Indirect emissions from the purchase of electricity

Scope 3 (estimate)
The CO₂ emissions of the upstream and downstream value chains are accounted from activity data and emission factors obtained from technical literature or public databases.

Scope 3 upstream	96%
Pork livestock	96%
Other raw materials	<1%
Scope 1+2	4%
Scope 3 downstream	8%
Logistics	1%
End-of-life	<1%



Callmewine

Callmewine

Callmewine, established in 2010, is an e-commerce platform that specialises in the sale of wine, where it ranks as one of the market leaders in Italy. It boasts an extensive catalogue of wines with around 10,000 labels on offer, ranging from big names on the global wine scene to small producers. It has been part of the Italmobiliare Group since December 2020, as a **subsidiary with a 60% stake**.

Callmewine upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- **Responsibility and integrity in the supply chain**, also to promote agricultural practices in balance with ecosystems, resilient to climate change and attentive to social needs.
- **Effectiveness** in operational management to reduce the direct and indirect environmental footprint, for example through sustainable logistics and packaging.
- **Attention to people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- **Involvement of the community**, including that of consumers, with products and initiatives capable of promoting responsible lifestyles and consumption.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

Callmewine fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Caffè Borbone upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals, as well as to the broader objectives of the United Nations.

Italmobiliare and Callmewine recognize the sensitive aspects of the food e-commerce sector, which highlights important issues for the sustainable success of the business, economic, social and environmental, which cover the entire value chain, from the procurement of products and raw materials for packaging to logistics services for widespread delivery.

In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the relevant governance, economic, social and environmental issues, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

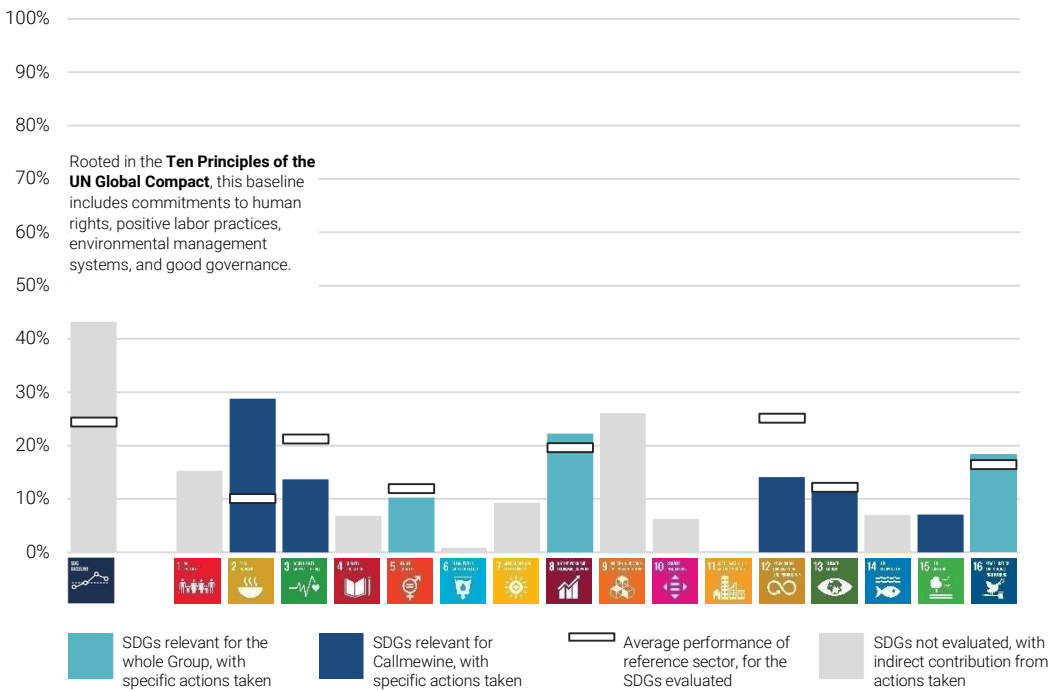
In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Callmewine.

MATERIALITY AND CONTRIBUTION TO SDGS



Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



B Impact Assessment (BIA)
Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

SDG Action Manager
Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

GOVERNANCE

GOVERNANCE AND INTEGRITY

Board of Directors

- 5 members
- 1 female member

The composition and management of the governance bodies, starting with the Board of Directors, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Callmewine explicitly recall the Ten Principles of the United Nations Global Compact and inspired by the highest global references. Through a sustainable approach aimed at creating shared value for the society and for the environment, Callmewine intends to explore further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, in 2022 Callmewine is going to adopt an Organisation, Management and Control Model, which is foreseen by law but not mandatory. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, but also terrorism or violations against the individual, market abuse and others. The Supervisory Body, appointed on the basis of autonomy and independence, will be responsible for the control activity. In addition to specific periodic training, the approach will include the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

More generally, Callmewine implements and strengthens the Enterprise Risk Management system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows the identification, measurement, monitoring and management of the risks to which the company is exposed, at the same time helping to strengthen the Group's approach.

At an operational level, the adopted management procedures represent a fundamental asset to guarantee activities that are fully aligned with the corporate strategy, in a logic of continuous improvement. The integration with business processes helps to consolidate the organisational, technological and behavioural methods.

PROCUREMENT AND SUPPLY CHAIN

The company purchases products from suppliers selected through solid personal relationships, making them available for purchase on its web portal.

An outsourced logistics system guarantees retail delivery within the deadlines indicated at the time of purchase.

An initial analysis carried out on direct suppliers did not reveal significant risks of violation of human and workers' rights, pending an in-depth analysis on the wine supply chain. In order to consolidate governance on the supply chain, in 2022 the adoption of a structured procedure for the management of suppliers is expected, with selection criteria and protocols, and contractual elements to support a sustainable supply chain.

SOCIETY

HUMAN CAPITAL DEVELOPMENT

Callmewine benefits from the value of 13 motivated and specialized people, in a growing reality (total turnover 38%, 4 new hires and 1 exit) and which in 2021 saw an important reorganization of work activities, with the inclusion of new resources and the definition of a new organization chart. Direct employees are covered by a collective bargaining agreement. 25% of managerial positions are occupied by women. In 2021, 2 interns were also present.

During the first half of 2021 all workers, with the exception of the Customer Service team, carried out their activities in remote working. In the second half of the year, this modality was practiced for one day a week, with an intensification in December, following the sharp rise in Covid-19 infections on a national scale.

The adoption of a performance evaluation system is envisaged that includes at least first levels and key people. Furthermore, a plan is being studied to increase the level of attraction and retention. A corporate welfare plan introduced in 2021 allows each employee to take advantage of the bonus linked to corporate results on the DoubleYou platform. In addition, employees benefit from special discounts on the purchase of company products.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	-	-	-	-	-	-	6	7	13
<i>Managers</i>	-	-	-	-	-	-	-	1	1
<i>Middle managers</i>	-	-	-	-	-	-	1	2	3
<i>Office workers</i>	-	-	-	-	-	-	5	4	9
Contracts									
Permanent / fixed-term employment contracts	-	-	-	-	-	-	100%	100%	100%
Full time / part-time	-	-	-	-	-	-	100%	100%	100%
Training (hours per capita)									
TOTAL	-	-	-	-	-	-	4.0	4.0	4.0
<i>Managers</i>	-	-	-	-	-	-	-	4.0	4.0
<i>Middle managers</i>	-	-	-	-	-	-	4.0	4.0	4.0
<i>Office workers</i>	-	-	-	-	-	-	4.0	4.0	4.0

HEALTH, SAFETY AND WELLBEING

Callmewine promotes the health, safety and wellbeing of all employees, creating and maintaining safe offices and other workplaces as an essential condition for the professional growth and enhancement of its resources.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. A dedicated professional contact, the presence of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

In 2021, there have been no accidents of any kind to employees or non-employee workers.

PRODUCT AND SERVICE STEWARDSHIP

Callmewine is characterised by a selection of almost 1,900 certified craft, organic and bio-dynamic wines, but also wines that macerated and produced in amphora. Above all, the craft wines are produced by independent artisans with their own vineyards according to an agricultural model as natural as possible, one that completely excludes the use of synthetic pesticides, herbicides or insecticides. This same approach includes support for small wineries, offering their wines on the market at fair prices, creating and maintaining solid relationships with niche or little-known producers: all realities that find in Callmewine a commercial partner and an incomparable virtual showcase.

Wine is environment. Callmewine protects it even with attention to the smallest operating details, such as the use of packaging entirely in cardboard, 100% recyclable, and without the use of polystyrene or other plastics.

MARKET AND COMMUNITIES

Callmewine is an e-commerce platform designed to be a sort of personal sommelier, stimulating, simple and intuitive, available 24 hours a day, 7 days a week, able to guide all wine lovers, expert tasters or simple enthusiasts, to the discovery of new wines and perfect combinations.

In this role, it is important to gain and maintain the customer's trust, dedicating a lot of time to tasting and selecting the products on sale, whose quality and food safety are ensured by advanced and integrated management systems, which, thanks to the proven effectiveness and verified over time, have obtained the formal third-party certification.

The shopping experience is also important: the products that can be bought on Callmewine are all actually available and are stored at a controlled temperature in suitable places. The technical and organoleptic characteristics of the product, as well as the possible presence of potential allergens, provided directly by the production companies or distributors, are widely described on the site.

ENVIRONMENT

RESPONSIBLE USE OF RESOURCES

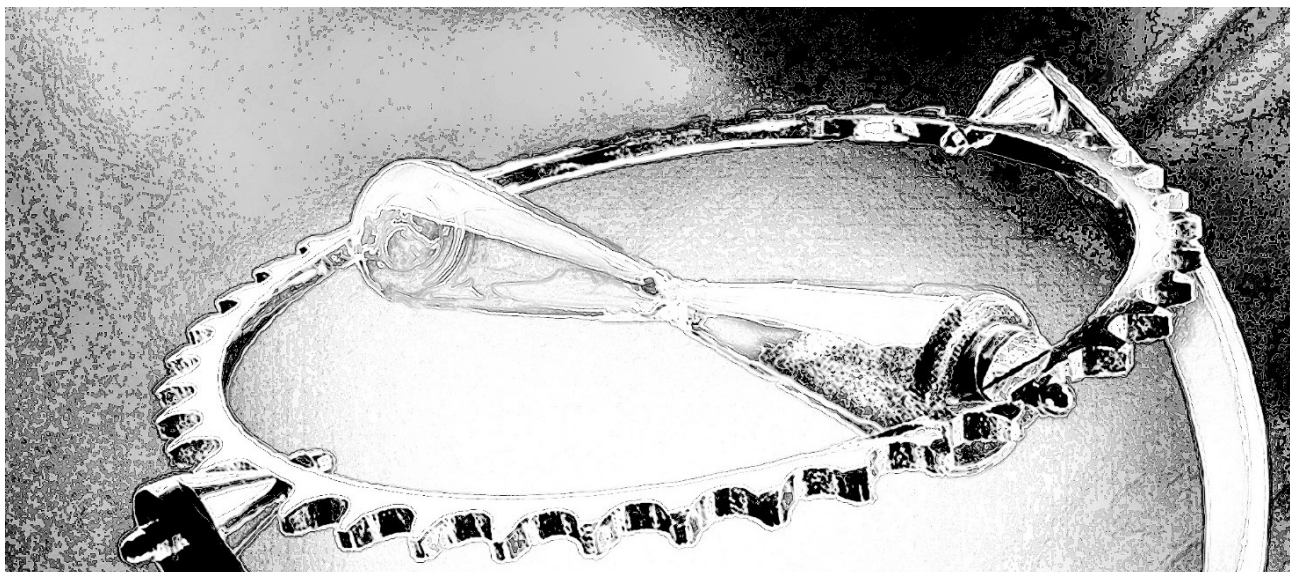
Callmewine pays particular attention to packaging, using exclusively cardboard, and no polystyrene or other plastics. In 2021, 310 tons of cardboard packaging were used, of which 65% comes from recycling. The 2022 ESG Plan provides for a careful study for new even more sustainable solutions.

LOW-CARBON TRANSITION

The carbon footprint largely depends on the supply of wine and packaging.

	units	2019	2020	2021
Carbon footprint				
Scope 1		-	-	0
Scope 2 market based		-	-	0
location based		-	-	1.5
Scope 3	t CO₂	-	-	1,492
TOTAL		-	-	1,492
Emissions avoided (location based)				
From photovoltaic production		-	-	1.5
Carbon intensity				
Scope 1+2 market based	t CO₂/M€ EBITDA	-	-	0

Scope 1 Direct emissions from fuels	
Scope 2 Indirect emissions from the purchase of electricity	
Scope 3 The CO ₂ emissions of the upstream and downstream value chains are accounted from activity data and emission factors obtained from technical literature or public databases.	
Scope 3 upstream	91%
Bottled wine	68%
Packaging	7%
Logistics	16%
Scope 1+2	0%
Scope 3 downstream	9%
Warehouse	2%
Logistics	5%
End-of-life	2%



Clessidra

Clessidra Holding (capogruppo)

carries out management and coordination activities for the companies of the group, and supports for Operations, Compliance and Anti-Money Laundering activities.

Clessidra Private Equity SGR builds and manages a diversified portfolio of equity investments in leading Italian companies in their sector, with high growth potential.

Clessidra Capital Credit SGR is the management company that focuses on turnaround and corporate credit funds.

Clessidra Factoring provides Italian SMEs with a wide range of services specialising in financing and in the sale and management of trade receivables.

Clessidra Group upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals.

- **Operational and social efficiency**, through women empowerment and inclusiveness.
- **Sustainable business**, through the efficiency of financial, human and natural resources.
- **Value chains resilient** to climate change, through monitoring, mitigation and adaptation.
- **Compliance and integrity**, through the promotion of and compliance with external and internal laws, rules and principles of governance.
- **Partnerships**, starting from the financial ones, with investments aimed at creating shared value and responsibly managed.

Clessidra was founded in 2003 as an asset management company operating in private equity, becoming one of the main operators on the Italian market in a very short period of time. In September 2016 it became part of the Italmobiliare Group, which took **control with a 100% stake**.

Clessidra has progressively expanded its scope of operation with the aim of offering a wide range of products and services for institutional investors and for medium-sized Italian companies. Clessidra is now one of the main financial operators active in alternative investments (private equity and private credit) and in factoring, by means of three specialised companies, each with its own operating autonomy.

Clessidra fully integrates the sustainable strategy of the Italmobiliare Group, through policies, management activities, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity. In so doing, Clessidra upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals, as well as to the broader objectives of the United Nations. In addition, Clessidra SGR adheres to the UN Principles for Responsible Investment (UN-PRI), formally committing to follow its principles and guidelines.

Through active participation in AIFI, the Italian Association of Private Equity, Venture Capital and Private Debt, and Invest Europe, the corresponding European trade association, Clessidra supports the numerous initiatives and guidelines on ESG. In addition, Clessidra actively participates in the Italian Sustainable Investment Forum (ItaSIF), a non-profit association that promotes the knowledge and practice of responsible and sustainable investment.

Italmobiliare and Clessidra recognize the importance of integrated risk assessment in investments and other financial transactions, but also the interconnected transformative capacity. In particular, the private equity business offers the opportunity to prioritize and mobilize financial resources in a targeted and selective manner, thus contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of investors and all other stakeholders.

In defining the sustainable strategy and related action plans, the materiality analysis offers an effective tool for identifying the governance, economic, social and environmental issues relevant for Clessidra and its portfolio, matching the interests of the business with the expectations of stakeholders. The resulting matrix is on the opposite page.

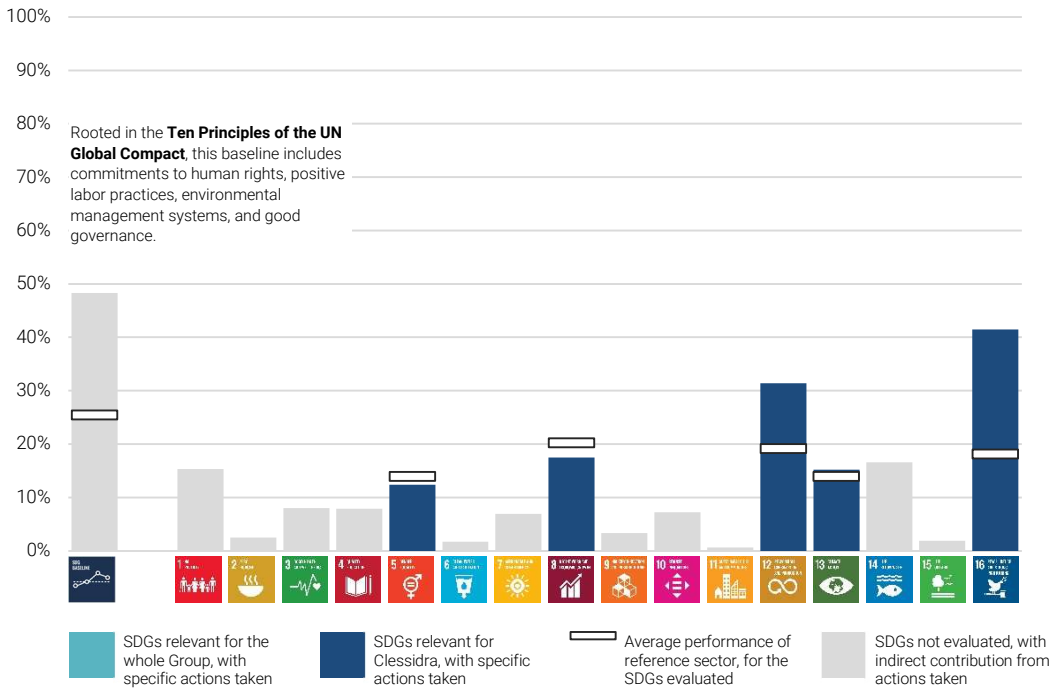
In addition, the SDG Action Manager analysis tool integrates B Lab's B Impact Assessment, the Ten Principles of the UN Global Compact and the SDGs, allowing effective self-assessment of progresses. The graph on the opposite page represents the contribution of Clessidra.

MATERIALITY AND CONTRIBUTION TO SDGs



Materiality matrix

- B** The ultimate goal of the **business** is to create shared value, by identifying, understanding, measuring and managing all the levers of success in the best way possible.
- G** **Governance** levers: ethical management, risk management and pro-active compliance across the entire value chain.
- S** **Social** levers: people, from employees to the market, to local and global communities, united in the move towards sustainable **lifestyles**.
- E** **Environmental** levers: the fight against climate change and responsible management of natural resources.



B Impact Assessment (BIA)
Developed by B Lab, it is a tool for assessing sustainable performances, such as dynamic self-assessment, benchmarking and continuous improvement. It allows you to set growth objectives in the most strategic areas where development potential remains high.

SDG Action Manager
Developed by Global Compact together with B Lab, it integrates BIA as an assessment tool of one's contribution to the United Nations' Sustainable Development Goals. Due to its multidimensional and participatory nature, SDG 17 is not included in the assessment.

GOVERNANCE

GOVERNANCE AND INTEGRITY

Boards of Directors

Clessidra Holding

- 7 members
- 1 female member
- 1 independent member

Clessidra Private Equity SGR

- 5 members
- 1 female member
- 1 independent member

Clessidra Capital Credit SGR

- 5 members
- 1 independent member

Clessidra Factoring

- 5 members
- 2 female members
- 2 independent members

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

In line with the Group's approach, the **Code of Ethics** and the **Sustainability Policies** adopted by Clessidra explicitly recall the Ten Principles of the United Nations Global Compact. Coherently with the commitment undertaken by joining the UN Principles for Responsible Investment (UN PRI). Clessidra also recognizes the link between investment returns and environmental, social and governance (ESG) issues. Through a sustainable approach aimed at creating shared value for the society and for the environment, Clessidra supports its investees in exploring further levers of success to increase turnover and profit margins, mitigate business risk, attract capital and investors, motivate its people and consolidate the brand.

Clessidra Group's companies have adopted an **Organisation, Management and Control Model**, which is foreseen by law but not mandatory. It is designed to limit the risk of committing certain types of crimes, mainly in terms of corruption, bribery, fraud against the State, corporate offences, fencing, unintentional serious injuries or fatalities due to non-compliance with safety norms, serious environmental crimes, but also terrorism or violations against the individual, market abuse and others. The Supervisory Body, appointed on the basis of autonomy and independence, is responsible for the control activity. In addition to specific periodic training, the approach adopted includes the whistleblowing procedure for reporting unlawful behaviour, in order to offer employees and third parties confidential channels to raise concerns or violations of the procedure, without fear of retaliation, discrimination or disciplinary action.

In its investment activities, Clessidra undertakes to promote compliance with applicable regulations and the highest ethical standards at the portfolio companies. In particular, it collaborates with the portfolio companies in order to adopt or update their own Organisational, Management and Control Models, including ethical principles, codes of conduct, control tools, procedures and training activities.

As it is not subject to management and control by Italmobiliare, Clessidra plays a role similar to that of the holding company in relation to its subsidiaries. The **Risk Management function** holds an independent position with respect to the operating structures and reports directly to the Board of Directors. It measures, manages and controls all financial and operational risks inherent to the assets managed, as well as those of the SGR such as strategic, operational and reputational risks. Specifically, the Risk Management function:

- Implements effective policies and procedures to identify and monitor on an ongoing basis the risks inherent to the investment strategy envisaged in the Regulation of each fund and to which each fund is currently or potentially exposed.
- Monitors compliance with the risk limits set in the Regulation of each fund and ensures that the risk profile communicated to investors during the marketing phase is compliant.
- Updates the Board of Directors at least every six months on the adequacy and effectiveness of the management process and on any actual or foreseeable violation of the risk limits set, thus allowing the prompt adoption of corrective actions.
- Reviews the policies and procedures adopted for the valuation of assets in the portfolio, ensuring consistency between the results of the valuation process and the measurement of the riskiness of the assets themselves.

The integration of the ESG approach in the management processes of Clessidra Group's companies in itself constitutes an element of risk mitigation.

Main risks mitigated through the ESG approach	Key levers affected
Consistency with the ESG commitments of Clessidra, including those related to the full alignment with SFDR Regulation, and its subsidiaries and effectiveness of the execution of action plans	ALL
Physical and transitional climate risks	RESPONSIBLE INVESTMENTS RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION
Alignment with the evolution of the regulatory framework for health, safety and the environment	GOVERNANCE AND INTEGRITY
Alignment with the evolution of the regulatory framework on data privacy	GOVERNANCE AND INTEGRITY
Identification and prevention of potential cases of active and passive corruption	GOVERNANCE AND INTEGRITY
Indirect impacts of the COVID-19 pandemic on the activities of one or more invested companies	MARKET AND COMMUNITIES HEALTH, SAFETY AND WELLBEING

RESPONSIBLE INVESTMENTS

The Code of Ethics defines the set of fundamental principles and rules of conduct to which the all the companies of Clessidra Group adhere, with the additional guidance provided by the Sustainability Policies. In particular, for Clessidra Private Equity SGR and Clessidra Capital Credit SGR, they guide the sustainable strategy, aiming at the creation of shared value, and constitute the reference for the Responsible Investment Policies adopted.

Clessidra Private Equity SGR's business involves investments in the private equity sector, with particular focus on the Italian upper-middle market segment. Clessidra Capital Credit SGR's business mainly involves investments in the private credit sector, with a focus on turnaround funds and corporate credit, managing alternative investment funds with a focus on credit market, both distressed and performing

All the managed activities require careful assessment of market counterparties with which to undertake investments, partnerships, and contractual relationships. Each component, managed according to specific internal procedures, helps to achieve the objectives of return on investment, risk diversification and value creation. Among the various elements to be assessed, the prospects for improving the ESG positioning and alignment with the adopted sustainable strategy play a significant role. To this end, Clessidra Private Equity SGR and Clessidra Capital Credit SGR refrain from any investment or involvement, whether direct or indirect, with entities involved in the production, marketing, use or trade of illegal products or activities. Other ascertained direct or indirect practices also lead to exclusion: for example, corruption, money laundering, violations of human rights, violations of the fundamental principles of labour, production of goods harmful to health, the environment and morality, an obstacle to sustainability in general.

Clessidra Private Equity SGR and Clessidra Capital Credit SGR assign priorities and mobilises financial resources in a targeted and selective manner, thereby contributing to global challenges and, at the same time, protecting and strengthening financial performance for the benefit of shareholders, enterprises and all other stakeholders.

In line with the strategic vision of the entire Clessidra Group regarding responsible investment, the integration of environmental, social and governance (ESG) risks and opportunities is a fundamental element in all phases of the management process of all its investment activities of Clessidra Private Equity SGR and Clessidra Capital Credit SGR. In particular, in order to prevent or mitigate exposure to risks and benefit from opportunities of value creation, Clessidra Private Equity SGR and Clessidra Capital Credit SGR subjects all new investments to a verification of alignment with its own value references (Code of Ethics and Sustainability Policies), the requirements of its Responsible Investment Policy and the rules set by the Regulations of the Funds managed and a due diligence process which also assesses the environmental, social and governance aspects.

Responsible Investment Policy

Clessidra Private Equity SGR and **Clessidra Capital Credit SGR** have adopted specific Responsible Investment Policies for the types of funds managed respectively.

They describe all stages of the investment process: sector criteria, pre-investment, ownership and divestment.

In both, contribution to the SDGs is a fundamental metric for evaluating the sustainable success of the of the managed funds and asset management companies.

www.clessidraprivateequity.it/en/sustainability/

www.clessidracapitalcredit.it/sostenibilita/

SFDR Disclosure**Clessidra Private Equity SGR**

- Clessidra Capital Partners II (CCP2) is a fund under "article 6" SFDR
- Clessidra Capital Partners 3 (CCP3) e Clessidra Capital Partners 4 (CCP4) are funds under "article 8" SFDR, that integrate sustainability risks, take into consideration the principal adverse impacts of investment decisions on sustainability, and promote environmental or social characteristics.

www.clessidraprivateequity.it/en/sustainability/

Clessidra Capital Credit SGR

- Clessidra Restructuring Fund (CRF) è un fondo "articolo 6" SFDR.
- Clessidra Private Debt Fund (CPDF, approved by Consob in December 2021) is a fund under "article 8" SFDR, that integrates sustainability risks, takes into consideration the principal adverse impacts of investment decisions on sustainability, and promotes environmental or social characteristics.

www.clessidracapitalcredit.it/sostenibilita/

As a responsible investor, Clessidra Private Equity SGR and Clessidra Capital Credit SGR promote the evolution towards sustainable business models among all the companies in the portfolio of all the managed Funds, providing transformative capacity, specific expertise and full support in the management of risks and opportunities in ESG matters.

However, with reference to the level of detail and transparency required by the SFDR Regulation, Clessidra Private Equity SGR and Clessidra Capital Credit SGR adopt approaches differentiated by asset class of financial product, especially in consideration of the investment timeline of the individual Funds currently under management, as duly described in the SFDR Disclosure published on the web:

In 2021, significant ESG interactions took place with all the companies in the portfolio. The ESG management methods differ according to the level of control, the maturity of the investee and the time spent in the portfolio.

Portfolio Companies at end of 2021 Main ESG activities in 2021**Clessidra Private Equity SGR Funds**

<i>CCP II Fund</i>	Harmont & Blaine	The stake held in the investee and the level of governance exercisable by Clessidra allow only partially to influence on sustainability issues.
<i>CCP3 Fund</i>	Nexi / BFF-Depobank	The stake held in the investee and the level of governance exercisable by Clessidra do not allow direct influence on sustainability issues. However, both companies have a high level of sensitivity to sustainability issues and Clessidra records their progress annually. Being listed companies, they fully comply with the obligations relating to non-financial transparency.
	L&S	<ul style="list-style-type: none"> ESG Induction to the Board of Directors and all the first line of managers Workshop to build the Materiality Matrix Completion of the B Corp Impact Assessment and SDG Action Manager to assess the level of ESG maturity and contribution to SDGs Update of ESG Plan ESG metrics and data collection, aligned to SFDR
<i>CCP3 CCP4 Funds</i>	Botter / Mondo del Vino	<ul style="list-style-type: none"> Update of the Code of Ethics, adoption of Sustainability Policies and Model 231 ESG Induction to the Board of Directors and all the first line of managers Workshop to build the Materiality Matrix Support to the drafting of the first Sustainability Report, to be published in 2022 Activation of the B Corp Impact Assessment and SDG Action Manager to assess the level of ESG maturity and contribution to SDGs Activation of the definition of the ESG Plan withing the Strategic Plan ESG metrics and data collection, aligned to SFDR

Clessidra Capital Credit SGR Funds (only companies with equity shares)

<i>CRF Fund</i>	Sisma	<ul style="list-style-type: none"> ESG support to the first line of managers Collaboration for specific projects also with the support of Italgen (e.g., installation of photovoltaic systems, creation of a renewable energy community) Activation of the B Corp Impact Assessment and SDG Action Manager to assess the level of ESG maturity and contribution to SDGs Activation of the definition of the ESG Plan
---------------------	-------	--

SOCIETY

HUMAN CAPITAL DEVELOPMENT

Clessidra has a team of 50 motivated and specialized people. In 2021, the acquisition of the European Industrial Factoring Company, which later became Clessidra Factoring, saw the merging of 17 new resources. The overall turnover was 30%, with 13 new hires and 10 exits. Direct employees are all covered by a collective bargaining agreement. 33% of managerial positions are held by women.

Clessidra has adopted a remuneration and incentive system in line with the long-term corporate strategy. This means that it integrates the objectives, values and interests of its Alternative Investment Funds and their investors with the financial and socio-environmental performance, corporate values, development and retention of professional skills.

In order to accompany the development of human capital, Clessidra has adopted an individual performance assessment system extended to all staff based on individual annual qualitative and quantitative objectives, to which the variable element of annual remuneration is related.

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel									
TOTAL	10	19	29	10	20	30	20	30	50
Managers	2	14	16	2	13	15	3	12	15
Middle managers	-	-	-	4	4	8	8	10	18
Office workers	8	5	13	4	3	7	9	8	17
Contracts (%)									
Permanent (vs. fixed-term)	90%	100%	97%	100%	90%	93%	100%	90%	94%
Full time (vs. part-time)	80%	95%	90%	80%	100%	93%	90%	100%	96%
Training (hours per capita)									
TOTAL	3.6	13.6	10.1	2.4	1.2	1.6	2.5	1.1	1.9
Managers	18.0	9.7	10.8	4.0	0.6	1.1	2.3	0.8	1.1
Middle managers	-	-	-	2.0	2.0	2.0	1.4	4.1	2.9
Office workers	0.0	24.4	9.4	2.0	2.7	2.3	0.3	3.1	1.6
Performance assessment (%)									
TOTAL	100%	100%	100%	100%	100%	100%	95%	93%	94%
Managers	100%	100%	100%	100%	100%	100%	67%	100%	93%
Middle managers	-	-	-	100%	100%	100%	100%	100%	100%
Office workers	100%	100%	100%	100%	100%	100%	100%	75%	88%

HEALTH, SAFETY AND WELLBEING

Clessidra promotes the health, safety and wellbeing of all employees and a safety culture that is also shared with the companies in its portfolio. The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The main risk conditions that have been identified are external to the workplace and mainly concern the use of company cars. A dedicated internal contact, the availability of a doctor for both institutional and voluntary health promotion activities and the formal involvement of the social partners constitute the support organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement.

All employees benefit from health insurance: full cover for middle managers and white collar workers and supplementary cover for managers. Managers are also entitled to an annual check-up at a leading hospital.

	2019	2020	2021
Employees			
Fatalities	0	0	0
Serious injuries	<i>with absence from work for at least 180 days</i>	0	0
Injuries	<i>with absence from work for at least 24 hours</i>	1	0
Frequency rate	<i>number of injuries per million hours worked</i>	24.3	0
Severity rate	<i>lost days per thousand hours worked</i>	-	0.0

MARKET AND COMMUNITIES

Clessidra Private Equity SGR and Clessidra Capital Credit SGR offer their investors quality services, creating and maintaining solid relationships built on transparency and trust. Communicating with subscribers guarantees an adequate and equal level of information for all investors, safeguards the confidentiality of processed information and protects the successful outcome of investments and divestment in progress.

Within 60 days from the end of each year, Clessidra Private Equity SGR and Clessidra Capital Credit SGR prepare a management report on each of its funds in accordance with the Bank of Italy's Collective Savings Management Regulation. The report includes a balance sheet, income statement, notes and directors' report and is subject to certification by the Independent Auditors. On a voluntary basis and in agreement with investors and according to international practice, the two companies also prepare a quarterly report called the LP Report which contains information based on official data similar to that of the management report. Those in charge of drafting respond jointly to requests for clarifications or insights about the communications sent, assessing the advisability of providing additional information to the general public of investors.

In addition to the communications due by law and voluntary reporting, Clessidra Private Equity SGR and Clessidra Capital Credit SGR convey information in response to specific requests from investors in the event that they express the need to be aware of foreseeable developments in investment management, also in order to allow them to assess potential sales of their shares. The information provided to investors is checked periodically by the independent auditors and by internal control bodies and functions.

SFDR Regulation

Entered into force in March 2021, it regulates the disclosure on the sustainability of financial services. It applies to financial market participants, including alternative investment fund managers (AIFMs), venture capital and others, with progressive levels of commitment and transparency.

UN PRI Transparency Report

Principles for Responsible Investment signatories are required to report publicly on responsible investment activities annually.

Clessidra Private Equity SGR and Clessidra Capital Credit SGR fully adopt the principle of transparency also in the reporting of ESG performance, preparing the communications to the market and investors required by the SFDR Regulation, responding annually to the UN PRI questionnaire, and publishing the Transparency Report. Furthermore, to ensure transparency towards investors, in the financial reports prepared in accordance with the Bank of Italy's instructions, there is a specific paragraph about responsible investments. In addition, there is a quarterly report, based on guidelines for the presentation of financial information (IPEV Reporting Guidelines) and for valuations (International Private Equity and Venture Capital Valuation Guidelines), which highlights any critical issues and management's approach, also to issues of responsible investment.

Clessidra pays the utmost care and attention to data protection and the protection of the rights and freedoms of natural persons and to this end applies the technical and organisational measures needed to ensure implementation of the ruling regulations. In particular, the SGR implements appropriate and specific measures to avoid the violation of personal data, above all the risk of data loss or access by unauthorised parties. The Policy on the Protection of Personal Data and Data Breach is constantly updated with respect to regulatory changes and amendments to internal processes.

ENVIRONMENT

LOW-CARBON TRANSITION

Clessidra is aware of the priority dimension of the fight against climate change and a key objective of its investment strategies. According to the GHG Protocol, the international reference for the accounting of greenhouse gases, direct emissions (Scope 1) derive from the heating of offices and the company fleet. Indirect emissions (Scope 2) derive from the electricity purchased and used in the offices. Value chain emissions (Scope 3) include other indirect emissions in specific categories to be considered if relevant. For Clessidra, the relevant category is "investments", which includes Scope 1,2 and 3 emissions calculated or estimated for all companies with equity participation in the portfolio of managed funds.

The progressive quantification of the emissions of the value chain, with increasingly analytical methods, of the latter and of the emissions avoided is a fundamental step towards a better understanding of one's carbon footprint and of the margins that can be explored for the definition of solid mitigation programs aligned with the objectives of the Paris Climate Agreement.

	units	2019	2020	2021
Carbon footprint				
Scope 1		-	-	38
Scope 2 market based		-	-	112
location based	t CO₂	-	-	77
Scope 3		-	200,662	271,528
TOTAL		-	-	271,678

GHG Protocol

Scope 1 - direct emissions

Scope 2 - electricity indirect emissions

Scope 3 – other indirect emissions:

- 1 purchased goods and services
- 2 capital goods
- 3 other energy-related activities
- 4 upstream logistics
- 5 waste generated in operations
- 6 business travel
- 7 employee commuting
- 8 upstream leased assets
- 9 downstream logistics
- 10 processing of sold products
- 11 use of sold products
- 12 end-of-life treatment of sol
- 13 downstream leased assets
- 14 franchises
- 15 Investments

Scope 3 "Investments"

In 2021, the estimate is about 270,000 tons of CO₂ (about 200,000 in 2020) and includes all companies with equity participation in the portfolio of managed funds: Harmont & Blaine, Nexi / BFF-Depobank, L&S, Botter / Mondo del Vino, Sisma.

PORTFOLIO
COMPANIES
affiliated



Tecnica Group

Tecnica Group is a leading manufacturer of outdoor footwear and ski equipment with a portfolio that includes some of the industry's longest standing brand names: Tecnica (ski boots and footwear), Nordica (skis and boots), Moon Boot® (footwear), LOWA (hiking and outdoor shoes), Blizzard (skis) and Rollerblade (in-line skates).

Founded in 1962 by Giancarlo Zanatta, today it is an international group with 10 direct branches and agencies, and over 40 distribution partners, to serve a total of more than 80 countries around the world. 3,150 employees, including about 300 in Italy, almost all of whom work at the head office in Gaiavara del Montello (TV). It has been part of the Italmobiliare Group since November 2017, as an **affiliate with a 40% stake**.

Tecnica Group mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

Italmobiliare and Tecnica Group recognize the sensitive aspects of the sector, from the procurement of raw materials to the end-of-life of the products marketed and share the commitment to contribute positively to global challenges.

To confirm this, from November 2021, Tecnica Group formally adheres to the **United Nations Global Compact**, adopting policies and operational management in support of the Ten Principles and committing itself to actively contribute to the Sustainable Development Goals.

The adhesion took place at the conclusion of a path of awareness raising, culture sharing and detailed work with all the managers, thorough numerous sessions aimed at assessing in detail the risks, effects and opportunities that are relevant for the success of the activities managed by the group and for its multiple stakeholders. The same exercise made it possible to assess the Sustainable Development Goals in detail and identify the most significant ones for the group. The whole activity also saw the participation of the Italmobiliare sustainability team.

The group's industrial strategy puts people at the centre. On the market side, the reference is the consumer to whom the group aims to offer extraordinary experiences through exceptional products and inspiring a life in the open air. Internally, the focus is on human capital, through the promotion of

Tecnica Group supports the sustainable strategy of the Italmobiliare Group with direct adhesion to the United Nations Global Compact. To this end, it adopts policies and operational management in support of the Ten Principles and is committed to actively contribute to the Sustainable Development Goals.

- Responsibility and integrity in the **supply chain** to encourage ethical purchases and services, with social value and a low environmental footprint.
- Production **efficiency** to reduce the direct and indirect environmental footprint, from renewable energy to sustainable packaging and product durability.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and progressive working environment.
- Involvement of the **community**, including that of consumers, with products and initiatives capable of promoting responsible, healthy and outdoor lifestyles.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

health, safety and well-being in an inclusive and evolutionary work environment and the supply chain, promoting the purchase of goods and services with social value.

The measures that the group has decided to take to strengthen the Blizzard, LOWA, Moon Boot, Nordica, Rollerblade and Tecnica brands focus on innovation to come up with highly differentiated products, new distribution channels and programmes to make production and logistics more efficient. In addition, investments to reduce energy consumption, the installation of photovoltaic systems, the updating of industrial lighting systems and the promotion of electric mobility reflect the group's commitment in favour of the climate.

The group already applies these and other targeted actions, be they optimisation of the use of non-renewable resources, such as plastic materials, the choice of suppliers whose products come from recycling or sustainable processes, the study and application of biodegradable packaging and the reduction of single-use packaging using multicontent boxes.

The durability of the products in itself mitigates the environmental footprint. Outdoor footwear is designed and built to last, thanks to the quality of the raw materials used, virgin or recycled, to the technology and the competence and passion of the Group's people. Dedicated repair laboratories permit further creation of sustainable value, thus extending products life cycle.

The strategic plan in which the group is committed will lead to an organic approach to the sustainable approach adopted, further reinforced by joining the Global Compact. In this sense, the group considers the awareness and involvement of all its stakeholders to be fundamental, also through full transparency on its activities and performance: in fact, the publication of its first Sustainability Report is expected in 2022.



Autogas Nord - AGN ENERGIA

Founded in 1958 along with the distribution of LPG for domestic, agricultural, industrial and automotive use, Autogas Group is today a leading energy multi-utility at national level. Over the years, the offer has been diversified to include the supply of electricity and natural gas, energy efficiency solutions, solar and photovoltaic renewables and support for electric mobility. It has been part of the Italmobiliare Group since October 2018, as an **affiliate with a 30% stake**.

Autogas Nord – AGN ENERGIA

adopts policies and operational management in line with the Italmobiliare Group's commitment to the Global Compact, confirming support for the Ten Principles and contributing to the Sustainable Development Goals.

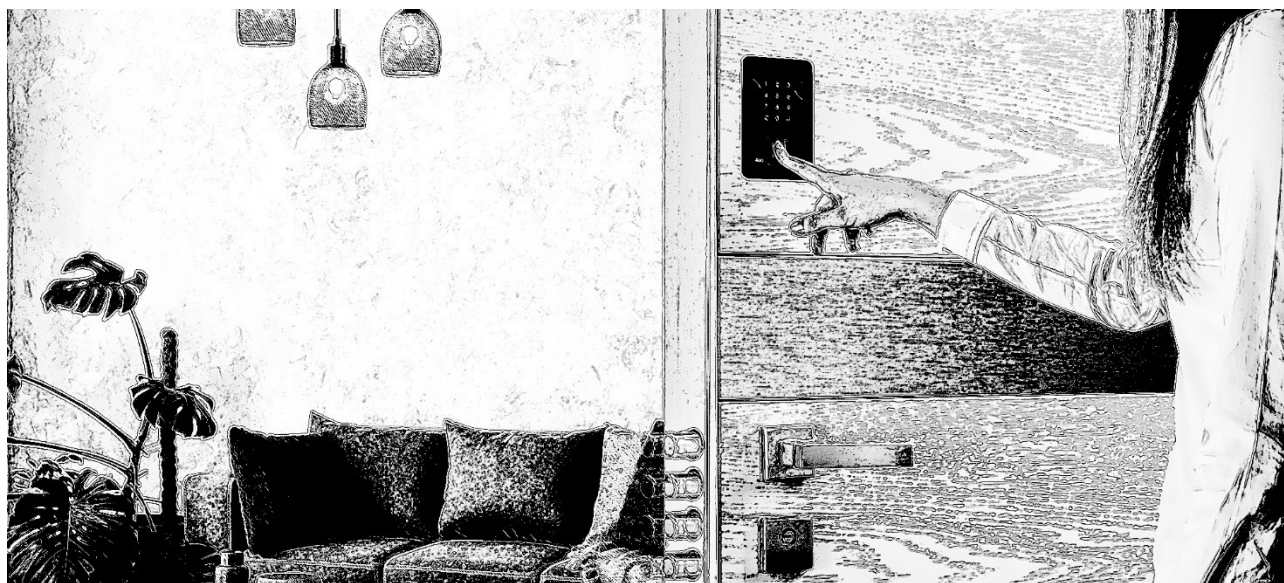
- Responsibility and integrity in the choice of **business partners**.
- Renewable energies and integrated services to support the **low-carbon transition**.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and modern working environment.
- Involvement of the **community**, including that of consumers, with products and services capable of promoting responsible lifestyles and social initiatives for the local area.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

Autogas Nord - AGN ENERGIA Group mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

Over years, Autogas Group continued the diversification and expansion of its offer into all energy sectors: supply of natural gas and green electricity, technical gases, production from renewable sources, energy efficiency solutions and electric mobility solutions. Today, the company represents a point of reference for all energy needs with the aim of guiding its customers down the path of energy transition, guaranteeing positive effects on the environment through advantageous solutions and access to more sustainable energy resources; also thanks to the strong domestic presence that characterises the company's actions and its orientation towards a type of economic development that enhances the local territory and the communities to which it belongs.

Italmobiliare and Autogas Group recognize the sensitive aspects of the energy sector and share the key role of multi-utilities in the transition to a low-carbon economy and in promoting responsible lifestyles. In 2021, the Autogas Group strengthened internal initiatives to increase management competence and further integrate sustainability into business strategies.

Also with the support of the Italmobiliare sustainability team, the ESG aspects relevant to the success of the activities managed by the group were assessed, crossing them with the perception of its multiple stakeholders. The same exercise made it possible to evaluate the Sustainable Development Goals in detail, identify the most significant ones for the group and define the metrics to evaluate the contribution of the many sustainable initiatives already undertaken and planned.



Iseo

Founded in 1969 in Pisogne (Brescia), Iseo is a European leader in the design, manufacture and sale of products for intelligent access management and anti-intrusion security. Thanks to the acquisitions made over time, the Iseo Group has production sites in Italy, France, Germany, Spain, the United Kingdom and South Africa and commercial companies in China, Asia, Romania, the Middle East and South America. It has been part of the Italmobiliare Group since October 2018, as an **affiliate with a 39.28% stake**.

Iseo mirrors the sustainable strategy of the Italmobiliare Group, through policies, management, operating methods and initiatives designed according to its specific characteristics, helping to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of safeguarding the environment and actively involved in every aspect of business integrity.

Italmobiliare and Iseo recognize the sensitive aspects of the sector and share a passion for safety, with a vision that extends from the technical aspects of the products marketed to the perception of the value of people and the environment in which they live and work.

For Iseo, sustainability is a commitment built on values that unite ethics, environment, energy, safety and respect for the interests of all parties involved in the quality and reliability of innovative products. Advanced and participatory management systems constitute not only a guarantee of environmental, energy, health, safety and quality performances for the benefit of the market and the community, but also a continuous stimulus for the professional and motivational growth of the people in the group, at all levels. Thanks to an effectively integrated management policy, Iseo has ISO 9001 (quality), ISO 14001 (Environment), ISO 50001 (energy) and ISO 45001 (health and safety) certifications.

Attention to the people in the group is also important, with training plans for the development of human capital, the promotion of corporate welfare or the creation of a solidarity fund dedicated to staff and family members to support expenses related to health, study, physical activities and other individual needs.

In 2021, with the support of the Italmobiliare sustainability team, the competence and awareness of management on ESG aspects was strengthened and updated, also activating the process of assessing the materiality matrix, the starting point for defining even more challenging sustainable objectives.



Iseo adopts policies and operational management in line with the Italmobiliare Group's commitment to the Global Compact, confirming support for the Ten Principles and contributing to the Sustainable Development Goals.

- Responsibility and integrity in the **supply chain** to encourage ethical purchases and services, with social value and a low environmental footprint.
- Production **efficiency** to reduce the direct and indirect environmental footprint.
- Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and modern working environment.
- Involvement of the **community**, including that of consumers, with products capable of promoting comfort and safety and initiatives aimed at promoting responsible lifestyles.
- **Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.

SUPPLEMENTARY
DATA

GRI 102-8 Information on employees and other workers

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (OPEN-ENDED AND FIXED- TERM), BY GENDER

		2019			2020			2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
GROUP*	TOTAL	470	1,249	1,719	481	1,294	1,775	327	488	815
	Open-ended	429	1,162	1,591	433	1,214	1,647	260	448	708
	Fixed-term	41	87	128	48	80	128	67	40	107
Italy*	TOTAL	120	631	751	133	679	812	312	478	790
	Open-ended	119	590	709	126	630	756	248	438	686
	Fixed-term	1	41	42	7	49	56	64	40	104
United Kingdom*	TOTAL	21	63	84	18	61	79	2	3	5
	Open-ended	21	63	84	18	61	79	2	3	5
	Fixed-term	0	0	0	0	0	0	0	0	0
USA	TOTAL	-	-	-	-	-	-	13	7	20
	Open-ended	-	-	-	-	-	-	10	7	17
	Fixed-term	-	-	-	-	-	-	3	0	3

* 2019 and 2020 data also include the Sirap perimeter, not consolidated in 2021. For Sirap, the data for the countries not present in the current perimeter of the Group are not shown, namely France, Germany, Poland, Spain, Hungary.

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (FULL-TIME AND PART-TIME), BY GENDER

		2019			2020			2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
GROUP*	TOTAL	470	1,249	1,719	481	1,294	1,775	327	488	815
	Full-time	423	1,229	1,652	432	1,259	1,691	186	462	648
	Part-time	47	20	67	49	35	84	141	26	167

* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

NON-EMPLOYEE WORKERS,

		2019	2020	2021
GROUP*	TOTAL	176	334	670
	Temporary workers, self-employed workers, project workers	156	261	564
	Interns	4	2	14
	Agents	16	71	92

* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

GRI 102-9 and 204-1 Supply chain

TOTAL NUMBER OF SUPPLIERS AND LIST OF MAIN TYPES OF GOODS AND SERVICES PROVIDED TO THE CONTROLLED COMPANIES

		2019	2020	2021
GROUP *	Total number of suppliers	3,829	4,302	3,572
	Spending on local suppliers (with headquarters on national territory)			88%
Italmobiliare S.p.A.	Management software Consulting services			
Caffè Borbone	Raw coffee Packaging materials Logistic services			
Officina Profumo-Farmaceutica di Santa Maria Novella	Base raw materials, cosmetic ingredients and fragrances Packaging materials Logistic services			
Italgen	Supply, installation, implementation and maintenance of mechanical, electrical and instrumental equipment for power plants Renovation and/or repair of buildings, intake and derivation works Engineering services			
Casa della Salute	Medical-surgical devices Diagnostic systems IT solutions Maintenance, cleaning and sanitizing services.			
Capitelli	Pork meat Trading services			
Callmewine	Bottled wines Packaging materials Logistic services			
Clessidra	Management software Consulting services			

* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

GRI 102-41 Collective bargaining agreements

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

		2019	2020	2021
GROUP *		82%	64%	97%
Italmobiliare S.p.A.	CCNL Cement and CCNL Industry Managers	100%	100%	100%
Caffè Borbone	CCNL Food Industry	100%	100%	100%
Officina SMN	CCNL Chemical Industry	-	-	86%
Italgen	CCNL Cement and CCNL Industry Managers	100%	100%	100%
Casa della Salute	CCNL Private Health	-	-	100%
Capitelli	CCNL Food Industry	-	-	100%
Callmewine	CCNL Commerce	-	-	100%
Clessidra	CCNL Commerce and Services	100%	100%	100%

* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

GRI 305-1/2 Direct (Scope 1) and indirect (Scope 2) GHG emissions, by country

TONNES OF CO₂ EMITTED

		2019	2020	2021
GROUP*	Scope 1	7,028.7	9,331.5	7,151.1
	Scope 2 (location based)	18,688.6	18,477.6	6,169.9
	Scope 2 (market based)	25,158.7	21,621.0	3,914.2

* 2019 and 2020 data also include Sirap perimeter, not consolidated in 2021.

CONVERSION FACTORS USED

			2019	2020	2021
Source: UK Government - GHG Conversion Factors for Company Reporting 2019/2020/2021	Electricity	GJ/kWh	0.0036	0.0036	0.0036
		GJ/t	44.798	44.76	45.03
	Natural gas (methane)	kg/mc	0.8	0.8	0.8
		GJ/mc	0.0358384	0.035808	0.035840
	Gas oil	GJ/t	42.569	42.57	42.57
		l/t	1,171	1,171	1,171
		GJ/l	0.03635269	0.036353544	0.03635269
	Diesel	GJ/t	42.72	42.64	42.47
		l/t	1,190.45	1,189.54	1,181.80
		GJ/l	0.035885589	0.035845789	0.035940152
	Petrol	GJ/t	43.86	43.83	43.80
		l/t	1,357	1,357.02	1,343.79
		GJ/l	0.032321297	0.032298713	0.0325944514
	LPG	GJ/t	45.91	45.94	45.94
		l/t	1.929	1.889.47	1887.69
		GJ/l	0.023799896	0.024313696	0.024338807

CO₂ EMISSION FACTORS USED

			2019	2020	2021
Source: UK Government - GHG Conversion Factors for Company Reporting 2019/2020/2021	Natural gas (methane)	tCO ₂ e/m ³	0.00204652	0.00202266	0.00202135
	Gas oil for production processes and heating		0.00297049	0.00254603	0.00275857
	Diesel	tCO ₂ e/l	0.00262694	0.00275776	0.00251233
	Petrol		0.00220307	0.00216802	0.00219352
	LPG		0.00151906	0.00155537	0.00155709
	R-407C		1,774	1,774	1,774
	HFC R134	GWP	1,100	1,100	1,430.0
	R-22		1,810	1,810	1,810
	R-404A		3,922	3,922	3,922
Source: Terna, International Comparisons 2021, 2020, 2019	Italy	tCO ₂ /kWh	0.000359	0.000336	0.000315
Source: European Residual Mixes 2021, 2020, 2019	Electricity location based				
	Italy	tCO ₂ /kWh	0.00048329	0.000466	0.000459
Source: European Residual Mixes 2021, 2020, 2019	Electricity market based				
	Italy	tCO ₂ /kWh	0.00048329	0.000466	0.000459

GRI 303-3/4/5 Water withdrawal, discharge and consumption

Data expressed in Megaliters (MI), for the whole Italmobiliare Group. In line with previous years, withdrawal, discharge and consumption related to Caffè Borbone are excluded.

		2019	2020	2021
Volume and source of water withdrawal	Surface water	0.6	0.0	0.0
	<i>from water stressed areas</i>	0.0	0.0	0.0
	Groundwater	515.2	405.5	20.4
	<i>from water stressed areas</i>	11.1	10.6	0.0
	Aqueduct	22.2	27.0	9.3
	<i>from water stressed areas</i>	1.3	1.7	3.6
	TOTAL	538.0	432.6	29.7
	<i>in water stressed areas</i>	12.4	12.3	3.6
	<i>in freshwater</i>	538.0	432.6	29.7
	<i>in other water bodies (>1,000 mg/l total dissolved solids)</i>	0.0	0.0	0.0
Volume and destination of water discharge	Surface water	415.3	331.7	14.0
	<i>in water stressed areas</i>	0.0	0.0	0.0
	Groundwater	0.0	4.9	0.0
	<i>in water stressed areas</i>	0.0	0.0	0.0
	Sewage	27.1	30.6	1.1
	<i>in water stressed areas</i>	1.3	0.8	0.04
	TOTAL	442.3	367.1	15.1
	<i>in water stressed areas</i>	1.3	0.8	0.04
	<i>in freshwater</i>	434.4	367.1	15.1
	<i>in other water bodies (>1,000 mg/l total dissolved solids)</i>	7.4	0.0	0.0
Water consumption	TOTAL	95.7	65.5	14.6
	<i>in water stressed areas</i>	11.1	11.5	3.5

GRI 401-1 Total number and rate of new hires and turnover rate by age group, gender and region

The rate of new hires is the ratio between employees hired during the reporting period and the total number of employees. The turnover rate is the ratio between employees who have terminated their relationship with the Company and the total number of employees. The rate of new hires for persons under 30 is the ratio between employees under 30 during the reporting period and total employees under 30. The same process is applied for the rate of new hires of employees aged between 30 and 50 and for those aged over 50, as well as for the turnover rate.

		2019				2020				2021			
		Women	Men	Total	rate %	Women	Men	Total	rate %	Women	Men	Total	rate %
GROUP *	Total	429	955	1,384	-	481	1,294	1,775	-	327	488	815	-
	< 30	34	104	138	-	42	151	193	-	75	78	153	-
	30-50	238	570	808	-	248	768	1,016	-	193	315	508	-
	> 50	157	281	438	-	191	375	566	-	59	95	154	-
	Entry	74	165	239	17%	40	129	169	10%	139	107	246	30%
	rate %	17%	17%	17%	-	8%	10%	10%	-	43%	22%	30%	-
	< 30	18	52	70	51%	10	33	43	22%	58	38	96	63%
	30-50	39	94	133	17%	23	81	104	10%	71	57	128	25%
	> 50	17	19	36	8%	7	15	22	4%	7	10	17	14%
	Exit	80	183	263	19%	41	114	155	9%	45	42	87	11%
	rate %	19%	19%	19%	-	9%	9%	9%	-	14%	9%	11%	-
	< 30	15	35	50	36%	4	24	28	15%	17	14	31	20%
	30-50	39	89	128	16%	25	48	73	7%	21	18	39	8%
	> 50	26	59	85	19%	12	42	54	10%	7	10	17	11%
Italy *	Entry	17	82	99	24%	6	61	67	8%	134	105	239	30%
	rate %	22%	24%	24%	-	5%	9%	8%	-	43%	22%	30%	-
	< 30	4	29	33	69%	1	17	18	17%	56	37	93	63%
	30-50	11	48	59	24%	3	39	42	9%	70	56	126	25%
	> 50	2	5	7	6%	2	5	7	3%	8	12	20	14%
	Exit	8	55	63	15%	4	44	48	6%	43	40	83	11%
	rate %	10%	16%	15%	-	3%	6%	6%	-	14%	8%	11%	-
	< 30	1	12	13	27%	2	8	10	10%	16	12	28	19%
	30-50	4	20	24	10%	1	20	21	4%	20	18	38	8%
	> 50	3	23	26	22%	1	16	17	8%	7	10	17	12%
United Kingdom *	Entry	0	6	6	7%	1	11	12	15%	0	0	0	0%
	rate %	0%	10%	7%	-	6%	18%	15%	-	0%	0%	0%	-
	< 30	0	2	2	15%	0	3	3	30%	0	0	0	0%
	30-50	0	3	3	7%	1	6	7	17%	0	0	0	0%
	> 50	0	1	1	3%	0	2	2	7%	0	0	0	0%
	Exit	5	42	47	56%	4	13	17	22%	0	0	0	0%
	rate %	24%	67%	56%	-	22%	21%	22%	-	0%	0%	0%	-
	< 30	2	8	10	77%	0	4	4	40%	0	0	0	0%
	30-50	2	19	21	50%	3	4	7	17%	0	0	0	0%
	> 50	1	15	16	55%	1	5	6	22%	0	0	0	0%
USA	Entry	-	-	-	-	-	-	-	-	5	2	7	35%
	rate %	-	-	-	-	-	-	-	-	38%	29%	35%	-
	< 30	-	-	-	-	-	-	-	-	2	1	3	60%
	30-50	-	-	-	-	-	-	-	-	1	1	2	29%
	> 50	-	-	-	-	-	-	-	-	2	0	2	25%
	Exit	-	-	-	-	-	-	-	-	3	2	5	7%
	rate %	-	-	-	-	-	-	-	-	15%	43%	25%	-
	< 30	-	-	-	-	-	-	-	-	1	2	3	60%
	30-50	-	-	-	-	-	-	-	-	1	1	2	29%
	> 50	-	-	-	-	-	-	-	-	0	0	0	-

* 2019 and 2020 data also include the Sirap perimeter, not consolidated in 2021. For Sirap, the data for the countries not present in the current perimeter of the Group are not shown, namely France, Germany, Poland, Spain, Hungary.

GRI 403-9 number and rate of recordable work-related injuries, with high-consequence work-related injuries or fatalities, by country

NUMBER AND RATE OF INJURIES PER MILLION HOURS WORKED

Data include work-related injuries, injuries with high consequences and fatalities, excluding events occurring on the commute from home to work not organized by the Group companies. High-consequence injuries are those from which a worker cannot recover, does not recover or it is not realistic to foresee that they will fully recover by returning to their pre-accident state of health within 6 months. The data relating to the hours worked by external collaborators of Casa della Salute and Officina Profumo-Farmaceutica Santa Maria Novella are not accounted for, as they are not under direct control.

		2019	2020	2021
Italy *	Employees	Number of fatalities	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0
		Number of recordable injuries	6	6
		Hours worked	1,194,622.0	1,291,459.5
		Rate of fatalities	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0
	Non-employees	Rate of recordable injuries	5.0	4.6
		Number of fatalities	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0
		Number of recordable injuries	2	1
		Hours worked	47,981.8	116,479.5
		Rate of fatalities	0.0	0.0
United Kingdom * **	Employees	Rate of high-consequence injuries (excluding fatalities)	0.0	0.0
		Rate of recordable injuries	41.7	8.6
	Non-employees	Number of fatalities	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0
		Number of recordable injuries	1	1
		Hours worked	207,910.0	148,030.0
		Rate of fatalities	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0
		Rate of recordable injuries	4.8	6.8
	Non-employees	Number of fatalities	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0
		Number of recordable injuries	0	0
USA **	Employees	Hours worked	4,280.0	4,069.0
		Rate of fatalities	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0
		Rate of recordable injuries	0.0	0.0
	Non-employees	Number of fatalities		
		Number of high-consequence injuries (excluding fatalities)		
		Number of recordable injuries		
		Hours worked		34,560.0
		Rate of fatalities		0.0
		Rate of high-consequence injuries (excluding fatalities)		0.0
		Rate of recordable injuries		0.0

* 2019 and 2020 data also include the Sirap perimeter, not consolidated in 2021. For Sirap, the data for the countries not present in the current perimeter of the Group are not shown, namely France, Germany, Poland, Spain, Hungary.

** the hours worked relating to the UK and US activities of Officina Profumo-Farmaceutica di Santa Maria Novella are estimated

European Taxonomy – Regulation (EU) 2020/852

For all the Portfolio Companies and in order to promote investments and operating costs aimed at sustainable activities, the capital (Capex) and operating (Opex) expenditures related to eligible activities according to Regulation 2020/852. Eligibility was assessed with reference to the "climate change mitigation" and "climate change adaptation" criteria. Data are expressed in thousands of Euros.

	2019		2020		2021	
	Capex	Opex	Capex	Opex	Capex	Opex
Energy efficiency devices for buildings, including windows, lighting systems, and heating systems for domestic use	-	-	-	-	304.9	60.0
Installation and operation of electric heat pumps					605.0	-
Recovery of materials from non-hazardous waste for reuse in production processes					-	28.6
Rental, leasing and management of cars and light commercial vehicles					80.3	48.8
Construction and renovation of buildings					539.0	13.2
Installation, maintenance, and repair of energy efficiency devices					193.5	-
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and in the parking spaces belonging to the buildings)					31.2	-
Installation, maintenance, and repair of renewable energy technologies (solar, heat pumps, micro-cogeneration plants, recovery systems / heat exchangers)					-	4.5
Data processing, hosting and related activities					561.1	146.7
Storage of electrical energy					31.5	-
TOTAL eligible expenses					2,346.5	301.7
TOTAL expenses					55,957.0	88,172.0
%					4.2%	0.3%

REPORTING

REPORTING

Scope and methodology

The Sustainability Report includes the services, data and information on the parent company Italmobiliare and on all the companies consolidated on a line-by-line basis in the Annual Report, excluding those which, due to the insignificance of the business (% NAV, assets, number of employees) or due to the absence of significant environmental, social or governance aspects or because of the type of business, are considered irrelevant in order to represent the Group's sustainable strategy.

In the event of changes to the scope of consolidation during the year, such as the acquisition or sale of companies or changes in the percentage of control, the data and information relating to these companies will in principle be included or excluded in accordance with the Annual Report or in any case in the following cases:

- For companies that entered the scope of consolidation in the first 6 months of the year, figures and information are normally included in the Sustainability Report for the entire year.
- For companies that entered the scope of consolidation in the last 6 months of the year, the figures and information are normally excluded from the Sustainability Report.
- For companies that were excluded from the scope of consolidation in the first 6 months of the year, the situation is considered case by case whether to include or exclude the figures and information in the Sustainability Report for the entire year.

For Portfolio Companies that are controlled but not yet consolidated and other affiliates, key figures and information are provided. The following table summarizes the evolution of the reporting perimeter, over years.

	Investment year	Share held	2019	2020	2021
Parent Company and Consolidated Portfolio Companies (full information and data)					
Italmobiliare			✓	✓	✓
Sirap	1990-2021	100%	✓	✓	-
Italgas	July 2016	100%	✓	✓	✓
Clessidra	September 2016	100%	✓	✓	✓
Caffè Borbone	May 2018	60%	✓	✓	✓
Capitelli	December 2019	80%		✓	✓
Officina Profumo-Farmaceutica di Santa Maria Novella	January 2020	100%			✓
Casa della Salute	December 2020	85%			✓
Callmewine	December 2020	80%			✓
Affiliated Portfolio Companies (basic information only)					
Tecnica Group	November 2017	40%		✓	✓
Iseo	October 2018	39%		✓	✓
Gruppo Autogas Nord - AGN ENERGIA	January 2019	30%		✓	✓

In 2021 Sirap finalized strategic agreements that led to the gradual sale of all production assets. Therefore, for non-financial reporting, the Sirap perimeter is entirely excluded from the 2021 consolidation. Although fully controlled and consolidated, Franco Tosi Ventures, Crédit Mobilier de Monaco, Italmobiliare Servizi, Punta Ala and SEPAC are not included, as their activities are not relevant to the Group's sustainable strategy. Together they represent less than 5% of NAV, have a very limited number of employees, and have no significant environmental, social or governance aspects.

The scope of the economic and financial data and information in this Report is the same as that of the Consolidated Financial Statements of the Italmobiliare Group at 31 December 2021. The economic data relating to the comparative year 2020 differ from those reported in the consolidated financial statements, as they are restated following the IFRS 5 reclassification of Sirap Gema. The scope of the figures and information provided in this report varies according to the materiality of these topics for the various Group companies. Minor administrative and commercial offices, which are not relevant to the Group's sustainable strategy, are excluded.

		Italmobiliare Group and Parent Company		Consolidated Portfolio Companies						
		Gruppo Italmobiliare	Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	Clessidra
GOVERNANCE	ECONOMIC RESULTS AND SHARED VALUE	✓								
	GOVERNANCE AND INTEGRITY	✓		✓	✓	✓	✓	✓	✓	✓
	RESPONSIBLE INVESTMENTS	✓								✓
	PROCUREMENT AND SUPPLY CHAIN	✓		✓	✓	✓	✓	✓	✓	
SOCIETY	HUMAN CAPITAL DEVELOPMENT	✓	✓	✓	✓	✓	✓	✓	✓	✓
	HEALTH, SAFETY AND WELLBEING	✓	✓	✓	✓	✓	✓	✓	✓	✓
	PRODUCT AND SERVICE STEWARDSHIP	✓		✓	✓	✓	✓	✓	✓	
	MARKET AND COMMUNITIES	✓		✓	✓	✓		✓	✓	✓
ENVIRONMENT	RESPONSIBLE USE OF RESOURCES	✓		✓	✓	✓	✓	✓	✓	
	LOW-CARBON TRANSITION	✓		✓	✓	✓	✓	✓	✓	✓
	LAND AND BIODIVERSITY					✓				

With specific reference to the accountings of the carbon footprint, the following categories were considered as material and included in calculations or estimates.

		Italmobiliare	Caffè Borbone	Officina SMN	Italgen	Casa della Salute	Capitelli	Callmewine	Clessidra
SCOPE 1	Direct GHG emissions	✓	✓	✓	✓	✓	✓	✓	✓
SCOPE 2	Electricity indirect GHG emissions	✓	✓	✓	✓	✓	✓	✓	✓
SCOPE 3 Other indirect GHG emissions	1 Purchased goods and services		✓	✓		✓	✓	✓	
	2 Capital goods					✓			
	3 Fuel- and energy-related activities				✓	✓			
	4 Upstream logistics		✓			✓	✓	✓	
	5 Waste generated in operations					✓			
	6 Business travel								
	7 Employee commuting								
	8 Upstream leased assets								
	9 Downstream logistics		✓	✓			✓	✓	
	10 Processing of sold products								
	11 Use of sold products		✓						
	12 End-of-life treatment of sold products		✓				✓	✓	
	13 Downstream leased assets								
	14 Franchises								
	15 Investments	✓							✓

Estimates were used as little as possible to give a true representation of performance and to ensure that the figures are reliable. Where estimates have been used, they are based on the best available methodologies and appropriately reported. The data relating to the financial year 2019 and 2020 are reported for comparative purposes in order to facilitate the understanding of the performance trend.

The 2021 Sustainability Report was drawn up in compliance with the "Sustainability Reporting Standards" defined by the Global Reporting Initiative (GRI), according to the "in accordance - Core" option. In addition, the "Financial Services Sector Disclosures" for Italmobiliare and Clessidra and the "Electric Utilities Sector Disclosures" for Italgas, defined by the GRI in 2013, were taken into consideration.

The "Supplementary Data" section is an integral part of this document. It contains the detailed information and data, in order to give complete evidence of the coverage of the GRI indicators associated with each theme that emerged as material. The Group has implemented a reporting process of non-financial information which involved the subsidiaries, both in the definition of material issues and by sharing the reporting model established by the Parent Company.

The methodology adopted for the 2021 materiality matrix is described on page F14. The new methodology did not change the material topics identified in the previous analysis, but it has better positioned them in the matrix and better attributed to the individual consolidated entities. To make the matrix more communicative, material topics have been aggregated into macro-issues on the basis of their affinity, following the reconciliation table hereunder.

Macro-issues	GRI standard	
ECONOMIC RESULTS AND SHARED VALUE	201	Economic performance
GOVERNANCE AND INTEGRITY	205	Anti-corruption
	206	Anti-competitive behaviour
	207	Tax
	307	Environmental compliance
	419	Socioeconomic compliance
RESPONSIBLE INVESTMENTS	FS10	Financial Services: environmental or social interactions with the portfolio
	FS11	Financial Services: environmental or social screening of the portfolio
	412	Human rights assessment
PROCUREMENT AND SUPPLY CHAIN	204	Procurement practices
	407	Freedom of association and collective bargaining
	408	Child labour
	409	Forced or compulsory labour
HUMAN CAPITAL DEVELOPMENT	202	Market presence
	401	Employment
	404	Training and education
	405	Diversity and equal opportunity
	406	Non-discrimination
HEALTH, SAFETY AND WELLBEING	401	Employment
	403	Occupational health and safety
PRODUCT AND SERVICE STEWARDSHIP	416	Customer health and safety
	EU25	Electric Utilities: number of industrial incidents
	EU28	Electric Utilities: power outage frequency
	EU29	Electric Utilities: average power outage duration
MARKET AND COMMUNITIES	417	Marketing and labelling
	418	Customer privacy
RESPONSIBLE USE OF RESOURCES	301	Materials
	302	Energy
	303	Water and effluents
	306	Waste
LOW-CARBON TRANSITION	305	Emissions
LAND AND BIODIVERSITY	304	Biodiversity

This Sustainability Report, which is drawn up on an annual basis, was approved by the Risks and Sustainability Committee of Italmobiliare S.p.A. at its meeting of February 22, 2022 and by the Board of Directors on March 8, 2022.

The Report is also subject to a limited review (or "limited assurance engagement" according with the criteria indicated by ISAE 3000 Revised) by Deloitte & Touche S.p.A. which, at the end of its work, releases a specific report on the consistency of the information provided in the consolidated non-financial statement prepared by Italmobiliare S.p.A. in accordance with Legislative Decree 254/2016.

This document is available at: <https://www.italmobiliare.it/en/sustainability/sustainability-report>. For information or clarification, contact the company at the email address IR@Italmobiliare.it.

UN Global Compact: Communication On Progress (COP)



The Italmobiliare Group adheres to the United Nations Global Compact by means of a declaration of commitment - both formal and substantial - to promote a healthy, inclusive and sustainable global economy, respectful of human and labour rights, capable of protecting the environment and actively involved in every aspect of business integrity. To this end, Italmobiliare shares, supports and applies the 10 fundamental principles of the Global Compact in its sphere of influence and actively contributes to the achievement of the United Nations Sustainable Development Goals.

The Sustainability Report contains the information necessary for the Communication on Progress (COP), formally due to report on progresses in the implementation. The following table makes reference to the appropriate sections of the Report. The graph on page F17 details the direct and indirect contribution to the SDGs.

Principles of the Global Compact		Material topics and sections of the Report
HUMAN RIGHTS		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN HUMAN CAPITAL DEVELOPMENT HEALTH, SAFETY AND WELLBEING PRODUCT AND SERVICE STEWARDSHIP MARKET AND COMMUNITIES RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION LAND AND BIODIVERSITY
Principle 2	make sure that they are not complicit in human rights abuses.	
LABOUR		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN HUMAN CAPITAL DEVELOPMENT
Principle 4	the elimination of all forms of forced and compulsory labour;	
Principle 5	the effective elimination of child labour; and	
Principle 6	the elimination of discrimination in respect of employment and occupation.	
ENVIRONMENT		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	RESPONSIBLE INVESTMENTS PRODUCT AND SERVICE STEWARDSHIP RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION LAND AND BIODIVERSITY
Principle 8	undertake initiatives to promote greater environmental responsibility; and	
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	
ANTI-CORRUPTION		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN MARKET AND COMMUNITIES

Non-Financial Report (NFR)

The Sustainability Report contains the information necessary to meet the requirements of the consolidated non-financial report (NFR) in compliance with Legislative Decree 254/16. As required by Art. 5 of the Decree itself, is published separately from the management report.

The document reports on the issues deemed relevant and foresees by Art. 3 and by Art. 4 of Legislative Decree 254/2016 with reference to the 2021 financial year (from 1 January to 31 December), to the extent necessary to ensure the understanding of the business activity, its trend, results, social and environmental impacts.

The definition of the relevant issues for the Italmobiliare Group and its stakeholders took place on the basis of the structured materiality analysis process described in the "Strategy, materiality and SDGs" paragraph of this document.

The following table summarises the main elements.

Themes requested by Legislative Decree 254/16	Material topics and sections of the Report
a) The business model for the management and organization of the company's activities, including any organization and management models adopted pursuant to article 6, paragraph 1, letter a), of legislative decree 231, also with reference to the management of the aforementioned issues b) The policies enforced by the company, including those related to due diligence, the results achieved and the key performance indicators of non-financial nature c) The policies enforced by the company, including those related to due diligence, the results achieved and the key performance indicators of non-financial nature	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT AND SUPPLY CHAIN
Environment	
a) The use of energy resources, distinguishing between those produced from renewable and non-renewable sources, and the use of water resources b) Greenhouse gas emissions and polluting emissions into the atmosphere c) The impact, where possible on the basis of hypotheses or realistic scenarios even in the medium term, on the environment as well as on health and safety, associated with risk factors or other relevant environmental and health risk factors	RESPONSIBLE USE OF RESOURCES LOW-CARBON TRANSITION LAND AND BIODIVERSITY
Social aspects related to personnel and respect for human rights	
c) The impact, where possible on the basis of hypotheses or realistic scenarios even in the medium term, on the environment as well as on health and safety, associated with risk factors or other relevant environmental and health risk factors d) Social aspects and aspects relating to personnel management, including the actions taken to guarantee gender equality, the measures aimed at implementing the conventions of international and supranational organizations on the subject, and the ways in which dialogue with the social partners e) Respect for human rights, the measures adopted to prevent violations, as well as the actions taken to prevent discriminatory attitudes and actions	HUMAN CAPITAL DEVELOPMENT HEALTH, SAFETY AND WELLBEING PRODUCT AND SERVICE STEWARDSHIP MARKET AND COMMUNITIES
Fight against active and passive corruption	
f) Fight against both active and passive corruption, with indication of the tools adopted for this purpose	GOVERNANCE AND INTEGRITY RESPONSIBLE INVESTMENTS

GRI standards

		Page / Remarks	Omissions
GRI 102	General Disclosures 2016		
102-1	Name of the organisation	F3	
102-2	Activities, brands, products, and services	F11	
102-3	Location of headquarters	F3	
102-4	Location of operations	F11	
102-5	Ownership and legal form	F8	
102-6	Markets served	F11	
102-7	Scale of the organisation	F13	
102-8	Information on employees and other workers	F24, 96	
102-9	Supply chain	F38, F46, F54, F62, F68, F76, F97	
102-10	Significant changes to the organisation and its supply chain	F11	
102-11	Precautionary principle or approach	F28	
102-12	External initiatives	F10	
102-13	Membership of associations	F27	
102-14	Statement from senior decision-maker	A4	
102-16	Values, principles, standards, and norms of behaviour	F10, F20	
102-18	Governance structure	F20	
102-20	Executive-level responsibility for economic, environmental, and social topics	F14, F20	
102-21	Consulting stakeholders on economic, environmental, and social topics	F14	
102-22	Composition of the highest governance body and its committees	F20, Report on Corporate Governance	
102-23	Chair of the highest governance body	F20, Report on Corporate Governance	
102-26	Role of highest governance body in setting purpose, values, and strategy	F14, F20	
102-29	Identifying and managing economic, environmental, and social impacts	F14	
102-30	Effectiveness of risk management processes	F21	
102-32	Highest governance body's role in sustainability reporting	F109	
102-40	List of stakeholder groups	F26	
102-41	Collective bargaining agreements	F97	
102-42	Identifying and selecting stakeholders	F14	
102-43	Approach to stakeholder engagement	F14	
102-44	Key topics and concerns raised	F14	
102-45	Entities included in the consolidated financial statements	F106	
102-46	Defining report content and topic Boundaries	F106	
102-47	List of material topics	F21, F106	
102-48	Restatements of information	F107	
102-49	Changes in reporting	F107	
102-50	Reporting period	F107	
102-51	Date of most recent report	31 March 2021	
102-52	Reporting cycle	F104	
102-53	Contact point for questions regarding the report	www.italmobiliare.it/en/contacts	
102-54	Claims of reporting in accordance with the GRI Standards	F108	
102-55	GRI content index	F112	
102-56	External assurance	F117	

		Page / Remarks	Omissions
ECONOMIC RESULTS AND SHARED VALUE			
103-1	Explanation of the material topic and its boundary	F14, F106	
103-2	The management approach and its components	F18-19	
103-3	Evaluation of the management approach	F18-19	
GRI 201	Economic Performance 2016		
201-1	Direct economic value generated and distributed	F18-19	
GOVERNANCE AND INTEGRITY			
103-1	Explanation of the material topic and its boundary	F20, F106	
103-2	The management approach and its components	F20-21	
103-3	Evaluation of the management approach	F20-21	
GRI 205	Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	F20	
205-3	Confirmed incidents of corruption and actions taken	F21	
GRI 206	Anti-competitive Behaviour 2016		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	F21	
GRI 207	Tax 2019		
207-1	Approach to tax	F21	
207-2	Tax governance, control, and risk management	F21	
207-3	Stakeholder engagement and management of concerns related to tax	F21	
207-4	Country-by-country reporting	F21	
GRI 307	Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	F21	
GRI 419	Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	F21	
RESPONSIBLE INVESTMENTS			
103-1	Explanation of the material topic and its boundary	F22, F106	
103-2	The management approach and its components	F22	
103-3	Evaluation of the management approach	F22	
GRI Sector Disclosure - Financial Services			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	100%, F22, F83	
FS11	Percentage of assets subject to positive and negative environmental or social screening	100%, F22, F83	
GRI 412	Human Rights Assessment 2016		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	F22, F83	

		Page / Remarks	Omissions
PROCUREMENT AND SUPPLY CHAIN			
103-1	Explanation of the material topic and its boundary	F14, F106	
103-2	The management approach and its components	F38, F46, F54, F62, F68, F76	
103-3	Evaluation of the management approach	F38, F46, F54, F62, F68, F76	
GRI 204	Procurement Practice 2016		
204-1	Proportion of spending on local suppliers	F38, F46, F54, F62, F68, F76	
GRI 407	Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	F38, F46, F54, F62, F68, F76	
GRI 408	Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	F38, F46, F54, F62, F68, F76	
GRI 409	Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	F38, F46, F54, F62, F68, F76	
HUMAN CAPITAL DEVELOPMENT			
103-1	Explanation of the material topic and its boundary	F23, F106	
103-2	The management approach and its components	F23	
103-3	Evaluation of the management approach	F23	
GRI 202	Market Presence		
202-2	Proportion of senior management hired from the local community	F24	
GRI 401	Employment 2016		
401-1	New employee hires and employee turnover	F100	
GRI 404	Training and Education 2016		
404-1	Average hours of training per year per employee	F24	
404-3	Percentage of employees receiving regular performance and career development reviews	F24	
GRI 405	Diversity and Equal Opportunities		
405-1	Diversity of governance bodies and employees	F23, Report on Corporate Governance	
GRI 406	Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	In 2021, there were no episodes of discrimination	
HEALTH, SAFETY AND WELLBEING			
103-1	Explanation of the material topic and its boundary	F25, F106	
103-2	The management approach and its components	F25	
103-3	Evaluation of the management approach	F25	
GRI 401	Employment 2016		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	F33, F40, F56, F63, F77, F85	
GRI 403	Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	F33, F40, F56, F64, F77, F85	
403-2	Hazard identification, risk assessment, and incident investigation	F33, F40, F56, F64, F77, F85	
403-3	Occupational health services	F33, F40, F56, F64, F77, F85	
403-4	Worker participation, consultation, and communication on occupational health and safety	F33, F40, F56, F64, F77, F85	
403-5	Worker training on occupational health and safety	F33, F40, F56, F64, F77, F85	
403-6	Promotion of worker health	F33, F40, F56, F64, F77, F85	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	F33, F40, F56, F64, F77, F85	
403-9	Work-related injuries	F33, F40, F56, F64, F77, F85	

		Page / Remarks	Omissions
PRODUCT AND SERVICE STEWARDSHIP			
103-1	Explanation of the material topic and its boundary	F25, F106	
103-2	The management approach and its components	F25	
103-3	Evaluation of the management approach	F25	
GRI 416	Customer Health and Safety 2016		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2021 there were no episode of non-compliance with regulations and / or voluntary codes.	
GRI Sector Disclosure – Electric Utilities			
EU25	Number of industrial incidents	F57	
EU28	Power outage frequency	F57	
EU29	Average power outage duration	F57	
MARKET AND COMMUNITY			
103-1	Explanation of the material topic and its boundary	F26, F106	
103-2	The management approach and its components	F26	
103-3	Evaluation of the management approach	F26	
GRI 417	Marketing and Labelling 2016		
417-2	Incidents of non-compliance concerning product and service information and labelling	F21	
417-3	Incidents of non-compliance concerning marketing communications	F21	
GRI 418	Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	F21	
RESPONSIBLE USE OF RESOURCES			
103-1	Explanation of the material topic and its boundary	F28, F106	
103-2	The management approach and its components	F28	
103-3	Evaluation of the management approach	F28	
GRI 301	Materials 2016		
301-1	Materials used by weight or volume	F28	
301-2	Recycled input materials used	F28	
GRI 302	Energy 2016		
302-1	Energy consumption within the organisation	F28	
GRI 303	Water and Effluents 2018		
303-1	Interaction with water as a shared resource	F28, F42, F50, F58, F65, F71	
303-2	Management of water discharge-related impacts	F28, F42, F50, F58, F65, F71	
303-3	Water withdrawal	F99	
303-4	Water discharge	F99	
303-5	Water consumption	F99	
GRI 306	Waste 2020		
306-1	Waste generation and significant waste-related impact	F28, F42, F50, F58, F65, F71	
306-2	Management of significant waste-related impacts	F28, F42, F50, F58, F65, F71	
306-3	Waste generated	F28	

		Page / Remarks	Omissions
	LOW-CARBON TRANSITION		
103-1	Explanation of the material topic and its boundary	F29, F106	
103-2	The management approach and its components	F29	
103-3	Evaluation of the management approach	F29	
GRI 305	Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	F29, F43, F51, F59, F65, F73, F98	
305-2	Energy indirect (Scope 2) GHG emissions	F29, F43, F51, F59, F65, F73, F98	
305-3	Other indirect (Scope 3) GHG emissions	F29, F43, F51, F59, F65, F73	
305-4	GHG emissions intensity	F29, F43, F51, F59, F65, F73, F98	
	LAND AND BIODIVERSITY		
103-1	Explanation of the material topic and its boundary	F59, F106	
103-2	The management approach and its components	F59	
103-3	Evaluation of the management approach	F59	
GRI 304	Biodiversity 2016		
304-2	Significant impacts of activities, products, and services on biodiversity	F59	



Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018**

**To the Board of Directors of
Italmobiliare S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Italmobiliare S.p.A. and its subsidiaries (hereinafter "Italmobiliare Group" or "Group") as of December 31, 2021 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 8, 2021 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "European Taxonomy - Regulation (EU) 2020/852".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - *Global Reporting Initiative* (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.



Auditor's Independence and quality control

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

Auditor's responsibility

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

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

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Italmobiliare Group;
4. understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a);



5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Italmobiliare S.p.A. and with the employees of the subsidiary Caffè Borbone S.r.l., Casa della Salute S.r.l., Officine Profumo Farmaceutica di Santa Maria Novella S.p.A. and Italgem S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following companies and sites, Caivano (NA) site and production plant for Caffè Borbone S.r.l., Genova site for Casa della Salute S.r.l., Firenze site and production plant for Officine Profumo Farmaceutica di Santa Maria Novella S.p.A. and Villa di Serio (BG) site for Italgem S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Italmobiliare Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS of the Italmobiliare Group does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "European Taxonomy - Regulation (EU) 2020/852".

DELOITTE & TOUCHE S.p.A.

Signed by
Massimiliano Semprini
 Partner

Milan, Italy

March 17, 2022

The document has been compiled with the methodological support of

