



# Sustainability Report 2020



# Sustainability Report 2020

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 SDGs  
Economic result and shared value

### Governance

Governance & integrity  
Responsible investments

### Society

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

### Environment

Valorization of natural capital  
Responsible use of resources  
Low-carbon transition  
Land & biodiversity

## ITALMOBILIARE

Italmobiliare  
Human capital development  
Health, safety & wellbeing

## PORTFOLIO COMPANIES CONSOLIDATED

### Caffè Borbone

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

### Sirap

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

### Italgen

Governance & integrity  
Procurement and supply chain  
Human capital development  
Health, safety & wellbeing  
Product and service stewardship  
Market & communities  
Responsible use of resources  
Low-carbon transition  
Land & biodiversity

### F8

F13  
F14  
F18  
F20  
F22  
F23  
F23  
F25  
F25  
F26  
F28  
F28  
F28  
F29  
F29

### Capitelli

Governance & integrity  
Procurement & supply chain  
Human capital development  
Health, safety & wellbeing  
Product and service stewardship  
Market & communities  
Responsible use of resources  
Low-carbon transition  
Clessidra  
Governance & integrity  
Responsible investments  
Human capital development  
Health, safety & wellbeing  
Market & communities

### F60

F62  
F62  
F63  
F64  
F64  
F65  
F65  
F67  
F68  
F70  
F71  
F72  
F72  
F73

## PORTFOLIO COMPANIES CONSOLIDATED IN 2021

### Officina Profumo-Farmaceutica Santa Maria Novella

### Casa della Salute

### Callmewine

### F76

### F78

### F80

## PORTFOLIO COMPANIES AFFILIATES

### Tecnica Group

### Autogas Nord - AGN Energia

### Iseo

### F84

### F86

### F88

## SUPPLEMENTARY DATA

### F91

## REPORTING

### F101

Scope and methodology  
UN Global Compact: Communication On Progress (COP)  
Non-financial report (NFR)  
GRI standards  
Report of the Independent Auditors

F102

F106

F107

F108

F113



---

**ITALMOBILIARE**  
INVESTMENT HOLDING

ITALMOBILIARE  
GROUP

# STRATEGIC PROFILE

## ITALMOBILIARE INVESTMENT HOLDING

ITALMOBILIARE S.p.A., 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 growth and enhancement of the portfolio, combining development, internationalisation and innovation with an effective governance and risk management model, integrating ESG principles into the investment process.

<b>1946</b>	<p>Italmobiliare was founded in 1946 by Italcementi S.p.A. as a vehicle to hold investments other than those in the construction materials sector.</p> <p>Among the first transactions, Italmobiliare acquired a number of controlling interests in the credit sector (Banca Provinciale Lombarda, Credito Commerciale), in the insurance sector (RAS), in the publishing sector and in the extra-urban public transport sector.</p>
<b>1950 1960</b>	<p>In 1952 an initial investment was made in Franco Tosi, an industrial company in the electromechanical sector, which became a subsidiary in 1968. The presence in the banking sector developed in the years between 1962 and 1965 through the purchase of eight local credit institutions, which in 1967 were concentrated in Istituto Bancario Italiano, later sold in 1982.</p>
<b>1970</b>	<p>The portfolio was strengthened in 1976 with the purchase of a significant minority shareholding in Bastogi, later sold in 1986, 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.</p>
<b>1980</b>	<p>In 1980, Italmobiliare was admitted for trading on the Milan Stock Exchange. In 1984, the investments in RAS and Banca Provinciale Lombarda were sold as part of a Group reorganisation plan. During the period 1988-90, a minority shareholding was acquired in Poligrafici Editoriale, as part of an agreement with the Monti Group.</p>
<b>1990</b>	<p>In 1990, the Franco Tosi Group sold its industrial activity to the ABB Asea Brown Boveri Group, reinvesting part of its resources in the food packaging and insulation sector (Sirap Gema), the integral water cycle and gas distribution (Crea).</p> <p>In 1992, in the largest international acquisition carried out hitherto by an Italian group, the majority of Ciments Français passed to the Italcementi Group, which thereby became a world leader in the building materials sector.</p> <p>In 1993, as a result of the bank's privatisation, Italmobiliare acquired an equity investment in Credito Italiano.</p> <p>In 1997, Franco Tosi was merged with Italmobiliare, after the favourable outcome of a takeover bid.</p>
<b>2000 2015</b>	<p>During 2002, the main investment transaction was the sale of 100% of SAB Autoservizi to the UK group Arriva.</p> <p>After a few operations in the publishing sector, in 2014, Italmobiliare participated pro-quota in the recapitalisation and simplification plan of the Italcementi Group, maintaining a controlling interest of 45%.</p> <p>In September 2015, Finter Bank was sold to the Swiss group Vontobel.</p>



<b>2016</b>	<p>In July, after acquiring direct control of Italgen and BravoSolution, the equity investment in Italcementi was sold to the German group HeidelbergCement, on the basis of an agreement signed in 2015.</p> <p>In September, Clessidra Sgr, the main Italian private equity operator, was purchased and Italmobiliare became anchor investor of Clessidra's CCP3 fund.</p>
<b>2017</b>	<p>Acquisition of 40% of the Tecnica Group. At the end of the year, Italmobiliare joined the US group Jaggaer, which operates in the eProcurement sector, through the contribution of BravoSolution.</p>
<b>2018</b>	<p>The portfolio expansion strategy continues: purchase of a 60% interest in Caffè Borbone and a 39% interest in ISEO Serrature. There has been an increase in Private Equity investments.</p>
<b>2019</b>	<p>Entry into the Autogas Nord - AGN ENERGIA Group with a 30% stake. The investment in Jaggaer was sold to Cinven in August.</p> <p>Italmobiliare included in the STAR segment of the Italian Stock Exchange from September.</p> <p>80% of Salumificio Capitelli was acquired in December.</p>
<b>2020</b>	<p>A 20% interest in Officina Profumo-Farmaceutica di Santa Maria Novella was bought in January, which was increased to 80% in September.</p> <p>In May, the Italmobiliare Group joined the United Nations Global Compact.</p> <p>In December, 92.5% of the shares of Casa della Salute and 60% of the shares of Callmewine were acquired.</p>
<b>2021</b>	<p>Early in the year, Sirap's main assets in Italy, Poland and Spain were sold to the Faerch group and an agreement was signed with Zeus Packaging for the sale of Sirap's assets in Austria and Central-Eastern Europe and in Germany.</p>

## FOCUS 2020: COVID AND SUSTAINABILITY

The pandemic has hit and continues to hit the economy and the national and international social fabric in a brutal way. In this context, all of Italmobiliare's portfolio companies have reacted and are reacting well overall, with better performances than the average downturn in the Italian economy, thanks to a sector mix that shifted towards resilient areas and, in some cases, a better corporate performance than sector competitors.

The reaction implemented and continuously refined by the portfolio companies against such a pervasive emergency was extraordinary, both for the immediate adoption of best practices aimed at guaranteeing employee safety, and for the business measures that reduced the impacts of the lockdown and took advantage of new opportunities. For example, there has been a very rapid response by all companies in adopting remote working for a significant number of workers, even in sectors that are less naturally inclined to this way of working. Several companies have also accelerated on key issues such as production flexibility, managing to implement measures to raise efficiency very quickly with a positive impact already expected on the 2020 results.

The pandemic has also underlined the growing synergy between Group companies, which have been able to take action to help cope with the emergency, with measures to protect employees or in favour of the community. They have been well supported in this effort by the Pesenti Foundation, which has assumed a pivotal role in providing concrete assistance to the areas most affected by the emergency, also facilitating the initiatives of other companies or the many Group employees who wanted to contribute personally. Among the main interventions are those in favour of hospitals and front-line operators, with donations or purchasing machines, serological tests and personal protective equipment for medical staff and funding for primary research projects on the origin and evolution of the pandemic.

Above all, the pandemic has raised the sense of urgency of both the holding company and of the portfolio companies to achieve a sustainable strategy that is increasingly effective and aligned with global challenges.

In May 2020, the Italmobiliare Group joined the United Nations Global Compact, the largest strategic initiative for sustainability in the world. At the same time, Italmobiliare joined the Global Compact Network Italy Foundation, the organisation that promotes its implementation nationally, with a seat on the Steering Committee.

In April, the Italmobiliare Board of Directors approved the establishment of the Committee for the Sustainability and Social Responsibility chaired by the Chief Executive Officer, Carlo Pesenti. The Committee has a duty to provide the Board 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).

A Sustainability Department was also set up, again at corporate level. The Chief Sustainability Officer develops and coordinates the ESG initiatives. He has secretarial and management functions in Committee for the Sustainability and Social Responsibility.

In July, Italmobiliare signed the Women's Empowerment Principles, a thematic initiative promoted by UN Global Compact and UN Women, which is another primary instrument for the commitment to gender equality.

Lastly, Italmobiliare Investment Holding, through its Chief Executive Officer Carlo Pesenti, shared the responsibility of being among the 1,000+ CEOs, in more than 100 countries, who signed the Statement from Business Leaders for Renewed Global Cooperation, a resounding call to inclusive multilateralism.

## 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 clarified in the section Reporting.

Company and % held	Investment date	Description	Notes
<b>Sirap</b> 100%	May 1990	Sirap is a leading producer of fresh food packaging in Europe, with a range of rigid containers in XPS (expanded polystyrene), PET and PP (polypropylene) for all food applications for industry and retail customers.	Early in 2021, Sirap's main assets in Italy, Poland and Spain were sold to the Faerch group and an agreement was signed with Zeus Packaging for the sale of Sirap's assets in Austria, Central-Eastern Europe and Germany. Sirap retains control of the assets in France and the United Kingdom.
<b>Italgen</b> 100%	July 2016	Italgen operates in the production and distribution of electricity from renewable sources on international markets.	Registered office in Villa di Serio (BG). 15 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.
<b>Clessidra</b> 100%	Sep 2016	Clessidra is the leading manager of Private Equity funds dedicated to the Italian market. Between 2019 and 2020, Clessidra expanded its scope of operations to include Restructuring Funds and Factoring.	Registered office in Milan. At December 31, 2020 its portfolio included Harmont & Blaine, Nexi, L&S and Scrigno.
<b>Tecnica Group</b> 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.
<b>Caffè Borbone</b> 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).
<b>Iseo</b> 39%	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.
<b>Autogas Nord - AGN ENERGIA Group</b> 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.
<b>Capitelli</b> 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).
<b>Officina Profumo-Farmaceutica di Santa Maria Novella</b> 80% (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.
<b>Casa della Salute</b> 92.5%	Dec 2020	Casa della Salute is a network of specialist diagnostic, dental, physiokinesitherapy 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 Busalla (GE). 8 outpatient clinics between Liguria and Piedmont.
<b>Callmewine</b> 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

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.

Most of the Italian and international investments held in the private equity portfolio - certainly all the larger ones - are financial products managed by operators that are committed, both formally and substantially, to sustainability, mainly by having adopted the UN Principles for Responsible Investment (UN PRI).

## 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, also continuing the sustainable heritage of Italcementi, adopts 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.

## CASH AND 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 2020, this reserve represented approximately 20% 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.

### 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".

## 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, as the result of further investments, disposals and business diversifications.

ITALMOBILIARE GROUP		2016	2017	2018	2019	2020
Net Asset Value (NAV)		1,600	1,545	1,421	1,741	<b>1,838</b>
% Portfolio Companies		18%	15%	34%	43%	<b>61%</b>
Revenue and income	in millions of euro	451.0	507.6	463.1	565.9	<b>575.5</b>
Gross operating profit (EBITDA)		57.8	146.6	41.2	125.9	<b>106.0</b>
Profit for the year		68.2	115.2	31.7	77.0	<b>103.5</b>
Employees (companies included in the Sustainability Report)	#	1,369	1,378	1,789	1,719	<b>1,775</b>
PORTFOLIO COMPANIES						
Managerial positions occupied by women <sup>1</sup>	%	15%	17%	18%	19%	<b>22%</b>
Rate of work-related injuries <sup>2</sup>	# per million hours worked	3.9	3.9	8.3	6.0	<b>4.8</b>
Responsible resources <sup>3</sup>	%	-	-	40%	45%	<b>52%</b>
Carbon intensity <sup>4</sup>	t CO <sub>2</sub> per million euro of EBITDA	939	1,313	840	577	<b>390</b>

The **financial results** bear witness to the strength of the overall return on the flow of investments and disposals, aimed at guaranteeing the sustainable success of the Group through the creation of shared value in the long term.

The trend in **personnel** reflects the intrinsic value of the Group's human capital.

**Equal opportunities** remain a particular point of attention, with steps being defined to encourage the presence and representation of women in senior positions. The Group's ambition is still to create and maintain an inclusive working environment at all of its companies.

The **accident frequency rate** shows a trend that still has to be consolidated. The only goal remains "Zero Accidents". The cumulative result does not represent the areas of excellence, which have seen some companies already with a zero frequency rate for many years. In fact, the Group intends to consolidate the management model on the basis of their experience.

The percentage of **responsible resources** shows the path towards a regenerative economy.

The trend in **carbon intensity** highlights a positive trend, decoupled from the creation of economic value.

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

2 With absence from work for at least 24 hours, only direct employees.

3 Percentage of total materials which are renewable or from recycle.

4 This indicator considers Scope 1 and Scope 2 (market based) emissions, and includes only the companies that contribute to the carbon footprint: Sirap, Italgen, Caffè Borbone and Capitelli in 2020.

## Strategy, materiality and SDGs

In line with its identity inspired by Mission and Values, by adopting the principles and rules of conduct defined by the Code of Ethics and following the additional guidelines provided by the Sustainability Policies, 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.

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 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.

In defining a sustainable strategy and related action plans, the **materiality analysis** offers effective methodological support in identifying the governance, economic, social and environmental issues that best reflect the Group's success levers, matching the interests of the business with the expectations of stakeholders.

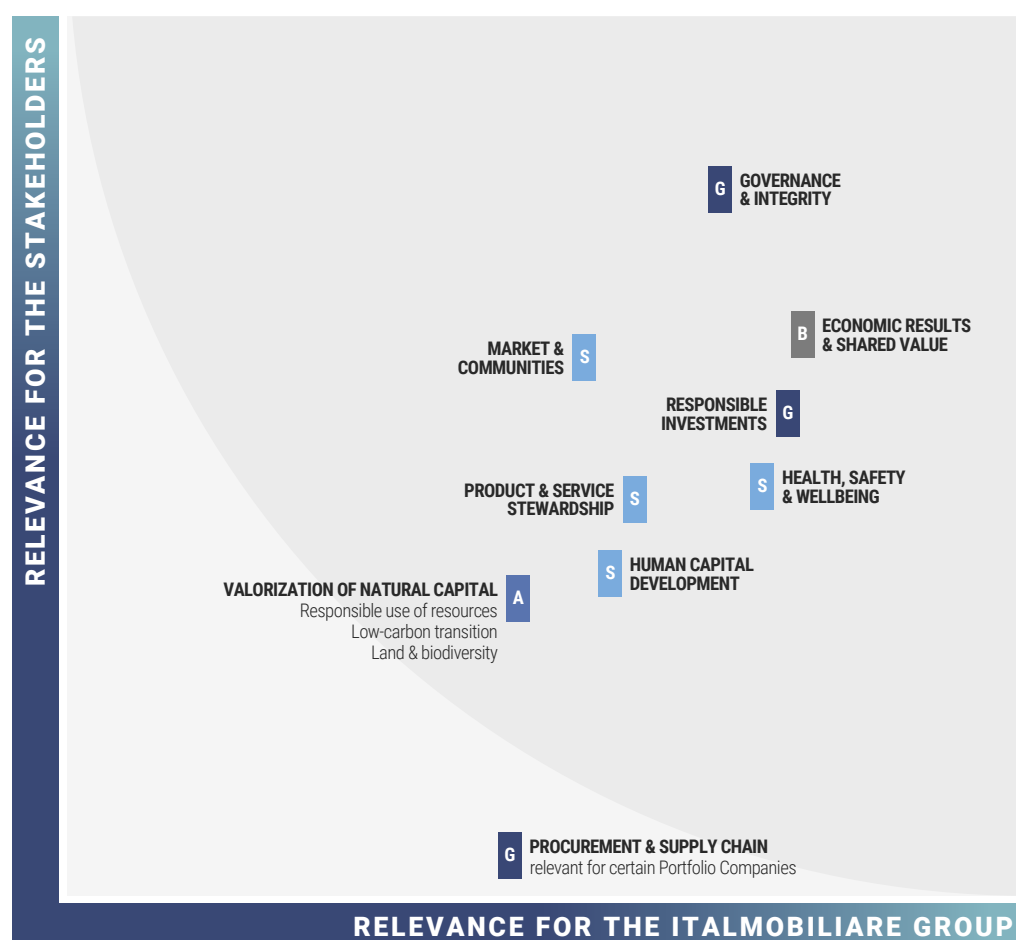
Given its nature as a strategic tool, the resulting matrix is presented, discussed and approved by the Board of Directors and made operational by management.

Built with the involvement of the main external stakeholders (Italmobiliare employees, shareholders, financial analysts, regulatory bodies, media, investee companies, etc.), it is updated annually according to changes in the perimeter or in the metrics used.

In 2020, the Group's higher exposure to the agri-food segment meant that the topic of "Procurement and value chain" became material, resulting in a greater attention also to the related greenhouse gas emissions.

A more radical update of the methodological approach is expected in 2021, with more dynamic flexibility in following the evolution of the perimeter; above all, it will be even more integrated with the Group's operations and with risk management.

To make the matrix more communicative, material topics have been aggregated into macro-issues on the basis of their affinity. A reconciliation table is provided in the notes to the Reporting section.



## 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.

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.

			Italmobiliare Group	Portfolio Companies
<b>BUSINESS</b>	ECONOMIC RESULTS & SHARED VALUE	Financial and manufactured capital	F18	-
	GOVERNANCE & INTEGRITY	Social and relational capital	F20	F38-46-54-62-70
<b>GOVERNANCE</b>	RESPONSIBLE INVESTMENTS	Financial and manufactured capital	F22	F71
	PROCUREMENT & SUPPLY CHAIN	Social and relational capital	-	F38-46-54-62
	HUMAN CAPITAL DEVELOPMENT	Human capital	F23	F39-47-55-63-72
<b>SOCIAL</b>	HEALTH, SAFETY & WELLBEING	Human capital	F25	F40-48-56-64-72
	PRODUCT & SERVICE STEWARDSHIP	Intellectual capital	F25	F40-49-57-64
	MARKET & COMMUNITIES	Social and relational capital	F26	F41-49-57-65-73
	VALORIZATION OF NATURAL CAPITAL			
<b>ENVIRONMENT</b>	Responsible use of resources	Natural capital	F28	F42-50-58-65
	Low-carbon transition			
	Land & biodiversity			

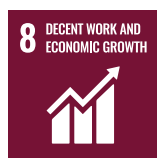
When joining the United Nations Global Compact, a specific study was carried out on the relationship between material aspects and **Sustainable Development Goals (SDGs)**.

The creation of shared value is directly or indirectly correlated with all of the SDGs. Governance and responsible investment management are essential levers for the effectiveness of action on all SDGs. The sustainable strategy of the Italmobiliare Group mainly targets the following six objectives.



#### **Achieve gender equality and empower all women and girls**

It is the Goal of operational and social efficiency through equal opportunities, women empowerment and inclusiveness for social and economic development, in line with the formal commitment made by the Group by signing the Women Empowerment Principles.



#### **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

It is the Goal that sums up the meaning of sustainable business. Economic productivity through diversification, technological upcycling and innovation. Efficiency of financial, human and natural resources. Human and labour rights, decent, safe and secured work environments, social and professional growth.



#### **Ensure sustainable consumption and production patterns**

This is the Goal of the regenerative economy and product stewardship, which combines sustainable production and conservation-oriented lifestyles and consumption.



#### **Take urgent measures to combat climate change and its impacts**

This is the Goal of fighting against climate change, the primary global emergency. A strong mandate not only for those operating in the energy and multi-utilities segment. Monitoring, mitigation and adaptation for resilient value chains.



#### **Promote peaceful and inclusive societies for sustainable development; provide access to justice for all and build effective, accountable and inclusive institutions at all levels**

This is the Goal of business integrity and sustainable governance. Promoting and complying with external and internal laws, rules and principles of governance by adopting virtuous conduct in internal relations and with all stakeholders, whether business or non-business.



#### **Strengthen the means of implementation and revitalize the global partnership for sustainable development**

This is the Goal of sharing efforts towards sustainability. Partnerships, starting with financial ones, with investments aimed at creating shared value. The global challenges in the agenda of economic organisations, with pro-activity and involvement, in line with the Group's adhesion to the UN Global Compact.



## Sustainable Development Goals

The graph correlates the Group's key levers with the SDGs. The boxes indicate the areas in which the Group's contribution can be particularly effective:

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
<b>ECONOMIC RESULTS &amp; SHARED VALUE</b>	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
<b>GOVERNANCE &amp; INTEGRITY</b>	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
<b>RESPONSIBLE INVESTMENTS</b>	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
<b>PROCUREMENT &amp; SUPPLY CHAIN</b>		■			■			■				■	■		■	■	■
<b>HUMAN CAPITAL DEVELOPMENT</b>				■	■			■								■	■
<b>HEALTH, SAFETY &amp; WELLBEING</b>			■		■			■									■
<b>PRODUCT AND SERVICE STEWARDSHIP</b>			■			■	■	■	■		■	■	■	■	■	■	■
<b>MARKET &amp; COMMUNITIES</b>	■	■	■	■	■	■	■	■		■	■					■	■
<b>VALORIZATION OF NATURAL CAPITAL</b>																	
Responsible use of resources						■	■	■	■			■	■	■	■		■
Low-carbon transition		■					■	■	■			■	■	■	■		■
Water, land & biodiversity		■	■			■		■					■	■	■		■

■ Direct contribution

■ Indirect contribution

Materiality and Sustainable Development Goals are the operational cornerstones for the definition of action plans that involve all the portfolio companies, the strategies, initiatives and performances of which are shown from page F35 onwards.

The Sustainability Policy adopted in 2019 guides active dialogue with the Portfolio Companies on material ESG issues. The resulting ESG Plan associates a system of qualitative and quantitative objectives connected to medium-term time horizons, allowing constant assessment of the Group's ESG performance and monitoring of the level of integration of sustainability in the business strategies of the individual portfolio companies.

In the second half of 2020, the Sustainability Policies and the ESG Plan started undergoing a refining and revising process in order to bring the Group's commitment into line with the United Nations Global Compact.

## 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 2020 with a profit of 104.8 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.

In 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.

5 NAV, excluding treasury shares in portfolio, was calculated taking into account:

- the market price of listed equity investments and the end of the year
- the value of non-listed companies, where determinable, based on market multiples or specific valuations or, when such information is not available, on equity as reflected in the most recent approved financial statements drawn up in accordance with IAS/IFRS, otherwise with local accounting principles,
- the market value of real estate assets
- the deferred tax effect.

ITALMOBILIARE GROUP		2018	2019	2020
Net Asset Value (NAV) <sup>5</sup>		1,421	1,741	<b>1,838</b>
% Portfolio Companies		34%	43%	<b>61%</b>
Revenue and income	in millions of euro	463.1	565.9	<b>575.5</b>
Gross operating profit (EBITDA)		41.2	125.9	<b>106.0</b>
Profit for the year		31.7	77.0	<b>103.5</b>

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.

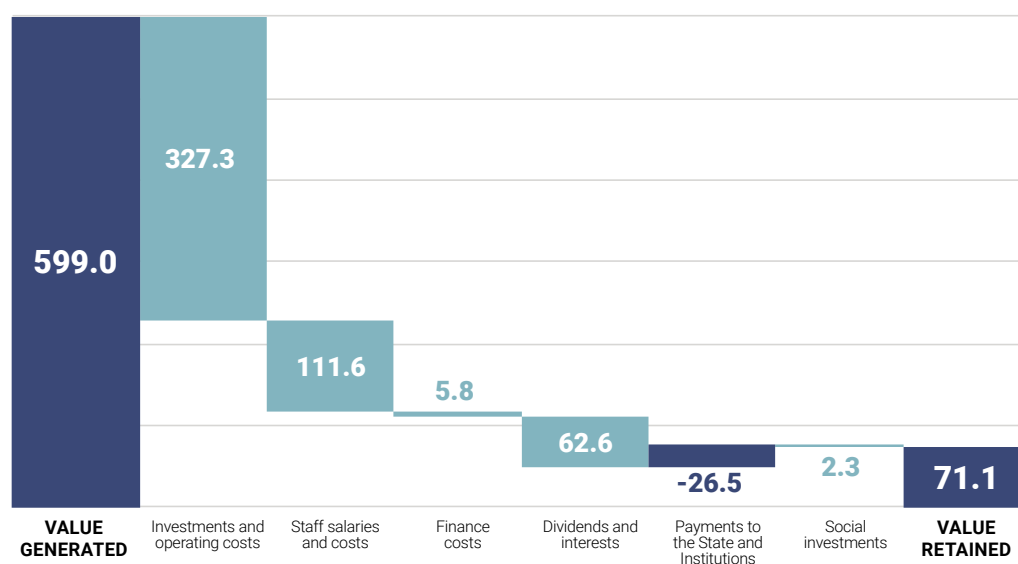
ECONOMIC VALUE GENERATED		2018	2019	2020
TOTAL		487.6	589.8	<b>599.0</b>
Revenue and income	in millions of euro	463.1	565.9	<b>575.5</b>
Other		24.5	23.9	<b>23.5</b>
ECONOMIC VALUE RETAINED				
Amortisation and depreciation, retained earnings and provisions for new investments	in millions of euro	25.8	65.9	<b>71.1</b>

ECONOMIC VALUE DISTRIBUTED		2018	2019	2020	
TOTAL		461.8	523.9	<b>527.9</b>	<b>Stakeholders who benefit</b>
Investments and operating costs		343.4	351.7	<b>372.3</b>	Suppliers of goods and services
Salaries and staff benefits		98.7	103.5	<b>111.6</b>	Personnel
Dividends and interests	in millions of euro	27.0	38.8	<b>62.6</b>	Shareholders and Minorities*
Payments to the State and Institutions		-13.2	22.5	<b>-26.5</b>	State and Public Administration
Finance costs		5.1	6.0	<b>5.8</b>	Capital providers
Social investments		0.8	1.3	<b>2.3</b>	Communities

\*The figure includes the distribution of profits for the year, equal to 27.4 million euros, which the Board of Directors of Italmobiliare S.p.A. will propose to the Shareholders' Meeting.

### Economic value distributed to the stakeholders in 2020

(in millions of euro)



## Governance

### GOVERNANCE & INTEGRITY

#### 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

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. In 2020, the **Committee for Sustainability and Social Responsibility**, chaired by the Chief Executive Officer, was set up as an additional dedicated support. The Committee 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). A **Sustainability Department** was also established at corporate level. 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, skills 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 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.

The Portfolio Companies are required to align themselves with this approach.

Italmobiliare 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. Other types of crimes were included in the Model in 2020, such as tax offences, as well as trafficking in illicit influences in the section relating to offences against the Public Administration. 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 progressive 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 practice.

ces. 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, 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 2020 with a more detailed view of the medium/long-term trends and with an ESG methodological approach reviewed together with the Sustainability Department. 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

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 & INTEGRITY RESPONSIBLE INVESTMENTS	high	from low to medium
Trends in the ESG and regulatory framework (sector, health, safety, environment, quality, product, or other corporate aspects)	GOVERNANCE & INTEGRITY MARKET & COMMUNITIES	medium	from low to high
Competitive sector trends, including commercial, marketing and ESG policies, innovation and M&A processes	GOVERNANCE & INTEGRITY RESPONSIBLE INVESTMENTS MARKET & COMMUNITIES	medium	from low to medium
Indirect impacts of climate change on the activities of one or more Group companies	MARKET & COMMUNITIES Low-carbon transition	-	from low to high
Indirect impacts of the COVID-19 pandemic on the activities of one or more Group companies	MARKET & COMMUNITIES HEALTH, SAFETY & WELLBEING	low	from low to high
Sustainability, availability and cost-effectiveness of supplies and raw materials	GOVERNANCE & INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT & SUPPLY CHAIN	-	from low to medium
Organisational structure, internal processes and skills	GOVERNANCE & INTEGRITY HUMAN CAPITAL DEVELOPMENT	low	from low to high
IT infrastructure and cyber risk	GOVERNANCE & INTEGRITY MARKET & COMMUNITIES	low	from low to medium
Quality of products and services in line with expectations of the Group and customers, also in ESG terms	GOVERNANCE & INTEGRITY RESPONSIBLE INVESTMENTS PRODUCT & SERVICE STEWARDSHIP	-	from low to medium

The Group's rigorous approach to **tax** is based on the founding principles laid down in the Code of Ethics. Italmobiliare adopts as an essential value of its activities compliance with the principle of legality and of legislation in force in Italy and in the international contexts in which it operates. In addition, from 2020 the Organisational, Management and Control Model includes a detailed description of tax crimes, subject to the control of the Supervisory Body. Updating the risk assessment did not reveal any significant aspects in this area. In any case, considering the Group's geography, 94% of taxes is paid to Italian institutions.

Confirming the overall effectiveness of the integrity and compliance safeguards adopted by Italmobiliare and its subsidiaries, in 2020 there were no episodes of corruption, no behaviour contrary to competition law or other applicable socio-economic and environmental regulations, nor has

the Supervisory Body of Italmobiliare received any reports on alleged illegal behaviour or conduct contrary to the Code of Ethics.

The lawsuit against Sirap (Retail Food Packaging), which began in the early years of 2000 and which has already been explained in the previous Reports, is still pending judgement of the EU Court of Justice on the appeal presented by the company.

## RESPONSIBLE INVESTMENTS

### Screening activities

Italmobiliare recognises that:

- some sectors may have direct aspects or negative externalities that even Italmobiliare's transformative capability cannot overcome. Italmobiliare does not invest in these sectors.
- Other sectors may have direct aspects or negative externalities that are less significant; Italmobiliare can engage with these companies if they meet the Group's requirements and show a willingness to adapt or diversify their activities, also with the support of Italmobiliare's transformative capability.
- Companies with diversified activities can only be partially operational in the sectors of exclusion. By adopting materiality thresholds, Italmobiliare can engage with these companies if they meet the Group's requirements and show a willingness to adapt or diversify their activities, also with the support of Italmobiliare's transformative capability.

In 2020, in the face of numerous opportunities, 12 dossiers were analysed. A complete ESG due diligence was carried out for 3 of these, leading to investment decisions in the case of Casa della Salute and Callmewine (see the Portfolio Companies section for details).

In line with its identity, inspired by its Mission and Values and by 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.

To this end, in addition to refraining from any investment or involvement, even indirect, with entities connected to the production, marketing, use or trade of illegal products or activities, Italmobiliare assigns priorities and uses financial resources in a targeted and selective manner, thereby contributing to the global challenges and, at the same time, protecting and strengthening the financial performance for the benefit of shareholders and all other stakeholders.

Other practices, direct or indirect, 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.

Net of the principles of exclusion and preliminary assessment, 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. Analysis of the prospects for improving the ESG positioning is a fundamental component of the initial due diligence, coordinated by the Development & Investments Department.

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.

The value created through responsible asset management is recovered on disposal of the investment. This is the **case of Sirap**: in portfolio since 1990, through a series of acquisitions, territorial diversification, investments and technological and product innovation, it has become one of the most qualified European producers of plastic containers for fresh food.

Early in 2021, Sirap's main assets in Italy, Poland and Spain were sold to the Faerch group and an agreement was signed with Zeus Packaging for the sale of Sirap's assets in Austria, Central-Eastern Europe and Germany.

This transaction permitted full valorization of the assets being sold, also considering the ESG high profile achieved, delivering solid and well-performing structures to leading players in the sector, certainly capable of furthering their growth in line with regulatory and competitive developments in food packaging.

In line with the deals completed during recent years, this agreement confirms Italmobiliare's ability to create solid industrial platforms that are attractive for international aggregation, processes and strengthens the path which has seen the sale of long-standing shareholdings and the investment from 2017 to the present day in various excellences Made in Italy, with which to start a common path through the sharing of its know-how and its own development and governance models.

## Society

In all Group activities and in business or social relations with all stakeholders in its sphere of influence, Italmobiliare:

- Supports and respects internationally proclaimed human rights, which are universal and belong equally to every person. In addition, it implements work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value.
- It is committed to ensuring the health, safety and wellbeing of all parties involved by providing adequate working conditions, equipment, information and training.
- It guarantees the constant improvement of the quality and the environmental and social value of processes, products, applications and services, promoting research and innovation.
- It creates and maintains relationships with the market based on partnerships, transparency, exchange of information and sharing of commitments and invests time, skills and resources to support communities, favouring local development with the regular involvement of all stakeholders.

### Materiality

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

- Italmobiliare (Parent company)
- Caffè Borbone
- Sirap
- Italgas
- Capitelli
- 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, in 2020 Italmobiliare signed and promoted the Women Empowerment Principles at all Group companies.

	2018	2019	2020
<b>HOLDING (% female participation)</b>			
Board of Directors	36%	36%	<b>42%</b>
Board of Statutory Auditors ( <i>including alternate auditors</i> )	33%	33%	<b>50%</b>
Management positions <sup>6</sup>	27%	27%	<b>35%</b>
Total personnel	54%	51%	<b>50%</b>
<b>PORTFOLIO COMPANIES (% female participation)</b>			
Boards of Directors	12%	13%	<b>10%</b>
Boards of Statutory Auditors ( <i>including alternate auditors</i> )	30%	20%	<b>19%</b>
Management positions <sup>6</sup>	16%	17%	<b>20%</b>
Total personnel	28%	27%	<b>27%</b>

### 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.

<sup>6</sup> 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. 64% 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.

With 169 new hires versus 155 terminations, staff turnover in 2020 was still significant (18%), confirming dynamic and competitive sectors also in terms of professional skills. 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 334 collaborators, mostly temporary or self-employed workers and agents.

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>494</b>	<b>1,295</b>	<b>1,789</b>	<b>470</b>	<b>1,249</b>	<b>1,719</b>	<b>481</b>	<b>1,294</b>	<b>1,775</b>
<i>Managers</i>	16	73	89	14	60	74	13	58	71
<i>Middle managers</i>	-	-	-	-	-	-	26	78	104
<i>Office workers</i>	227	324	551	231	309	540	208	256	464
<i>Production workers</i>	251	898	1,149	225	879	1,104	234	902	1,136
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	90%	91%	<b>91%</b>	91%	93%	<b>93%</b>	90%	94%	<b>93%</b>
Full time (vs. part-time)	86%	99%	<b>96%</b>	90%	96%	<b>94%</b>	90%	97%	<b>95%</b>
<b>Training (hours per capita)*</b>									
<b>TOTAL</b>	<b>4.6</b>	<b>8.2</b>	<b>7.2</b>	<b>7.5</b>	<b>5.1</b>	<b>5.8</b>	<b>0.7</b>	<b>4.8</b>	<b>5.0</b>
<i>Managers</i>	17.1	17.4	17.4	32.3	13.1	16.7	9.7	6.4	7.0
<i>Middle managers</i>	-	-	-	-	-	-	7.6	3.0	4.3
<i>Office workers</i>	5.3	3.9	4.5	7.6	7.8	7.7	6.0	13.2	10.0
<i>Production workers</i>	3.3	8.9	7.7	7.5	5.1	5.8	0.0	3.5	3.4
<b>Performance assessment (%)*</b>									
<b>TOTAL</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>18%</b>	<b>16%</b>	<b>16%</b>	<b>44%</b>	<b>20%</b>	<b>23%</b>
<i>Managers</i>	75%	80%	79%	79%	97%	93%	100%	97%	98%
<i>Middle managers</i>	-	-	-	-	-	-	56%	83%	75%
<i>Office workers</i>	34%	30%	31%	19%	34%	27%	33%	44%	39%
<i>Production workers</i>	6%	12%	10%	13%	4%	6%	0%	0%	0%

\* In the absence of accounting data, the 2020 consolidation does not include Sirap.



## HEALTH, SAFETY & 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.

Great attention was given in 2020 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.

	2018	2019	2020
<b>Employees</b>			
Fatalities	0	0	0
Serious injuries <sup>7</sup>	0	1	0
Injuries <sup>8</sup>	22	15	12
Frequency rate <sup>9</sup>	8.3	6.0	4.8
<b>Collaborators<sup>10</sup></b>			
Fatalities	-	0	0
Serious injuries <sup>7</sup>	-	0	0
Injuries <sup>8</sup>	-	2	3
Frequency rate <sup>9</sup>	-	7.2	7.8

7 With absence from work for at least 180 days

8 With absence from work for at least 24 hours

9 Number of injuries (with absence from work for at least 24 hours) per million hours worked

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

Data relating to Sirap GmbH (Sirap - Germany) are not included. The personnel of the company represents 1% of total Sirap Group and the activities carried out, exclusively of a commercial and administrative nature, do not present significant risks to health and safety.

Furthermore, the data relating to the hours worked of Sirap GEMA (Sirap - Italy) and Inline (Sirap - Poland) in 2020 are the result of an estimate, in the absence of accounting data.

## 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.

<b>Sirap</b>	The 100% of packaging produced is recyclable.
<b>Italgen</b>	The electricity sold is 80% renewable hydroelectric. The mix has an overall carbon footprint of less than 100 g/kWh.
<b>Caffè Borbone</b>	83% of the raw materials, additives, ancillaries and packaging materials used are of renewable origin.
<b>Capitelli</b>	94% of the raw materials, additives, ancillaries and packaging materials used are of renewable origin.

## MARKET & 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
<b>Personnel: employees and their representatives</b>	Continuous manager/team dialogue, safety initiatives, thematic events, industrial relations	Work organisation, corporate climate, health, safety and wellbeing, strategy and sustainability	All
<b>Management: holding company and portfolio companies</b>	Continuous management	Strategy and sustainability, investments	All
<b>Financial community: investors, analysts, shareholders, capital providers, rating agencies</b>	Dedicated meetings, road shows, corporate and web documents	Strategy and sustainability, governance, economic, environmental and social performance, , risk management, investments	Italmobiliare Clessidra
<b>Customers: B2B, B2C and end-users</b>	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	Sirap Italgen Caffè Borbone Capitelli
<b>Supply chain: suppliers of goods and services</b>	Strategic partnerships, supply chain management, direct individual contacts, qualification audits	Pre-qualification and qualification requirements, contractual terms and conditions, supply chain disciplinary, audit feedback	Sirap Caffè Borbone Capitelli
<b>Communities, media and NGOs: local and global</b>	Interviews, conferences, dialogue with the community, social initiatives	Transparent communication on strategy and sustainability, social and environmental performance, investments for the community	All
<b>Associations: partnership and academia</b>	Meetings, conferences, shared initiatives, partnerships, research	Strategy and sustainability, governance, individual and sectoral contribution	All
<b>Authorities and institutions</b>	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, which manages them, and for all the Portfolio Companies that are represented by it. 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 2020, even with the inevitable limitations on business trips and physical events, Investor Relations activities mainly concerned:

- 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 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 2020, 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.

#### Fondazione Pesenti

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 modern 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
<b>Italmobiliare</b>	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
<b>Sirap</b>	Industrial Association of Brescia, Mantua, Arezzo and Pordenone, Federation of Rubber Plastic, Corepla, CPA - Circular Plastic Alliance, EsPC - European Plastics Converters, Petcore Europe, Cicloplast (E), Federation Plasturgie (F), IK - Industrievereinigung Kunststoffverpackungen (D), Polish Union of Plastic Converters
<b>Italgen</b>	Confindustria Bergamo, Elettricità Futura
<b>Clessidra</b>	AIFI, AODV (Association of Members of Supervisory Bodies), Invest Europe, UN PRI - Principles for Responsible Investment
<b>Caffè Borbone</b>	Italian Coffee Committee, CONFIDA - Italian Association of Automatic Vending Industry

## Environment

### VALORIZATION OF NATURAL CAPITAL

In all Group activities and in business or social relations with all stakeholders in its sphere of influence, Italmobiliare:

- contributes to the protection of the environment through the responsible use of resources, adopting the best practicable options and effective management systems. At the same time, it makes the most of waste, giving priority to recycling, material recovery, energy recovery and ultimately resorting to environmentally and socially responsible forms of disposal.
- It pro-actively tackles 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.
- It protects the quality of water and soils, to safeguard the collective usability and to preserve biodiversity even outside protected areas, ensuring the best environmental management

#### Materiality

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

Responsible use of resources

- Caffè Borbone
- Sirap
- Capitelli

Low-carbon transition

- Caffè Borbone
- Sirap
- Italgen
- Capitelli

Land & biodiversity

- Italgen

### 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 valorization 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. Italgen 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.

#### Responsible manufacturing

51% of all raw materials, semi-finished products and ancillary materials used for production are renewable or come from recycling.

78% of the packaging materials used are renewable or recycled.

The energy used is mainly non-renewable, but at least twice the quantity of renewable energy is fed into the grid.

	units	2018	2019	2020
<b>Raw materials, semifinished goods and ancillaries*</b>				
TOTAL		111,282	113,646	78,748
Renewable		17,638	23,797	28,178
% of total from recycling	t	0%	0%	0%
Non-renewable		93,644	89,849	50,570
% of total from recycling		11%	12%	15%
<b>Packaging materials</b>				
TOTAL		9,705	11,817	15,207
Renewable		5,598	6,854	9,612
% of total from recycling**	t	53%	54%	59%
Non-renewable		4,107	4,963	5,595
% of total from recycling		38%	38%	42%

\* Values relating to 2018 and 2019 that refer to Sirap were restated following a refinement of the survey methodologies.

\*\* The percentage of recycled cardboard used by Caffè Borbone for packaging is estimated on the basis of the information relating to FSC certifications reported by suppliers in the sales documentation.

	units	2018	2019	2020
<b>Energy consumed</b>				
TOTAL		506,744	489,570	477,823
Renewable		28,881	29,211	31,593
% of total	<b>GJ</b>	6%	6%	7%
Non-renewable		477,863	460,359	446,230
% of total		94%	94%	93%
<b>Energy fed into the grid</b>				
Renewable		1,013,483	1,073,420	1,115,476
From hydroelectric	<b>GJ</b>	1,013,083	1,073,034	1,115,039
From photovoltaic		400	386	437
<b>Water</b>				
TOTAL consumed	<b>m³</b>	82,610	95,730	65,451
From water-stressed areas		4,400	11,140	11,505
<b>Valorization of waste generated</b>				
Hazardous waste		169.7	157.8	151.9
% Recovery of material or energy		20%	27%	18%
% Disposal	<b>t</b>	80%	73%	82%
Non-hazardous waste		6,367.8	9,229.2	7,210.7
% Recovery of material or energy		81%	86%	65%
% Disposal		19%	14%	35%

Water withdrawals are low and only 3% concern areas with water stress.

64% of the waste generated is sent for recovery, either material or energy.  
The remainder goes to controlled disposal operations, where further valorization is possible, at least in terms of energy.

## Low-carbon transition

The Group is well aware that the fight against climate change is a top priority. Direct emissions (Scope 1) derive from the use of fuels used in the company perimeter. Indirect emissions (Scope 2) derive from the electricity purchased and used. Value chain emissions (Scope 3) include all emissions related to the supply and use of the goods produced, including end-of-life options. The progressive quantification of the latter and of 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 mitigation programmes.

	units	2018	2019	2020
<b>Carbon footprint</b>				
Scope 1		10,722	10,884	<b>9,740</b>
Scope 2 market based		38,770	39,175	<b>35,737</b>
(location based)	<b>t CO<sub>2</sub></b>	(35,629)	(33,923)	<b>(31,655)</b>
Scope 3 (estimated)		-	-	<b>293,866</b>
TOTAL		-	-	<b>320,467</b>
<b>Emissions avoided (location based)</b>				
TOTAL		108,580	109,957	<b>107,060</b>
From hydroelectric production	<b>t CO<sub>2</sub></b>	108,511	109,918	<b>106,959</b>
From photovoltaic production		69	39	<b>101</b>
<b>Carbon intensity<sup>11</sup></b>				
Scope 1+2 market based	<b>t CO<sub>2</sub> /M€ EBITDA</b>	840	577	<b>390</b>

11 companies that contribute to the carbon footprint: Caffè Borbone, Sirap, Italgen, Capitelli in 2020.

## Land & biodiversity

Some companies in the Group may have a particular interconnection with services that affect the ecosystem, whether because of the origin of the raw materials used and because their production facilities are located in areas that are anthropized to a greater or lesser degree.

Where necessary, the companies concerned adopt operating methods and controls over how their plants function to ensure maximum protection of the soil, of aquifers and of plant and animal biodiversity, while also making sure that local communities can use any natural spaces.



---

**ITALMOBILIARE**  
INVESTMENT HOLDING

ITALMOBILIARE


**ITALMOBILIARE**  
 INVESTMENT HOLDING

**Italmobiliare**

## HUMAN CAPITAL DEVELOPMENT

### Response to Covid-19

In addition to the mandatory measures, Italmobiliare has undertaken the following initiatives:

- Plexiglass dividers on the desks; sanitizing gel dispensers and masks on each floor; sanitizing wipes in each workstation; daily sanitation and periodic disinfection of offices.
- Quick swab screening every 15 days for all employees who need to go to work in the office. In case of positivity, a molecular swab is immediately carried out and health protocols are applied.
- COVID-19 policy for all employees with indemnity in the event of hospitalization and intensive care and subsequent convalescence. Post-hospitalization assistance services are also provided.
- Agreements with certain health facilities for teleconsultation with general and specialist doctors and possible medical examination and swab at home.
- Free flu vaccine for all employees and a relative.
- Encourage the use of alternative means of transport instead of public transportation to go to work.

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 2020, it has a team of 38 motivated and specialized people (total turnover at 13% with 3 new hires). Direct employees are all covered by a collective bargaining agreement. 35% (31% of executives) 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.

In response to 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 2020, 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 439 hours of training were provided in 2020.



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.

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>20</b>	<b>17</b>	<b>37</b>	<b>19</b>	<b>18</b>	<b>37</b>	<b>19</b>	<b>19</b>	<b>38</b>
Managers	4	11	16	4	11	15	5	11	16
Middle managers	-	-	-	-	-	-	3	4	7
Office workers	16	6	22	15	7	22	11	4	15
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	20 / 0	16 / 1	<b>36 / 1</b>	19 / 0	18 / 0	<b>37 / 0</b>	19 / 0	19 / 0	<b>38 / 0</b>
Full time (vs. part-time)	20 / 0	15 / 2	<b>35 / 2</b>	17 / 2	16 / 2	<b>33 / 4</b>	19 / 0	19 / 0	<b>38 / 0</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>16.1</b>	<b>26.1</b>	<b>20.8</b>	<b>33.2</b>	<b>23.5</b>	<b>28.5</b>	<b>9.5</b>	<b>13.6</b>	<b>11.6</b>
Managers	35.5	31.0	32.2	42.1	13.8	21.4	13.9	14.3	14.2
Middle managers	-	-	-	-	-	-	20.2	15.4	17.4
Office workers	11.2	16.3	12.6	30.8	38.7	33.3	4.6	9.8	6.0
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Managers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Middle managers	-	-	-	-	-	-	100%	100%	100%
Office workers	100%	100%	100%	100%	100%	100%	100%	100%	100%

## HEALTH, SAFETY & 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 collaborators.

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 2020, 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

With the renovation of the offices of the Milan office, 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  
consolidated



## 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**.

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 management of the products' end of life.

Caffè Borbone fully embraces 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 the integrity of every aspect of the business.

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 supply chain.

## UN GLOBAL COMPACT & SDGS

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 modern 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.

## GOVERNANCE

### GOVERNANCE & INTEGRITY

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

#### Board of Directors

- 6 members
- 2 female members
- 1 independent member

In line with the Group's approach, the Code of Ethics adopted by Caffè Borbone explicitly recalls the principles of the United Nations Global Compact, recognized as an advanced point of reference at international level, also in terms of corporate governance. 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.

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, 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.

### 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 2020, the main countries of origin of the coffee used were Uganda, Vietnam and India.

In order to consolidate the governance of the supply chain, in line with the Group and corporate codes and policies, 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 not only to align with international standards, but above all to actively promote a sustainable coffee supply chain. Confirming the collaborative approach, in 2020 Caffè Borbone helped fund an Olam project to combat the Covid pandemic during the harvest season in coffee growing areas and particularly in Uganda, a strategic country of origin for the company.

#### Caffè Borbone with Olam for Uganda

Headquartered in Singapore, Olam is active in the cocoa, coffee, cotton, nuts and spices sectors. It integrates sustainability into the business with an ethical, socially responsible and environmentally friendly approach. Coffee LENS is the sustainability programme dedicated to coffee. It is also a partner of the Sustainable Coffee Challenge, the largest collaborative platform for the sustainability of the supply chain involving companies, governments, NGOs, research institutes and other subjects.

In Uganda, a strategic country for Caffè Borbone, the lockdown closed processing plants and hundreds of women have lost their source of income.

The low level of education in rural areas and a lack of information about Covid protocols increase the risk of spreading the virus. Lower volumes of goods being transported from ports has been pushing up the prices of basic foodstuffs in rural areas. Schools have been closed as well, leaving most of the children exposed to infection.

The financial support provided covers the basic needs of over 50,000 families, helping the local diffusion of good prevention practices and promoting indoor recreational activities for children.

Caffè Borbone's production aims at the careful selection of raw materials, green coffee in particular. Choices are made that combine 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.

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Caffè Borbone benefits from the value of specialized and motivated people (overall turnover around 6% with 25 new hires). Direct employees, by choice mainly of local origin, are all covered by collective bargaining agreements. 10% (17% of executives) of managerial positions are held by women.

A significant use of collaborators was made<sup>12</sup>, about 86 in 2020, partly to enable jobs to be rotated as a way of handling the pandemic. The dialogue with the social partners has allowed the protection of workers' health and the continuity of production activities, guaranteeing the necessary health protocols, remote working for administrative employees and the provision of 752 hours of mainly technical training.

12 Temporary workers, agents, self-employed workers and interns

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>7</b>	<b>147</b>	<b>154</b>	<b>8</b>	<b>191</b>	<b>199</b>	<b>8</b>	<b>210</b>	<b>218</b>
Managers	0	4	4	1	3	4	1	5	6
Middle managers	-	-	-	-	-	-	0	4	4
Office workers	4	25	29	7	22	29	7	19	26
Production workers	0	44	44	0	166	166	0	182	182
<b>Contracts</b>									
Permanent / fixed-term employment contracts	6 / 1	109 / 38	<b>115 / 39</b>	8 / 0	155 / 36	<b>163 / 36</b>	8 / 0	190/20	<b>198/20</b>
Full time / part-time	7 / 0	146 / 1	<b>153 / 1</b>	8 / 0	155 / 36	<b>163 / 36</b>	8/0	205/5	<b>213/5</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>2.3</b>	<b>10.2</b>	<b>9.8</b>	<b>3.0</b>	<b>5.1</b>	<b>5.0</b>	<b>1.0</b>	<b>3.5</b>	<b>3.4</b>
Managers	0.0	26.7	20.0	16	16.0	16.0	0.0	0.0	0.0
Middle managers	-	-	-	-	-	-	-	0.0	0.0
Office workers	2.7	1.7	2.1	1.1	3.3	2.8	1.1	0.4	0.6
Production workers	-	10.7	10.7	-	5.2	5.2	-	4.0	4.0
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>39%</b>	<b>11%</b>	<b>63%</b>	<b>10%</b>	<b>10%</b>
Managers	-	0%	0%	-	100%	100%	100%	100%	100%
Middle managers	-	-	-	-	-	-	-	100%	100%
Office workers	0%	0%	0%	100%	100%	63%	57%	42%	46%
Production workers	-	0%	0%	-	0%	0%	-	0%	0%

## HEALTH, SAFETY & 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 Policies of the Italmobiliare Group, Caffè Borbone 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.

13 With absence from work for at least 180 days  
 14 With absence from work for at least 24 hours  
 15 Number of injuries (with absence from work for at least 24 hours) per million hours worked  
 16 Temporary workers and interns

	2018	2019	2020
<b>Employees</b>			
Fatalities	0	0	0
Serious injuries <sup>13</sup>	0	0	0
Injuries <sup>14</sup>	4	2	3
Frequency rate <sup>15</sup>	17.2	6.3	8.1
<b>Collaborators<sup>16</sup></b>			
Fatalities	0	0	0
Serious injuries <sup>13</sup>	0	0	0
Injuries <sup>14</sup>	0	0	0
Frequency rate <sup>15</sup>	0.0	0.0	0.0

### Sustainable wrapping and packaging

Over 70% of the materials used in production and 100% of those used in 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
- 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
- Packaging plastic is recycled and recyclable

## PRODUCT AND SERVICE STEWARDSHIP

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 the taste experts of the International Taste Institute and by consumers in the Quality Award.

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.

The next steps are compostable capsules and even more easily recyclable wrappers, thanks to a lower use of poly laminate or diversified materials.



Responsibility does not stop with the product: 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 & 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.

<b>ISO 9001</b>	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.	<b>System certified by DNV-GL</b>
<b>IFS FOOD STANDARD</b>	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 pro-active management of environmental aspects such as waste management and industrial hygiene.	<b>System certified by DNV-GL</b>

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.

In 2020, a kit consisting of compostable cups and biodegradable birch wood stirrers was distributed, a set of accessories with a reduced environmental footprint that perfectly matched the compostable capsules and sustainable wrappers already on the market.

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 Exodus: recycling and inclusion**

The jute bags of coffee arriving from the rural communities of origin create environmental and social value by being transformed into corporate shopping bags. These are created at the Social Cooperative "I Camminatori di Exodus" set up at Don Mazzi's Exodus Foundation, which has been working throughout Italy for over 35 years to reintegrate into society boys and girls who live in situations of hardship and addiction.

### **Caffè Borbone with the Municipality of Naples against social hatred**

Caffè Borbone and the Municipality of Naples are promoting the creativity of the street artist CIBO to erase the messages of hate that disfigure the walls of the city and transform them into works of art, or rather graffiti art, inspired by food and the great products of Italy's culinary traditions.

## ENVIRONMENT

## RESPONSIBLE USE OF RESOURCES

Raw materials and energy are procured on the basis of production needs, with the aim of minimizing waste.

Computerised management of the entire process makes it possible to monitor the efficient use of resources and improve traceability, which is also essential for guaranteeing food safety. Particular attention is given to the materials used for pods and capsules, wrapping and packaging.

Water consumption at the plant is limited to sanitary uses. However, Caffè Borbone is aware of the significant water footprint of its supply chain,<sup>17</sup> estimated for 2020 at around 300 million m<sup>3</sup> of water, or 12,000 m<sup>3</sup> per tonne of processed coffee.

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

**Sustainable raw materials**

- 82% renewable
- 73% recyclable
- 68% recycled material used in packaging

**Renewable energies**

The photovoltaic system produces and feeds over 100,000 kilowatt hours of electricity per year into the grid.

	units	2018	2019	2020
<b>Raw materials</b>				
Coffee		17,379	23,261	25,829
Paper for pods		252	308	444
Plastic for capsules		1,393	2,128	2,388
Other CO <sub>2</sub> refrigerant		-	552	761
Packaging	t	5,165	6,625	10,258
Aluminium		2,205	2,725	3,358
Cardboard		2,896	3,642	6,577
Plastic		65	258	323
<b>Energy</b>				
TOTAL consumed		62,987	89,231	126,330
Thermal: natural gas from the grid		48,633	69,815	102,091
Electric: bought from the grid	GJ	14,354	19,415	24,239
TOTAL self-produced renewable		366	386	392
Sold to the grid		366	386	392

The waste generated by the production process can become a resource for other consumption or production cycles. With this awareness, in 2020 almost 2,100 tons of waste, including hazardous and non-hazardous waste, were sent for valorization. In any case, the remainder is sent to controlled disposal destinations, where further partial valorization is possible, at least in terms of energy.

	units	2018	2019	2020
<b>Valorization of waste generated</b>				
Hazardous waste		0.06	4.43	0.17
% Recovery of material or energy		100%	99%	57%
% Disposal		-	1%	43%
Non-hazardous waste*	t	1,372.82	2,104.6	2,114.01
% Recovery of material or energy		87%	88%	77%
% Disposal		13%	12%	23%

\* The data relating to 2019 have been restated following a refinement of the collection methodology.

## LOW-CARBON TRANSITION

The carbon footprint largely depends on the supply of green coffee. 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.

	unità	2018	2019	2020
Carbon footprint				
Scope 1	t CO <sub>2</sub>	2,648	3,956	5,767
Scope 2 market based		1,900	2,607	3,138
(location based)		(1,495)	(1,936)	(2,262)
Scope 3 estimate <sup>18</sup>		-	-	118,306
TOTAL		-	-	127,210
Emissions avoided (location based)				
From photovoltaic production		48	52	51
Carbon intensity				
Scope 1+2 market based	t CO <sub>2</sub> /M€ EBITDA	136	126	118

18 Nab C. & Maslin M. A., 2020. Life cycle assessment synthesis of the carbon footprint of Arabica coffee: Case study of Brazil and Vietnam conventional and sustainable coffee production and export to the United Kingdom.

### Scope 1

Direct emissions from fuels

### Scope 2

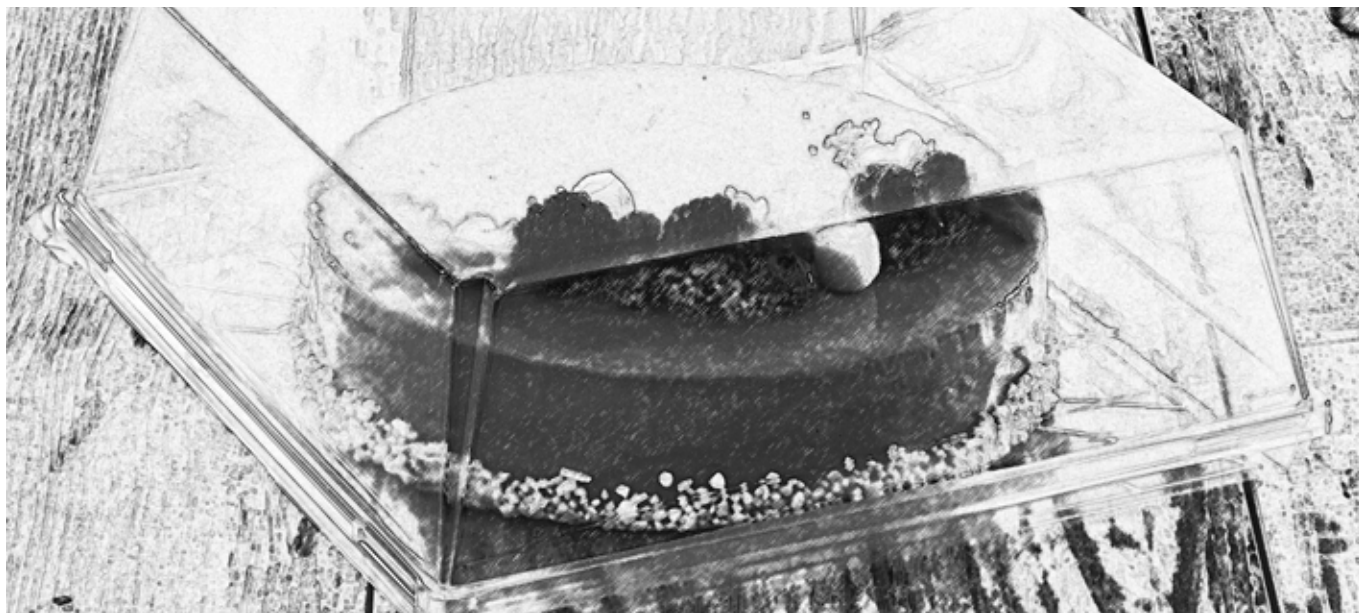
Indirect emissions from the purchase of electricity

### Scope 3 (estimate)

The CO<sub>2</sub> emissions of the value chain are estimated on the basis of literature data.

The carbon footprint is distributed as follows:

Scope 1+2	7%
Scope 3	93%
Green coffee and packaging	38%
Use and end of life	55%



## Sirap

For more than 50 years, Sirap, which is based in Verolanuova (Brescia), has been one of the most qualified European producers of plastic containers for fresh food. It has been part of the Italmobiliare Group since 1990, as a **subsidiary with a 100% stake**<sup>19</sup>.

Italmobiliare and Sirap recognize the sensitive aspects of the supply chain, also being aware of its important role in food conservation and logistics and in the fight against food waste. 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 management of the products' end of life.

Sirap fully embraces 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 the integrity of every aspect of the business.

In so doing, Sirap upholds the Italmobiliare Group's commitment to 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.

Moreover, through active membership in Unionplast - The Plastic Rubber Federation, it shares the commitment of the EuPC (European Plastic Converters) in its many sustainability initiatives, including supporting Waste Free Oceans in its mission to collect and recycle plastic from the oceans.

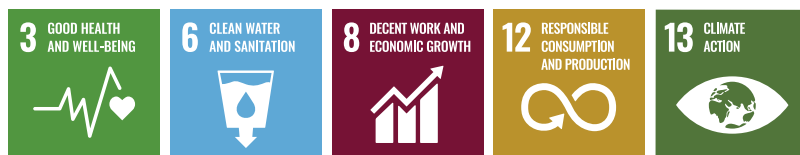
<sup>19</sup> Early in 2021, Sirap's main assets in Italy, Poland and Spain were sold to the Farerch group and an agreement was signed with Zeus Packaging for the sale of Sirap's assets in Austria, Central-Eastern Europe and Germany. Sirap retains control of the assets in France and the United Kingdom. The information provided here relates to the entire perimeter that existed prior to the sale.

## UN GLOBAL COMPACT & SDGS

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



Responsible choices in the **supply chain** to promote ethical supplies, with a low environmental footprint, also from the recovery of marine litter from the oceans.



Efficiency of **production** to reduce the direct and indirect environmental footprint and guarantee the safety of products used for food.



Attention to **people** through the promotion of health, safety and wellbeing in an inclusive and modern working environment.



Involvement of the **community**, including end-consumers, with social initiatives and the promotion of 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.

## GOVERNANCE

### Board of Directors

- 6 members
- 2 independent members

## GOVERNANCE & INTEGRITY

The composition and management of the governance bodies, starting with the Board of Directors, ensure representativeness, skills 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 adopted by Sirap explicitly recalls the principles of the United Nations Global Compact, recognized as an advanced point of reference at international level, also in terms of corporate governance. Through a sustainable approach aimed at creating shared value for the society and for the environment, Sirap 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, Sirap 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, Sirap 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, 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.

### Management systems

- Quality: ISO 9001
- Environment: ISO 14001
- Health & Safety: OHSAS 18001 or ISO 45001

## PROCUREMENT AND SUPPLY CHAIN

The procurement of raw materials, semifinished products and auxiliary materials for production are the main items of purchase, together with logistics services, utilities and packaging materials.

The centralized Supply Chain function deals with purchasing, planning, logistics and customer services, defining procedures and workflows for each area and for all branches with particular attention to strategic supplies and the allocation of production capacities. With plants located in different European countries, the supply chain involves operators belonging to different markets. Local suppliers are favoured within each nation.

The inclusion of suppliers in the vendor list is re-evaluated annually, based on the requirements of reliability, quality, level of service and competence. All new and main suppliers are required to sign the Code of Ethics and Model 231. The evaluation parameters refer to financial elements and the results of quality controls and industrial tests, as well as quality compliance audits, if considered necessary. Due to the Covid-19 pandemic, it was not possible to carry out site visits to suppliers during 2020.

The international context of 2020 did not have any impact on procurement decisions, consolidating relationships with suppliers of raw materials. The local origin of suppliers has limited the critical

issues relating to border closures.

Starting in 2017, Sirap has increased its supply of raw materials from recycled and renewable sources in order to improve the environmental footprint of its products.

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Sirap benefits from the value of 1,369 specialized and motivated people (overall turnover around 20% with 126 new hires). Direct employees, by choice mainly of local origin, are practically all covered by collective bargaining agreements, according to the regulations of the various countries in which Sirap operates. 20% of managerial positions are occupied 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. Although not explicitly stated in the company's procedure, given the same profile, technical skills and characteristics, it is Group practice to favour the inclusion of women to improve the gender balance in the corporate population. With the aim of counteracting turnover, a search for young talents was carried out in each local community in which Sirap is present. After training and internal growth, they could act as team leader for production and maintenance.

Having guaranteed the health protocols, remote working for 70% of the headquarters staff was activated for the safety of workers, providing appropriate devices and technical instructions. The Covid-19 emergency was managed from the headquarters for all branches, including the request for aid and subsidies made available by all EU countries where Sirap is present.

At Sirap, training is a permanent factor for the development and updating of staff skills. Training courses are planned to respond to the needs of each function and country, as well as to provide recurring courses on technical topics and soft skills. A structured assessment scheme verifies the actual level of learning. Particular importance is attributed to knowledge sharing as a stimulus for the dissemination of the methodological approaches used within the organisation. In 2020, training hours were not consolidated.

A performance management system is envisaged for executives and middle managers which provides for the assignment of managerial objectives with an assessment at the end of the calendar year; if the result of the assessment is positive, this gives access to the variable component of remuneration. 2020 data were not consolidated.

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>438</b>	<b>1,009</b>	<b>1,447</b>	<b>429</b>	<b>955</b>	<b>1,384</b>	<b>426</b>	<b>943</b>	<b>1,369</b>
Managers	5	31	36	7	28	35	5	25	30
Middle managers	-	-	-	-	-	-	17	55	72
Office workers	208	267	475	197	253	450	175	215	390
Production workers	224	712	936	225	674	899	229	648	877
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	388 / 50	930 / 79	<b>1,318 / 129</b>	389 / 40	904 / 51	<b>1,293 / 91</b>	384 / 42	900 / 43	<b>1,284 / 85</b>
Full time (vs. part-time)	392 / 45	989 / 21	<b>1,381 / 66</b>	387 / 42	944 / 11	<b>1,331 / 53</b>	387 / 39	928 / 15	<b>1,315 / 54</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>4.3</b>	<b>7.8</b>	<b>6.7</b>	<b>5.0</b>	<b>3.1</b>	<b>3.7</b>	-	-	-
Managers	24.3	24.4	24.4	33.1	13.5	17.5	-	-	-
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	4.5	2.6	3.4	6.4	4.4	5.3	-	-	-
Production workers	3.6	9.0	7.7	2.9	2.2	2.4	-	-	-
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>15%</b>	<b>18%</b>	<b>17%</b>	<b>4%</b>	<b>8%</b>	<b>7%</b>	-	-	-
Managers	70%	73%	72%	57%	93%	86%	-	-	-
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	23%	21%	22%	7%	21%	15%	-	-	-
Production workers	6%	13%	11%	0%	0%	0%	-	-	-

## HEALTH, SAFETY & WELLBEING

Sirap 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 national regulations applicable in various countries, starting with a solid risk assessment, updated periodically with the support of qualified third parties. In 2020, we have also integrated the elements necessary for the management of the Covid-19 pandemic. 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 Policies of the Italmobiliare Group, Sirap has long since made the management method evolve far beyond simple legislative compliance, finding its foundation in managerial leadership that supports the motivational elements, the organizational structures and the necessary operational tools, such as evaluation of risks 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 "We Work In Safety" project has been going for nearly ten years and it has led to a progressive change in behaviour throughout the organisation. Under the inspiration of an integrated Safety Policy, Sirap has developed multiple communication and operational tools, including meters for days without accidents, a widespread system for reporting dangerous and near-miss conditions, secure work procedures for the riskier activities, the 5ESSE project designed to improve safety, productivity and quality and reduce waste, the Behaviour Observation System (BOS) which provides for local checks by the General Management at the related sites and the HSE Dialogue Sirap observation system, aimed at consolidating positive attitudes, actions and behaviours and identifying areas for improvement.

An Integrated HSE Management System developed on a voluntary basis for the optimization and continuous improvement of processes relating to worker health, safety at work and environmental protection is progressively implemented at the operating sites. The system certified according to the international standards ISO 45001, OHSAS 18001 and ISO 14001, currently covers over two thirds of the group's personnel; the only exceptions are the employees of Petruzalek's non-production locations, those of the production sites awaiting HSE certification and those of logistics sub-contractors of the Italian group companies.

20 With absence from work for at least 180 days

21 With absence from work for at least 24 hours

22 Number of injuries (with absence from work for at least 24 hours) per million hours worked. Due to the absence of data, worked hours for Sirap GEMA (Italy) and Inland (Poland) were estimated.

23 Temporary workers, self-employed workers, project collaborators, and agents

	2018	2019	2020
<b>Employees</b>			
Fatalities	0	0	0
Serious injuries <sup>20</sup>	0	1	0
Injuries <sup>21</sup>	17	12	7
Frequency rate <sup>22</sup>	8.5	6.2	3.8
<b>Collaborators<sup>23</sup></b>			
Fatalities	0	0	0
Serious injuries <sup>20</sup>	0	0	0
Injuries <sup>21</sup>	0	2	3
Frequency rate <sup>22</sup>	0.0	7.2	9.4



## PRODUCT AND SERVICE STEWARDSHIP

Sirap's commitment to innovation allows it to pursue goals that are more and more challenging, progressively improving the performance of its products and reducing their environmental footprint throughout the entire life cycle.

The Life Cycle Assessment (LCA) makes it possible to measure the environmental components of the entire supply chain, from the extraction of raw materials by the suppliers to the disposal of the products by the end-consumer, making it possible to highlight areas for improvement. In addition, eco-design permits a design that already aims to mitigate the environmental footprint, for example by increasing the use of recycled PET and reducing the weight of the packaging without compromising its properties of food protection and preservation. Furthermore, after the products have been used, the design makes them easily manageable by waste treatment plants.

D.edge®, launched in 2019, is the range of products most representative of the results achieved by the innovation path that the company has undertaken. The patented technology makes it possible to reduce the environmental footprint throughout its life cycle, from design of the pack, to transport and post-consumer recycling, without losing anything in terms of performance. The particular shape of the product reduces the quantity of raw material used by 10%, while maintaining best performance in terms of load capacity and mechanical resistance. The container has a minimum of 50% recycled PET and is completely recyclable. Confirming the validity of the project, D.edge® Salad is the first Sirap line to have obtained the Environmental Product Declaration (EPD).

## MARKET & COMMUNITIES

Sirap undertakes to guarantee that its products are of the highest quality possible, subjecting each phase of the production process to more than 1,000 daily checks at all plants, for a total of over 200,000 quality checks carried out in a year. During 2020, the new product ranges were validated internally by means of mechanical analyses and simulations of the final packaging, using specific control methods such as the assessment of cold brittleness, clouding, bottom and lid sealing.

Each year the internal laboratory collaborates with universities and research institutes to test more than 3,000 products in relation to their food and technological suitability, mechanical, thermal, optical, chemical-physical properties of materials, gas permeability and structural analysis. The legislative conformity of finished products is checked periodically by accredited third-party laboratories, guaranteeing constant process control, the use of suitable raw materials and the production of compliant and healthy products. With the exception of the Petruzelek site in Hungary, all of Sirap's factories are ISO 9001 certified.

In November 2020, the Tarascon plant in France obtained certification according to the BRC Issue 6 standard. Obtaining certification required the implementation of quality control and supplier monitoring procedures, an analysis of raw materials and finished products and the adoption of good processing practices in the production departments, in the cleaning of facilities and equipment, and for handling the calibration of the product verification tools.

Sirap undertakes to guarantee correct information on its products and to guide consumers in their correct use and disposal. For new ranges, a leaflet is prepared with further information on all the technical and commercial aspects of the new product ranges. Each year the supporting documentation, the technical sheets and the food compliance sheets are modified to comply with any updates of the legislation on objects that come into contact with food.

At every stage of the product, from design to production, the correctness of the information contained on the articles and supporting documentation is verified. The verification of technological suitability is validated by specific laboratory tests for each application. For compostable materials, the correctness of the labelling and symbols put on the containers is checked during periodic inspection visits and taking samples directly from the market.

### ISO 9001

ISO 9001 is the reference standard for an organisation that intends to plan, implement, monitor and improve both operational and support processes, designing and putting into effect the quality management system as a means to achieve objectives.

### BRC Issue 6

First published in 2001, the intention of the standard was to protect consumers by providing a common basis for the certification of companies that supply packaging to food producers.

In order to guarantee the protection of its customers' sensitive data, Sirap has adopted a Privacy Organisational Model pursuant to current regulations, similar to the one adopted by the parent company, Italmobiliare.

## ENVIRONMENT

### RESPONSIBLE USE OF RESOURCES

Sirap uses raw materials responsibly, thanks above all to research, innovation and eco-design applied to processes and products. Over the last few years, Sirap has introduced new product lines with a high content of recycled plastic (rPET) and from renewable sources (MaterBi® and PLA). In 2020, a model was defined to calculate the average content of recycled plastic in products, which also helps identify where there is room for further improvement. The model will be subjected to certification by a third party and applied in all plants that produce rPET products. At the same time, the analyses of Life Cycle Assessment (LCA), launched in 2018 and completed in 2020, will make it possible to monitor and optimise the environmental performance of the products.

In 2020, the Covid-19 health emergency led to a reduction in the consumption of petroleum derivatives, at the same level of production capacity, which led to lower prices for virgin raw materials. On the other hand, the greater complexities experienced in collection and recycling, combined with the lower consumption of specific categories of packaging products, have reduced the availability of recycled materials and increased their price, which got to the point that it was significantly higher than that of virgin materials. This market trend slowed down the Group's achievement of its targets in terms of increasing the recycled content of its products.

In its Strategic Sustainability Plan, Sirap intended to affirm its commitment to preventing marine litter at source, which it pursues through new research and development projects and communication and awareness initiatives at Group level and in the countries where its subsidiaries are located. 2020 saw the commercialisation of Ocean's, a new packaging line made with rPET plastic recovered from local communities living within 50 km of the coast, in areas where the risk of dispersion in the oceans is particularly high due to inadequate systems for the collection and treatment of waste. The recovery chain is certified and tracked through blockchain technologies and helps generate new jobs in developing countries.

Furthermore, correct disposal of plastic packaging materials after use can effectively counteract the risk of soil and sea pollution. In this sense, the quality of national collection and recovery chains is important, with close collaboration between producers, consumers, supply chain consortia, plant managers and institutional players. Sirap promotes numerous research and awareness initiatives to reduce end-of-life waste in all of the countries where it operates.

The volume of waste generated by the production of raw materials and the product transformation process is relatively limited, as shown in the LCA analyses completed in 2020. Sirap continues its goal of further reducing these volumes by maximising the opportunities for recycling and reusing processing waste, while constantly monitoring the process yields of raw materials and adopting improvement strategies based on quantitative indicators and targets.

Sirap has launched a process of optimisation of direct water consumption focused on the introduction of water recovery systems in production processes. In most plants there is a closed cycle system for the reuse and cooling of technological water through the use of evaporative towers or closed heat exchangers.

	units	2018	2019	2020
<b>Raw materials*</b>				
Renewable polymers	t	7	228	248
Recycled polymers		10,123	10,933	7,678
Other polymers		39,600	37,431	28,931
Renewable semifinished products		-	-	24
Other semifinished products		4,850	5,839	7,201
Additives and ancillaries		2,398	2,380	2,339
Butane gas		1,199	1,184	1,195
Packaging		4,539	5,192	4,374
<b>Energy</b>				
TOTAL consumed	GJ	414,496	370,552	311,267
Thermal: natural gas from the grid		74,177	47,487	348,476
Thermal: diesel		356	428	628
Electric: bought from the grid		337,708	318,926	292,647
Electric: self-produced renewable		261	-	-
Automotive: petrol		61	53	-
Automotive: diesel		1,894	1,725	4,297
Automotive: LPG		39	1,923	1,216
TOTAL self-produced renewable		295	-	-
Sold to the grid		34	-	-
<b>Water</b>				
TOTAL consumed	m³	76,670	90,030	58,986
Withdrawn from surface waters		820	590	0
Withdrawn from wells		457,640	509,520	389,661
Withdrawn from an aqueduct		26,480	21,660	25,724
Discharged into surface waters		377,600	415,250	322,670
Discharged into sewers		30,670	26,490	28,833
<b>Valorization of waste generated</b>				
Hazardous waste	t	148.4	145.1	142.4
% Recovery of material or energy		10%	21%	14%
% Disposal		90%	79%	86%
Non-hazardous waste		4,319	5,455	4,623
% Recovery of material or energy		76%	80%	60%
% Disposal		24%	20%	40%

**Raw materials**

15% of the raw materials used in production are renewable or come from recycling.

**Water**

3% of the water withdrawn and 0.2% of the water discharged at the Castiglion Fiorentino (AR) plant involve areas suffering from water stress.

\* The data relating to 2018 and 2019 have been restated following a refinement of the collection methodology.

## LOW-CARBON TRANSITION

The LCA studies completed in 2020 to obtain EPD (Environmental Product Declaration) certifications made it possible to assess the greenhouse gas emissions attributable to the entire value chain. The upstream and downstream activities of Sirap's transformation process constitute the most significant contribution to the overall carbon footprint.

At the same time, it is worth noting that plastic food containers contribute significantly to the reduction of food waste, which makes a considerable contribution to climate change globally by generating for many agri-food chains higher CO<sub>2</sub> emissions than those caused by its production.

	units	2018	2019	2020
Carbon footprint				
Scope 1	t CO <sub>2</sub>	8,533	6,900	3,605
Scope 2 market based		36,871	36,569	32,265
(location based)		(30,792)	(29,074)	(26,264)
Scope 3 estimate		-	-	141,288
TOTAL		-	-	171,158
Emissions avoided (location based)				
From photovoltaic production		29	-	-
Carbon intensity				
Scope 1+2 market based	t CO <sub>2</sub> /M€ EBITDA	2,749	2,166	1,452

**Scope 1**

Direct emissions from fuels

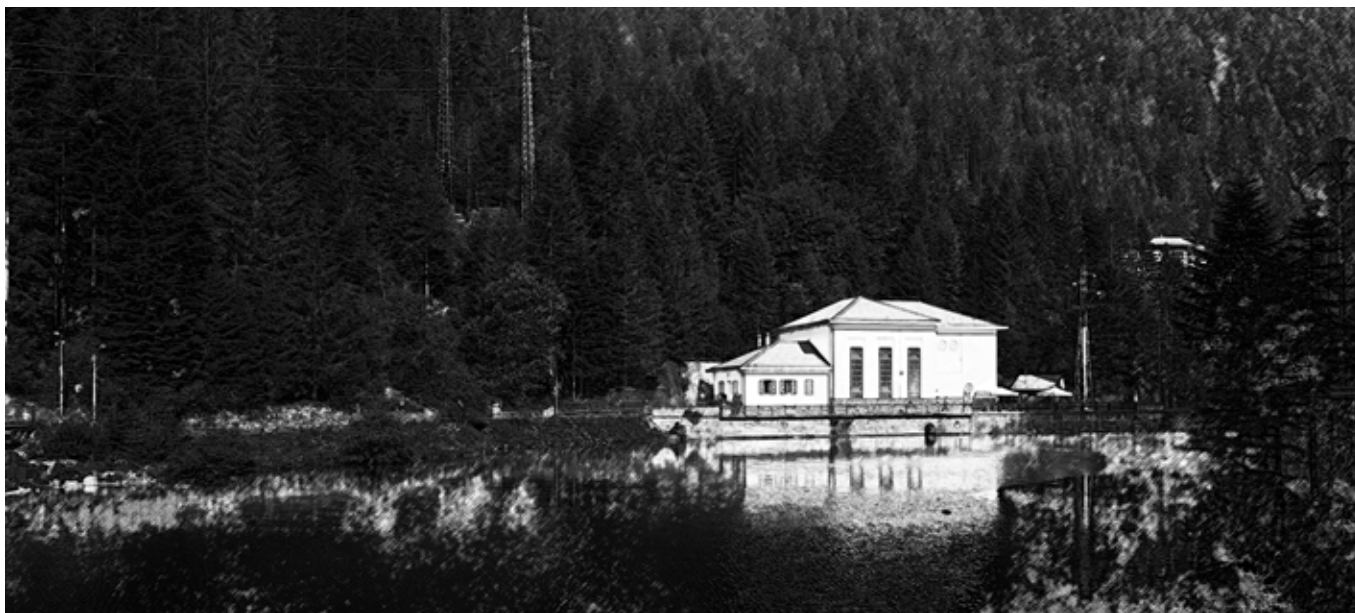
**Scope 2**

Indirect emissions from the purchase of electricity

**Scope 3 (estimate)**

The CO<sub>2</sub> emissions of the value chain are estimated on the basis of Sirap and sectoral LCA studies. On average, the carbon footprint is distributed as follows:

Scope 1+2	20%
Scope 3	80%
Upstream	44%
Downstream	36%



## 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 15 hydroelectric plants 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 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**.

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.

Italgen fully embraces 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 the integrity of every aspect of the business.

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.

## UN GLOBAL COMPACT & SDGS

Italgas 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 modern 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.

## GOVERNANCE

### Board of Directors

- 5 members
- 1 independent member

## GOVERNANCE & INTEGRITY

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, skills 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** adopted by Italgen explicitly recalls the principles of the United Nations Global Compact, recognized as an advanced point of reference at international level, also in terms of corporate governance. Through a sustainable approach aimed at creating shared value for the company and for the environment, Italgen 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, Italgen 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, Italgen 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.

### Management systems

- Quality: ISO 9001
- Environment: ISO 14001 and EMAS registration
- Health & Safety: UNI-INAIL Guidelines

## PROCUREMENT & SUPPLY CHAIN

Italgen 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 Italgen.

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Italgen benefits from the value of specialized and motivated people (overall turnover around 6% with 2 new hires). 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.

The Covid-19 pandemic accelerated the use of remote working for 19 workers, managers, administrative and technical employees not directly involved in production or in operating the plants, providing, when necessary, the technological support necessary to carry out the work remotely. A specific health policy was also stipulated in favour of all employees, with compensation for hospitalisation, convalescence and assistance.

Following a structured training plan and mostly using digital platforms, 783 hours of training were provided in 2020, covering topics well beyond legislative compliance, including those related to the best use of remote working. The Internal Academy was also created 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.

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>4</b>	<b>73</b>	<b>77</b>	<b>4</b>	<b>66</b>	<b>70</b>	<b>5</b>	<b>65</b>	<b>70</b>
Managers	0	4	4	0	4	4	0	3	3
Middle managers	-	-	-	0	10	10	2	11	13
Office workers	4	25	29	4	12	16	3	12	15
Production workers	0	44	44	0	40	40	0	39	39
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	4 / 0	73 / 0	<b>77 / 0</b>	4 / 0	66 / 0	<b>70 / 0</b>	5 / 0	65 / 0	<b>70 / 0</b>
Full time (vs. part-time)	3 / 1	71 / 2	<b>74 / 3</b>	3 / 1	64 / 2	<b>67 / 3</b>	4 / 1	64 / 1	<b>68 / 2</b>
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>11.0</b>	<b>8.8</b>	<b>8.9</b>	<b>5.0</b>	<b>16.7</b>	<b>16.1</b>	<b>26.2</b>	<b>10.0</b>	<b>11.2</b>
Managers	-	0.0	0.0	-	17.3	17.3	-	15.0	15.0
Middle managers	-	-	-	-	-	-	0.0	35.0	29.7
Office workers	11.0	17.1	16.2	5.0	37.4	32.4	43.7	8.5	15.6
Production workers	-	4.9	4.9	-	5.3	5.3	-	3.1	3.1
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>100%</b>	<b>40%</b>	<b>43%</b>	<b>100%</b>	<b>39%</b>	<b>43%</b>	<b>80%</b>	<b>32%</b>	<b>36%</b>
Managers	-	100%	100%	-	100%	100%	-	100%	100%
Middle managers	-	-	-	-	-	-	50%	100%	92%
Office workers	100%	100%	100%	100%	100%	100%	100%	58%	67%
Production workers	-	0%	0%	-	0%	0%	-	0%	0%



## HEALTH, SAFETY & 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. In 2020, we have also integrated the elements necessary for the management of the Covid-19 pandemic. 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 policies of the Italmobiliare Group, 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 UNINAIL Guidelines is subject to annual verification by an internal audit team coordinated by an external team leader.

24 With absence from work for at least 180 days  
25 With absence from work for at least 24 hours  
26 Number of injuries (with absence from work for at least 24 hours) per million hours worked

	2018	2019	2020
<b>Employees</b>			
Fatal injuries	0	0	0
Serious injuries <sup>24</sup>	0	0	0
Injuries <sup>25</sup>	1	0	0
Frequency rate <sup>26</sup>	6.8	0	0

### 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.

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. In 2020, in the midst of the pandemic, the company rewarded the commitment of employees in the production and plant management area, further increasing the reward that can be allocated to welfare services. The activation of remote working, made structural from 2021, will allow the people involved a better work-life balance.

Lastly, in 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 new facility allows employees more convenient access to the cycle/foot path and the exercise circuit near the headquarters, along the river Serio.



## PRODUCT AND SERVICE STEWARDSHIP

Italgen aims at the continuous improvement of product and 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.

In 2019, Progetto Fibra 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. This will be followed by the automation and remote control of the electrical equipment used in transformation and transmission in 2021.

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 2020 there were no accidents or plant malfunctions that could have caused physical injury to people. There were 2 episodes of general service interruptions for a total of 265 minutes, while another 10 events affected individual distribution lines, without affecting the service as a whole, for a total of 2,213 minutes. These episodes are mainly to do with extreme weather conditions resulting in snow, 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 & 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 is expected to be implemented to identify unauthorized 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.

### At energy school

For over a decade Italgen has been the spokesperson for the training project, "At Energy School", aimed at students of primary and secondary schools, polytechnics and universities.

Over 1,000 youngsters visit the plants every year to discover the cycle of energy production from renewable sources. A project to educate the adults of tomorrow to a conscious use of a precious asset, water, according to stages and engaging activities with ad hoc paths, depending on their level of education.

In 2020, due to the impossibility of organizing events in presence, Italgen involved the schools of the province in the preparation of informative contents on sustainability, published in L'Eco di Bergamo.

## 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 2020, Italgen produced and fed into the grid for users 318 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	2018	2019	2020
<b>Energy</b>				
TOTAL consumed		29,303	29,892	<b>31,576</b>
<i>Thermal: diesel</i>		-	-	<b>106</b>
<i>Electricity: self-consumed and network losses</i>		28,620	29,212	<b>30,945</b>
<i>Automotive: diesel</i>	<b>GJ</b>	525	529	<b>429</b>
<i>Automotive: petrol</i>		158	150	<b>96</b>
TOTAL sold		1,201,892	1,432,223	<b>1,396,505</b>
<i>Electric: self-produced hydro</i>		1,041,703	1,102,245	<b>1,145,984</b>
<i>Electric: bought from the grid and resold</i>		188,809	359,189	<b>281,466</b>
<b>Water</b>				
TOTAL consumed		5,935	5,706	<b>6,089</b>
<i>Withdrawn from wells</i>	<b>m³</b>	5,935	5,706	<b>6,089</b>
<i>Withdrawn from an aqueduct</i>		712	560	<b>1,310</b>
<i>Discharged into sewers</i>		712	560	<b>1,310</b>

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. The matter taken from the grids, called "sgrigliato", is 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 2020, over 260 tons of waste, including hazardous and non-hazardous waste, were sent for valorization. In any case, the remaining part is sent to controlled disposal destinations, where further valorization, including energy, is possible.

	units	2018	2019	2020
<b>Valorization of waste generated</b>				
Hazardous waste		21.20	8.24	<b>8.61</b>
<i>% Recovery of material or energy</i>	<b>t</b>	-	98%	<b>95%</b>
<i>% Disposal</i>		100%	2%	<b>5%</b>
Non-hazardous waste		337.10	1,699.90	<b>258.67</b>
<i>% Recovery of material or energy</i>		100%	100%	<b>100%</b>
<i>% Disposal</i>		-	-	<b>-</b>

### LOW-CARBON TRANSITION

Italgen actively contributes to the low-carbon transition with 15 hydroelectric plants in Lombardy, Piedmont and Veneto for a total installed capacity of 58 MW and approximately 300 kilometres of transmission lines. 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	2018	2019	2020
<b>Carbon footprint</b>				
Scope 1		46	42	47
Scope 2 market based		0	0	0
(location based)		(2,981)	(2,913)	(2,888)
Scope 3 estimate		-	-	26,270
TOTAL	<b>t CO<sub>2</sub></b>	-	-	29,205
<b>Emissions avoided (location based)</b>				
From hydroelectric production		108,511	109,918	106,958
<b>Carbon intensity</b>				
Scope 1+2 market based	<b>t CO<sub>2</sub> /M€ EBITDA</b>	5.5	3.0	3.5

**Scope 1**

Direct emissions from fuels

**Scope 2**

Indirect emissions from the purchase of electricity

**Scope 3 (estimate)**

Electrical energy purchased on the market (location based) and traded

## LAND & 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 m<sup>3</sup>, 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. The release of the Minimum Vital Outflow, 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 will commence. 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 km<sup>3</sup>/year, slightly less than the volume of Lake Iseo.**Minimum vital outflow**

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.



## 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**.

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.

Capitelli fully embraces 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 the integrity of every aspect of the business.

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.

## UN GLOBAL COMPACT & SDGS

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 valorization of waste, and ensure food safety.



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 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.

**Board of Directors**

- 3 members

## GOVERNANCE

### GOVERNANCE & INTEGRITY

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

In line with the Group's approach, in 2020 Capitelli started drafting its Code of Ethics that explicitly recalls the principles of the United Nations Global Compact, recognized as an advanced point of reference at international level, also in terms of corporate governance. 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 is defining 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 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.

Capitelli has already implemented the Enterprise Risk Management system, 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.

Integration with business processes helps to consolidate the organisational, technological and behavioural methods implemented.

**"Filiera Capitelli"**

- Common goal: to ensure sustainable growth, through social equity, attention to the environment and animal welfare and transparent information for consumers.
- Sharing and trust: values, responsibilities and benefits, in a direct relationship that integrates the needs and specificities of the individual players.
- Inclusion: openness to all breeders who respect and share Capitelli's values, quality standards and best practices, regardless of the breeds of pig that they have on their farms.
- Market independence: setting an adequate, advantageous and sustainable price for all those involved, which allows them to invest resources in the improvement and innovation of farming practices.

### PROCUREMENT & SUPPLY CHAIN

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

In addition, 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. Full operation is expected in 2021, with the drafting of a specification and guidelines for farmers on nutrition, animal welfare, reduction of the environmental footprint and protection of workers' rights.

Suppliers of packaging and subsidiary materials are also required to comply with environmental standards, preferably certified, even without a formal procedure.





## HEALTH, SAFETY & 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 Policies of the Italmobiliare Group, 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.

29 With absence from work for at least 180 days  
30 With absence from work for at least 24 hours  
31 Number of injuries (with absence from work for at least 24 hours) per million hours worked  
32 Agents and self-employed workers

	2018	2019	2020
<b>Employees</b>			
Fatalities	-	-	0
Serious injuries <sup>29</sup>	-	-	0
Injuries <sup>30</sup>	-	-	2
Frequency rate <sup>31</sup>	-	-	37.6
<b>Collaborators<sup>32</sup></b>			
Fatalities	-	-	0
Serious injuries <sup>29</sup>	-	-	0
Injuries <sup>30</sup>	-	-	0
Frequency rate <sup>31</sup>	-	-	0.0

## PRODUCT AND SERVICE STEWARDSHIP

The ultimate goal of Capitelli's entire business is qualitative excellence repeatedly appreciated by the market. In 2020, "San Giovanni" cooked ham was awarded "five pins" by the Espresso's "Guida ai Salumi d'Italia", the only cooked ham in Italy to obtain this result since the first edition. The "Proibita" cooked shoulder ham was the only Italian cured meat to win a prize at the International Taste Award in Brussels. Such recognition is the result of careful research conducted in the field since the foundation of the company by Angelo Capitelli, starting with his rediscovery of traditional processing methods to pursue a progressive refinement of the individual phases.

The sustainable value of the products comes from the supply chain, with responsible choices for procurement that will be further consolidated with the "Filiere Capitelli". It continues with the initiatives aimed at reducing the environmental footprint of production, from renewable energies to the search for commercial partners for the valorization of processing waste. Furthermore, thanks to the close relationship with suppliers, Capitelli monitors the technological opportunities for the introduction of recycled and recyclable packaging materials and ancillaries.



## MARKET & COMMUNITIES

The pursuit of qualitative excellence is inextricably combined with compliance with the highest food safety standards.

The main pork suppliers used by Capitelli have certifications in the field of food safety (BRC/IFS). Compliance with the HACCP system of the individual processing phases carried out in the plant is ensured by analytical plans for checking the physical, chemical and biological characteristics of the meat and by bimonthly sample analyses on the finished product by an external laboratory. Furthermore, every two months, analyses are carried out on incoming meat samples with swabs on processing surfaces, cold rooms and technical equipment. For the "San Giovanni" cooked ham line, an additional analysis of sample units is also planned on a six-monthly basis to search for bacteria and pathogens, as well as controls for determining the nitrite and nitrate content. The pork legs are subjected to pasteurisation, guaranteeing a longer shelf life.

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

The company actively participates in the audits carried out periodically by large-scale distribution chains, the specific evaluation parameters of which are integrated from time to time in the HACCP self-control protocol. In order to ensure greater control in the distribution phase, the company has introduced a punctual batch tracking system, which will be fully digitized during the course of 2021.

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 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<sup>33</sup>, estimated for 2020 at almost 7 million m<sup>3</sup> of water, or 4,200 m<sup>3</sup> per tonne of processed meat.

#### **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.

<sup>33</sup> Engineering - Grandi Salumifici Italiani - Coop, Life cycle assessment applied to cured meats production, 2011.

**Sustainable raw materials**

- 94% renewable
- 76% recyclable packaging
- 52% recycled material used in packaging

**Renewable energies**

The photovoltaic system produces nearly 200,000 kilowatt hours of electricity per year, over 70% of which are used directly in the plant.

**Water**

Withdrawals and discharges do not affect water-stressed areas. An activated sludge purification plant supervises its discharge into a surface body of water on the basis of parameters that are better than the minimum standards required by national legislation.

	units	2018	2019	2020
<b>Raw materials</b>				
Pork meat		-	-	1,632
Other ingredients		-	-	77
Packaging	<b>t</b>	-	-	84
Aluminium		-	-	2
Cardboard		-	-	62
Plastic		-	-	20
<b>Energy</b>				
TOTAL consumed		-	-	8,650
Thermal: natural gas from the grid		-	-	4,914
Electric: bought from the grid	<b>GJ</b>	-	-	2,581
Electric: self-produced renewable		-	-	649
Automotive: diesel		-	-	507
<b>TOTAL self-produced renewable</b>		-	-	693
Sold to the grid		-	-	44
<b>Water</b>				
TOTAL consumed		-	-	376
Withdrawn from wells	<b>m³</b>	-	-	9,782
Discharged into sewers		-	-	406
Discharged into surface waters		-	-	9,000

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 valorize the energy, at least partially.

	units	2018	2019	2020
<b>Valorization of waste generated</b>				
Non-hazardous waste		-	-	214.88
% Recovery of material or energy	<b>t</b>	-	-	0%
% Disposal		-	-	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.

With the entry of Italmobiliare into the capital, 2020 saw the launch of a programme for the renewal of the heating and refrigeration systems which envisages the adoption of the best technologies available for the sector. Completion is scheduled for 2021.

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	2018	2019	2020
<b>Carbon footprint</b>				
Scope 1		-	-	321
Scope 2 market based		-	-	334
(location based)				(241)
Scope 3 estimate <sup>34</sup>	t CO <sub>2</sub>	-	-	8,002
TOTAL		-	-	8,564
<b>Emissions avoided (location based)</b>				
From photovoltaic production		-	-	90
<b>Carbon intensity</b>				
Scope 1+2 market based	t CO <sub>2</sub> /M€ EBITDA	-	-	172

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

### Scope 1

Direct emissions from fuels

### Scope 2

Indirect emissions from the purchase of electricity

### Scope 3 (estimate)

The CO<sub>2</sub> emissions of the value chain are estimated on the basis of literature data collated by industry players. On average, the carbon footprint is distributed as follows:

Scope 1+2	7%
Scope 3	93%
Livestock	77%
Packaging	9%
Slaughter	4%
Transport and other	3%



✂ CLESSIDRA

## Clessidra

Clessidra was founded in Milan in 2003 as an authorized asset management company (SGR), subject to the regulatory control activities of Consob and of the Bank of Italy. It is the leading manager of Private Equity funds dedicated to the Italian market. Between 2019 and 2020, Clessidra expanded its scope of operations to include Restructuring Funds and Factoring. It has been part of the Italmobiliare Group since September 2016, as a **subsidiary with a 100% stake**.

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.

Clessidra fully embraces 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 the integrity of every aspect of the business.

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 (UNPRI), formally committing to follow its principles and guidelines.

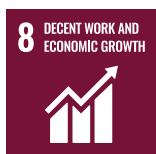
Through active participation in AIFI, the Italian Association of Private Equity, Venture Capital and Private Debt, and Invest Europe, the corresponding European trade association, Clessidra supports the numerous initiatives and guidelines on ESG.

## UN GLOBAL COMPACT & SDGS

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.



**Operational and social efficiency**, through female 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.



**Partnership**, starting from the financial one(s), with investments aimed at creating shared value and responsibly managed.

## GOVERNANCE

### Board of Directors

- 9 members
- 1 female members
- 1 independent member

## GOVERNANCE & INTEGRITY

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

In line with the Group's approach, the **Ethical Code** adopted by Clessidra explicitly recalls the commitment undertaken by joining the UN Principles for Responsible Investment (UN PRI) and 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 intends 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.

Based on that of the Parent Company and considering the specificities relating to the nature, size, type of activity or structure of internal powers, Clessidra 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. Among the main updates that took place in 2020, Clessidra carried out a self-assessment of the risk of money laundering, updating its internal processes in compliance with the European Directives and with the regulations on the subject that have been transposed at national level.

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 borne by 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 Clessidra's management processes 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 and its subsidiaries and effectiveness of the execution of action plans	ALL
Alignment with the evolution of the regulatory framework for health, safety and the environment	GOVERNANCE & INTEGRITY
Alignment with the evolution of the regulatory framework on data privacy	GOVERNANCE & INTEGRITY
Identification and prevention of potential cases of active and passive corruption	GOVERNANCE & INTEGRITY
Indirect impacts of the COVID-19 pandemic on the activities of one or more invested companies	MARKET & COMMUNITIES HEALTH, SAFETY & WELLBEING

## RESPONSIBLE INVESTMENTS

The strategy adopted by Clessidra SGR in the Private Equity investment segment is mainly focused on the acquisition of controlling stakes in unlisted Italian companies. Through controlling or joint-controlling investments, Clessidra SGR aims at building a diversified portfolio of investments in medium-large sized Italian market leaders with strong growth prospects. Clessidra proposes itself as an active partner for the creation of value in the medium-long term, also through acquisition strategies or add-ons.

Clessidra has been adhering to the UN Principles for Responsible Investment (UN PRI) since 2010. Responsibility, sustainability and integrity are core values in all investment decisions and building blocks of value creation. The ESG Policy adopted defines in detail the responsible approach in all the phases being managed.

Clessidra has adopted a three-year ESG Plan which includes a set of qualitative and quantitative targets common to the companies in the portfolio, the implementation of which is monitored on an annual basis and communicated to the Limited Partners through a specific report. Responsibilities and procedures are also defined for the reporting and timely communication of particular events. The investors in the funds are informed annually on the ESG performances achieved and receive prompt notification during the year in the event of any "ESG incidents", together with details of the corrective action taken.

In 2020, ESG interactions took place with all of 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.

### ESG Policy

- Pre-investment: the ESG profile, in terms of risk and opportunities to create value, is assessed through a proprietary checklist that is in line with the main international guidelines. The results of the ESG due diligence are examined by the Investment Committee and then by the Board of Directors.
- Active management: the Investment Team collaborates with the portfolio companies to support ESG management, promoting, supporting and monitoring improvement action plans.
- Disposal: the ESG profile is brought to the attention of potential buyers.

Company	Type of interaction	Main actions in 2020	2021 targets
<b>Harmont &amp; Blaine</b>	Annual collection of KPI and monitoring of ESG plan	<ul style="list-style-type: none"> <li>• Training Webinars for all shop staff.</li> <li>• Start of energy efficiency programme in stores</li> <li>• Activation of a project to improve the sustainability of packaging, introducing FSC-certified shopping bags, labels in recycled paper and packaging in recycled plastic.</li> </ul>	Employees Opinion Survey (EOS).
<b>L&amp;S</b>	First annual collection of KPI and implementation of Model 231	<ul style="list-style-type: none"> <li>• Start of ISO 14001 certification for Italy (already obtained for the plant in Germany).</li> <li>• Definition of the Supplier Code of Conduct, with mandatory subscription for all suppliers.</li> <li>• Activation in Italy of the anonymous collection of feedback on health, safety and workplace issues.</li> <li>• Implementation in Italy and China of a variable remuneration scheme linked to the achievement of objectives.</li> <li>• Increase in the use of renewable energies.</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of the ESG plan based on an analysis of the data collected in 2020 (first collection by the investment in 2019).</li> <li>• Alignment of products to the requirements of the Energy-Related Products Directive with the aim of improving the energy efficiency class up to 2-3 times.</li> <li>• Progressive extension to other countries of the anonymous collection of feedback on health, safety and workplace issues.</li> </ul>
<b>Nexi / Depobank</b>	Annual collection of data from NFR	The percentage held in the investee and the level of governance exercisable by Clessidra do not allow direct influence on sustainability issues. However, companies have a high level of sensitivity to sustainability issues and Clessidra records their progress annually. Being listed, the companies are bound by the obligations relating to non-financial communication.	
<b>Scrigno</b>	Annual collection of KPI and monitoring of ESG plan	Introduction of a corporate welfare plan linked to productivity objectives	Initiatives to reduce energy consumption.

## SOCIETY

### HUMAN CAPITAL DEVELOPMENT

Clessidra has a team of 30 motivated and specialized people (total turnover at 23% with 4 new hires). Direct employees are all covered by a collective bargaining agreement. 26% (13% of executives) 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.

With the Covid-19 pandemic, remote working was introduced for all employees, adopting all the necessary health protocols and making the IT tools available to employees to carry on their work at home. This method did not entail any interruption to the company's operations nor any particularly critical issues.

Following a structured training plan and mostly using digital platforms, 48 hours of training were provided in 2020.

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.

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Personnel</b>									
<b>TOTAL</b>	<b>9</b>	<b>17</b>	<b>26</b>	<b>10</b>	<b>19</b>	<b>29</b>	<b>10</b>	<b>20</b>	<b>30</b>
Managers	1	11	12	2	14	16	2	13	15
Middle managers	-	-	-	-	-	-	4	4	8
Office workers	8	6	14	8	5	13	4	3	7
<b>Contracts (%)</b>									
Permanent (vs. fixed-term)	8 / 1	17 / 0	25 / 1	9 / 1	19 / 0	28 / 1	10 / 0	18 / 2	28 / 2
Full time (vs. part-time)	7 / 2	17 / 0	24 / 2	8 / 2	18 / 1	26 / 3	8 / 2	20 / 0	28 / 2
<b>Training (hours per capita)</b>									
<b>TOTAL</b>	<b>4.5</b>	<b>5.8</b>	<b>4.2</b>	<b>3.6</b>	<b>13.6</b>	<b>10.1</b>	<b>2.4</b>	<b>1.2</b>	<b>1.6</b>
Managers	5.7	9.5	6.1	18.0	9.7	10.8	4.0	0.6	1.1
Middle managers	-	-	-	-	-	-	2.0	2.0	2.0
Office workers	3.3	2.0	2.6	0.0	24.4	9.4	2.0	2.7	2.3
<b>Performance assessment (%)</b>									
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Managers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Middle managers	-	-	-	-	-	-	100%	100%	100%
Office workers	100%	100%	100%	100%	100%	100%	100%	100%	100%

### HEALTH, SAFETY & 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.

	2018	2019	2020
<b>Employees</b>			
Fatal injuries	0	0	0
Serious injuries <sup>35</sup>	0	0	0
Injuries <sup>36</sup>	0	1	0
Frequency rate <sup>37</sup>	0	24.3	0

35 With absence from work for at least 180 days

36 With absence from work for at least 24 hours

37 Number of injuries (with absence from work for at least 24 hours) per million hours worked

## MARKET & COMMUNITIES

Clessidra SGR offers its 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/disposals in progress.

Within 60 days from the end of each year, Clessidra prepares 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 SGR also prepares 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, the SGR conveys information in response to specific requests from investors in the event that they express, in writing, a need to be aware of foreseeable developments in investment management so that they can 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.

Clessidra SGR fully adopts the principle of transparency also in the reporting of ESG performance and annually responds to the UN PRI questionnaire, 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. Finally, Clessidra SGR provides its investors with an Annual Report on ESG activities.

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.

### UN PRI Transparency Report

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

The Transparency Report provides stakeholders with extensive information on the ESG approach adopted.



PORTFOLIO  
COMPANIES  
consolidated  
in 2021



## 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.

From its origins as the pharmacy of the Dominican friars, the oldest apothecary in Europe, the Officina Profumo-Farmaceutica di Santa Maria Novella projects its centuries-old history into the present and into the future.

From the study of nature and its active ingredients, which has always been the main feature of the Officina's activity, and from highly selected raw materials, products are created based on historical formulations, but which respond to the new needs of consumers all over the world. It has been part of Italmobiliare Group since January 2020, and since September 2020 as a **subsidiary with an 80% stake**.

Italmobiliare and Officina Profumo-Farmaceutica di Santa Maria Novella recognize the sensitive aspects of the sector, already detailed during the due diligence carried out at the time of the first investment.

Today, Officina Profumo-Farmaceutica di Santa Maria Novella fully embraces 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 the integrity of every aspect of the business.

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.

## UN GLOBAL COMPACT & SDGS

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 modern 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.



## 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 a 92.5% stake**.

Italmobiliare and Casa della Salute recognize the sensitive aspects of the sector, already investigated during the due diligence, aiming at innovative and highly digitized healthcare.

The company's growth is based on a sophisticated business model that uses advanced IT systems and cutting-edge equipment, which make for high operational efficiency, prices close to the NHS prescription charge, optimisation of internal processes and a reduction in the environmental footprint. At Casa della Salute, it is possible to obtain the following types of services: diagnostic imaging, laboratory analyses, specialist visits, sports medicine, aesthetic medicine, dentistry, physiotherapy and functional rehabilitation.

Attention to people's well-being is also achieved through a profound sense of social responsibility, including health services for certain categories of patients that are either free or at beneficial prices.

Casa della Salute fully embraces 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 the integrity of every aspect of the business.

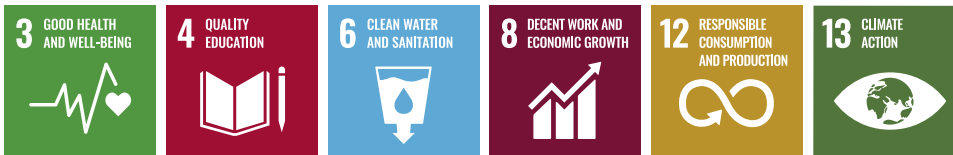
In so doing, Casa della Salute upholds the Italmobiliare Group's commitment with the Global Compact, confirming its support for the Ten Principles and contributing to the Sustainable Development Goals, as well as to the broader objectives of the United Nations.

## UN GLOBAL COMPACT & SDGS

The due diligence and initial contacts with management position Casa della Salute in line with the Italmobiliare Group's commitment to the Global Compact. The policies and operational management adopted aim to support the Ten Principles and contribute 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.

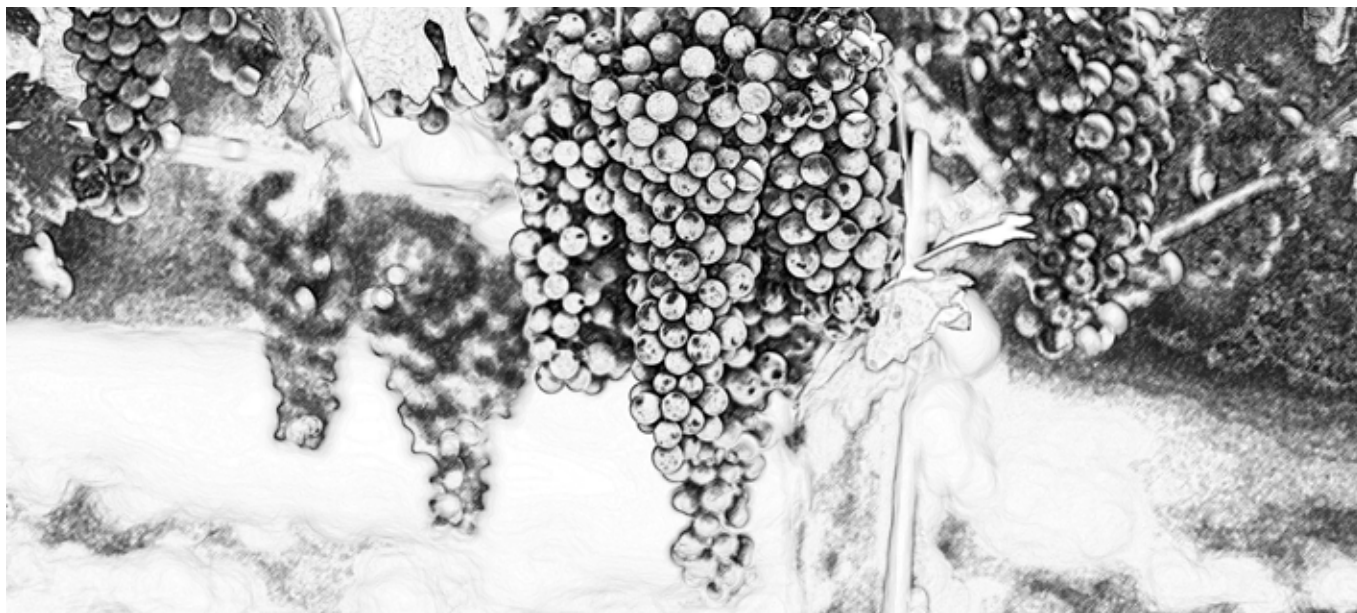


Involvement of the **community**, also through initiatives and services dedicated to the most vulnerable of population.



**Integrity** of business as a lever for success, from adoption of the Code of Ethics to cooperation with entities, organisations, institutions and authorities.





*callmewine*

## Callmewine

Callmewine, established by Paolo Zanetti 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**.

Italmobiliare and Callmewine recognize the sensitive aspects of the sector, already examined in depth during the due diligence.

By developing the concept of the "personal online sommelier", Callmewine has managed to reach a growing public that uses an online platform not only to buy goods at competitive prices, but also to find advice in selecting the most suitable wines, whether for special occasions or for daily consumption.

Callmewine is characterised by a selection of almost 1,900 certified craft, organic and bio-dynamic wines, but also wines that are natural, 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.

Callmewine fully embraces 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 the integrity of every aspect of the business.

In so doing, 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, as well as to the broader objectives of the United Nations.



## UN GLOBAL COMPACT & SDGS

Due diligence and the first management contacts position Callmewine in line with the Italmobiliare Group's commitment to the Global Compact. The policies and operational management adopted aim to support the Ten Principles and contribute 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 modern 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.



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. 3,300 employees, including some 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**.

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.

Tecnica Group fully embraces 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 the integrity of every aspect of the business.

The measures that the Group has decided to take to strengthen the 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.

Tecnica Group protects the environment with targeted actions, such as optimising the use of non-renewable resources, plastic in particular. The lining of the inner shoe of its ski boots is made principally by using recycled material derived from plastic bottles, while other pilot initiatives involve its packaging: plastic bags in the packaging of ski boots in biodegradable material and the reduction of single-use packaging using multi-content 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.

## SDGS

The policies and operational management adopted align Tecnica Group's activities with 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 modern 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.



## 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**.

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.

Autogas Nord - AGN ENERGIA Group fully embraces 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 the integrity of every aspect of the business.

Sustainability is also a commitment to human resources for Autogas Nord - AGN ENERGIA Group. It enhances their talents and skills through training and professional qualifications, paying attention to the health and safety of workers and plants, contractual fairness and transparency, and providing support for local communities.

Social commitment is aimed at strengthening collaboration with important partners who give life to concrete projects of social utility, especially those that, in line with the Group's mission, look to young people and the promotion of responsible lifestyles. For example, accessible and sustainable tourism projects, rules of good conduct for the protection of the planet, and tree planting projects are among the initiatives brought together in the City of Energy, the stage where all of the social responsibility activities promoted by the AGN ENERGIA brand are recounted, shared and passed on.

Autogas Group participates in Responsible Care, the voluntary programme to promote the sustainable development of the global chemical industry, according to values and behaviours oriented towards safety, health, the environment and social responsibility.

## SDGS

The policies and operational management adopted align Autogas Nord - AGN ENERGIA Group activities with 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.





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% stake**.

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.

Iseo fully embraces 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 the integrity of every aspect of the business.

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.

Sustainability is also commitment for the community and integration with the territory through activities such as the promotion and sponsorship of local initiatives both in the sports and social fields, as well as helping to fund nursery schools.



## SDGS

The policies and operational management adopted align Iseo's activities with 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.



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

		2018			2019			2020		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>GROUP</b>	<b>TOTAL</b>	<b>494</b>	<b>1,295</b>	<b>1,789</b>	<b>470</b>	<b>1,249</b>	<b>1,719</b>	<b>481</b>	<b>1,294</b>	<b>1,775</b>
	Open-ended	444	1,176	1,620	429	1,162	1,591	433	1,214	1,647
	Fixed-term	50	119	169	41	87	128	48	80	128
<b>France</b>	<b>TOTAL</b>	<b>60</b>	<b>206</b>	<b>266</b>	<b>57</b>	<b>200</b>	<b>257</b>	<b>55</b>	<b>191</b>	<b>246</b>
	Open-ended	56	200	256	57	196	253	55	190	245
	Fixed-term	4	6	10	0	4	4	0	1	1
<b>Germany</b>	<b>TOTAL</b>	<b>9</b>	<b>9</b>	<b>18</b>	<b>9</b>	<b>8</b>	<b>17</b>	<b>7</b>	<b>9</b>	<b>16</b>
	Open-ended	9	9	18	8	8	16	7	9	16
	Fixed-term	0	0	0	1	0	1	0	0	0
<b>Italy</b>	<b>TOTAL</b>	<b>131</b>	<b>630</b>	<b>761</b>	<b>119</b>	<b>631</b>	<b>751</b>	<b>133</b>	<b>679</b>	<b>812</b>
	Open-ended	128	571	699	119	590	709	126	630	756
	Fixed-term	3	59	62	1	41	42	7	49	56
<b>Poland</b>	<b>TOTAL</b>	<b>164</b>	<b>161</b>	<b>325</b>	<b>161</b>	<b>174</b>	<b>335</b>	<b>164</b>	<b>166</b>	<b>330</b>
	Open-ended	121	111	232	125	132	257	123	136	259
	Fixed-term	43	50	93	36	42	78	41	30	71
<b>United Kingdom</b>	<b>TOTAL</b>	<b>25</b>	<b>100</b>	<b>125</b>	<b>21</b>	<b>63</b>	<b>84</b>	<b>18</b>	<b>61</b>	<b>79</b>
	Open-ended	25	100	125	21	63	84	18	61	79
	Fixed-term	0	0	0	0	0	0	0	0	0
<b>Spain</b>	<b>TOTAL</b>	<b>30</b>	<b>41</b>	<b>71</b>	<b>32</b>	<b>42</b>	<b>74</b>	<b>30</b>	<b>44</b>	<b>74</b>
	Open-ended	30	41	71	32	42	74	30	44	74
	Fixed-term	0	0	0	0	0	0	0	0	0
<b>Hungary</b>	<b>TOTAL</b>	<b>75</b>	<b>148</b>	<b>223</b>	<b>70</b>	<b>131</b>	<b>201</b>	<b>74</b>	<b>144</b>	<b>218</b>
	Open-ended	75	144	219	67	131	198	74	144	218
	Fixed-term	0	4	4	3	0	3	0	0	0

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

		2018			2019			2020		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>GROUP</b>	<b>TOTAL</b>	<b>494</b>	<b>1,295</b>	<b>1,789</b>	<b>470</b>	<b>1,249</b>	<b>1,719</b>	<b>481</b>	<b>1,294</b>	<b>1,775</b>
	Full-time	439	1,276	1,715	423	1,229	1,652	432	1,259	1,691
	Part-time	55	19	74	47	20	67	49	35	84

### EXTERNAL WORKERS, BY GENDER

		2018	2019	2020
<b>GROUP</b>	<b>TOTAL</b>	<b>220</b>	<b>176</b>	<b>334</b>
	Temporary workers, self-employed workers, project workers	191	156	261
	Interns	8	4	2
	Agents	21	16	71

## GRI 102-9 Supply chain

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

		2018	2019	2020
GROUP	Total number of suppliers	5,500	3,829	4,302
Italmobiliare S.p.A.	Management software Consulting services			
Caffè Borbone	Raw coffee Packaging materials Transport services			
Sirap	Plastic raw materials, mainly GPPS – general purpose polystyrene and PET - polyethylene terephthalate)			
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			
Capitelli	Pork meat Trading services			
Clessidra	Management software Consulting services			

## GRI 102-41 Collective bargaining agreements

### PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

		2018	2019	2020
GROUP		79%	82%	64%
Italmobiliare S.p.A.	CCNL Cement and CCNL Industry Managers	100%	100%	100%
Caffè Borbone	CCNL Food Industry	100%	100%	100%
Sirap	CCNL Rubber and Plastic Industry and CCNL Industry Managers	75%	78%	53%
Italgen	CCNL Cement and CCNL Industry Managers	100%	100%	100%
Capitelli	CCNL Food Industry	-	-	100%
Clessidra	CCNL Commerce and Services	100%	100%	100%

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

### TONNES OF CO<sub>2</sub> EMITTED

		2018	2019	2020
<b>France</b>	Scope 1	59.2	1,468.2	135.4
	Scope 2 (location based)	1,181.7	1,626.8	1,110.2
	Scope 2 (market based)	1,278.4	1,157.5	852.4
<b>Italy</b>	Scope 1	5,789.1	7,028.7	9,331.5
	Scope 2 (location based)	19,023.1	18,688.6	18,477.6
	Scope 2 (market based)	25,180.8	25,158.7	21,621.0
<b>Poland</b>	Scope 1	49.5	43.3	82.0
	Scope 2 (location based)	9,347.9	9,192.8	9,221.0
	Scope 2 (market based)	9,963.3	10,780.4	9,686.8
<b>United Kingdom</b>	Scope 1	3,468.0	2,080.6	31.6
	Scope 2 (location based)	4,451.5	3,251.6	1,862.0
	Scope 2 (market based)	5,263.2	4,341.5	2,373.5
<b>Spain</b>	Scope 1	17.0	19.8	28.1
	Scope 2 (location based)	649.9	777.5	576.6
	Scope 2 (market based)	1,142.2	1,177.8	775.7
<b>Hungary</b>	Scope 1	96.5	81.8	131.3
	Scope 2 (location based)	504.0	385.9	407.6
	Scope 2 (market based)	597.4	481.2	427.1

### CONVERSION FACTORS USED

			2018	2019	2020
Source:  UK Government - GHG Conversion Factors for Company Reporting 2018/2019/2020	Electricity	GJ/kWh	0.0036	0.0036	0.036
	Natural gas (methane)	GJ/t	48.38	44.798	44.76
		kg/m³	0.75	0.8	0.8
		GJ/m³	0.036285	0.0358384	0.035808
	Gas oil	GJ/t	42.569	42.569	42.57
		l/t	1,171	1,171	1,171
		GJ/l	0.03635269	0.03635269	0.036353544
	Diesel	GJ/t	42.79	42.72	42.64
		l/t	1,192	1,190.45	1,189.54
			0.035897651	0.035885589	0.035845789
	Petrol	GJ/t	43.92	43.86	43.83
		l/t	1,340	1,357	1,357.02
		GJ/l	0.032776119	0.032321297	0.032298713
	LPG	GJ/t	45.92	45.91	45.94
		l/t	1,934	1,929	1,889.47
	GJ/l	0.023743537	0.023799896	0.024313696	

CO<sub>2</sub> EMISSION FACTORS USED

			2018	2019	2020
Source: UK Government - GHG Conversion Factors for Company Reporting 2018/2019/2020	<b>Natural gas (methane)</b>	tCO <sub>2</sub> e/m <sup>3</sup>	0.00203053	0.00204652	0.00202266
	<b>Butane</b>	tCO <sub>2</sub> e/kg	0.003	0.003	0.00293881
	<b>Gas oil for production processes and heating</b>		0.00275821	0.00297049	0.00254603
	<b>Diesel</b>	tCO <sub>2</sub> e/l	0.00259411	0.00262694	0.00275776
	<b>Petrol</b>		0.00220904	0.00220307	0.00216802
	<b>LPG</b>		0.0015226	0.00151906	0.00155537
Source: European Regulation on F-gases 517/2014	<b>R-407C</b>		-	1,774	1,774
	<b>HFC R134</b>	GWP	-	1,100	1,100
	<b>R-22</b>		-	1,810	1,810
	<b>R-404A</b>		-	3,922	3,922
Source: Terna, International Comparisons 2018, 2017, 2016 <b>Electricity location based</b>	<b>France</b>	tCO <sub>2</sub> /kWh	0.000053	0.000072	0.000056
	<b>Italy</b>		0.00036	0.000359	0.000336
	<b>Poland</b>		0.000783	0.000765	0.000772
	<b>United Kingdom</b>		0.00031	0.000285	0.000273
	<b>Spain</b>		0.000254	0.000296	0.000255
	<b>Hungary</b>		0.000288	0.000277	0.000273
Source: European Residual Mixes 2019, 2018, 2017 <b>Electricity market based</b>	<b>France</b>	tCO <sub>2</sub> /kWh	0.00005734	0.00005123	0.000043
	<b>Italy</b>		0.00047653	0.00048329	0.000466
	<b>Poland</b>		0.00083455	0.00089712	0.000811
	<b>United Kingdom</b>		0.00036652	0.00038052	0.000348
	<b>Spain</b>		0.00044638	0.00044839	0.000343
	<b>Hungary</b>		0.0003414	0.00034537	0.000286

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

Data expressed in Megaliters (MI), for the whole Italmobiliare Group

		2018	2019	2020
Volume and source of water withdrawal	Surface water	0.8	0.6	0.0
	<i>from water stressed areas</i>	-	0.0	0.0
	Groundwater	463.6	515.2	405.5
	<i>from water stressed areas</i>	3.1	11.1	10.6
	Aqueduct	27.2	22.2	27.0
	<i>from water stressed areas</i>	1.3	1.3	1.7
	<b>TOTAL</b>	<b>491.6</b>	<b>538.0</b>	<b>432.6</b>
	<b><i>in water stressed areas</i></b>	<b>-</b>	<b>12.4</b>	<b>12.3</b>
	<b><i>in freshwater</i></b>	<b>-</b>	<b>538.0</b>	<b>432.6</b>
Volume and destination of water discharge	<b><i>in other water bodies (&gt;1,000 mg/l total dissolved solids)</i></b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>
	Surface water	377.6	415.3	331.7
	<i>in water stressed areas</i>	-	0.0	0.0
	Groundwater	0.0	0	4.9
	<i>in water stressed areas</i>	-	0.0	0.0
	Sewage	31.4	27.1	30.6
	<i>in water stressed areas</i>	-	1.3	0.8
	<b>TOTAL</b>	<b>489.0</b>	<b>442.3</b>	<b>367.1</b>
	<b><i>in water stressed areas</i></b>	<b>1.3</b>	<b>1.3</b>	<b>0.8</b>
Water consumption	<b><i>in freshwater</i></b>	<b>-</b>	<b>434.4</b>	<b>367.1</b>
	<b><i>in other water bodies (&gt;1,000 mg/l total dissolved solids)</i></b>	<b>-</b>	<b>7.4</b>	<b>0.0</b>
	<b>TOTAL</b>	<b>82.6</b>	<b>95.7</b>	<b>65.5</b>
	<b><i>in water stressed areas</i></b>	<b>3.1</b>	<b>11.1</b>	<b>11.5</b>

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

### NUMBER AND TURNOVER RATE (HIRES AND TERMINATIONS) IN ITALMOBILIARE GROUP, BY COUNTRY

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.

		2018				2019				2020			
		Women	Men	Total	rate %	Women	Men	Total	rate %	Women	Men	Total	rate %
<b>GROUP</b>	<b>Entry</b>	<b>82</b>	<b>239</b>	<b>321</b>	<b>18%</b>	<b>74</b>	<b>165</b>	<b>239</b>	<b>17%</b>	<b>40</b>	<b>129</b>	<b>169</b>	<b>10%</b>
	rate %	17%	18%	18%	-	17%	17%	17%	-	8%	10%	10%	-
	< 30	22	107	129	58%	18	52	70	51%	10	33	43	22%
	30-50	40	117	157	15%	39	94	133	17%	23	81	104	10%
	> 50	20	15	35	7%	17	19	36	8%	7	15	22	4%
	<b>Exit</b>	<b>104</b>	<b>206</b>	<b>310</b>	<b>17%</b>	<b>80</b>	<b>183</b>	<b>263</b>	<b>19%</b>	<b>41</b>	<b>114</b>	<b>155</b>	<b>9%</b>
	rate %	21%	16%	17%	-	19%	19%	19%	-	9%	9%	9%	-
	< 30	22	62	84	38%	15	35	50	36%	4	24	28	15%
	30-50	49	98	147	14%	39	89	128	16%	25	48	73	7%
	> 50	33	46	79	15%	26	59	85	19%	12	42	54	10%
<b>France</b>	<b>Entry</b>	<b>9</b>	<b>12</b>	<b>21</b>	<b>8%</b>	<b>3</b>	<b>10</b>	<b>13</b>	<b>5%</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0%</b>
	rate %	15%	6%	8%	-	5%	5%	5%	-	0%	1%	0%	-
	< 30	5	9	14	127%	1	4	5	42%	0	0	0	0%
	30-50	3	3	6	3%	2	5	7	4%	0	1	1	1%
	> 50	1	0	1	1%	0	1	1	1%	0	0	0	0%
	<b>Exit</b>	<b>10</b>	<b>18</b>	<b>28</b>	<b>11%</b>	<b>6</b>	<b>16</b>	<b>22</b>	<b>9%</b>	<b>2</b>	<b>10</b>	<b>12</b>	<b>5%</b>
	rate %	17%	9%	11%	-	11%	8%	9%	-	4%	5%	5%	-
	< 30	4	8	12	109%	0	2	2	17%	0	2	2	22%
	30-50	1	7	8	5%	4	7	11	7%	2	4	6	5%
	> 50	5	3	8	10%	2	7	9	11%	0	4	4	4%
<b>Germany</b>	<b>Entry</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>33%</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>24%</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>25%</b>
	rate %	22%	44%	33%	-	33%	13%	24%	-	29%	22%	25%	-
	< 30	1	1	2	50%	1	0	1	33%	0	0	0	0%
	30-50	0	2	2	22%	1	0	1	11%	1	2	3	33%
	> 50	1	1	2	40%	1	1	2	40%	1	0	1	17%
	<b>Exit</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>39%</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>29%</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>31%</b>
	rate %	56%	33%	39%	-	33%	25%	29%	-	57%	11%	31%	-
	< 30	2	0	2	50%	1	1	2	67%	0	0	0	0%
	30-50	2	1	3	33%	2	0	2	22%	3	0	3	33%
	> 50	1	1	2	40%	0	1	1	20%	1	1	2	33%
<b>Italy*</b>	<b>Entry</b>	<b>9</b>	<b>110</b>	<b>119</b>	<b>16%</b>	<b>17</b>	<b>82</b>	<b>99</b>	<b>24%</b>	<b>6</b>	<b>61</b>	<b>67</b>	<b>8%</b>
	rate %	7%	18%	16%	-	22%	24%	24%	-	5%	9%	8%	-
	< 30	2	49	51	48%	4	29	33	69%	1	17	18	17%
	30-50	4	55	59	13%	11	48	59	24%	3	39	42	9%
	> 50	3	6	9	4%	2	5	7	6%	2	5	7	3%
	<b>Exit</b>	<b>15</b>	<b>81</b>	<b>96</b>	<b>13%</b>	<b>8</b>	<b>55</b>	<b>63</b>	<b>15%</b>	<b>4</b>	<b>44</b>	<b>48</b>	<b>6%</b>
	rate %	12%	13%	13%	-	10%	16%	15%	-	3%	6%	6%	-
	< 30	3	13	16	15%	1	12	13	27%	2	8	10	10%
	30-50	7	43	50	11%	4	20	24	10%	1	20	21	4%
	> 50	5	25	30	14%	3	23	26	22%	1	16	17	8%

\*2019 data have been restated following a refinement of the collection methods.



		2018				2019				2020			
		Women	Men	Total	rate %	Women	Men	Total	rate %	Women	Men	Total	rate %
<b>Poland</b>	<b>Entry</b>	<b>31</b>	<b>38</b>	<b>69</b>	<b>21%</b>	<b>31</b>	<b>37</b>	<b>68</b>	<b>20%</b>	<b>17</b>	<b>16</b>	<b>33</b>	<b>10%</b>
	rate %	19%	24%	21%	-	19%	21%	20%	-	10%	10%	10%	-
	< 30	4	10	14	29%	7	13	20	49%	5	6	11	25%
	30-50	12	24	36	24%	15	19	34	20%	10	8	18	11%
	> 50	15	4	19	15%	9	5	14	11%	2	2	4	3%
	<b>Exit</b>	<b>52</b>	<b>35</b>	<b>87</b>	<b>27%</b>	<b>34</b>	<b>24</b>	<b>58</b>	<b>17%</b>	<b>15</b>	<b>23</b>	<b>38</b>	<b>12%</b>
	rate %	32%	22%	27%	-	21%	14%	17%	-	9%	14%	12%	-
	< 30	10	10	20	42%	6	6	12	29%	0	5	5	11%
	30-50	21	16	37	24%	11	15	26	15%	8	6	14	8%
	> 50	21	9	30	24%	17	3	20	16%	7	12	19	16%
<b>United Kingdom</b>	<b>Entry</b>	<b>8</b>	<b>50</b>	<b>58</b>	<b>46%</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>7%</b>	<b>1</b>	<b>11</b>	<b>12</b>	<b>15%</b>
	rate %	32%	50%	46%	-	0%	10%	7%	-	6%	18%	15%	-
	< 30	2	32	34	142%	0	2	2	15%	0	3	3	30%
	30-50	6	15	21	32%	0	3	3	7%	1	6	7	17%
	> 50	0	3	3	8%	0	1	1	3%	0	2	2	7%
	<b>Exit</b>	<b>8</b>	<b>50</b>	<b>58</b>	<b>46%</b>	<b>5</b>	<b>42</b>	<b>47</b>	<b>56%</b>	<b>4</b>	<b>13</b>	<b>17</b>	<b>22%</b>
	rate %	32%	50%	46%	-	24%	67%	56%	-	22%	21%	22%	-
	< 30	2	29	31	129%	2	8	10	77%	0	4	4	40%
	30-50	6	18	24	37%	2	19	21	50%	3	4	7	17%
	> 50	0	3	3	8%	1	15	16	55%	1	5	6	22%
<b>Spain</b>	<b>Entry</b>	<b>7</b>	<b>4</b>	<b>11</b>	<b>16%</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>8%</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>7%</b>
	rate %	23%	10%	16%	-	6%	10%	8%	-	3%	9%	7%	-
	< 30	4	0	4	67%	0	0	0	0%	0	0	0	0%
	30-50	3	4	7	18%	1	3	4	10%	1	3	4	10%
	> 50	0	0	0	0%	1	1	2	7%	0	1	1	3%
	<b>Exit</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>6%</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4%</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>7%</b>
	rate %	10%	8%	6%	-	3%	5%	4%	-	10%	5%	7%	-
	< 30	0	0	0	0%	0	0	0	0%	0	0	0	0%
	30-50	3	1	4	10%	0	2	2	5%	2	2	4	10%
	> 50	0	0	0	0%	1	0	1	3%	1	0	1	3%
<b>Hungary</b>	<b>Entry</b>	<b>16</b>	<b>21</b>	<b>37</b>	<b>17%</b>	<b>18</b>	<b>25</b>	<b>43</b>	<b>21%</b>	<b>13</b>	<b>34</b>	<b>47</b>	<b>22%</b>
	rate %	21%	14%	17%	-	26%	19%	21%	-	18%	24%	22%	-
	< 30	4	6	10	53%	5	4	9	53%	4	7	11	52%
	30-50	12	14	26	16%	9	16	25	18%	7	22	29	21%
	> 50	0	1	1	3%	4	5	9	20%	2	5	7	13%
	<b>Exit</b>	<b>11</b>	<b>19</b>	<b>30</b>	<b>14%</b>	<b>23</b>	<b>42</b>	<b>65</b>	<b>32%</b>	<b>9</b>	<b>21</b>	<b>30</b>	<b>14%</b>
	rate %	15%	13%	14%	-	33%	32%	32%	-	12%	15%	14%	-
	< 30	1	2	3	16%	5	6	11	65%	2	5	7	33%
	30-50	9	12	21	13%	16	26	42	30%	6	12	18	13%
	> 50	1	5	6	15%	2	10	12	27%	1	4	5	9%

## GRI 403-9 number and rate of recordable work-related injuries with high-consequence work-related injuries and/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.

For Sirap, the German subsidiary, which represents 1% of the total staff, is not consolidated.

			2018	2019	2020
<b>France</b>	<b>Employees</b>	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	1	0
		Number of recordable injuries	5	2	0
		Hours worked	397,051.0	386,417.0	350,647.8
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	2.6	0.0
		Rate of recordable injuries	12.6	5.2	0.0
	<b>External workers</b>	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	0	0	0
		Hours worked	37,249.4	46,157.5	33,968.8
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	0.0	0.0	0.0
<b>Italy*</b>	<b>Employees</b>	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	8	6	6
		Hours worked	1,124,120.0	1,194,622.0	1,291,459.5
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	7.1	5.0	4.6
	<b>External workers</b>	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	0	2	1
		Hours worked	56,685.8	47,981.8	116,479.5
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	0.0	41.7	8.6
<b>Poland**</b>	<b>Employees</b>	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	1	5	2
		Hours worked	645,559.0	527,021.0	519,155.0
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	1.5	9.5	5.8
	<b>External workers</b>	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	0	0	1
		Hours worked	141,476.5	147,120.5	197,451.2
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	0.0	0.0	5.1

\* In the absence of accounting data, worked hours for Sirap Gema (Sirap - Italy) were estimated.

\*\* In the absence of accounting data, worked hours for Inline (Sirap - Poland) were estimated.

			2018	2019	2020
United Kingdom	Employees	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	3	1	1
		Hours worked	256,540.0	207,910.0	148,030.0
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	11.7	4.8	6.8
	External workers	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	0	0	0
		Hours worked	5,419.0	4,280.0	4,069.0
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	0.0	0.0	0.0
Spain	Employees	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	5	1	2
		Hours worked	143,927.0	107,021.0	98,646.3
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	34.7	9.3	20.3
	External workers	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	0	0	1
		Hours worked	30,088.0	29,522.0	26,426.0
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	0.0	0.0	37.8
Hungary	Employees	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	0	0	1
		Hours worked	75,103.0	65,956.0	73,257.0
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	0.0	0.0	13.65
	External workers	Number of fatalities	0	0	0
		Number of high-consequence injuries (excluding fatalities)	0	0	0
		Number of recordable injuries	0	0	0
		Hours worked	1,448.0	3,981.0	4,944.5
		Rate of fatalities	0.0	0.0	0.0
		Rate of high-consequence injuries (excluding fatalities)	0.0	0.0	0.0
		Rate of recordable injuries	0.0	0.0	0.0



# 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 reporting perimeter, over years.

	Investment year	Share held	2018	2019	2020
<b>Parent Company and Consolidated Portfolio Companies</b>					
<b>(full information and data)</b>					
Italmobiliare			✓	✓	✓
Sirap	May 1990	100%	✓	✓	✓
Italgen	July 2016	100%	✓	✓	✓
Clessidra	September 2016	100%	✓	✓	✓
Caffè Borbone	May 2018	60%	✓	✓	✓
Capitelli	December 2019	80%			✓
<b>Portfolio Companies consolidated in 2021</b>					
<b>(basic information only)</b>					
Officina Profumo-Farmaceutica di Santa Maria Novella	January 2020	80%*			✓
Casa della Salute	December 2020	92.5%			✓
Callmewine	December 2020	60%			✓
<b>Affiliated Portfolio Companies</b>					
<b>(basic information only)</b>					
Tecnica Group	November 2017	40%			✓
Iseo	October 2018	39%			✓
Autogas Nord - AGN ENERGIA Group	January 2019	30%			✓

\* 20% up to September 2020

In the first months of 2021, Sirap's assets in Italy, Poland and Spain were sold to the Faerch group. At 31 December 2020, the companies being sold contributed to the result of the activities in operation. Therefore, the Sirap perimeter is fully included.

In the last months of 2020, it took place the acquisition of 80% of the share capital of Officina Profumo-Farmaceutica di Santa Maria Novella, 92.5% of Casa della Salute and 60% of Callmewine, which will therefore be consolidated starting from 2021 exercise.

Although 100% 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 2020. The scope of the figures and information provided in this report varies according to the materiality of these topics for the various Group companies. In particular, with regard to environmental aspects, the production sites of the consolidated companies in the industrial sector (Sirap, Italgen, Caffè Borbone and Capitelli) are included, excluding the administrative and commercial offices, which are not relevant to the Group's sustainable strategy.

		Italmobiliare Group and Parent Company		Consolidated Portfolio Companies				
		Gruppo Italmobiliare	Italmobiliare	Caffè Borbone	Sirap	Italgen	Capitelli	Clessidra
GOVERNANCE	ECONOMIC RESULTS & SHARED VALUE	✓						
	GOVERNANCE & INTEGRITY	✓		✓	✓	✓	✓	✓
	RESPONSIBLE INVESTMENTS	✓						✓
	PROCUREMENT & SUPPLY CHAIN	✓		✓	✓	✓	✓	
COMPANY	HUMAN CAPITAL DEVELOPMENT	✓	✓	✓	✓	✓	✓	✓
	HEALTH, SAFETY & WELLBEING	✓	✓	✓	✓	✓	✓	✓
	PRODUCT AND SERVICE STEWARDSHIP	✓		✓	✓	✓	✓	
	MARKET & COMMUNITIES	✓		✓	✓	✓	✓	✓
ENVIRONMENT	Responsible use of resources	✓		✓	✓		✓	
VALORIZATION OF NATURAL CAPITAL	Low-carbon transition	✓		✓	✓	✓	✓	
	Land & biodiversity	✓				✓		

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 2018 and 2019 are reported for comparative purposes in order to facilitate the understanding of the performance trend.

The 2020 Sustainability Report was drawn up in compliance with the "Reporting Standards" defined by the Global Reporting Initiative (GRI), according to the "in accordance - Core" option. As regards the specific Standards GRI 403 (Health and safety at work) and GRI 303 (Water and waste water), the most recent version of 2018 has been adopted. 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.

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.

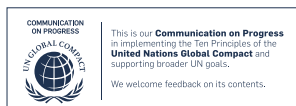
Macro-issues	Material topics	GRI standard
<b>ECONOMIC RESULTS &amp; SHARED VALUE</b>	Lasting value creation Economic and financial results	201
<b>GOVERNANCE &amp; INTEGRITY</b>	Ethics and business integrity Transparency Prevention of anti-competitive behaviour Environmental compliance Socio-economic compliance Risk management	205 206 207 307 419
<b>RESPONSIBLE INVESTMENTS</b>	Sustainable investment principles Governance of the portfolio companies	FS10 FS11
<b>HUMAN CAPITAL DEVELOPMENT</b>	Employee wellness and development Training and education	401-1 404
<b>HEALTH, SAFETY &amp; WELLBEING</b>	Employee wellness and development Occupational health and safety	401-2
<b>PRODUCT &amp; SERVICE STEWARDSHIP</b>	Research and development Customer health and safety	416
<b>MARKET &amp; COMMUNITIES</b>	Marketing and labelling Data protection	417 418
<b>VALORIZATION OF NATURAL CAPITAL</b>	Conscious consumption of raw materials Energy management Water and effluents Emissions to atmosphere and mitigation of climate change Waste management	301 302 303 305 306
<b>PROCUREMENT &amp; SUPPLY CHAIN</b>	Supplier social assessment	414



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 26, 2020 and by the Board of Directors on March 4, 2021.

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 the 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-non-financial-consolidated-statement>. For information or clarification, contact the company at the email address [IR@Italmobiliare.it](mailto: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 table 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 & INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT & SUPPLY CHAIN HUMAN CAPITAL DEVELOPMENT HEALTH, SAFETY & WELLBEING PRODUCT & SERVICE STEWARDSHIP MARKET & COMMUNITIES VALORIZATION OF NATURAL CAPITAL Responsible use of resources Low-carbon transition Land & 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 & INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT & 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 & SERVICE STEWARDSHIP VALORIZATION OF NATURAL CAPITAL Responsible use of resources Low-carbon transition Land & 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 & INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT & SUPPLY CHAIN MARKET & 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 2020 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	GOVERNANCE & INTEGRITY RESPONSIBLE INVESTMENTS PROCUREMENT & SUPPLY CHAIN
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 main risks, generated or suffered, connected to the aforementioned issues and deriving from the company's activities, its products, services or commercial relationships, including, where relevant, supply chains and subcontracting	
<b>Environment</b>	
a) The use of energy resources, distinguishing between those produced from renewable and non-renewable sources, and the use of water resources	VALORIZATION OF NATURAL CAPITAL Responsible use of resources Low-carbon transition Land & biodiversity
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	
<b>Social aspects related to personnel and respect for human rights</b>	
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	HUMAN CAPITAL DEVELOPMENT HEALTH, SAFETY & WELLBEING PRODUCT & SERVICE STEWARDSHIP MARKET & COMMUNITIES
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	
<b>Fight against active and passive corruption</b>	
f) Fight against both active and passive corruption, with indication of the tools adopted for this purpose	GOVERNANCE & INTEGRITY RESPONSIBLE INVESTMENTS

## GRI standards

		Page / Remarks	Omissions
<b>GRI 102</b>	<b>General Disclosures 2016</b>		
102-1	Name of the organization	F3	
102-2	Activities, brands, products, and services	F11-12	
102-3	Location of headquarters	F3	
102-4	Location of operations	F11-12	
102-5	Ownership and legal form	F8	
102-6	Markets served	F11-12	
102-7	Scale of the organization	F13	
102-8	Information on employees and other workers	F24, F92	
102-9	Supply chain	F38, F46, F54, F62, F93	
102-10	Significant changes to the organization and its supply chain	F11	
102-11	Precautionary principle or approach	F28	
102-12	External initiatives	F26	
102-13	Membership of associations	F26	
102-14	Statement from senior decision-maker	A4	
102-16	Values, principles, standards, and norms of behavior	F20	
102-18	Governance structure	F20	
102-20	Executive-level responsibility for economic, environmental, and social topics	F20	
102-21	Consulting stakeholders on economic, environmental, and social topics	F14	
102-22	Composition of the highest governance body and its committees	F20	
102-23	Chair of the highest governance body	F20	
102-26	Role of highest governance body in setting purpose, values, and strategy	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	F97	
102-40	List of stakeholder groups	F14	
102-41	Collective bargaining agreements	F93	
102-42	Identifying and selecting stakeholders	F14	
102-43	Approach to stakeholder engagement	F26	
102-44	Key topics and concerns raised	F14	
102-45	Entities included in the consolidated financial statements	F96	
102-46	Defining report content and topic Boundaries	F14, F97	
102-47	List of material topics	F14	
102-48	Restatements of information	F97	

		Page / Remarks	Omissions
102-49	Changes in reporting	F14, F96-97	
102-50	Reporting period	F97	
102-51	Date of most recent report	31 March 2020	
102-52	Reporting cycle	F97	
102-53	Contact point for questions regarding the report	<a href="http://www.italmobiliare.it/en/contacts">www.italmobiliare.it/en/contacts</a>	
102-54	Claims of reporting in accordance with the GRI Standards	F104	
102-55	GRI content index	F108	
102-56	External assurance	F113	
<b>Material topic: Economic results and shared value</b>			
<b>GRI 103</b>	<b>Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	F14, F97	
103-2	The management approach and its components	F18	
103-3	Evaluation of the management approach	F18	
<b>GRI 201</b>	<b>Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	F19	
<b>Material topic: Governance and integrity</b>			
103-1	Explanation of the material topic and its Boundary	F14, F97	
103-2	The management approach and its components	F20	
103-3	Evaluation of the management approach	F20	
<b>GRI 205</b>	<b>Anti-corruption 2016</b>		
205-3	Confirmed incidents of corruption and actions taken	F21-22	
<b>GRI 206</b>	<b>Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	F22	
<b>GRI 207</b>	<b>Tax 2019</b>		
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	
<b>GRI 307</b>	<b>Environmental Compliance 2016</b>		
307-1	Non-compliance with environmental laws and regulations	F21-22	
<b>GRI 419</b>	<b>Socioeconomic Compliance 2016</b>		
419-1	Non-compliance with laws and regulations in the social and economic area	F21-22	
<b>Material topic: Valorization of natural capital</b>			

		Page / Remarks	Omissions
<b>Responsible use of resources</b>			
103-1	Explanation of the material topic and its Boundary	F14, F97	
103-2	The management approach and its components	F28	
103-3	Evaluation of the management approach	F28	
<b>GRI 301</b>	<b>Materials 2016</b>		
301-1	Materials used by weight or volume	F28	
301-2	Recycled input materials used	F28	
<b>GRI 302</b>	<b>Energy 2016</b>		
302-1	Energy consumption within the organization	F29	
<b>GRI 303</b>	<b>Water and Effluents 2018</b>		
303-1	Interaction with water as a shared resource	F28, F42, F50, F58, F65	
303-2	Management of water discharge-related impacts	F28, F42, F50, F58, F65	
303-3	Water withdrawal	F28, F42, F50, F58, F65, F95	
303-4	Water discharge	F28, F42, F50, F58, F65, F95	
303-5	Water consumption	F28, F42, F50, F58, F65, F95	
<b>GRI 306</b>	<b>Waste 2016</b>		
306-2	Waste by type and disposal method	F29	
<b>Low carbon transition</b>			
103-1	Explanation of the material topic and its Boundary	F14, F97	
103-2	The management approach and its components	F29	
103-3	Evaluation of the management approach	F29	
<b>GRI 305</b>	<b>Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	F29, F94	
305-2	Energy indirect (Scope 2) GHG emissions	F29, F94	
305-3	Other indirect (Scope 3) GHG emissions	F29	
305-4	GHG emissions intensity	F29	
<b>Land and biodiversity</b>			
103-1	Explanation of the material topic and its Boundary	F29	
103-2	The management approach and its components	F29	
103-3	Evaluation of the management approach	F29	
<b>Material topic: Human capital development</b>			
103-1	Explanation of the material topic and its Boundary	F14, F97	
103-2	The management approach and its components	F23-F24	
103-3	Evaluation of the management approach	F23-F24	
<b>GRI 401</b>	<b>Employment 2016</b>		
401-1	New employee hires and employee turnover	F24, F96	
<b>GRI 404</b>	<b>Training and Education 2016</b>		
404-1	Average hours of training per year per employee	F24	

		Page / Remarks	Omissions
404-3	Percentage of employees receiving regular performance and career development reviews	F24	
Material topic: Health, safety and wellbeing			
103-1	Explanation of the material topic and its Boundary	F14, F97	
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, F48, F56	
GRI 403	Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	F33, F40, F48, F56	
403-2	Hazard identification, risk assessment, and incident investigation	F33, F40, F48, F56	
403-3	Occupational health services	F33, F40, F48, F56	
403-4	Worker participation, consultation, and communication on occupational health and safety	F33, F40, F48, F56	
403-5	Worker training on occupational health and safety	F33, F40, F48, F56	
403-6	Promotion of worker health	F33, F40, F48, F56	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	F33, F40, F48, F56	
403-9	Work-related injuries	F25, F98	
Material topic: Procurement and supply chain			
103-1	Explanation of the material topic and its Boundary	F14, F97	
103-2	The management approach and its components	F38, F46, F54, F62	
103-3	Evaluation of the management approach	F38, F46, F54, F62	
GRI 414	Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	At present, the companies of the Group do not implement formalized processes for the selection of their suppliers based on social criteria. Development is expected in the next exercises.	
Material topic: Product and service stewardship			
103-1	Explanation of the material topic and its Boundary	F14, F97	
103-2	The management approach and its components	F25-26	
103-3	Evaluation of the management approach	F25-26	
GRI 416	Customer Health and Safety 2016		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2020 no incidents of non-compliance with regulations and / or self-regulation codes regarding the impacts on the health and safety of products and services were recorded.	
Material topic: Market and community			
103-1	Explanation of the material topic and its Boundary	F27-28	

		Page / Remarks	Omissions
103-2	The management approach and its components	F27-28	
103-3	Evaluation of the management approach	F27-28	
<b>GRI 417</b>	<b>Marketing and Labelling 2016</b>		
417-2	Incidents of non-compliance concerning product and service information and labelling	In 2020 incidents of non-compliance with regulations and / or self-regulatory codes regarding information and labeling of products and services and marketing communications were recorded.	
417-3	Incidents of non-compliance concerning marketing communications		
<b>GRI 418</b>	<b>Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2020, the Group companies did not receive any complaints regarding violations of customer privacy and loss of customer data.	
<b>Material topic: Responsible investments</b>			
103-1	Explanation of the material topic and its Boundary	F14, F97	
103-2	The management approach and its components	F22, F71	
103-3	Evaluation of the management approach	F22, F71	
<b>GRI Sector Disclosure - Financial Services</b>			
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	F22, F71	
FS11	Percentage of assets subject to positive and negative environmental or social screening	F22, F71	





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

Tel: + 39 02 83322111  
Fax: + 39 02 83322112  
[www.deloitte.it](http://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, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 4, 2021 (hereinafter "NFS").

**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 Milano n. 03049560166 - R.E.A. Milano n. 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](http://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., Sirap Gema S.p.A., Inline Poland Sp. z.o.o., Sirap UK Limited, Capitelli F.Ili S.r.l. 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 company and sites, Milano headquarters for Italmobiliare S.p.A., Caivano (NA) site and production plant for Caffè Borbone S.r.l., Verolanuova (MN) site and production plant for Sirap Gema S.p.A., Murowana Goslina site and production plant for Inline Poland Sp. z.o.o., Sedgfield site and production plant for Sirap UK Limited, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, 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, 2020 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Massimiliano Semprini**  
 Partner

Milan, Italy  
 March 29, 2021

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



The document has been compiled with the methodological support of



Concept, graphic design and layout by MESSAGE S.p.A .



