

Sustainability Report 2021



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LETTER TO THE STAKEHOLDERS

Dear Stakeholders, with this document, which represents our first Sustainability Report, Sabelli Group begins to consolidate a commitment that, as a Group, we have been pursuing for some time and in which we strongly believe.

Working in the dairy sector means collaborating daily with passionate people with dedication to their work, taking care in the selection of raw materials and being in close contact with the ecosystem that surrounds us. Starting from this awareness, and the values of tradition, authenticity and innovation that have been driving our company for more than a hundred years, we decided to do something more for the community in which we operate and grow.

Taking note of what we do in terms of sustainability, in its three environmental dimensions, social and governance - rendered by the acronym LWADU - means looking at what you already do and understand how to improve it, not only in terms of economic performance, but also with an eye on people's well-being and on the environment.

Engaging in this, after two difficult years due to a pandemic emergency that has touched everyone, means having your stakeholders at heart and understanding how each dimension of our daily lives is irremediably connected with what we do and we choose to do. It is no longer possible to act without thinking about the consequences that our behaviours generate for the community; knowing their impacts means being able to manage them better.

As Sabelli, we firmly believe in the importance of enhancing people and the features that make them unique, that's why we try to guarantee everyone a workplace where they may feel free to express themselves at their best, also with welfare measures that favour diversity, equal opportunity and childcare, as well as continuous training.

The passion for our work is also expressed in the continuous desire to improve and to seek for new opportunities. Sabelli Group is constantly active in the study of innovative solutions that allow us to experience new opportunities for our products, both at the level of a progressively more sustainable packaging, and of a raw materials' choice, where local suppliers are more and more preferred; this allows us to know how the level of animal welfare is managed throughout our value chain. Being close to one's own community and territory, in its physical dimension, but also metaphorical, has always been a firm point for our Group.



Our aim in the near future is to progress in the sustainability path undertaken for transparent reporting and communication. Coherently with the way of working of the Group, dialogue and engagement with the stakeholders will get more and more decisive in the strategic choices of Sabelli, in order to consolidate that fiduciary bond that distinguishes and unites us to the social fabric in which we operate.

The Managing Directors

Angelo and Simone,

Successors of Archimede Sabelli





METHODOLOGICAL NOTE

This document is the first Sustainability Report of Sabelli Group and has the objective of communicating in a transparent manner the Group's sustainability strategies (in document also "Sabelli" or "Group"), with regard to the performance in terms of Environmental, Social and Governance sustainability for the year 2021 (from 1 January 2021 to 31 December 2021).

The perimeter of data and economic information is the same as the Financial Statements consolidated by Sabelli at 31.12.2021. Environmental and social data and information include the Sabelli Group plants located in Ascoli Piceno (AP), Trevisanalat in Resana (TV) and Ekolat in Vipava (SLO) . Data relating to previous periods (2020) are reported in the Sustainability Report for comparative purposes, to allow an assessment of the performance of activities in the time. In order to ensure the reliability of the data, the use of estimates has been limited as much as possible, and when present, they are appropriately reported and based on the best methodologies available.

The Sustainability Report was drawn up by counting a selection of the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI), as indicated in the table attached "GRI Content Index", which allows to give evidence of the coverage of GRI indicators in this document.

In particular, the content subject to reporting was selected on the basis of the results of a material analysis carried out in 2021, which allowed us to identify the material aspects for Sabelli Group and its stakeholders, as described in the paragraph "Identification stakeholders and material analysis" of this document.

It is noted that in 2021 there were no significant changes in size of the Group's ownership structure and supply chain.

The Board of Directors Sabelli approved the Sustainability Report on 5 December 2022.

For further information and suggestions regarding Sabelli Sustainability Report, please contact Sabelli Group through the contacts on the website www.sabelli.it . This document is also available on the website of Sabelli www.sabelligroup.it

¹ It should be noted that Val D'Aveto dairy is not included in the reporting scope as it relates to a different category of products realized in the plant.





OUR HIGHLIGHTS 2021²

IL GRUPPO SABELLI IN CIFRE



Sabelli Group in Numbers:
 A Century of History
 37,000 tons of finished product
 3 Production Sites

Environment:
 Sustainable Packaging
 3 Solar Panel Facilities
 1 Combined Heat and Power Facility
 Over 90% of Waste Recycled

Social
 363 Employees
 Countering Food Waste
 Training Increased 45% in 2021

Supply Chain
 70% Local Suppliers
 Controlled Supply Chain

Governance
 Model 231
 No cases of Corruption or Legal Action in 2021

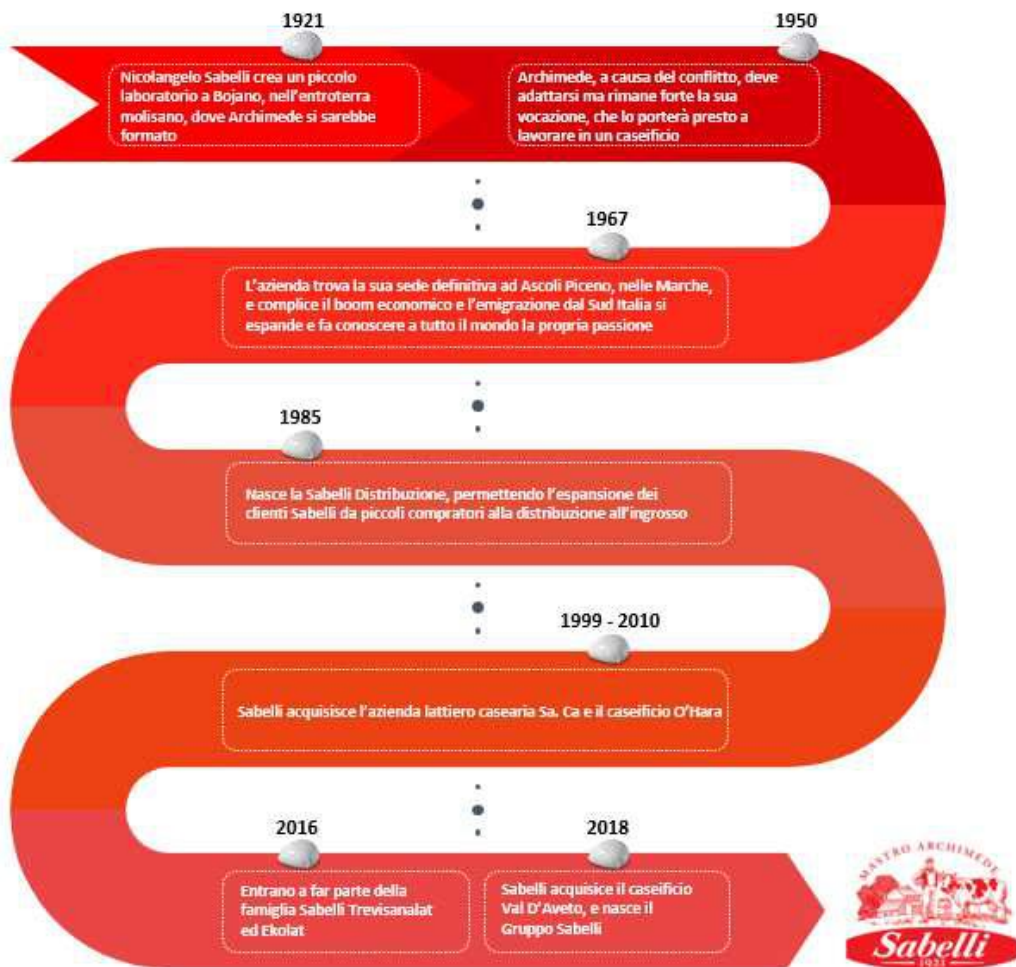


² Some of the highlights presented below may contain information that is valid not for Sabelli Group but for a single company of the Group.



1. SABELLI GROUP

What is now the Group was founded with the Sabelli site in Ascoli, a reality born in 1921 from an intuition of Nicolangelo Sabelli. Initially structured as a small workshop in Bojano, in the Molise backcountry, when Archimede succeeded to his father in 1967, the company has definitively settled in Ascoli Piceno. The bond created with the territory has become a fundamental element of Sabelli’s statement.



1921 - Nicolangelo Sabelli creates a small laboratory in to the town of Bojano, in the backcountry of the Molise region, where Archimede would grow up.

1950 - Due to conflict, Archimede has to adapt and remain strong in his vocation, which will soon take him into a Caseificio (cheese factory)

1967 - The Company finds its permanent headquarters in Ascoli Piceno, in the Marche region, and accompanying the economic boom and emigration to Southern Italy, expands and makes its passion known to the whole world.

1985 - Sabelli Distribution is born, allowing expansion of Sabelli clientele from small scale buyers to wholesale distribution

1999-2010: Sabelli acquires the producer Sa. Ca and the O'Hara cheese factory

2016: Trevisanalat and Ekolat become part of Sabelli Family

2018: Sabelli acquires the Val D'Aveto cheese factory. Sabelli Group is born

Despite the continuous growth, however, a strong family footprint has always been maintained. In addition to that dimension of dialogue and relationship with people, workers and farmers, who have always characterized the Company’s identity. Being a reality made of and close to people is a feature that has remained steady over time, allowing the Group to become a leading actor in the Italian dairy scene, through the production of fresh cheese such as mozzarella, burrate and stracciatelle, ricotta, scamorza, caciottas and other dairy products.

Sabelli today, in fact, is no longer just the historic Ascoli Piceno plant, but is a Group present with other two active production plants, one in Resana (TV) and one in Vipava, Slovenia.

Sabelli Group maintains commercial relations mainly in the European continent and with some non-European countries



³ Specifically, the markets served by the Group at European level are: Bulgaria, Germany, Spain, Great Britain, Ukraine, Portugal, Romania, the Czech Republic, Croatia, Austria, Poland, Greece, Slovenia, Switzerland, Sweden, Belgium, Ireland, France and Lithuania. Outside Europe, the Group serves the markets of Korea, Hong Kong and Japan



1.1. OUR VALUES AND OUR BRAND

The Group has always been distinguished for the authenticity of its people and the values through which it operates and sets its own business: Tradition, Genuineness, Innovation, Quality and Authenticity are words that represent the DNA of the Group, and that identify the essence of its work.

These values constitute the identity of the Sabelli brand, and are reflected in the desire to make its products popular in consumers' homes.

Sabelli brand is the result of those values that have always constituted its identity: tradition, craftsmanship, pride and the desire to satisfy the consumer with delicious products. On top of this, the strong link with a territory has allowed the Group to become one of the leaders of its sector, through a special relationship with people and a recognition built and consolidated over time.

2021 was the year of the centenary of Sabelli, in which the brand was relaunched, redefining its identity and communication priorities, and conveying a new concept through communication channels such as TV advertising and the graphic relaunch of all packaging.

The campaign "Sa di bianco, sa di buono", conceived in the centenary of Sabelli as the first TV commercial in the history of the Group, creates a conceptual territory that conveys everything that is Sabelli, with a unique register compared to the one of main competitors. The chosen style was vintage, with elegant lines and a simple font but clear in the message it wants to communicate, namely that of a craft product and quality. The colors chosen are those of Sabelli: the white that recalls the milk, raw material used by the Group, filling it with meaning, and the red, bold and energetic tint, as well as unusual for a dairy business, which gives the packs of Sabelli a strong and clear recognition.

1.2. Our Path to Sustainability

The world of food has a fundamental role in promoting a series of sustainable initiatives that can bring really significant and innovative changes. The consumer is increasingly attentive to what he eats and the impact that the making of that product has on the environment, both in terms of raw materials and production processes and in terms of the "end of life" of the product, with reference to the disposal of packaging and the recycling of waste food. Enterprises responsive to these changing needs and sensitivities must be found ready and innovate their processes along the entire chain, as well as equip themselves with certifications that have now become essential to compete in a market that is increasingly dynamic.



To this can be added a constantly evolving international regulatory environment, which sees as its firm point the Sustainable Development Goals of the United Nations, launched in 2015. Particular attention should be paid to the objectives of reducing world poverty and hunger and to the promotion of responsible consumption and production. Issues that call for strong action by the world of food, in the fight against waste and in the commitment to ensure to everyone healthy and complete nutrition, eliminating malnutrition and food inequalities.

To this must be added what was reiterated in the last IPCC report of March 2022, which requires the States, and therefore its main actors, to make a strong contribution to reducing emissions towards carbon neutrality set as a target by 2050. The environmental impact of the primary sector, understood as agricultural and breeding, is very significant, and is therefore also in this sector an important effort is required in choosing how to energy supply, how to reduce waste and consumption, and how to generate less waste.

Aware of the growing centrality and importance of the issue of sustainability, during the course of 2021 Sabelli Group has undertaken a path in this regard. This aimed at the adoption of measures and strategies that can make a tangible contribution to reducing the impact generated.

This process began with the present Sustainability Report, which aims to focus on what the Group already does and what it intends to implement in the near future.

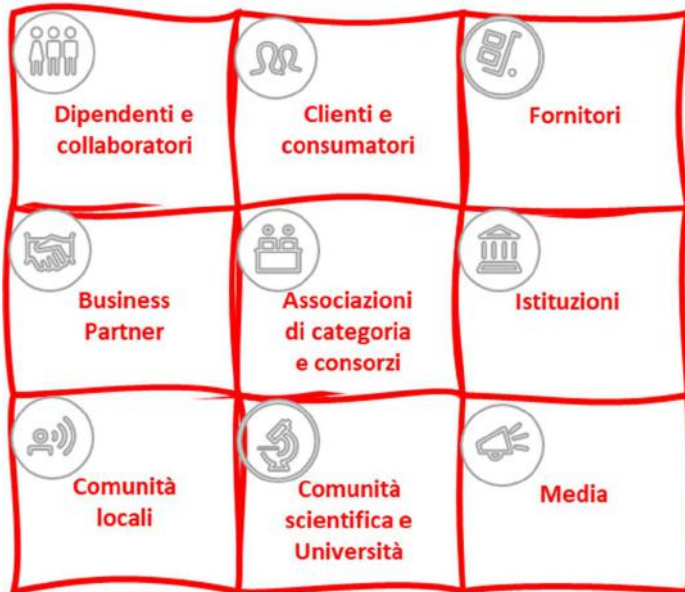
We started with an identification of the Sabelli Stakeholders, those stakeholders who are more involved in the Group's work and impacted directly or indirectly by its performed. This was followed by a material analysis, an activity that enabled the Group to define those issues that are considered priority for its stakeholders.

STAKEHOLDER IDENTIFICATION AND MATERIAL ANALYSIS

The process of identification of the Stakeholders has had the objective of mapping the various category stakeholders who have an influence on the Group or on whom Sabelli has an influence on its own strategic choices, in order, at a later stage, to define the

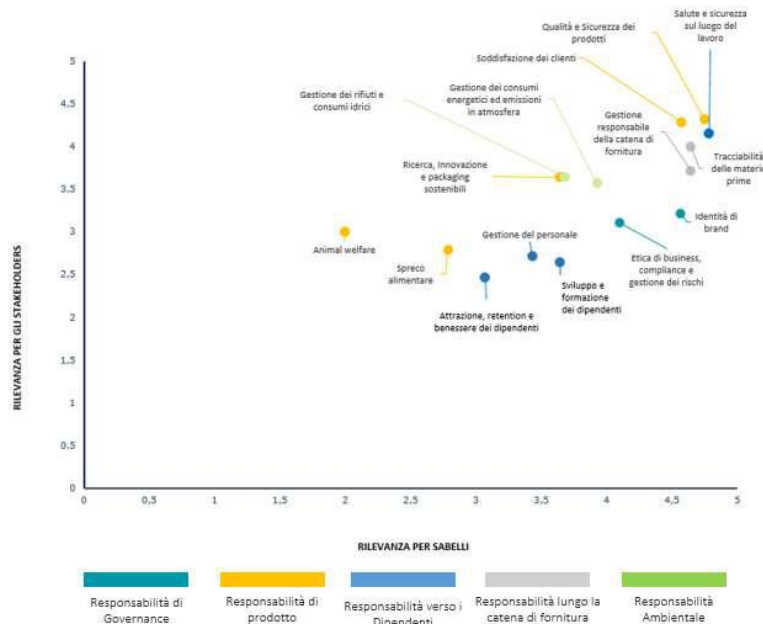
issues that have a direct or indirect impact on them.

The Top Management of Sabelli Group, based on a previous benchmark activity with the main peers of the agri-food industry, identified as stakeholders those listed below:



Employees and collaborators / Clients and Consumers / Producers
 Business Partners / Trade associations and consortia / Institutions
 Local Community / Scientific Community and University / Media

Following the identification of subjects or categories of subjects more involved in the Group’s work, the issues of sustainability were brought into focus for Sabelli, that is those areas that reflect the significant environmental, social and economic impacts for the Group or able to influence its stakeholders, in terms of decisions and evaluations. 15 material issues were identified.





Given the sector in which the Group operates, in all the issues identified through the matrix of materiality, are of particular interest those related to the product and the brand, the chain of supply and environmental protection, as well as the health and safety of their people.

With reference to the product area, Sabelli's size of particular importance to quality, safety and customer satisfaction. Creating references that respect the most high quality standards and in compliance with the main current safety regulations protocol, as well as offering its customers good and controlled products. This is possible also through the relationship established over time with its customers, building a strong brand and able to relate and communicate with the consumer, which is why brand identity is a significant issue for the Group.

Sabelli's commitment to producing safe and high quality products has been the result of careful selection of its suppliers, through standards and procedures that allow us to apply uniform criteria in the choice of raw materials, ensuring greater control over the traceability of raw materials, which in the dairy sector are of fundamental importance.

In the environmental field, Sabelli Group considers it important to act with a view to energy consumption and the consequent reduction of emissions generated by its business production, as well as in the sustainable approach to waste management, both with regard to food waste in relation to the choice of packaging more environmentally friendly. As such,, the Group is very active in the search for increasingly innovative solutions to introduce more sustainable forms of packaging.

Sabelli
1921
di bianco. Sa

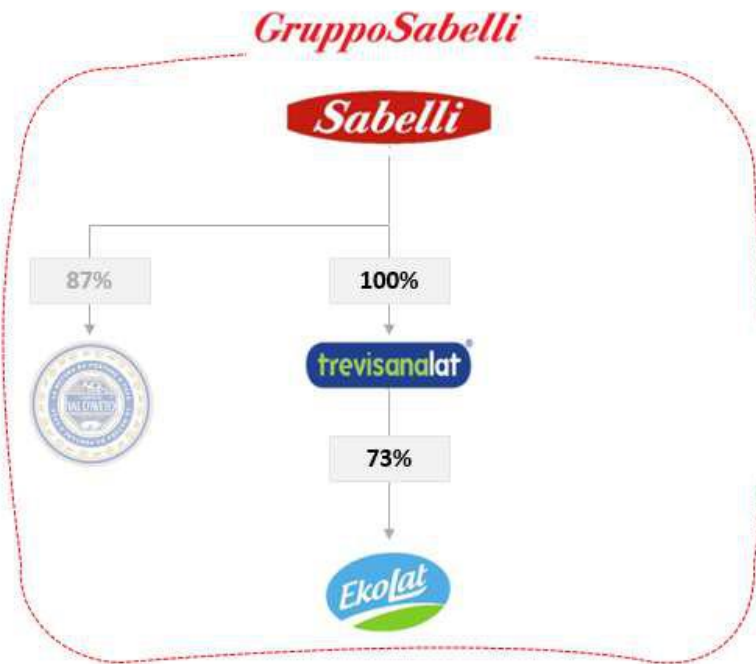




2. THE GROUP'S GOVERNANCE MODEL

The governance structure that characterizes Sabelli Group guarantees effective management and efficient and a timely control on every activity conducted at the company level, with the aim of creating value for all stakeholders.

The three companies maintain their own autonomous governance structure, despite the group leader, based in Ascoli Piceno, exercise control and a direction compared to the other two companies. The corporate structure of Sabelli Group is presented below⁴



The organizational structure of the parent company foresees a Board of Directors at the top made up of seven people, chaired by the Legal Representative. There are two Chief Executive Officers, one with delegation to the Commercial and Marketing area - being responsible for the entire Sales Area, both for Italy and abroad - and the other with the Staff, therefore being a contact for the HR, Purchasing, Administration, Systems Information Area, Supply Chain and Quality.

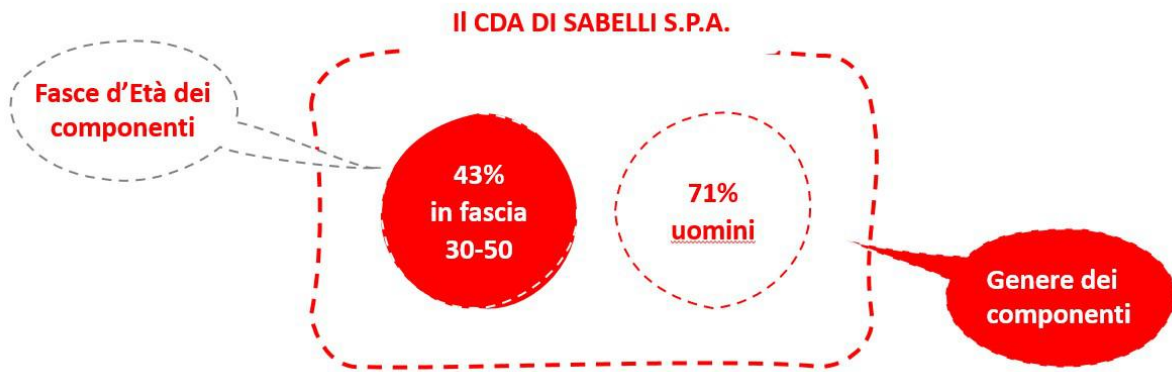
⁴ This structure, as referred to in the Methodological Note, also includes the Val D'Aveto production plant, which however is not included in the scope of this Sustainability Report given the diversity of products manufactured therein



Composition of the Board of Directors of Sabelli S.p.A. at 31.12.2021

Gioconda Sabelli	<i>President</i>
Mariagrazia Sabelli	<i>Vice - President</i>
Simone Mariani	<i>Managing Director</i>
Angelo Davide Galeati	<i>CEO</i>
Ermano Galeati	<i>Adviser</i>
Marcello Mariani	<i>Adviser</i>
Pantaleone Contartese	<i>Adviser</i>

The Board of Directors consists of two women and five men, and sees the presence of three advisers in the 30-50 age group and four advisers in the over 50 age group, while there are no councillors under the age of 30.



Age of board: 43% age 30-50
 Gender of board: 71% men

2.1. COMPLIANCE AND RISK MANAGEMENT

In order to protect the Group from sanctions and to enhance its reputation, the attention of Sabelli towards the issues of Quality and Safety, and the risks that may arise, is high. In the spirit of continuous improvement and in compliance with the law, the Risk Assessment document is updated and its full application is guaranteed. In both Sabelli and Trevisanalat, the Safety Workers' Representatives took part in risk assessment, and then adequate training was provided to personnel.



The risk management approach of the three Sabelli Group companies is based on aperiodic review of its processes, in particular those relating to Food Safety, with accurate controls for each of them. Specifically, efforts are being made to promote communication with all stakeholders, such as suppliers, customers, consumers, bodies and bodies control. In addition, workers shall be guaranteed a company which respects safety and work ethic: the environment, machinery, equipment, products and substances in use are requirements of the law and are maintained in the state of efficient use.

THE MODEL 231

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With regard to the Group's internal control activities, the Quality and Safety Manager Alimenta, together with an external consultancy firm, elaborates the Internal Audit Plan on basis of the BRC, IFS, ISO 14001 certifications that the Group has. The business areas involved are Management, Human Resources, New Products Development and Production, Commercial, Purchasing and logistics, Quality and Food Safety Management and Environment and Energy Management.

2.2. BUSINESS ETHICS

The management of Sabelli Group's business is based on the values of ethics and transparency, that go hand in hand with the quality of its products. The Group believes that only an approach of integrity and respect towards people can guarantee growth prospects and building a positive image and reputation among its stakeholders.

In the plant of Ascoli Piceno in the recruitment phase a document of Rules of Procedure is delivered to all workers in order to make uniform the conduct of the activity staff, both inside and outside the Company's premises. We provide guidance on the management of the workplace, on the correct behavior to be adopted with colleagues and with the company management, on the management of the company means of transport, diseases, accidents, absences, permits and everything related to correct conduct of company work. Together, a document on the Behavior of Personnel is also delivered to adopt at the workplace and respect for the hygienic conditions of the person; and clothing.



Employees are also invited to follow the company's guidelines for the protection of the environment and energy saving, both in the offices and inside the plant, while production operators are given a regulation on behaviour to be maintained within the food industry (HACCP).

The production site of Resana has its own Code of Ethics that expresses commitments and responsibilities of the company in the conduct of all business activities that must be assumed by all corporate stakeholders such as Guidelines to be followed in the performance of business functions. All the activities that Trevisanalat carries out in the pursuit of its Mission must be carried out in accordance with the following general principles:

- Observance of the Law, on which the control and the activity of training to that effect by the ODV;
- Professional correctness;
- Consistency and verifiability;
- Social responsibility and attention to the environment.

Sabelli's commitment to spreading a model based on ethics and integrity in every choice and daily action is also witnessed by the absence, in the year 2021, of confirmed episodes of corruption, legal actions for anti-competitive behavior, antitrust and policies and for non-compliance with environmental laws and socio-economic regulations.





3. THE RESPONSIBILITY OF OUR PRODUCTS

Sabelli's priority is to seek ever higher levels of Quality and Safety Food, so as to respond promptly to all market demands and meet all the requirements of the products and services provided. The dexterity in the production of products has always been a staple for Archimede Sabelli, which, despite the machinery that over time have allowed the site to grow from the point of view of innovation, is never missing. From his father he learned that intuition, observation and feeling count more transmitted to the touch of the paste compared to the results of mechanical processing. This is another reason why products from the sites of Sabelli Group are made with milk mainly from local suppliers and with the addition of lactic ferments that enhance the flavor, returning to the product the unique organoleptic characteristics, faithful to the artisanal method of the past. For this Sabelli products give the final consumer an experience of authentic taste, rich in taste, typical of the mozzarella «of the past»

The materials used to produce or package products have been divided into raw materials for production (such as milk, selected lactic ferments, cream, food salt), related materials process (such as detergents, coagulants and lubricants), products or semi-finished components; and packaging materials (such as plastics and cartons). Aggregating these four categories, it is stressed that for a dairy group the most significant quantity of materials used to produce or package products are the raw materials, in 2021 - in line with the data of the previous year - over 90% of the total of materials used is renewable.

3.1. OUR INNOVATIVE SPIRIT

Sabelli Group is a consolidated company with a constant focus on development. In its plants are adopted an exclusive technology and a production system of excellence, with attention to the quality of the products, from the choice of raw materials to investment in technological innovation.

Sabelli bases its production activity on two fundamental pillars: on the one hand the spirit of innovation, on the other hand the intention to preserve the traits of tradition and craftsmanship that products. The research and development activities, carried out at Sabelli, can rely on an internal chemical-physical and microbiological laboratory, as well as on the continuous collaboration with the academic world, with which projects of product and process innovation can be carried out. Relations with universities, with laboratories suppliers, play a key role in the process of product innovation and packaging.

^s A local supplier is an organization or person who supplies a product or service to the organization and is based there geographic market of this. In these financial statements, local is understood to mean a supplier operating in the same country as the company; for the Ascoli and Resana plants, the local supplier is the one based in Italy, while for the Vipava site, the one based in Slovenia. The milk used in the Ascoli Piceno plant is 100% Italian with the exception of some production lines which in certain periods of the year, however to a lesser extent, also use milk of EU origin. The Resana plant uses more than 80% of Italian milk, while the Vipava production site is supplied for about 95% by Slovenian suppliers, and 5% by Hungarian suppliers and other EU countries.

The main product-related innovation activities concern in particular enlargement of the lactose-free product range, the study of life-enhancing processes, commercial products, and the possibility of inserting functional ingredients in formulations. The activities related to the development of packaging solutions mainly concern the simplification of packaging, weight reduction and the search for alternative materials, able to guarantee the same performance, or even higher, of the conventional materials.

In detail, in recent years, investments have been made at plant level, aimed at improving not only production activities and product performance, but that will also the positive environmental effects in terms of production efficiency.



In 2021, following process studies and validation tests and commissioning point, the site of Ascoli has inserted within the Burrata Department of packaging machines able to "close" the head of the burrs, without the need for binding laces, the latter made of plastic. This innovation will allow us to achieve a significant reduction in the rate of plastic waste generated in the production process, with its beneficial effects on the environment.

Also at the Ascoli site, from the year 2021, a project was undertaken to replace the current packaging of the burrata leaf take away, consisting of several plastic components, and which provides the elimination of the "unnecessary" components that generate excessive packaging. It is estimated that this measure will involve a reduction of 30% in weight of plastic used for single piece.



The need for innovation and research arises from both internal and external inputs. In particular, interior inputs can come from production and/ or quality, and directly from Management; the needs, in this case, can be represented by the will to improve the production process, for example in terms of yield, functionality, production efficiency, risk reduction production phases and reduction of waste. In the same way, the input can come from outside as a result of a request from customers and/or consumers, or as a result of market analysis and the continuous research and contact activities that the Group carries out with consumers and customers, aware of the importance of the most significant industry trends.



RESEARCH AND DEVELOPMENT: OUR PATH

In 2021, and in the field of innovation, Sabelli Group committed itself to the implementation of automated and technologically advanced systems for traditional smoking - with wood chips and beech - products such as cheese and burrate.

In the future, the Group's research and development activities aim to:

1. present new products and packaging systems with a view to sustainability;
2. apply the continuous improvement of production processes with a view to reducing costs; and respect for the environment
3. use technological innovation to increase the shelf life of products, resulting in beneficial effects on environmental impact;
4. insert innovative products aimed at specific consumer targets, such as food functional containing bioactive elements or lactose-free products.

With regard to waste related to packaging materials, Sabelli conducts efficient production and packaging lines. Thanks to investments in the plant and continuous training of operational personnel, it has been possible in recent years to develop operations to reduce waste and waste during alignment film reels and product packaging. In particular, in 2021, following an activity monitoring of waste produced during the automatic insertion of mozzarella in larger packages there has been an increase in the length of the packs, in order to facilitate the insertion of sachets and consequently the reduction of waste plastic material produced (packaging reshaping to improve machinability and optimize the use of the packaging itself)

In the last two years, the research and development team has also carried out a project of adaptation of the graphics of all packaging films of Sabelli products to the packaging machines; this would allow on the one hand to obtain better performance and facilitate the work of the driver, on the other hand to reduce film waste resulting from the stages of alignment of the coil in the machine and definition of the working parameters.



THE LINK WITH AREA UNIVERSITIES

Sabelli Group collaborates constantly with the academic institutions of the territory in which it operates in projects such as:

1. the possible development of dairy products enriched with functional ingredients;
2. Extending the shelf life of products through the development of production technologies to contain the development of the main responsible micro-organisms' alteration and negative sensory changes that occur during the life of the product. The possibility of increasing the shelf life can encourage the reduction of food waste, and therefore have a positive effect in terms of environmental impact;
3. Preliminary life cycle assessment (LCA) studies focusing on life cycle assessment of mozzarella and the consideration of water, thermal and packaging consumption.

Research and further studies will be necessary to define the real possibilities of use of technologies mentioned for the development of new dairy products within Sabelli.

3.2. FOOD QUALITY AND SAFETY

Offering products and services of excellence, responding with the utmost attention and punctuality to customer needs, is part of Sabelli's corporate mission. The Group has always been committed to building relationships of trust with their customers based on the experience and the possibility of operating the market with mutual satisfaction for client and business. Hence the request to submit to assessment of compliance of products and processes with international safety and quality standards of food, which often include controls ("Audit") by independent verifiers.



SABELLI ASSURES ITS CUSTOMERS THAT ITS PRODUCTS COMPLY WITH THE EXISTING LEGISLATION AND THE SPECIFIED REQUIREMENTS, THROUGH:

1. the assessment of its suppliers of raw materials, packaging and services having an impact on the quality and safety of finished products;
2. the correct storage of purchased materials and raw materials;
3. the control of the release into the production cycle of products complying with legal, quality and food safety requirements;
4. the reporting of non-conformities upon receipt and initiation of timely resolution with a view to continuous improvement;
5. continuous checks on raw materials, semi-finished and finished products carried out by both laboratories with external accredited reference, both from its own internal laboratory. These checks allow the food quality and safety manager to confirm the references produced daily by the Sabelli dairy.

Sabelli Group has not found, neither in 2020 and nor in 2021 cases of non-compliance with regulations on the health and safety of products and services entailing the payment of a fine and/or a sanction.

With regard to cases of non-compliance with the regulations on the health and safety of products and services involving a notice or a prescription or recommendation at Sabelli Group level reported in 2021 a figure substantially in line with that of 2020. In particular, the cases of compliance, both as the detection of foreign bodies inside products (such as plastic or detection of other contaminants) both as microbiological measurements (such as product alterations, and may have inflated or developed particular colours) have been compared to the number of parts per million and then measured, to assess the impact, on a sample of 100,000 product units made. In this way it was found that in 2021 the cases of non-compliance involving a warning amounted to 0.013 cases per 100,000 units of product realized, in continuity with the year 2020.

On the other hand, with reference to cases of non-compliance with the codes of self-regulation in the field the health and safety of products and services, Sabelli Group manages and resolves them in accordance with the principles of the PDCA of continuous improvement. Data has been recorded substantially in line with that of 2020. Specifically, cases of non-compliance with self-regulatory codes internal, intended as packaging defects or under weight of the products, have been compared to the number of parts produced per million and then measured, to assess their impact, on a sample of 100,000 units of product made. In this way it was found that the cases of compliance with internal self-regulation codes amounted to 0.020 cases per 100,000 units produced, given in continuity with that of the year 2020.

Quality and food safety monitoring and control activities cover all the phases of the value chain, with activities of qualification and selection of suppliers, collection of documentation (including analysis by the suppliers themselves), continuous analysis and evaluation of risk.

These actions allow the Group to adapt the frequency of analysis to the critical points that emerge and focus attention and resources. In particular, checks are carried out from when the raw materials enter the production plant and, upon receipt of the goods, both quantitative and qualitative examinations are carried out.

All conformity analyses of incoming raw materials, both food and those relating to packaging, follow well-defined control plans based on procedures that consider the risk analysis and follow the procedures set out in the HACCP manual, which has the objective of ensuring the wholesomeness of food, with a view to prevention. To this end, Sabelli carries out numerous chemical and microbiological analyses each year, both through laboratories present at the Group's offices through external laboratories accredited by and affiliated with Sabelli Group.

The quality and food safety of Sabelli products are ensured through compliance with voluntary quality certification standards BRC (British Retail Consortium) and IFS (International Food Standard), which are internationally recognized, and both standards belong to the Global Food Safety Initiative (GFSI) on food quality and safety throughout the production chain. Sabelli receives annual unannounced inspections by an Independent third party body accredited for the issue of BRC and IFS certifications.



The site of Ascoli is also ISO 14001 certified, while since 2006 the site of Trevisanalat has a Quality department, and since 2007 is certified according to the UNI EN ISO 22000:2018 standard, designed to harmonise global requirements for food safety management for businesses within the food chain, combining the fundamental characteristics of the ISO standard 9001 and HACCP to provide an effective framework for the development, implementation, monitoring and continuous improvement of a food safety management system documented in the context of the organisation's overall business risks. Other certifications of the site of Resana are the IFS and the BRC, respectively on the seventh and eighth update, and from 2022 Trevisanalat is also certified according to the UNI EN ISO 45001 standard on the management system for Occupational Health and Safety. The Ekolat site in Slovenia is also IFS certified.



One of the principles underlying the Sabelli Group's corporate policy on safety food products is certainly that of systematic and continuous prevention of the emergence of critical and emergency situations for food safety of products caused by internal factors and, as far as possible, external factors. From this point of view, Sabelli, within the company crisis management, adopts a specific procedure that allows the management of non-conformity of the production, distribution and sales process, in particular the management of the "health crisis" resulting from non-compliance in the area of food safety, quality "product" or "performance" quality.

This procedure also governs non-conformities that could potentially give rise to withdrawal and recall intended to ensure the health of the consumer as subjected to the risk of food safety, but also to safeguard the company's reputation and performance. It is the commitment to reduce and possibly eliminate the risks resulting from possible critical situations that may occur through careful and rigorous handling of complaints and other alerts. The number of complaints is monitored through a system of dedicated reporting to collect any cases of non-compliance on the quality of products is by both customers, and end consumers. In the year 2021, compared to the previous year, Sabelli quality office in agreement with the Management has implemented the management of complaints and non-conformities through a new Software. This management system presents within it forms for the management and storage of complaints and non-conformities that can be inserted directly from the commercial of Sabelli increasing the capacity of the quality system to detect all complaints that were previously handled directly by employees Sabelli and that somehow could not be properly documented, underestimating the data.



3.3. SABELLI PRODUCTS, QUALITY AND SAFETY

SABELLI HAS TAKEN A NUMBER OF INITIATIVES SINCE 2021 TO ENSURE IMPROVED QUALITY AND SAFETY OF ITS PRODUCTS, INCLUDING:

1. The implementation of new laboratory instrumentation of the latest generation that allow to perform physical and microbiological chemical analysis with analytical precision standards ever more performant;
2. Continuous training of internal laboratory and specialized quality assurance staff
3. Compliance with the internal self-control plan, carried out by accredited external laboratories, that ensure the customer compliance with quality standards and that are reflected in the choice of raw materials used, in the control of the processing intermediates and in the finished products. This ensures that all references sold reflect the highest quality standards and food safety;
4. the continuous specialization of operators who work and produce references every day for Sabelli, through specific training programmes on awareness and the importance of the concept of quality and food safety. Investments in Sabelli on working in direct contact with the raw materials that will be processed into the Group's finished products.

As mentioned, attention to quality and food safety has always been for Sabelli fundamental principles. With a view to continuous improvement, numerous action in this direction; for example, one of the parameters that in the future will become even more central in the selection of the conferent and in the choice of continuation of the relationship of supply in time is animal welfare.

Assessing "animal welfare" means not only checking the state of affairs, but also the preparation of the owner of the farm to face the process of adaptation to new regulations or new provisions, according to a continuous improvement approach. The audit will not only be a monitoring and evaluation tool, but will also allow you to share with the conferencing a path on how to improve the most critical aspects, indicating the areas on which to work.

Moreover, considering the fact that ensuring greater animal welfare results in the better health of the same and consequently of the quality of the milk, reducing the need for drugs and helping to preserve biodiversity, a project is being studied for the Ascoli site that, through the use of a dedicated application, will map the farms from which products are sourced (about 66) and arrive at defining an internal procedure on the subject.



Indeed, the attention to the living conditions of farm animals are constantly increasing, both by consumers and the legislator. At the Group level, Sabelli is committed, collaborating with Universities, Institutes of research and industry partners, the use of the best up-to-date knowledge of science, ethics and animal health and welfare legislation.

The commitment of Sabelli Group is to stimulate its donors to increase their level of animal welfare, and to this end, the introduction of a system that allows the monitoring of compliance of farmers to high standards in this sense, with particular reference to drugs and nutrients chosen for animals.

Another aspect to which Sabelli pays much attention is that of food waste: according to the FAO data 1.6 billion tons of food that are wasted each year, amounting to about a third of total production for human consumption. In particular, in Italy every year 10 to 20 million tonnes of food and the waste of these resources amounts to over EUR 2 trillion globally. An alarming fact, mirroring the unsustainability of production and consumption models, which still characterizes the supply chain agro-food. In this sense, Sabelli has launched several collaborations with research bodies and companies to find innovative solutions on food waste for the dairy sector. At the moment when expired products are disposed of, as required by Regulation 1069/2009/EC of European Parliament and of the Council , within subcategory and then reused for pet food.

INITIATIVES FOR THE COMMUNITY

The site of Ascoli, at certain times of the year, such as Christmas, and in order to combat waste food, gives cheese or mozzarella in envelopes to the Zarepta association of Ascoli Piceno, which provides daily hot meals to people in need. Moreover, to encourage and support the social cooperatives of the territory of Ascoli, the Marche decided to outsource some productions, such as the ties that serve to close the scamorze. In this case, the production activity is entrusted to the social cooperative Tipori Verso, created to offer a response to the social and labour integration needs of disadvantaged people after the attendance of compulsory education, in the field of bookbinding, packaging technology and assembly.

Laying down health rules for animal by-products and derived products not intended for human consumption and repealing the Regulation (EC) No. 1774/2002 (Regulation on animal by-products)

All by-products derived from animals fit for human consumption but not intended for commercial purposes or processing problems; or defects in packaging or because they have expired.



For Sabelli, product quality is a commitment and a responsibility towards consumers; therefore, particular attention is paid to the entire production process, which provides a careful selection of ingredients along with innovation and tradition in order to offer a range of products that meet the tastes and habits of those who buy them in order to satisfy them better. Customer satisfaction has always been at the heart of Sabelli's corporate strategy.

The tool used in the past to assess customer satisfaction was a questionnaire, while today, and by 2021, this system has been replaced by the annual management analysis and by its quarterly monitoring through which any complaints or complaints are verified. It is accompanied by a general activity of dialogue with customers, carried out through research quantitative, annually, to assess the level of appreciation of Sabelli products as well as how well the brand is known and how it is reputed by the consumer, and sampling activities produced with consequent appreciation of analysis and propensity to purchase, using the Degustabox circuit.

The possible reintroduction of the questionnaires system at the place of the "indirect" assessment of customer satisfaction. Sabelli Group's commitment to its customers and consumers means not only guaranteeing safe and quality products, but also in transparency towards them. With this aim, starting from Since 2021 Sabelli has focused on the following initiatives:

- The graphic restyling of all the Sabelli references, which included revisiting the labelling of the packaging used to package its products. This type of graphic modification allows us to make clearer and less misleading to consumers' eyes all those mandatory and voluntary information that must be transmitted and received by the customer;
- Great attention to the compliance of their labels with legal and correctness of the information in its packaging, through a continuous verification of legal information, also supported by the use of internal check lists of conformity assessment specifications for all this information;
- The attention to effective communication through its packaging to all consumers, in reference to the inclusion of information on proper disposal of packaging of its products. It is in fact the responsibility of a leading Group in the dairy sector, to pay significant attention to compliance with recycling and environmental policies.



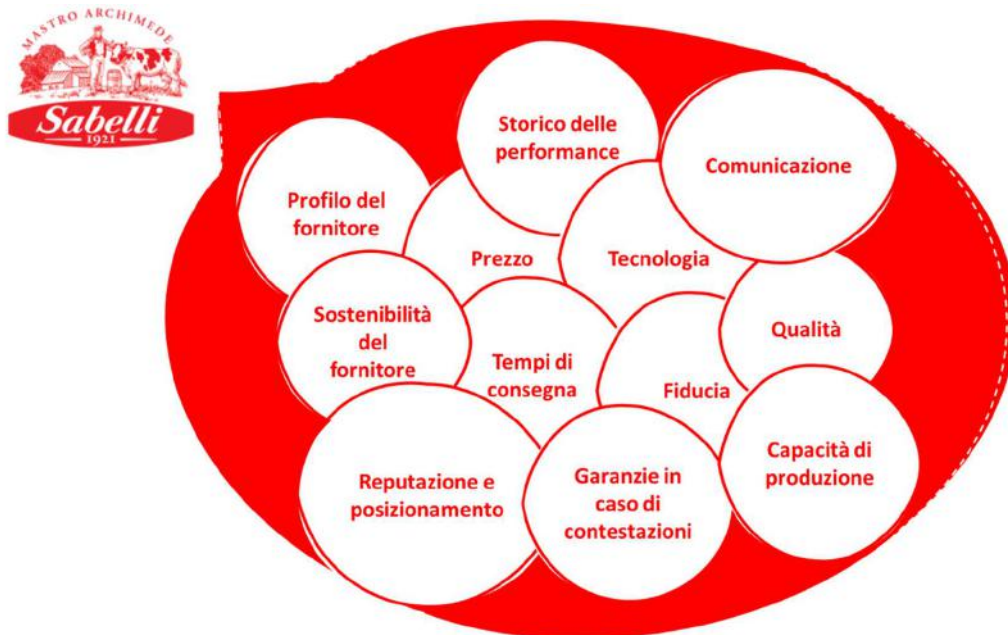


4. SUSTAINABILITY ALONG THE SUPPLY CHAIN

Sabelli recognizes the importance of sustainability and traceability of its supply chain. An operating ethical and transparent business is in fact able to promote the success of the business, helping to spread an image of reliability, fairness and transparency of activities carried out in pursuit of its objectives. For all these reasons Sabelli has a Food Quality and Safety Management System and a Food Integrated Environment and Energy Management. These systems are such as to allow compliance with requirements, the control of the risks associated with the food safety of its products and the reduction of the main environmental impacts throughout the supply chain, ensuring:

- Accurate control of production steps, products and processes, with the aim of ensuring effectiveness and efficiency;
- the choice of quality and qualified suppliers through careful selection of the same, the monitoring of their performance and the adoption of eco-sustainability criteria in the purchase of goods and services;
- the same transparency regarding environmental and energy management to all stakeholders, supervisory bodies and local institutions;
- proactive, transparent and appropriate Systems management programmes and policy requirement processes and aimed at the continuous improvement of its performance.

The ways in which Sabelli searches and defines its suppliers refer to a series KPIs (supplier assessment criteria) presented below:



Profile of Suppliers	Historical Performance	Communication
Price	Sustainability of Suppliers	Delivery
Times	Trust	Quality
Guarantees in case of dispute	Reputation and Market Positioning	Production Capacity



With reference to the supply chain, in 2021 Sabelli Group spent about 116 million euro, of which about 70% was spent at local suppliers

Periodic evaluations

Indicators for monitoring and evaluating a supplier are made through periodic evaluations described below

Each quarter an analysis is carried out of the turnover of each individual supplier in relation to the quantity of goods ordered. This analysis shows the punctuality of deliveries, quality reliability, the status of disputes and other peculiarities of the supplier. Each year, during the review by Management, the performance of the suppliers that have been registered in the current year and are evaluated for compliance and reports that are related to a supplier and the products or services provided by them. This monitoring methodology allows Management to decide whether to confirm, or in extreme cases replace, the evaluated supplier.

Activities related to the procurement process, in order to ensure that products and services purchased meet the specified requirements for supplies and are available on time programmed, are:

- research, evaluation of acceptability and revaluation of suppliers;
- control of purchase data;
- any product checks at suppliers and product checks upon receipt.

The type and extent of control performed on the suppliers, products and services purchased depend on their influence on food safety, on subsequent activities of implementation product and the quality of products and service. A specific procedure has been adopted that indicates the criteria for the first assessment of suppliers, the capacity of which is established:

- With "preventive" assessment, which aims to estimate the ability of the supplier to achieve the performance required by Sabelli;
- with a "final" evaluation, based on the performance of the supplier itself.

Particular attention shall be paid to safety risk analysis in the supplier assessment food, both product and supplier related.

Regarding the results obtained, net of the saving policies activated, the context created in the years 2020 and 2021 due to the outbreak of pandemic has created difficulties in terms of purchasing.

⁸ for the Ascoli and Resana plants, the local supplier is the one based in Italy, while for the Vipava site, the one based in Slovenia.



The entire system of existing supply was put to the test by Covid-19: the pandemic led to a shortage of raw materials and the need to opt for a "preventive" supply policy, imposing "important" strategic purchases to compensate for a possible lack of material necessary for correct supply to the production departments. For the Ascoli and Resana plants, the local supplier is the one based in Italy, while for the Vipava site the one based in Slovenia.

In addition, the significant price increase which affected all categories of products (such as plastic, wood, paper, etc.) resulting from the current energy crises (oil, gas, electricity, etc.) has greatly impacted the possibilities to undertake purchasing operations aimed at reducing prices. Nevertheless, the Group's policy on supply has never changed: buying primary goods of absolute quality, sustainability and at acceptable prices.

Focus Box – Supplier evaluation

In order to evaluate the suppliers, a fitness index is created for each of them that refers to certain requirements such as the price offered, any certifications held, reliability and responsiveness in deliveries. The suitability index resulting from supplier assessments determines: acceptance or full confirmation, acceptance or confirmation with reservation, non-acceptance or interruption of relations with the supplier. Sabelli acquire additional information for supplier assessment, which may arise from:

- Analysis of samples to be carried out in acceptance or directly during service delivery;
- Traceability tests (mandatory for non-certified BRC and/or IFS and/or FSSC22000 suppliers of materials Raw, semi-finished, finished products, primary packaging;
- Provision of evidence;
- References provided by other companies;
- Audit at the supplier's establishment (mandatory for suppliers of critical "High").

In addition, all information and documentation is forwarded to the Quality and Safety Manager Feed, or to the Function Manager concerned who requested the activation of the new supplier, who will assess the supplier's ability to provide products/services that meet Sabelli's requirements. In the event of a positive assessment, all the above information will be reported in the Suppliers Database. In the case of negative judgement on the supplier, by the Food Quality and Safety Manager or by others responsible, the Purchasing Manager is contacted, who will search for another supplier of that product / service.

During the Annual Management Review, the Group shall re-evaluate and renew qualified suppliers on the basis of their ability to provide products/services that meet the requirements of Sabelli, examining performance of the same and checking that there are no situations that do not recommend use. The Group shall also ensure, by means of checks on receipt, that the materials and ingredients intended to form part of finished products (including packaging and packaging materials) cannot be used in subsequent production activities (production, storage, shipping) without having been established in advance that the requirements specified for procurement have been complied with.



5. OUR PEOPLE

Sabelli's Numbers

I NUMERI DI SABELLI



The development and growth of Sabelli, which over time has been able to become an established industrial group and recognizable, it binds to its people, which constitute the fulcrum of a reality animated by one family spirit based on values, a sense of responsibility and attention to the surrounding area. If we have managed to keep intact the original artisanal spirit it is thanks to contribution of every person who, daily, with care, precision and passion, produces fresh, genuine and quality products..

5.1. EMPLOYEES OF SABELLI GROUP

At 31 December 2021 Sabelli Group, with reference to the three dedicated production plants the processing of spun pasta, namely that of Ascoli Piceno, Resana (TV) and Vipava (SLO) can rely on 363 employees

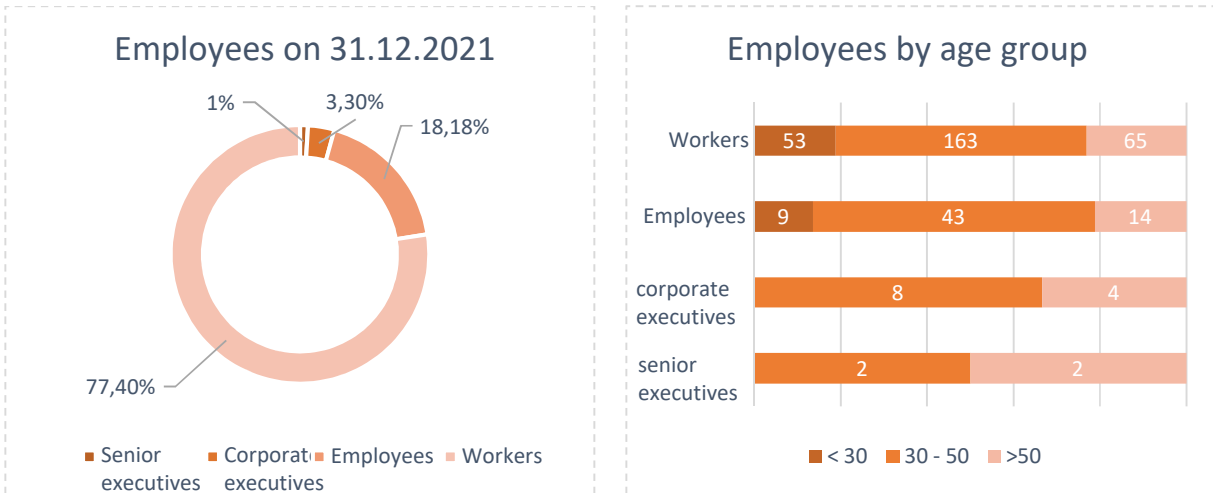
The Group also employs, at certain times of the year, workers not bound by an employer-employee but administered by temporary agencies or internships.

Each plant has its own Director, who, through some collaborators, coordinates, manages and organizes all aspects related to people, plans and defines weekly work shifts operators, then reporting to the Property any critical issues or reports to be resolved.

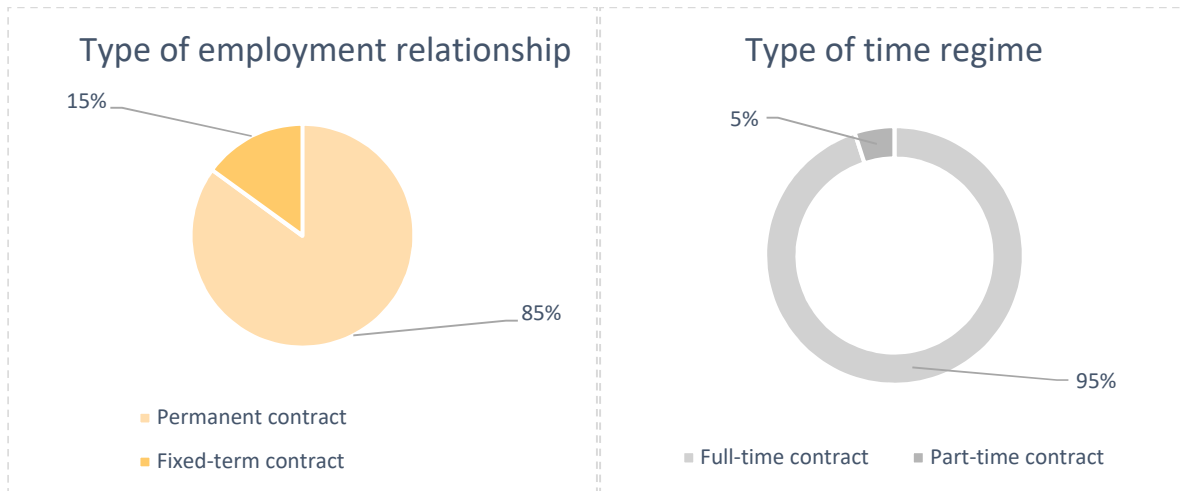
Of the total number of employees, a large part is represented by the workers, dedicated to the various processing and processing of the raw material, while a minority percentage is represented by office staff, such as employees, and managers..

Employees are made up to a large extent of people between the ages of 30 and 50, while lower percentages are those of people under 30 and over 50.

The Group also makes use, at certain times of the year, of workers not bound by an employment relationship but administered by agencies temporary or in internship. These workers are not counted as employees and for the year 2021 there are a total of 65, of which 62 are temporary and 3 interns, all operating at the Group's two Italian plants. The total of 363 employees does not include the Val D'Aveto production site.



Of the total number of employees, 100% are covered by collective bargaining, and the permanent contracts is equal to 85%, while employees hired with full time contract are 95%.



Employees on 31/12/2021:

- Executives 1%
- Managers 3.3%
- Office Workers 18.8%
- Manual Workers 77.40%

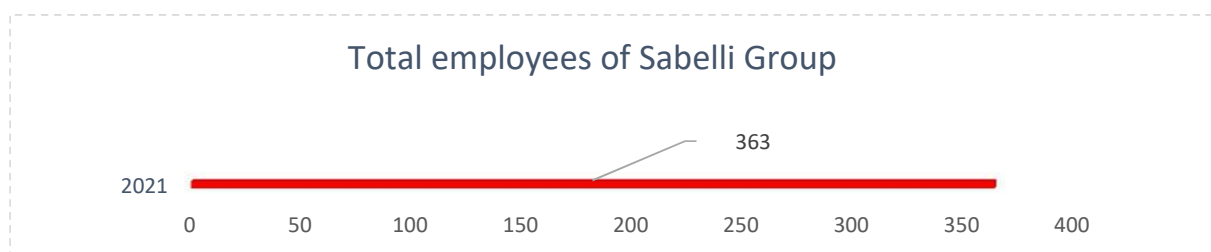
Employees Age Breakdown:

- Executives: 2 30-50, 2 over 50
- Managers: 8 30-50, 4 over 50
- Office Workers: 9 under 30, 43 30-50, 14 over 50
- Manual Workers: 53 under 30, 163 30-50, 65 over 50

Of the total number of employees, 100% are covered by collective bargaining, and the permanent contracts is equal to 85%, while employees hired with full time contract are 95%.

5.2. RECRUITING AND ONBOARDING

Sabelli Group has been able to grow a lot over the years, also through a careful selection of persons inserted in the business context. In this regard, with reference to the number of new incoming employees, compared to 2020 there was an increase of 23, from 340 people to 363, thus recording an increase in the percentage of total people of Sabelli about 6%.



In order to contribute to an ever-expanding development, talents with energy and seriousness, a sense of responsibility and reliability, motivated and proactive. The ingredients that allowed us to do what we have done so far, and grow further. To this end, relations with training institutions, employment offices, schools, universities and employment agencies, are fundamental and decisive for the attraction of new resources in line with business principles and with the necessary skills to always be competitive in the dairy business.

Among partnerships with the academic world are included that with the University of Teramo, the Polytechnic University of Marche, the University of Camerino, the University of Padua, ISTAO (Business School of Ancona). These collaborations have allowed us to start numerous research and development projects, in addition to the activation of curricular placements and with thesis purposes for young students curious to approach the world of work. Just together with the Universities, up to before the pandemic, the HR team of Sabelli Group participated in several career days organized by the faculties of interest for personal research. Other forms of collaboration in place are with institutes dedicated to the specific subject of food quality and safety - such as the CTQ Institute of Poggibonsi - or other post-graduate training institutions.

Once the profiles of interest to the Group have been intercepted, the selection process includes interviews individual, initially with Human Resources, to continue with a technical interview with the Referent of the Function for which the person is selected. For some professionals, it is a further interview directly with the Property (Managing Director).

5.3. STAFF DEVELOPMENT, TRAINING AND WELFARE

The professional growth of employees is an aspect on which the Group has invested and continues to invest, which is why the training activity is present and constant. In addition to raining mandatory linked to safety in the workplace and food safety and hygiene, thanks to an analysis of training needs and a comparison between Human Resources and Area Managers, other courses are planned annually to improve technical and/or managerial skills of some figures. Foreign language courses, computer courses, advanced courses, courses of personnel management, refresher courses on food quality and safety, and frequent on-the-job training (particularly in production departments).

In the course of 2021, the hours of training provided to employees grew by about 45%, accompanied also by the resumption of an ordinary regime of productive activity, as compared to the year, 2020, which saw the strong limitation of production activity in the presence. Return to the ordinary mode of operation has allowed the Group to return to provide training, general and specific more consistently.



**+ 9000 ore di
formazione erogate
nel 2021**

+9000 hours of training given in 2021

Sabelli Group does not currently have an organic and structured system for evaluating company performance. However, the Group has undertaken a steady expansion in recent years, is studying the introduction of tools and ways to monitor employee performance in order to improve employee performance.



THE WELFARE WITH SABELLI

To date, Sabelli Group does not have a structured welfare system, even if its The Commission's proposal for a Council Directive on the approximation of the laws of the Member States relating to the protection of workers' rights.

However, there is no lack of initiatives in this regard, precisely in order to meet the needs of workers.

At the Ascoli site, policies have been implemented to encourage motivation and the sense of belonging of employees, such as:

- the provision of a contribution of 300 euros per birth, in order to promote the birth rate, and the allocation of the same amount for any marriage involving a corporate employee;
- The provision of flexible working hours for working mothers during the first 24 months from the birth of the child;
- the provision for all workers in the force, including those under administration, of a company room equipped with canteen service. Meals can be purchased in the store site inside the industrial factory. For such purchases the company will take care of everyone, including the workers in administration, the amount of € 5.00 for each worker. In addition to these 'ordinary' measures introduced for their own people, they were put in the field of "extraordinary". In 2020, in full pandemic emergency, in order to demonstrate proximity to its employees, awards were given for the commitment and dedication shown at a dramatic time and a total of 150,000 euros. In addition, in 2021, the centenary year, the Property has decided to distribute to all the employees of the plant of Ascoli Piceno of the petrol vouchers for a value of 500 euros each.

5.4. HEALTH AND SAFETY OF PERSONNEL

Sabelli gives top priority to the protection of the health and safety of its workers in all places of work. For this reason, it is considered essential to develop an adequate awareness, among employees, on what risks may arise at the workplace, and what behaviours and actions are to be taken to maintain a safe and healthy working environment.

The Group is equipped with a Risk Assessment Document (DVR), the result of an assessment with the collaboration of the Employer, the Prevention Service Manager and Protection and the competent doctor, after consultation of the Workers' Representatives for Safety, and reworked when changes in the production process or organization work significant for the health and safety of workers, or in relation to the degree of development of technology, prevention and protection or following significant accidents or where the results of the health surveillance show that it is necessary.



The identification and assessment of hazards and risks to the safety and health of workers shall be carried out by the Employer, the Head of the Prevention and Protection Service, the competent doctor, by the supervisors, by the workers themselves within the scope of the activities carried out by each job, after consultation with the Safety Workers' Representatives, in accordance with Article 17 of Legislative Decree. 81/08. In particular, the following shall be considered:

- The choice of work equipment and chemical substances or preparations used;
- The arrangement of workplaces;
- All risks to the safety and health of workers, including those relating to groups of workers exposed to particular risks, including those related to work stress, according to the contents of the European Agreement of 8 October 2004, and those concerning pregnant workers, in accordance with the Legislative Decree no. 151 of 26 March 2001;
- Risks related to gender differences, age (including child labour), age, and coming from other countries.

The control activities result in periodic inspections of workplaces by the competent persons, analysis of the reports received by workers and verifying that the indications which emerge from the regular meetings are followed up as appropriate.

The subject of safety at work is subject to compulsory training, as planned by D.lgs. 81/2008, for all categories of workers, regardless of the job. There is a general training, of 4 hours for all tasks, dealing with the concepts of risk and damage, of prevention and protection, organization of business prevention, rights, duties and sanctions for the various figures, and outlines what are the supervisory, control and assistance bodies; and specific training, differentiated for the various qualifications and with a differentiated focus on those who risks and dangers associated with the tasks of each.

In accordance with legal obligations, the Group has also identified and trained fire and first aid.



Focus Box - Sabelli and the management of Covid-19

To tackle the pandemic emergency, Sabelli adopted since April 2020 the shared protocol of measures for the contrast and containment of the spread of the virus in the workplace, updated in April 2021 and in June 2022. There was already a working team dedicated to the management of emergencies, accidents and crises such as that of Covid. Within the company structures, information for workers, arranged in the entrances and premises, to inform parties about the precautions to be taken to prevent infection and dissemination of the virus, with particular attention to respect for the interpersonal distance of 1 meter, necessary to avoid contact with people thus reducing the opportunities for gathering especially in the most critical points such as the access to production premises and bathrooms. In addition, the checking of body temperature has been placed at access to the place of work (offices, production, warehouse) having no access to the workplaces in the event that it exceeds 37 °C, as well as the daily cleaning and sanitization of the premises, the production environments, in workstations and common areas such as the canteen and toilets and were also installed devices containing detergents and sanitizers for the hands and delivered to employees Personal protection such as disposable masks and gloves.

With the update of the protocol of April 2021, for the entire period of the emergency Covid-19 were also confirmed measures to reorganise its work activities through:

- Smart working of almost all administrative staff;
- The shift of employees according to the reshaping of production levels;
- The use of available social shock absorbers so as to allow abstention from work without loss of earnings;
- la sospensione e annullamento di tutte le trasferte e viaggi di lavoro anche se concordati e pianificati;
- Suspension and cancellation of all travel and business trips even if agreed and planned; the choice to carry out meetings and audits remotely to allow to continue business activities possibly planned;
- The use of the PC in the canteen for training for internal staff.

Sabelli Group continues to take the most up-to-date measures to guarantee its people the maximum safety in the working environment, and also handed over to all workers a regulation on the rules adopted from the company to face the emergency Covid-19.

With reference to accidents at work recorded at Group level, in 2021 12 accidents occurred at work, of which seven at the Ascoli Piceno plant, three at the Ascoli Piceno plant Resana (TV) and two in the Vipava plant (SLO). Of these, no injuries resulted the employee's death or serious consequences. The figure is in any case decreasing compared to 2020, where a total of 14 occupational accidents had occurred.

In 2021, at the Trevisanalat plant, there was also a commuting accident of an employee by his own means, but is not counted as an occupational accident.



5.5. DIVERSITY AND EQUAL OPPORTUNITIES

The aim of Sabelli Group is to create a balanced and inclusive workplace employees to express their peculiarities and skills in a serene atmosphere. The Group pays particular attention to gender, ethnic, religious and social diversity and disability, issues that denote a particular sensitivity and of primary importance for Sabelli, who considers respect for the other as a way to carry forward those values in which all the Group believes, starting from the family spirit, the sense of responsibility and loyalty.

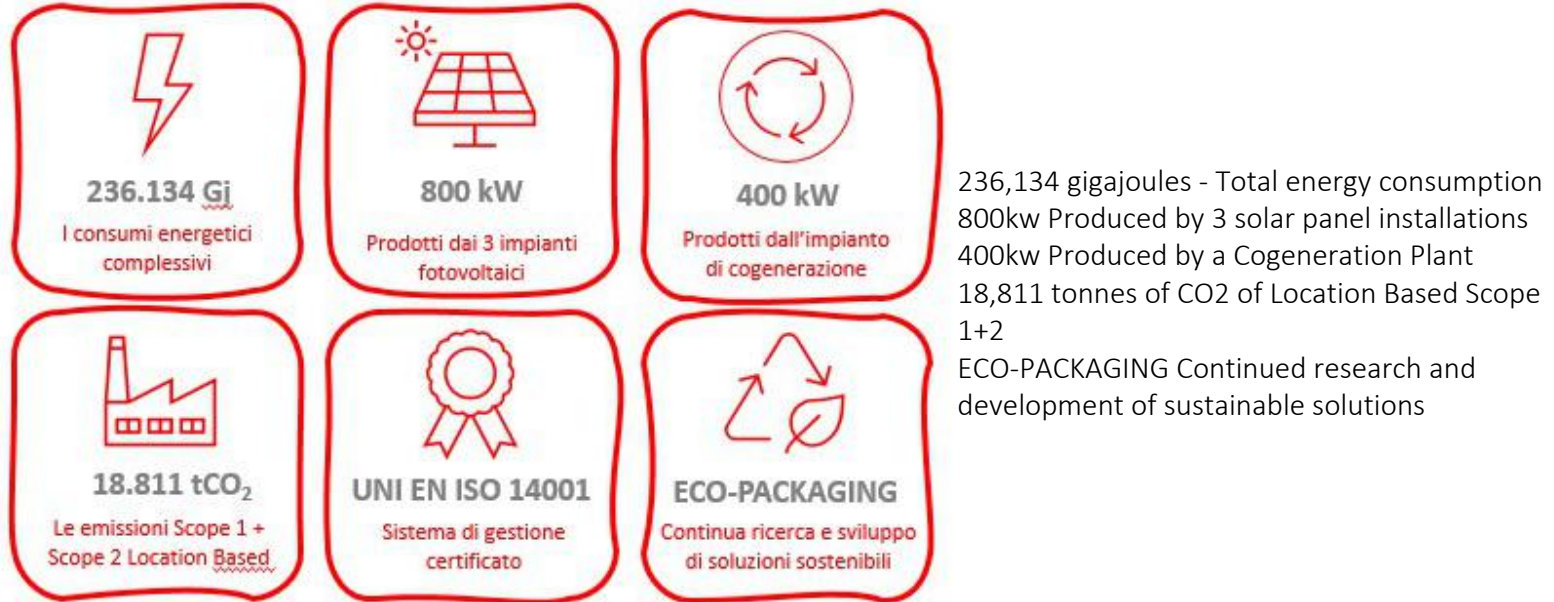
In access to work, the Group does not place any restrictions linked to gender, religion and nationality or ethnicity, and in the process of taking care to provide work and wellness tools for all. Useful tool for the establishment of an inclusive climate is that of anonymous questionnaires, which allow people to express their needs or suggestions to make improvements.

Sabelli Group is also sensitive to issues such as the inclusion of foreigners to allow both the integration into the Italian social fabric and the learning of a job. It is the Group's conviction, in fact, that the development of practical and working skills is one useful and effective tool in this direction, and for this reason Sabelli pays strong attention to opportunities that arise in this regard, adhering to it where possible.





6. COMMITMENT TO THE ENVIRONMENT



Environmental protection is a challenge that requires the commitment of all actors in society, starting from economic actors operating in the ecosystem. In this sense, the food industry has an important role, considering its impact on the environment of constant growth, and increasing consumer awareness of the issue. Globally, the food sector is responsible for about 26% of CO2 emissions in atmosphere, provides that emissions from the agricultural sector and farms should increase by 30-40% from now to 2050. These data highlight the need to include explicitly limiting the emissions from the food sector in the objectives and in national mitigation plans, as a necessary strategy for achieving the objectives of the Paris Agreement.

Sabelli Group, by the will of management and in compliance with regulatory developments national and international, pays particular attention to the environmental impacts generated by the activity. As proof of this, the Ascoli site is certified according to the ISO standard 14001:2015, on environmental management, which leads the company to evaluate, control and, if possible, minimize or prevent the environmental impact of its processes and products, as well as necessary compliance with all environmental legislation.

¹¹ IPCC, Climate Change and land (5.4 Impacts of food systems on climate change).



This rule entails the need to carry out an environmental and energy analysis of the processes, in order to identify the environmental impacts and energy uses that characterize the business activity, examining situations of normal operation as well as possible anomalies and potential emergency situations.

Sabelli Group's commitment to reducing the environmental impact of its activities production, in addition to the adoption of a system compliant with ISO 14001, also translates in the following measures:

1. Adoption of low-impact packaging, preferring more sustainable packaging and, with a view to reducing material consumption;
2. Improving energy efficiency and saving water;
3. Promoting good waste management through recycling and efficient disposal policies
4. A Sustainable approach to logistics through a centralisation system, close to the production plant at the Ascoli site, the cold store for references, with consequent containment of transport activities.

Focus Box - Sabelli's Environmental and Energy Management System

As previously mentioned, the Ascoli site has set up an Environment and Energy Management System in order to ensure maximum commitment to environmental protection and energy saving. The necessary documentation was therefore prepared and the activities that allow Sabelli to comply with the requirements of UNI EN ISO 14001:2015 have been carried out.

The Environmental and Energy Management System documentation certifies that: Environmental and energy activities are planned and kept under control;
Staff whose activities are of environmental and energy importance are adequately qualified and trained;
Responsibilities for the management of environmental and energy aspects are clearly identified.

As a first step in the implementation of the Integrated Management System, Sabelli carries out an "Environmental Analysis and Energetic" relating to its processes. Within the framework of this analysis, environmental and the energy uses that characterize the business's activity and the relative impacts and consumptions first assessment.

The Environmental Management Manager, with the support of all company managers, periodically performs the analysis above and the assessment of possible impacts/ consumption, according to ways defined in the appropriate Procedure "Identification of environmental aspects and assessment of their impacts". The assessment method consists of: Assigning to each possible aspect/impact and use/consumption a numerical value according to an algorithm that takes into account the weights attributed to various factors such as the relevance of the impact, the severity of the same rather than the damage that the impact would cause to the company's image.

Depending on the value attributed to each impact or consumption, the Environmental Management Manager can classify its environmental aspect and energy use as "very significant", "significant" or "negligible". Following this classification, the Managers shall define any operational control procedures or emergency necessary to control the aspects themselves.



All this information must be reported in two documents called "Evaluation of Environmental Aspects/Impacts" and "Energy Use/Consumption Assessment". These documents must be updated at least annually (before the Management Review) or when there are substantial changes to the production process with environmental and energy implications.

The Environmental Manager agrees with the Company Managers on the actions that allow adaptation to any new binding provisions. The framework of the applicable legislation is an integral part of the Environmental and Energy Analysis as fundamental for the assessment of environmental impacts and energy consumption. Before being assigned to new duties, staff are properly trained and take courses on correct application of Procedures and Instructions. Planning of training activities related to the Environmental and Energy Management System is carried out and formalized during the System Review through training programmes. In particular, the responsibility for coordinating training on matters relating to the Integrated Management System Environment and Energy falls on the Management Manager Environmental and on the Energy Manager, who ensure that the training activities and training.

6.1. Energy Consumption, Emissions and Climate Change

The main energy carriers consumed by Sabelli Group for its activities are natural gas and electricity.

The production site of Ascoli uses natural gas to power the steam boilers used for industrial purposes, for spinning, washing and heating water, while the remaining component is used to power the cogenerator that the site has. In addition to natural gas, the Ascoli site uses electricity, which is partly purchased from the grid, and partly self-produced through a cogeneration plant and a photovoltaic system. The cogeneration plant has a power of 400 kW, and all the electricity it produces is consumed the company, while the photovoltaic system consists of three sections (having been realized over time) and has a power of 477 kWh. Also in the latter case the self-produced electricity is completely consumed, with a minimum amount transferred to the network. The site of Ascoli also has plans to double, during 2022, the power of its photovoltaic system, to reach between the cogenerator and photovoltaic system to have about 40% of energy electricity that the site needs, and consumes, self-produced from renewable sources. The site of Ascoli also has 12 company cars, including 11 diesel and an electric, which is powered through the energy produced by the photovoltaic system available to the plant, and that is provided by the 2 electric columns in correspondence with the company store, of which one is entirely available to customers,

The Resana plant consumes natural gas for the operation of steam boilers and electricity. Of this, the majority of which is purchased, while a component is self-produced and completely consumed thanks to the photovoltaic system that the company has, located at the production plant and with power of about 127 kW. The site also has a second photovoltaic system with power of about 211 kW, located at another building leased to another activity not linked to Trevisanalat. The energy produced by this plant is considered entirely fed into the network, even if some is self-consumed by the renter. Like the plant in Ascoli, also that of Resana has in program the widening of its own quota of electricity self-production with the implementation of an additional photovoltaic system.



The Venetian plant also has a fleet of 5 vehicles, all powered by diesel.

In the Slovenian site almost all of the natural gas consumed is for steam boilers used in phase production, while the remaining part serves for heating purposes. The electricity consumed is entirely purchased from the network and comes from a non-renewable source for about 90% (of which about 55% from fossil sources and 35% from nuclear sources) and the remaining component from renewable sources.

At Group level in 2021, natural gas was slightly down in consumption, while the need for electricity has increased compared to 2020.

The energy intensity, determined by the ratio between the total energy consumed within the organization and tons of finished product. The data turns out to be in slight increase in 2021 compared to 2020.

With reference to the emissions generated, the direct and indirect emissions related to the production activities of Sabelli Group have been calculated so.

In 2021 direct emissions of Scope 1 were equal to 14,578 tCO₂ equivalent while the Objective 2 indirect emissions were equal to 4,233 tCO₂ equivalent according to the approach location based and 6,050 tCO₂ equivalent according to the market based approach.

Specifically, Scope 1 direct emissions include those generated by the use of natural gas and those resulting from the use of refrigerant gases. The latter recorded a significant increase in 2021 compared to 2020 - thus having an important impact on the total of emissions Scope 1 -, mainly due to failures that affected the plants in Ascoli Piceno and Resana, which required the filling of the gas refrigerants leaked causing such emissions. With reference to Scope 2 emissions, 2021 results to be in continuity with 2020 both with respect to the location based component and to market based emissions.

The emission intensity was also calculated, determined by the ratio of location based emissions Scope 1 and 2 and tonnes of finished product, and by the ratio of emissions Scope 1 and market based and tons of finished product. The figure is in slight increase in 2021 compared to 2020.

The emissions of Scope 2 are expressed in tons of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalents) as derived from the reference technical literature.

¹² GHG Scope 1 emissions are those from sources owned or controlled by an organisation

¹³ Scope 2 emissions include, but are not limited to, CO₂ emissions from electricity generation, heating, cooling and steam purchased, acquired, or consumed by an organisation.

Scope 2 emissions are expressed in tons of CO₂. However, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalents) as can be inferred from the related technical literature.



6.2. MANAGEMENT OF OTHER ENVIRONMENTAL IMPACTS

THE WATER RESOURCE

As a Group operating in the dairy sector, for Sabelli the contact with water takes place in a significant way. It is in fact an essential resource for uses of various kinds, both in phase of productive activity and that of maintenance and washing of the instruments necessary to make the finished product.

The Ascoli site, located in an area of high water stress - calculated with the Aqueduct Water Risk Tool Atlas - draws water from the local water network and from two regularly authorized wells, equipped with liter counting systems. In particular, the water taken from the local water network is appropriately treated and used in the production process and in the packaging of products, while water taken from wells is sanitised and is used for technological use, specifically for washing automatic and manual, according to procedures and instructions provided in the quality management system. The water discharge phase takes place in public sewerage and flows into the sewage system, and is managed by Piceno Consind, the industrial consortium of three valleys of Trento, of the rivers Aso and the Tesino - the area in which the Marche plant is located - which deals, amongst other things, in the construction and management of aqueduct, sewerage and sewage plants industrial. The discharge can be divided, according to origin, into two categories: discharges from rainwater and industrial/civil discharges, for which you have regular AUA (Single Environmental Authorization) for the discharge of waste water into public sewerage, which the Piceno Consind proceeds to analyze monthly. The system of accounting for discharges is unique and does not permit differentiation of waste between different source, or to exclude rainwater from the total mass of waste.

The site of Resana draws water through two wells regularly authorized and equipped with system counts liters, which allows a constant monitoring of consumption. The water taken is properly treated and used in the production process and packaging of products and for washing. For the identification and management of water taken from wells the company has also a special permit. With regard to the discharge of industrial water and domestic, this occurs in public sewerage and flows to the purifier (with regular Single Environmental Authorization) and is managed by agreement.

In the Slovenian site all the water taken comes from the municipal network and is treated to be used in the production process, in the packaging of products and for technological purposes. With regard to discharges, except for meteoric discharges for which a network of separate collection and discharge that flows into the river Vipava, all the water used is collected in the equalization tank to then be treated and sent to the municipal purifier.



At Group level in 2021, with reference to the collection of water, there was a slight decrease compared to 2020.

WASTE

Waste management is an important element for the Group's sustainable performance. Although Sabelli does not have a single model to manage and dispose of waste, it undertakes to promoting waste reduction and promotes environmental awareness among employees, through awareness-raising initiatives. The Group's guidelines on waste management provide for a hierarchy giving priority to the control of waste generation, followed, where possible, from the reuse and recycling of waste material. If the previous solutions were not feasible, the preferable option is disposal with energy recovery.

The main wastes produced by Sabelli Group are paper and cardboard packaging, mono-plastic and composite, production residues, waste oils, and waste from workshop activities.

For the two Italian plants, organic residues from production activities are not considered waste but are reused as by-products for other purposes, such as for animal feed or for sale to third parties for processing into feed.

During the year 2021, the three sites of Sabelli Group produced about 1,661 tons of waste, in line with the amount of waste generated in 2020 (about 1,612 tonnes). Of these almost all of them are not dangerous. Moreover, of the total waste generated in 2021, over 90% is destined for recovery while the remaining part is sent to landfill.

Waste from production and maintenance activities such as waste oils, iron/steel, expired food are given to authorised parties following provisional temporary storage, while the Records of operations take place via forms, loading/unloading log, MUD; the waste pallets follow the correct management required by current waste legislation; a Waste workshop (e.g. packaging contaminated with hazardous substances) follow proper management laid down by the legislation in force for waste.

In addition, with regard to the Ascoli site, waste treated as urban waste, of plastic, of paper resulting from office activities, and organic waste from the store and canteen are given to the public collection service as a result of preventive temporary storage. The Slovenian site outsources differentiated waste disposal to specialised and authorised companies

by the Slovenian ministry responsible.

With a view to reducing waste generated, Sabelli's commitment also concerns the choice of packaging, for example in the packaging design phase in terms of aesthetics, information label and material choice.



The primary goal is to avoid choosing mixed packaging and preferring materials for separate collection that can therefore be easily reusable and recyclable. To this end, the company maintains continuous relations with suppliers of packaging for the study of new packaging and especially new protective films that currently are classified as mixed packaging.

6.3. SUSTAINABLE PACKAGING

The spirit of innovation and continuous research of Sabelli aims to improve the performance of products and production processes. The Group has an R&D department constantly dedicated to the development of innovative solutions and the search for packaging that are increasingly in line with consumer demands and the need to minimise environmental impacts, also in compliance with the latest trends and regulatory pressures both European and international. From this perspective, research has been undertaken, in particular from 2020 and also during 2021, research and development activities aimed at achieving objectives key, such as:

- The reduction of the plastic used in the packaging of products, through degreasing and reduction of film and/or tray thickness;
- The increase in the share of recyclable plastic packaging in the products;
- Efficiency of packaging lines, reducing material waste packaging within the production area, by setting the machines of packaging, training and awareness-raising of working staff, in addition to investments at plant level;
- The use of cartons for secondary packaging in recycled and/or recyclable FSC material, with
- reduction of the primary waste use quota;
- The redesign of lighter packaging (trays, cardboard boxes, etc.) and/or reduced sizes, compatible with the functionality and logistics in the dairy;
- The elimination and/or replacement with alternative materials of accessory components of
- packaging, which do not play a role of absolute necessity at the functional level (e.g. plastic covers; plastic binding tapes, etc.);
- The transition to single material plastic packaging, which compared to mixed plastic
- currently in use for the packaging of Sabelli products, can be used for
- recycling chain;
- The elimination of the aluminium closure clip of an entire packaging line of mozzarella.



The company policy envisages pursuing the objectives of reducing environmental impact and increased sustainability in the coming years. Sabelli aims to reach in 2022/2023 two main objectives: the substantial weight reduction of most packaging and the transition from composite to single-material packs. With a view to continuous improvement in terms of environmental sustainability, the tests launched in 2020/2021 will be continued, deepened and expanded also in the following years. Of particular interest is also the possibility to evaluate the use of alternative materials, compatible with the type of product that Sabelli creates. In this regard, in the coming years, the intention is to intensify research activities and innovation, involving both current suppliers and potential new suppliers.

SABELLI'S COMMITMENT TO SUPPLIERS

The Group also works with its suppliers to reduce the environmental impact of packaging. They are active, to date, collaborations aimed at achieving this goal. In particular, it requires proposed innovative solutions that reduce the pollution impact of environmental packaging, while ensuring good product safety performance or exceed the current ones. Moreover, Sabelli's intention is to adopt a selection policy, evaluation and research of packaging suppliers based increasingly on their ability to offer alternative solutions, with a focus on sustainability and respect for the environment. In this field, in addition to the aspect related to the reduction of the environmental impact, compliance with the requirements of conformity and functionality of the packaging material in contact with food is fundamental; the packaging must ensure that the packaged product retains its integrity and health until the end of its commercial life. Dairy products present particular complications compared to the use of recycled plastics or alternative materials, having to ensure precisely the safety, preservation and quality of food. To date we are focusing on analyzing and testing the most innovative solutions in this field, with particular reference to the development of new single-material packaging, to reduce the weight of the same (by rethinking the packaging or developing intrinsically lighter materials) to use alternative materials to plastic or (where possible) recycled plastics. All this is combined with a redesign effort aimed at encouraging downstream recycling by the final consumer.

For the monitoring and verification of the effectiveness of the initiatives described so far, the specific actions:

- Preliminary tests carried out on the packaging line for the evaluation of performance of workability and safety of the packaging to be evaluated the effectiveness; to follow, in case of positive outcome, tests are also conducted on a scale industrial;
- Conducting shelf life studies in collaboration with laboratory staff inside the Sabelli dairy, based on the evaluation of chemical-physical parameters, organoleptic and microbiological properties of the products in parallel with the tests carried out on the packaging machine;



- Evaluation of the characteristics of alternative materials proposed by packaging, by analysing the information contained in the data sheets and conformity of the packaging;
- Assessment of the difference in thickness of innovative materials compared to those currently in use for the packaging of Sabelli products, through the analysis of information contained in the data sheets provided by packaging manufacturers;
- Evaluation of the real reduction of the plastic used in production, a following removal of unnecessary packaging parts (e.g. laces burrate binding; double leaf burrata casing, etc.).





APPENDIX

Total number of employees subdivided by type of contract (Permanent, temporary and apprentices and by geographical area and type (GRI 102-8)

Tipologia contrattuale	Al 31 dicembre 2020			Al 31 dicembre 2021		
	Men	Women	Total	Men	Women	Total
<i>Italy</i>						
Permanent	169	84	253	172	83	255
Temporary	17	19	36	25	26	51
Apprentice	8	9	17	12	9	21
Total employees Italy	194	112	306	209	118	327
<i>Slovenia</i>						
Permanent	17	15	32	17	14	31
Temporary	2	0	2	0	5	5
Apprentice	0	0	0	0	0	0
Total employees Slovenia	19	15	34	17	19	36
<i>Group</i>						
Permanenet	186	99	285	189	97	286
Temporary	19	19	38	25	31	56
Apprentice	8	9	17	12	9	21
Total Group employees	213	127	340	226	137	363

Total number of employees subdivided by type of contract (part-time or full-time), by gender (GRI 102-8)

Part-time/ Full-time	Al 31 dicembre 2020			Al 31 dicembre 2021		
	Men	Women	Total	Men	Women	Total
Full-time	211	114	325	224	121	345
Part-time	2	13	15	2	16	18
Total	213	127	340	226	137	363

Total number of external workers subdivided by type of contract (Persona internal, Stage, other collaborators), by geographical area and type (GRI 102-8)

Tipologia contrattuale	Al 31 dicembre 2020			Al 31 dicembre 2021		
	Men	Women	Total	Men	Women	Total
<i>Italy</i>						
Interim Personnel	29	26	55	36	26	62
Stage	2	4	6	0	3	3
Other workers	0	0	0	0	0	0
Total external employees Italy	31	30	61	36	29	65
<i>Slovenia</i>						
Interim Personnel	0	0	0	0	0	0
Stage	0	0	0	0	0	0
Other workers	0	0	0	0	0	0
Total external employees Slovenia	0	0	0	0	0	0
<i>Group</i>						



Interim Personnel	29	26	55	36	26	62
Stage	2	4	6	0	3	3
Other workers	0	0	0	0	0	0
Total Group external workers	31	30	61	36	29	65

Percentage of total employees covered by collective contractual agreements RI 102-41)

Number and percentage of workers	To 31 December 2020	To 31 December 2021
Number of workers covered by contractual agreements	340	363
Percentage	100%	100%

Number of people hired (GRI 401-1)

Recruits	To 31 December 2020				To 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	>50	Total
Italy	49	59	28	136	50	79	35	164
Men	32	24	11	67	27	32	18	77
Women	17	35	17	69	23	47	17	87
Slovenia	5	6	0	11	4	6	0	10
Men	2	2	0	4	4	1	0	5
Women	3	4	0	7	0	5	0	5
Group	54	65	28	147	54	85	35	174
Men	34	26	11	71	31	33	18	82
Women	20	39	17	76	23	52	17	92

Taxes of new recruits (GRI 401-1)¹⁴

Taxes of Recruits	To 31 December 2020				To 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	>50	Total
Italy	102%	33%	35%	44%	86%	41%	45%	50%
Men	100%	22%	22%	35%	69%	26%	37%	37%
Women	106%	52%	59%	62%	121%	66%	61%	74%
Slovenia	100%	26%	0%	32%	100%	25%	0%	28%
Men	50%	20%	0%	21%	133%	13%	0%	29%
Women	300%	31%	0%	47%	0%	31%	0%	26%
Group	102%	32%	33%	43%	87%	39%	41%	48%
Men	94%	21%	20%	33%	74%	26%	33%	36%
Women	118%	49%	57%	60%	115%	60%	57%	67%

¹⁴ The rate of new hires is calculated as the ratio between the number of employees during 2021, by geographical area, gender and age group, and the total number of employees present at 31/12/2021, for the type indicated nature of Sabelli business. Characterized by employees with moderate income turnover, it may result in significant recruitment tax rate percentages.



Number of terminations (GRI 401-1)

Outgoing Turnover	To 31 December 2020				To 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	>50	Total
Italy	29	42	33	104	35	70	38	143
Men	22	15	12	49	19	27	20	66
Women	7	27	21	55	16	43	18	77
Slovenia	6	4	1	11	5	3	0	8
Men	1	2	0	3	5	1	0	6
Women	5	2	1	8	0	2	0	2
Group	35	46	34	115	40	73	38	151
Men	23	17	12	52	24	28	20	72
Women	12	29	22	63	16	45	18	79

Taxes of turnover GRI 401-1)¹⁵

Rate of termination	To 31 December 2020				Al 31 dicembre 2021			
	< 30	30-50	> 50	Total	< 30	30-50	>50	Total
Italy	60%	24%	41%	34%	60%	36%	49%	44%
Men	69%	14%	24%	25%	49%	22%	41%	32%
Women	44%	40%	72%	49%	84%	61%	64%	65%
Slovenia	120%	17%	17%	32%	125%	13%	0%	22%
Men	25%	20%	0%	16%	167%	13%	0%	35%
Women	500%	15%	100%	53%	0%	13%	0%	11%
Group	66%	23%	40%	34%	65%	34%	45%	42%
Men	64%	14%	21%	24%	57%	22%	36%	32%
Women	71%	36%	73%	50%	80%	52%	60%	58%

Accidents at work (GRI 403-9)

Rate of accidents at work	2020	2021
Number of deaths	0	0
Number of serious accidents ¹⁶	0	0
Number recordable accidents ¹⁷	14	12 ¹⁸
Rate of recordable accidents 19	4,18	3,39

¹⁵ The turnover rate is calculated as the ratio between the number of cessations during 2021, by geographical area, gender and age group, and the total number of employees present at 31/12/2021, for the type indicated. The nature of Sabelli business, characterized by employees with moderate outgoing turnover, can result in a significant percentage of turnover rates.

¹⁶ Includes accidents leading to death or injury from which the worker cannot recover, does not recover or it is unrealistic to expect that he will fully recover back to the state of health prior to the accident within 6 months.

¹⁷ The figure for the number of registrable accidents relates to the following cases: death, days of absence from work, limitation of work duties or transfer to another job, medical care beyond first aid or unconsciousness, major injury or disease diagnosed by a doctor or other authorised health professional, even if it is not the cause of death, days of absence from work, limitation of work or transfer to another job, medical care beyond first aid or unconsciousness. Includes accidents resulting from commuting accidents only when transport has been arranged by the Company.

¹⁸ In 2021, at the Trevisanalat plant, there was also a commuting accident of an employee by his own means, which, however, is not counted among the work injuries.

¹⁹ Adjustable accident rate: represents the ratio of the total number of registrable accidents at work to the total number of hours worked in the same period, multiplied by 200,000.



	2020	2021
Number of hours worked		
Hours worked	669.215	706.416

Hours of training by professional category and gender (GRI 404-1)

2020									
Hours of training	No hours Men	Total Men Employees	No. hours men per capita	No. hours Women	Total female employees	No. hours Women per capita	No. Total Hours	Total Employees	No. hours per capita
Directors	0	5	0,0	0	0	0	0	5	0
Managers	132	7	18,9	0	3	0	132	10	13,2
Officers	0	37	0	8	22	0,4	8	59	0,1
Manual	24	164	0,14	48	102	0,5	72	266	0,3
Total	156	213	0,7	56	127	0,4	212	340	0,6
2021									
Hours of training	No. hours Men	Total Male Employees	No. Hours men per capita	No. hours Women	Total female employees	No. hours Women per capita	No. Total Hours	Total Employees	No. hours per capita
Directors	477	4	119,3	0	0	0	477	4	119,3
Managers	671	8	83,9	414	4	103,5	1.085	12	90,4
Officers	2.849	42	67,8	665	24	27,7	3.514	66	53,2
Workers	2.606	171	15,2	1.523,5	110	13,9	4.130	281	14,7
Total	6.603	225	29,3	2.603	138	18,9	9.206	363	25,4

Employees subdivided by professional category, gender and age (GRI 405-1)

Number of employees	To 31 December 2020				To 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	>50	Total
Directors	0	2	3	5	0	2	2	4
Men	0	2	3	5	0	2	2	4
Women	0	0	0	0	0	0	0	0
Managers	0	8	2	10	0	8	4	12
Men	0	5	2	7	0	5	3	8
Women	0	3	0	3	0	3	1	4
Office	4	41	14	59	9	43	14	66
Men	3	25	9	37	7	26	9	42
Women	1	16	5	22	2	17	5	24
Manual	49	150	67	266	53	163	65	281
Men	33	90	42	165	35	95	41	171
Women	16	60	25	101	18	68	24	110
Total	53	201	86	340	62	216	85	363
Men	36	122	56	214	42	128	55	225
Women	17	79	30	126	20	88	30	138

Diversity of governing body by gender and age (GRI 405-1)²⁰

To 31 December 2020						
Age	Men		Women		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
< 30	0	0%	0	0%	0	0%
30-50	7	50%	0	0%	7	50%
> 50	5	36%	2	14%	7	50%
Total	12	86%	2	14%	14	100%

Al 31 dicembre 2021						
Age	Men		Women		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
< 30	0	0%	0	0%	0	0%
30-50	7	50%	0	0%	7	50%
> 50	5	36%	2	14%	7	50%
Totale	12	86%	2	14%	14	100%

Workers coming from protected categories (GRI 405-1)

Number of people coming from protected categories	To 31 December 2020			To 31 December 2021		
	Men	Women	Total	Men	Women	Total
Directors	0	0	0	0	0	0
Managers	0	0	0	0	0	0
Office	0	0	0	0	0	0
Manual	11	3	14	12	4	16
Total	11	3	14	12	4	16

Incidents of non-compliance regarding health and safety impacts of products and services (GRI 416-2)

Total number of cases of non-compliance with regulations and/or self-regulatory codes concerning health impacts and on the safety of products and services		
Number of cases	2020	2021
Cases of non-compliance with legislation involving a fine or a sanction	0	0
Cases of non-compliance with regulations that involve a warning	14	16
Cases of non-compliance with self-regulation codes	22	25

²⁰The composition of the governing body relates to the two Boards of the Sabelli and Trevisanalat companies.



Proportion of expenditure to local suppliers (GRI 204-1)

	Currency	2021	2020
		(01/01/2021 - 31/12/2021)	(01/01/2020 - 31/12/2020)
		Valore	Valore
Italy			
Budget of supply spent	€	105.901.305	96.149.674
<i>Of which local suppliers</i>	€	71.457.670	63.070.865
Percentage	%	67,5%	65,6%
Slovenia			
Budget of supply spent	€	10.772.376	10.481.484
<i>Of which local suppliers</i>	€	8.565.761	8.401.521
Percentage	%	79,5%	80,2%
Group			
Budget of supply spent	€	116.673.681	106.631.159
<i>Of which local suppliers</i>	€	80.023.431	71.472.387
Percentage	%	68,6%	67,0%

Materials used by weight or volume (materials used to produce or package primary products and services divided into non-renewable and renewable materials) GRI 301-1

Type of material (t)	2021		2020	
	From renewable materials	From non- renewable materials	From renewable materials	From non- renewable materials
Raw materials for production	171.464	857	166.762	903
Material related to process	124	1.008	135	896
Semi-finished products or components	8.682	0	6.649	0
Packaging materials	3.392	1.709	3.277	1.597

Total energy consumption within the organization²¹ (GRI 302-1)

Type of energy consumption	Unit of measurement	01/01 - 31/12 2021		01/01 - 31/12 2020	
		Totale	Totale GJ	Totale	Totale GJ
Heating					
Natural Gas	metri cubi	4.674.317	185.640	4.687.744	167.641
electric Energy					
Total acquired	KWh	13.706.357	49.343	12.990.332	46.765
<i>Of which from renewable sources</i>	KWh	-	-	-	-
Total autoproduced from renewable source		2.127.504	7.659	2.402.524	8.649
<i>Solar</i>	KWh	776.357	2.795	808.173	2.909
<i>Cogeneration</i>	KWh	1.351.147	4.864	1.594.351	5.740

²¹ The conversion factors published by DEFRA (UK Government - GHG Conversion Factors for Company Reporting) for 2020 and 2021 were used to calculate energy consumption



<i>of which consumed</i>	KWh	1.941.819	6.991	2.231.484	8.033
<i>of which transferred to the network</i>	KWh	185.685	668	171.040	616
TOTAL CONSUMPTION EE (PURCHASED + SELF- PRODUCED AND CONSUMED)	KWh	15.648.176	56.333	15.221.816	54.799

Consumption and number of company fleet (GRI 302-1)²²

Company fleet	Unit of measurement	01/01 - 31/12 2021		01/01 - 31/12 2020	
		Total	Total GJ	Total	Total GJ
<i>Diesel</i>	l	29.965	1.152	24.224	927
Vehicles	n.	16	n/a	16	n/a
<i>Electric</i>	KWh	0	-	0	-
Vehicles	n.	1	n/a	1	n/a

Energy Intensity (GRI 302-3)

energy intensity	Unit of measurement	2021	2020
Finished Product	Tons of finished product	37.271	35.157
Energy consumed within the company	Gj	234.136	215.114
energy intensity	Gj/ Tons of finished product	6	6

Water consumption (GRI 303-3)

Water withdrawal by source	Unit of measurement	2021 01/01 - 31/12		2020 01/01 - 31/12	
Underground water (total)	Litres (1000's)	440	146	409	152
Fresh water (≤ 1.000 mg/l Of total dissolved solids)		294	0	258	0
Other types of water (> 1.000 mg/l of total dissolved water)		146	146	152	152
Water resources from third parties	Litres (1000's)	280	166	317	168
Fresh water (≤ 1.000 mg/l of which solids)		280	166	317	168
<i>Total withdrawal of third party water resources by source of withdrawals</i>		-	0	-	0
<i>Surface water</i>		-	0	-	0
<i>Underground water</i>		-	0	-	0
<i>Sea water</i>		-	0	-	0
<i>Water produced</i>		-	0	-	0
Water produced		720	312	726	319

²² The data refers exclusively to the Ascoli and Resana plants. The first has a fleet of 12 vehicles, one electric and 11 diesel, while the second has 5 vehicles all diesel. The consumption data of the electrically powered car is not available.



Water drainage (GRI 303-4)

Water drainage by source	Unit of measurement	2021 01/01 - 31/12		2020 01/01 - 31/12	
		All are as	Water stress areas	All are as	Water stress areas
Underground water (total)	1000's of litres	235	0	199	0
Fresh water (≤ 1.000 mg/l di total dissolved solids)		235	0	199	0
Other water typologies (> 1.000 mg/l total dissolved solids)		0	0	0	0
Water resources from third party (total)		378	0	426	0
Fresh water (≤ 1.000 mg/l total dissolved solids)		378	0	426	0
Other water typologies (> 1.000 mg/l total dissolved solids)		0	0	0	0
<i>Total third party water withdrawal by source</i>		-	0	-	0
<i>Surface water</i>		-	0	-	0
<i>Underground water</i>		-	0	-	0
<i>Sea water</i>		-	0	-	0
<i>Water produced</i>		-	0	-	0
total water withdrawal		613,5	0,0	624,4	0,0

Direct (Scope 1) and indirect (Scope 2) GHG emissions from energy consumption)²³ (GRI 305-1 e 2)

GHG Emissions Scope 1 (tCO ₂ eq) e Scope 2 ²⁴ (tCO ₂ eq)		2021 01/01 - 31/12	2020 01/01 - 31/12
Scope 1 [tCO ₂ eq]	Direct emissions from combustion	9.448	9.482
	Emissions from refrigerant gas escape	5.129	1.653
	Total Scope 1	14.578	11.135
Scope 2 [tCO ₂]	Location-based	4.233	4.239
	Market-based	6.050	5.828
Total	Scope I and Scope II (location-based)	18.811	15.374
	Scope I and Scope II (market-based)	20.628	16.963

²³ The following emission factors were used to calculate the emissions:

Scope 1: DEFRA (UK Government - GHG Conversion Factors for Company Reporting) 2020 and 2021.

Scope 2: Electricity (location-based): TERNA - International comparisons 2018 and 2019;

Electricity (market-based): AIB - European Residual Mixes 2020 - Source: AIB (2020 and 2021) has been used. The emissions of Scope 1 and Scope 2 are expressed in tonnes of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (co₂equivalents) as derived from the reference technical literature.

²⁴ The emissions of Scope 2 are expressed in tonnes of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (co₂equivalents) as derived from the technical literature.



Intensity of emissions of GHG (GRI 305-4)

Intensity of greenhouse gas emissions(Scope 1 + Scope 2 location based)			
Intensity of emissions of GHG	Unit of measurement	2021	2020
Finished product	Number of product in tons	37.271	35.157
Emissions (Scope 1 + Scope 2 location based)	tCO ₂ eq	18.811	15.374
Intensity of emissions of GHG	tCO ₂ eq/Number of produced items measured in tonnes	0,50	0,44
Intensity of greenhouse gas emissions (Scope 1 + Scope 2 market based)			
Intensity of emissions of GHG	Unit of measurement	2021	2020
Finished product	Number of products in tons	37.271	35.157
Emissions (Scope 1 + Scope 2 market based)	tCO ₂ eq	20.628	16.963
Intensity of emissions of GHG	tCO ₂ eq/Number of produced items measured in tons	0,55	0,48

Water generated (GRI 306-3)

Method of disposal	Unit of measurement	01/01 - 31/12 2021				01/01-31/12 2020			
		Dangerous	Non Dangerous	Total	% Total	Dangerous	Non Dangerous	Total	% Total
Reuse	t	0	0	0	0,0%	0	0	0	0,0%
Recycling	t	0	0	0	0,0%	0	0	0	0,0%
Compost	t	0	0	0	0,0%	0	0	0	0,0%
Recuperation of energy	t	0	0	0	0,0%	0	0	0	0,0%
Incineration	t	0	0	0	0,0%	0	0	0	0,0%
Disposal - cod. D1, D5, D15	t	1	2	3	0,2%	1	4	5	0,3%
Recuperation - cod R13	t	1	1.623	1624	97,8%	0	1.587	1587	98,4%
Other - [specify]	t	0	34	34	2,1%	0	21	21	1,3%
TOTAL	t	2	1659	1661	100,0%	1	1611	1612	100,0%



GRI CONTENT INDEX

Sabelli Group reported the information reported in the following "GRI Content Index", for the reporting period from 1 January 2021 to 31 December 2021, with reference to the GRI Standard (with reference approach).

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102-8	Information about employees and other workers	37-38; 56-57	
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GRI Standard	Information	Page Number	Note
Strategy			
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102-40	List of Stakeholder groups	13-14	
102-41	Collective contract agreements	38; 57	
102-42	Identification and selection of Stakeholders	13-14	
102-43	Modality of involvement of Stakeholders	13-14	
<i>Reporting practices</i>			
102-45	Entities included in consolidated financial statements	4-5	
102-46	Definition of the content of the report and perimeters of the themes	7, 14-15	
102-47	List of material themes	14-15	
102-49	Changes in the reporting		The 2021 Sustainability Report is the first of the Sabelli Group
102-50	Period of reporting	7	



GRI Standard	Information	Page Number	Note
102-51	Data from the most recent report		The 2021 Sustainability Report is the first of the Sabelli Group
102-52	Frequency of reporting	7	
102-53	Contacts to request information about the report	7	
102-54	Declaration on reporting in accordance with GRI Standards	7	
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<i>Material theme: Responsible supply chain management</i>			
GRI-103: Mode of management (2016)			
103-1	Explanation of the material theme and its perimeters	14-15	
103-2	The management mode and its components	33-35	
103-3	Assessment of the management arrangements	33-35	
GRI 204: Procurement practices (2016)			
204-1	Proportion of expenditure to local suppliers	34; 61	
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GRI-103: Mode of management (2016)			
103-1	Sbending of the material theme and its perimeter	14-15	



GRI Standard	Information	Page Number	Note
103-2	Mode of management and its components	18-20	
103-3	Assessment of management arrangements	18-20	
GRI 205: Anticorruption (2016)			
205-3	Verified corruption incidents and actions taken	20	
GRI-103: Mode of management (2016)			
103-1	Explanation of the material theme and its perimeters	14-15	
103-2	Mode of management and its components	18-20	
103-3	Assessment of management arrangements	18-20	
GRI 206: Anti-competitive behaviours (2016)			
206-1	Actions for anti-competitive behaviour, antitrust and monopolistic practices	20	
GRI 307: Environmental Compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	20	
GRI 419: Socioeconomic Compliance (2016)			
419-1	Non-compliance with social and economic laws and regulations	20	
GRI 300 – ENVIRONMENTAL SERIES (2016)			



GRI Standard	Information	Page Number	Note
<i>Material theme: Research, innovation and sustainable packaging</i>			
GRI-103: Management procedures (2016)			
103-1	<i>Explanation of the material theme and its perimeter</i>	14-15	
103-2	<i>The management mode and its components</i>	22; 52-54	
103-3	<i>Evaluation of management procedures</i>	22; 52-54	
GRI 301: Materials (2016)			
301-1	Material used by weight or volume	22; 61	
<i>Material theme: Management of energy consumption and emissions into the atmosphere</i>			
GRI-103: Management procedures (2016)			
103-1	Explanation of the material theme and its perimeters	14-15	
103-2	The management mode and its components	46-49	
103-3	Assessment of the management arrangements	46-49	
GRI 302: Energy (2016)			
302-1	Energy consumed within the organization	46-49; 61-62	
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GRI-103: Management Procedures (2016)			
103-1	Explanation of the material theme and its perimeters	14-15	



GRI Standard	Information	Page Number	Note
103-2	The management mode and its components	46-47; 49	
103-3	Assessment of the management arrangements	46-47; 49	
GRI 305: Emissions (2016)			
305-1	Direct Emissions of GHG (Scope 1)	49; 63	
305-2	Direct Emissions of GHG from energy consumption (Scope 2)	49; 63	
305-4	Intensity of GHG emissions	49; 64	
<i>Material theme: Waste management and water consumption</i>			
GRI-103: Management procedures (2016)			
103-1	<i>Explanation of the material theme and its perimeters</i>	14-15	
103-2	<i>The management mode and its components</i>	50-52	
103-3	<i>Assessment of management procedures</i>	50-52	
GRI 303: Water and waste water (2016)			
303-3	Water withdrawal	50-51; 62	
303-4	Water discharge	50-51; 63	
GRI 306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	51-52	
306-2	Management of significant impacts related to waste	51-52	



GRI Standard	Information	Page Number	Note
306-3	Waste generated	51-52; 64	
400 – SOCIAL SERIES (2016)			
<i>Material theme: Attraction, retention and well-being of employees</i>			
GRI-103: Management procedures (2016)			
103-1	Explanation of the material theme and its perimeter	14-15	
103-2	The management mode and its components	39-41	
103-3	Evaluation of management procedures	39-41	
GRI 401: Occupation (2016)			
401-1	New recruits and turnover	37; 39-40; 57-58	
<i>Material theme: Health and safety at work</i>			
GRI-103: Management procedures (2016)			
103-1	Explanation of the material theme and its perimeter	14-15	
103-2	The management mode and its components	41-43	
103-3	Assessment of the management procedures	41-43	
GRI 403: Occupational health and safety (2018)			
403-1	Occupational health and safety management system	41-43	
403-2	Hazard identification, risk assessment and accident investigation	41-43	



GRI Standard	Information	Page Number	Note
403-3	Occupational health services	41-43	
403-4	Worker participation and consultation and communication on health and safety at work	41-43	
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403-6	Promoting the health of workers	41-43	
403-7	Prevention and mitigation of occupational health and safety impacts in trade relations	41-43	
403-9	Accidents at work	43;58-59	
<i>Material theme: Employee development and training</i>			
GRI-103: Management procedures (2016)			
103-1	Explanation of the material theme and its perimeter	14-15	
103-2	The management mode and its components	40-41	
103-3	Assessment of the management arrangements	40-41	
GRI 404: Training (2016)			
404-1	Average annual training hours per employee	40; 59	
<i>Material topic: Personnel management</i>			
GRI-103: Management Procedures (2016)			
103-1	Explanation of the material theme and its perimeters	14-15	
103-2	The management mode and its components	44	



GRI Standard	Information	Page Number	Note
103-3	Assessment of the management procedures	44	
GRI 405: Diversity and equal opportunities (2016)			
405-1b	Diversity among employees	44; 59-60	
GRI 406: Non discrimination (2016)			
406-1	Discrimination and corrective action taken		In the course of 2021 there were no incidents of discrimination
<i>Material theme: Product quality and safety</i>			
GRI-103: Management procedures (2016)			
103-1	Explanation of the material theme and its perimeter	14-15	
103-2	The management mode and its components	25-31	
103-3	Assessment of the management arrangements	25-31	
GRI 416: Customer Health and Safety (2016)			
416-2	Incidents of non-compliance regarding health and safety impacts of products and services	26; 60	
<i>Material theme: Identity of Brand</i>			
GRI-103: Management procedures			
103-1	Explanation of the material theme and its perimeters	14-15	
103-2	The management mode and its components	12	
103-3	Assessment of the management arrangements	12	



GRI Standard	Information	Page Number	Note
<i>Material theme: Customer satisfaction</i>			
GRI-103: Management procedures			
103-1	Explanation of the material theme and its perimeters	14-15	
103-2	The management mode and its components	25-26; 31	
103-3	Assessment of the management arrangements	25-26; 31	
<i>Material theme: Food waste</i>			
GRI-103: Management procedures			
103-1	Explanation of the material theme and its perimeter	14-15	
103-2	The management mode and its components	30	
103-3	Assessment of the management arrangements	30	
<i>Material theme: Animal welfare</i>			
GRI-103: Management procedures			
103-1	Explanation of the material theme and its perimeter	14-15	
103-2	The management mode and its components	29-30	
103-3	Assessment of the management arrangements	29-30	
<i>Material theme: Traceability of raw materials</i>			
GRI-103: Management procedures			
103-1	Explanation of the material theme and its perimeter	14-15	



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103-2	The management mode and its components	34-36	
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