



FRATELLI
Carli
— DAL 1911 —

2020 Sustainability Report

Fratelli Carli S.p.A. Società Benefit

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Letter of the Chairman

The history of our company has been, for **over a century**, that of a commitment to quality, to the culture of our environs, and to respect for all human relationships and the work that generates concrete value and which shall bring some improvement to our world – proof indeed that we are **“sustainable by nature”!**

In 2010, having concluded that the great challenges of our times require a new role and engagement on the part of businesses, we undertook a thoroughgoing evaluation of all company functions from the viewpoint of five fundamental pillars: People; Products and Materials; the Supply Chain; Energy and Resources; and the Culture and Traditions of the Mediterranean. **In 2014, this path led us on to becoming the first Italian producer to obtain B Corp Certification.**

We are determined (and proud) to continue along the path of constant improvement. We want our company to actively contribute to regenerating the resources and equilibria of the system, from both the environmental and social angles.

Over the last few years, we have achieved the targets that we set for ourselves. **We therefore felt we were ready to become a “Società Benefit”,** acquiring this legal form, and an ability to recognize, safeguard and embody this orientation over time, **as a company of global excellence. Excellence, because able to create lasting and shared value.**

Our attaining the status of a Società Benefit is a further demonstration of our concrete commitment to sustainable innovation, which translates also into our desire to ensure outreach for our social mission.

We firmly believe that companies must nurture the environment and the society on which they depend, both for the present and with an eye on future developments.

On the strength of this vision, and our experience, we therefore proudly present **our first Fratelli Carli Sustainability Report**, illustrating our world, our history and our goals for the future.

This first Sustainability Report also arrives in a rather special year, in which the whole world has had to face the many challenges posed by the Coronavirus pandemic. We have all been put to the test, forced to entirely reconsider models and lifestyles that we once took for granted. Our company was able to face the challenges of 2020, bolstered by the values, people and objectives that have always set us apart, which transcend this emergency and are part of our very DNA. Together we have found the strength and the will to protect one other as a large family.

Gian Franco Carli
Chairman and CEO.

Fratelli Carli S.p.A. Benefit Corporation



Fratelli Carli

A family-run business

Fratelli Carli is a longstanding Ligurian olive oil company. Since 1911, we have sold our products directly to consumers, with home deliveries both in Italy and abroad.

The company is inextricably linked to its territory of origin – the Imperia area, a time-honoured, traditional Italian olive oil-producing zone. A heritage that Fratelli Carli has been able to preserve over many decades, handing down from one generation to the next a unique knowledge/skills-base essential for ensuring prime quality.

Fratelli Carli produces olive oil, traditional Ligurian and Mediterranean preserves and various delicacies, with our olive oil contributing to their excellence. The company is also renowned for its **wines and cosmetic products.**

After more than a century of direct sales to consumers (this method still strategically representing the company's main distribution channel), **we decided to open our own chain of emporiums** (17 locations in 2020, including the emporium at the headquarters in Imperia). The idea was to meet a growing demand for quality products and to implement an omnichannel sales model, so that our clients would be free to choose their preferred point of contact with us.

The history of Fratelli Carli is the history of a family. It goes back to 1911, inspired by Giovanni Carli's vision for the future, when he sensed the enormous potentials of the local olive-growing traditions.

17
Emporiums in 2020

Claudia Carli
Brand Marketing Manager

Carlo Carli
General Manager

Lucio Carli
*Manager of the Cosmesi
Mediterranea Division*

Gian Franco Carli
Chairman and CEO

AN IDEA GATHERS MOMENTUM

The Oneglia area sees an exceptionally abundant olive harvest. Giovanni Carli, a twenty-year old, plans direct sales of the oil from the family olive groves to households in the neighbouring Piemonte region.

During the following year, the family's printing shop produces its first Fratelli Carli price list sent out to all customers. This was the first step toward a "door-to-door" distribution model.



THE FIRST RECIPE BOOK

The first Ricettario Carli is issued in 1936, authored by the Master Chef of the Royal Household – traditions that persist to this day attesting to a "special" relationship with customers, vital for the company's success.



THE FIRST EMPORIUM

We inaugurate the Fratelli Carli Emporium in Imperia, on our own premises. Others follow (Alessandria, Aosta, Bologna, Como, Cuneo, Genoa, Milan, Monza, Novara, Orio Center, Padua, Pavia, Piacenza, Turin and Varese).

2011 is the company's centenary year – a celebration of longstanding traditions, quality and sustainability, fully supported by the fourth generation of the family, who joined the company in the 2000s.

1911

1930s

1960s

2000s



1920s

TRADE MARK

The graphic artist, Plinio Codognato, creates the "Fratelli Carli" logo and the "girl and demijohn" trade mark

The first edition of the Almanacco Carli, is printed and delivered free of charge to customers.

1940s

REBIRTH

After the two bombing raids of 1943 and 1944 that completely destroyed the plants, the young Carlo Carli, Giovanni's son, rebuilds the company, which returns to the business of oil delivery.



1900s

AN E-COMMERCE PIONEER

Fratelli Carli is one of the first companies to believe in our on-line future. The early site, oliocarli.it, is followed by platforms in the languages of all countries to which Carli products are exported.

2020

TODAY

The company plans further successes, under the sure guidance of members of the Carli family, who constantly look to the future!

An ongoing track record

For over a century, the company has stressed the importance of the local culture, with its dedication to quality and to respect for human labour. **Fratelli Carli comes to its customers' homes daily, not just to deliver goods but also to convey its vision and values**, with the aim of preserving a unique relationship that, in many cases, has lasted for decades.

CORPORATE VISION To foster and serve as a point of reference within the ambit of culinary traditions and the culture of the Mediterranean Sea, seeking only the highest quality standards (also from the aesthetic angle), while respecting both people and the environment.

THE VALUES THAT HAVE SHAPED THIS COMPANY FOR MORE THAN A CENTURY... AND FOUR GENERATIONS



Our products

Our company insists on excellence for all its products: starting out from its olive oil – the starting point of more than a century ago – but also the various delicacies that the company's mission pointed toward. It was a perfectly logical step for us, alongside our olive oil, to offer the authenticity and simplicity of Ligurian and Mediterranean specialties.

OLIVE OIL, FROM TRADITIONAL TO ORGANIC



Olive oil tasting is something of a ritual act, and a task reserved even today to members of the Carli family. **Quality is guaranteed by selecting the best oils from our trusted olive growers, of the most renowned zones of the European Mediterranean basin.** The company boasts as many as seven types of olive oil (from Tradizionale to Cento per Cento Italiano).

FOOD PRODUCTS FROM TRUSTED ARTISANS



Many Fratelli Carli specialties are produced at the facility located at Gazzelli, a small town set amid the olive groves of the hinterland of Imperia. This facility also provides the quality standards which the company sets, together with its external suppliers, factoring in selection of prime raw materials and an ability to seamlessly blend industrial practices and artisanship. The Gazzelli plant and a number of local master artisans provide a **comprehensive range of specialties linked to olive oil – a part of the genuine "pleasures of the table", so typical of Italian households.**

MEDITERRANEA COSMETICS, WHEN NATURE COMES INTO ITS OWN!



Mediterranea is the cosmetics line of products created by Fratelli Carli, which harmonises both tradition and research, dedicated to well-being and beauty. Having gained so much experience working with such noble, natural, ancient material as olive oil, Lucio Carli decided in 1996 to make his dream come true, and create **original, efficacious cosmetic formulas capable of exalting the well-known and precious anti-oxidant properties of the agents of this raw material.** Mediterranea is a resilient brand that boasts more than 300 face and body care products, meeting the beauty needs of women everywhere, in Italy and abroad. The Mediterranea R&D team creates **highly innovative products in which nature and science – simple natural active ingredients and innovative formulations – harmoniously join forces.**



Responsibility, ethics and transparency

Fratelli Carli's governance system is comprised of various rules, standards of conduct and procedures that further **transparency, efficiency and responsibility**.

Within the ambit of responsibility, governance at Fratelli Carli ensures a work environment conducive to our constant **efforts to combat corruption**, and underscore the value legality.

The **Board of Directors**, five members in all, has a key role as to setting strategies and **organisational coordination**.

Management of issues relating to sustainable innovation is delegated to the **Sustainability Committee – or Comitato di Sostenibilità (CO.SO.)** –, set up in 2013 to propose and advise on possible goals and actions conducive to sustainability. The Committee, **which includes** -- company to work toward a new social and developmental model.

Gian Franco Carli - Chairman and CEO

MEMBERS OF THE SUSTAINABILITY COMMITTEE

Claudia Carli - Brand Marketing Manager

Federico Calzamiglia - Operations Manager

Patrizia Sacco - Managerial Assistant

Massimo Belmonte - HR Manager

Alessandro Anemone - Purchasing Office Manager

Marta Gorlero - Product Marketing Manager

Marcello Porro - Packaging and Warehouse Manager

Vittorio Zeviani - Engineering Office

Gino De Andreis - Quality Control Manager

Luca Ramella - Mediterranea Purchasing Office



The Board of Directors is made up of one woman and four men. Two directors are of the 30-50 year age bracket, The remaining members are older (>50 years). Between 2019 and 2020 there has been no change in membership of the Fratelli Carli board.



The value of sustainability

The calling of a hundred years

Fratelli Carli, a family business founded in 1911, was in 2014 the **first Italian producer to obtain Benefit Corporation certification**², with the goal of building a better future for people and the planet. After being honoured as one of the best B Corp companies in the world, concerning its environmental activities (in the category of companies with more than 250 employees), in December 2019 Fratelli Carli also became a Società Benefit according to Italian law, including in its Articles of Association the pursuit of common benefit goals (alongside profit).

Benefit companies represent “an evolution of the concept of [...] business”³ – namely, companies that seek profit, but which are also committed to the creation of positive impacts on people and the environment. This represents a transformation of business models that, in addition to undertaking profit-making tasks, also voluntarily set themselves one or more goals of common benefit, thus fostering responsibility, sustainability and transparency.

Common benefit means the pursuit of one or more positive effects and/or the reduction of negative impacts on people, communities and locations as well as environmental, cultural and social assets and activities, bodies, associations and other stakeholders. Italy introduced this legal entity in 2016, as the first country to do so in Europe after the United States, in order to enable companies to align their corporate missions with the pursuit of long-term common value. Our directors and managers are responsible for ensuring that the conduct of business is positively oriented toward furtherance of common benefits, as stated in the Articles of Association.



3800+
B Corp
certified companies

4000+
Società Benefit

B Corps are companies that voluntarily abide by rigorous social and environmental standards without sacrificing “marketplace presence”, with a keen awareness of their responsibility toward society and the planet itself. Such concerns see sustainability as a fundamental part of their work and the sure path toward continuity.

Through the **B Corp** framework, companies become committed to creating value both for their shareholders and for all stakeholders. The fundamental principle of the B Corporations is interdependence, i.e. an awareness that we all depend on each other and therefore we are all responsible to all stakeholders and future generations. B Corps are key players in a world capable of creating the right balance between consumption, well-being, wealth creation, and respect for people and the ecosystem.

B Impact Assessment (BIA) is the rigorous B Corp certification control model. It enables companies to gauge their economic, environmental and social impacts. If they exceed a threshold of 80 points, on a scale of 0 to 200, they can be B Corp Certified.

²For further information, see: <https://bcorporation.eu/about-b-lab/country-partner/italy>
³ For further information, see: <http://www.societabenefit.net/cosa-sono-le-societa-benefit/>

The pillars of sustainability

Fratelli Carli's longstanding commitment to sustainability is concretized in the five pillars of *Progresso Responsabile (Responsible Progress)*, listing the company's fields of engagement.

These pillars are the cardinal points of Fratelli Carli's actions. On becoming a Società Benefit, the pillars have been included in the new Articles of Association, spelling out the common benefit goals that the company intends to pursue.

 <p>PEOPLE</p> <p>Providing customers with products and services of excellence while responding to customer needs in a timely manner and with all due care and attention.</p> <p>Motivating people who work with Fratelli Carli and contribute to its success on a daily basis thanks to relations of personal respect and acknowledgement of diversity as a value, while according absolute priority to the safety and rights of employees and collaborators.</p> <p>Furthering widespread well-being, in full awareness of the social role of firms and their responsibilities as a part of society at large.</p>	 <p>MATERIALS AND PRODUCT</p> <p>Analysing and enhancing sustainability at each stage of the life-cycle of Fratelli Carli products: from cultivation of raw materials to end-consumption.</p> <p>Augmenting the use of "eco-friendly", recyclable, biodegradable and renewable materials especially by curbing the quantities of materials used for end-product packaging.</p> <p>Ensuring optimal food safety, quality, genuineness and natural goodness for Fratelli Carli products.</p>	 <p>SUPPLY CHAIN</p> <p>Fostering the values and goals of Fratelli Carli jointly with collaborators and suppliers, for the furtherance of a new model of development.</p> <p>Promoting sustainable agricultural practices that respect the ecosystem and landscape heritage.</p> <p>Turning to best account our local assets and economic fabric also from the production angle, with particular attention paid to small-scale producers.</p>	 <p>ENERGY AND RESOURCES</p> <p>Cutting back constantly on the use of non-renewable natural resources, and in particular limited energy sources.</p> <p>Curbing waste generated by production ensuring correct disposal of recyclable waste</p>	 <p>CULTURE, TRADITION AND THE MEDITERRANEAN</p> <p>Fostering a widespread culture of sustainability and new model of a re-generating society (both within the company and in society as a whole). Promoting good practices for a correct dietary culture aligned to Mediterranean traditions and the goals of health and wellbeing</p>
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These aims guide the company's activities as part of the routine. Each year, the company plans its impact goals, its actions designed to attain these, and the principles governing assessment of impacts.

Furthermore, **Fratelli Carli undertakes to work toward the Sustainable Development Goals (SDGs)** approved by the United Nations in 2015. **The common benefit ends indicated in the Articles of Association aim toward attaining the following SDGs.**



Fratelli Carli's materiality assessment – the key issues

In conformity with the indications of the **Global Reporting Initiative (GRI)**, in 2020 Fratelli Carli conducted a **materiality assessment** in order to pinpoint the material topics of the company, i.e. topics capable of reflecting the **environmental, social and economic impacts of the company** or impacts that may condition the **expectations of stakeholders**. The **materiality assessment** procedure is adopted as a starting point for reporting on sustainability that is as **transparent, clear and efficacious as possible**.

In order to pinpoint **significant sustainability topics**, analysis of sustainability trends and key sectoral publications was conducted to then engage in a marketplace comparative study with companies that are operational in business sectors similar to Fratelli Carli's, i.e. **agroindustry, retail and cosmetics**. In order to pinpoint the key issues for stakeholders, over and above the activities already mentioned, an **analysis of the articles** publicly available concerning Fratelli Carli and key sustainability issues was conducted in order to track external pressures generated by the media.

The results of the aforesaid analyses were subsumed in Fratelli Carli's **pillars of sustainability**, given the significance of these pillars for the company in its efforts to obtain B Corp certification and qualify as a **Società Benefit**. These material topics were therefore pinpointed and developed in order to reflect **the sustainable fundamentals of the company** and, concurrently, to reflect **external pressures**.

Fratelli Carli considers ongoing, active exchanges of viewpoints with its stakeholders provide a vital means for maintaining relations based on the principles of collaboration, correctness and mutual respect. The company constantly engages in developing its relations with all stakeholders in its efforts to meet their expectations and create value at all stages of the value chain as a whole.

Specifically, in 2020 Fratelli Carli identified its significant stakeholders via a desk analysis according to which the following stakeholder categories emerge: local communities, trade unions, regulatory bodies, sectoral and B-Corps organisations, suppliers, customers, trade associations, and employees. Upstream and downstream with respect to the company, the stakeholders involved are mainly suppliers, growers, logistics players, self-employed drivers and customers. Maintaining close ties with stakeholders is a vital element in ensuring company product quality. Relations between Fratelli Carli and its stakeholders are accordingly 'tried and tested', and characterised by a spirit of collaboration and attention.



Fratelli Carli has constantly reached out to its stakeholders via a variety of communication channels and manners of engagement.

The table below lists the main approaches:

Stakeholder	Modes
Employees	Presentations and training on sustainability issues Notices from the top management team Notice-board announcements Company intranet
Customers	Official website Complaints processing Customer service Communication campaigns Plant inspections ⁴
Suppliers	Official website Presentations and questionnaires on sustainability issues Meetings and joint-events regarding the Codes
Regulatory bodies	Official website Certifications
Trade Unions	Contractual negotiations Attendance at meetings/events
Local communities	Official website External communication Press releases Collaboration with external organisations
Trade associations	Official website Attendance at meetings/events
Sectoral and B-Corp associations	Official site Attendance at B-Corp community events Specific initiatives

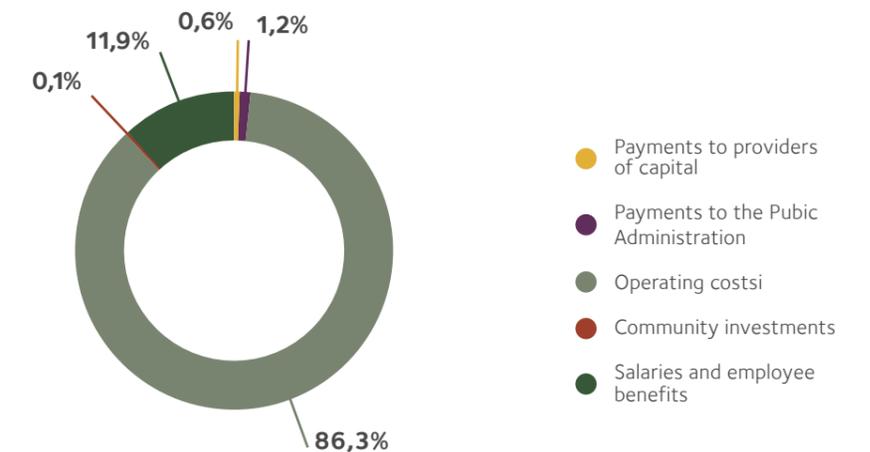
economic value directly generated in 2020
\$160 mil.

Every year, the company reports wealth creation and distribution to its stakeholders. It illustrates the impact on stakeholders and local community of the economic and financial trends displayed by the company. The value generated by Fratelli Carli is mainly redistributed locally, and mainly within Italy, via job-creation and the involvement of local suppliers.

In 2020, the directly generated economic value came to €160 million, displaying a slight downturn of 1% compared to the previous year. The economic value held back approached €11 million – a decidedly higher sum than that of 2019. The following chart displays the distributed economic value (€148 million): 86% is accounted for by operating costs, 12% by personnel costs (salaries and benefits), and the remaining sum by investments in the community (sponsorship initiatives) and payments to capital funders and public administration bodies.

⁴ Please note that no inspections of clients' premises took place in 2020 due to the Coronavirus pandemic measures applying.

CHART 1
Economic value distributed (2020)



LONG-TERM VISION

Fratelli Carli is committed to its Sustainable Development Goals (SDGs). The first step was an assessment of the bond between pillars of sustainability, the material topics pinpointed by a materiality assessment, and their impact on various goals of the Global Agenda, as outlined in the table below.

PILLARS OF SUSTAINABILITY	MATERIAL TOPICS	SDGs
PEOPLE	<ul style="list-style-type: none"> Employee safety and rights Skills developments Appraisal and well-being of people 	
MATERIALS AND PRODUCTS	<ul style="list-style-type: none"> Quality and food safety Traceability and correct information Use of sustainable materials 	
SUPPLY CHAIN	<ul style="list-style-type: none"> Quality and food safety Traceability and correct information Use of sustainable materials 	
ENERGY AND RESOURCES	<ul style="list-style-type: none"> Combating climate change Waste curbing an management Responsible use of resource 	
CULTURE, TRADITION AND THE MEDITERRANEAN	<ul style="list-style-type: none"> Fostering wholesome lifestyle choices, while promoting 'Made in Italy' 	

ETHICAL BUSINESS DEALINGS

- Combatting corruption
- Safeguarding privacy
- Industrial relations



People

GOALS 2020

GOALS 2021



- ✓ Doing our utmost to meet the needs of bodies and associations providing aid to people who have suffered greatly as a result of the Covid-19 pandemic
- ✓ Implementing a specific sustainability training programme for all employees who directly deal with customers (e-learning or lecture format)

Sustaining local communities by donating Fratelli Carli products

Providing more hours of training dedicated to sustainability

- ✗ Drawing up a new Employees' Handbook

Drawing up a new Employees' Handbook

- ✓ Target reached.
- ✗ Failed, due to delays caused by the Coronavirus pandemic.

- ✓ By monitoring the trend as regards the channels of communication used by consumers, proceeding along the path of enhancing customer care

Maintaining very high customer-care quality standards

HIGHLIGHTS 2020

EMPLOYEES

373
the number of employees on 31.12.2020

47,7%
the percentage of female employees

100%
the percentage of employees who received a bonus

127
the number of employees remaining with the company for more than 20 years

COMMUNITY

Decine
of charitable organisations receiving support with products or donations

+€ 190.000
the value of charitable donations in 2020

CUSTOMERS

1,12%
items returned among the products sold, as a whole

54.444
replies sent by e-mail or chat channels to our customers

99,6%
of deliveries problem-free/on time

Fratelli Carli aims toward the role of a great community of people. Customers, employees, society at large: a multitude of desires and ambitions, motivations, and skills, generating value. Special people we work with daily, on a grand common project: seeking a new model of social life based on common well-being, rights respected, and active engagement in community life.

Employees, family members

Fratelli Carli Società Benefit Specific aim

Motivating people who work for the company and who, on a daily basis, contribute to its successes, thanks to **relations of personal respect and acknowledgement of diversity as a value**, also by according absolute priority to the safety and rights of employees and collaborators.

The company's people are the core element of the success of Fratelli Carli. There has always been a common feeling, and common needs and aims, care as regards health and safety issue, and more than due regard for competence and sustainability. Starting out from these premises, for many years Fratelli Carli has adopted **virtuous personnel-management procedures**. Fratelli Carli is committed to ensuring **well-being and the correct balance between one's private life and work** by providing for employees a number of welfare measures and by safeguarding their **health and safety**. The company aims to further career enhancement for its human resources, by arranging for bespoke training sessions and by favouring occasions for such advancement.

This policy has been vital in our efforts to face the challenges of this last year. In 2020, Fratelli Carli was faced with an emergency such as it had never seen before. The arrival of the Coronavirus pandemic completely uprooted lifestyles and routines that we once took for granted. The feeling of togetherness among the members of our great Fratelli Carli family – people of all ranks within the company, in their various workplaces – meant the chief task of all was within our grasp, namely: ensuring continuity via a common effort. Since it is a part of the agroindustrial sector, the company could proceed in its work, with the limitations set forth in the protocols. However, most of the scattered Emporiums had to close down for a while.

Right from when the news arrived of the first Covid-19 cases, the company immediately convened an ad hoc Committee charged with the task of handling the health emergency. In the space of just a few weeks, smart-working arrangements were in place for about 90% of the workforce not engaged in production and packing. Smart-working arrangements for these latter workers were impractical

smart-working per il
90%
of the white-collar staff

In this regard, the IT department's support up was vital. They provided rapid digitalization, support and devices. As per the regulations, social distancing rules were adopted on the premises of Fratelli Carli, The company provides all its operatives with the necessary Personal Protective Equipment (PPEs), such as FFP2 facemasks. Plexiglas panels were installed in workspaces (in particular open-space), as well as automatic temperature monitoring devices both for employees and the non-employee workforce. Access to the dining area was limited to only six at a time in order to avoid crowding. The divisions were all reorganised to accommodate more frequent work-shifts.

The company also produced a booklet for all employees about the Coronavirus, outlining good practices to be adopted on a daily basis to curb the spread of the disease. Special agreements were then reached with a medical centre in the vicinity of the premises in Imperia so that molecular swabs for diagnosing Covid-19 positivity would be available at a reasonable price. The company also stipulated a specific insurance policy to provide cover in the event of contagion.

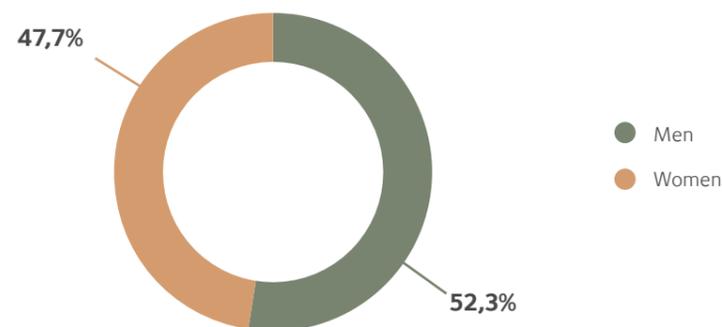
With a view to optimally providing personnel management while ensuring both efficiency from the economic angle and expertise, certain activities regarding the personnel (among which salary payment) were outsourced to a partner. The company had adopted IT resources for some time, so it could assess its metrics on an ongoing yearly basis.

At the close of 2020, Fratelli Carli had a workforce of 377, of whom 373 direct employees (a slight rise on 2019), plus 4 temporary workers (markedly fewer than in 2019).



The personnel, 47.7% are women and 52.3% men. The number of women rose by 6.6% while the number of men rose to a lesser extent (+1.6%), reflecting the attention paid by Fratelli Carli over the years to the female employment issue – reflected by a yearly 1.2% increase in the quotient of women vs the overall value. Fratelli Carli's approach to diversity is based on the key principles of non-discrimination, equal opportunities, equal dignity (irrespective of the type of diversity) and inclusion.

Employees by gender - 2020

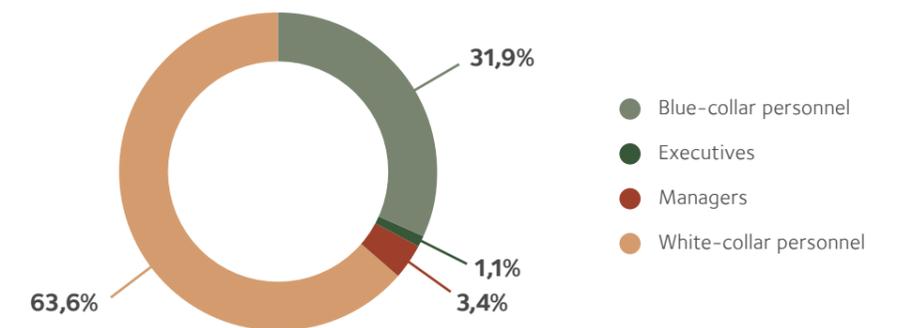


90,1%
of contracts,
open-term

Fratelli Carli's relations with employees are also reflected in the contractual relations established: in 2020, 90.1% of the employees were hired with an open-term contract, and 70.5% full-time. This reflects a steady trend vis-à-vis the previous year, attesting to the company's longstanding commitments in this field. Come si evince dal grafico, la maggioranza dei dipendenti di Fratelli Carli ricade nella categoria professionale degli As we

note from the chart, most of the Fratelli Carli employees are white-collar, immediately followed by blue-collar workers. By contract, the managers and executives are very few in number.

CHART 3
Employees by professional category - 2020

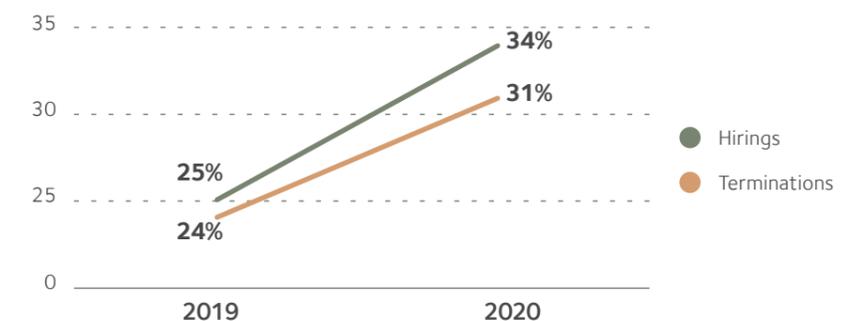


One of the aspects characterising Fratelli Carli's distinctive relationship with its employees regards the strong and durable bonds created, going beyond any simple relationship between employee and employer. This is reflected in the marked seniority of service – something to be particularly proud of – which means the company can rely on a robust skills set built up as part of our daily workplace practices. As many as 127 employees have been with the company for more than two decades. As for turnover, compared to 2019, we see a higher rate of hirings than terminations (the former rose by 42.2% yoy, while the latter fell by 31%). The increase in hirings was generated mainly by new Emporiums and points of sale. On the other hand, most terminations came about as a natural consequence of expiry of fixed-term contracts and seasonal contracts.

127
employees with
the company for more
than **20** years



CHART 4
Turnover (rates of hirings and terminations)



QUALITY OF LIFE: A SHARED NEED

In regard to ongoing initiatives aimed at ensuring personal well-being, for the third year running, the employees have had access to the “**Liberi di...Welfare**” platform. This programme via its flexible benefits, **provides a number of bespoke services that simplify various day-to-day encumbrances and raise users’ spending power**, ranging from reimbursement of costs sustained for health and children’s education needs and aid for family members who are not self-sufficient, as well as medical prevention and check-up protocols, travel and wellness centre vouchers, and vouchers for purchases made from local special-agreement partners.

The company is committed to providing a spectrum of welfare proposals as broad and as diversified as possible. In many cases, the company itself enters into special agreements with sports and wellness facilities in the city of Imperia. In 2020, **99 collaborators availed themselves of services, for a total sum of € 121,572 converted into welfare vouchers.**

€121.572
for welfare voucher

Additional benefits accompany the welfare plan, whether legally required or supplementary. These benefits target all employees with open-term contracts, the differences depending on the ranking. These benefits include life insurance, cover for disability and invalidity, health insurance, parental leave and pension plans.

The need to ensure **employee well-being** is accompanied by the parallel need to actively work toward **public well-being**. Fratelli Carli has therefore provided its employees with **examinations and analyses free of charge**, collaborating concurrently with charitable associations such as the blood donors’ **Associazione Donatori Sangue Provincia di Imperia** and the anti-cancer bodies, **Lega Italiana Lotta Tumori (Sanremo office)** and ANT (Associazione Nazionale Tumori). Since 2016, the company has engaged in the “**Settimana della Prevenzione**” (prevention week) consisting in a number of prevention examinations provided free of charge to collaborators, directly at the workplace. In 2019, **in collaboration with physicians from the anti-cancer organisation, Lilt, various examinations were conducted: pneumological (with spirometry), dermatological, senological, oral cavity and pap-test, totalling more than 180**. In 2020, the activities were interrupted by the Coronavirus pandemic. Furthermore, in 2014 and 2016, two shows with the employees took place, with the proceeds going to charitable purposes.

HEALTH AND SAFETY: AN ABSOLUTE PRIORITY

As part of its ongoing improvement initiatives, Fratelli Carli undertakes to promote and sustain all actions required to ensure prevention and protection for employees.

In 2012, we completed the procedure required for implementing a corporate organisational model for the purposes of adoption of a **Sistema di Gestione della Salute e Sicurezza sul Lavoro (SGSL)** (occupational health and safety management system) aligned with UNI-INAIL guidelines. The SGSL system – implemented voluntarily (thus attesting to the company’s concern over health and safety issues) – entails periodic audits conducted both internally and by third parties in order to objectively assess the conformity, functionality and efficacy of the adopted system. By means of a periodic review process, the Management System enables Fratelli Carli to constantly monitor its own performance ratings on the workplace health and safety front, while pinpointing from time to time possible shortfalls, as part of its ongoing efforts toward improvement.

Generally speaking, the procedures that Fratelli Carli has implemented for management of health and safety issues impacting its employees comply with national legal provisions. The tasks of monitoring and supervision are entrusted to the various corporate functions, each with specific competences and responsibilities updated and upgraded via specific training programmes. The risk-assessment procedures, for example, are conducted by Fratelli Carli health and safety managers, or officers with a similar role, backed by third party experts. As per current regulations, inspections and consultation, with employee involvement, take place in order promptly to pinpoint risks, complete the necessary assessments and propose such measures as may mitigate risks thereby preventing future accidents. The same procedure applies to accidents at work, depending on the seriousness of the event. The SGSL also includes a procedure for analysis of near-accidents (also termed near-misses) if indicated by employees, who are in any case encouraged to act, and who are protected against any form of repercussion. The role of the Rappresentati dei Lavoratori per la Sicurezza (workers’ safety representatives) is vital, in that they bridge the gaps, operationally speaking, between all levels of the management chain regarding health and safety issues. These operatives accordingly have access to all documentation and are consulted for the purposes of assessment of risks, and the measures of prevention and protection to be adopted.

As per the obligations of law, and in the light of the company’s organisational structure, a number of physicians were recruited, among whom one is to act as a medical coordinator of the staff enabling the corporate health and safety management practices and procedures. The coordinator is to take part in risk assessment and is to ensure confidentiality of the data that may emerge during the periodic inspections with employees in compliance with the privacy regulations. The inspections regarding conformity conducted by the pertaining physician are structured as per a health protocol duly drawn up, regarding the various tasks, this being vital for risk elimination. The safeguards that the company provides regarding health and safety at work were reinforced in 2020. The accident rate stands at 0.65, regarding two minor accidents that occurred at the Emporiums of Imperia and Varese.

Fratelli Carli provides all its employees with Covid-19 insurance cover for hospitalisation followed by convalescence (in this case, following acute care). This cover attests yet again to the company's commitment to its people and their health and well-being.

FRATELLI CARLI FOR HUMAN RIGHTS

Fratelli Carli considers attention and respect for human rights constitute an essential, necessary part of its day-to-day life. While observing the rights of its employees to health and safety, Fratelli Carli abides by international human rights provisions. Accordingly, it sustains freedom of association and the right to collective bargaining. It opposes forced labour, child labour and discrimination. In this later regard, over the two-year period of the report, no cases of discrimination were noted.

CAREER ADVANCEMENT

Fratelli Carli's stimulating work environment offers concrete opportunities for career advancement and a full acknowledgement of the competences of all. In order to make over bonuses and to promote, when appropriate, and also to pinpoint areas for improvement actions, the company conducts ad hoc assessments of its employees based on procedures applied and perfected over the years. The creation of synergic relations among employees of all ranks means decision-makers can depend on reliable, constantly updated assessments and thus acknowledge the skills and value of all players.

Over and above specific technical training courses, aligned with mandatory training as per D. Lgs. (legislative decree) 81/08, Fratelli Carli has formulated training programmes that are dedicated to soft skills and familiarity with ones products, these being aspects vital to development both of the company's people and business activities. Such courses, provided in e-learning mode or 'live' formats, were developed in-house and also (above all as regard soft skills) by outsourcing to expert training concerns. The main soft skills courses provided by the company regard innovative topics: e.g. change management, time management, team building and storytelling.

2.662
hours of training

In 2020, Fratelli Carli trained its people for 2,662.75 hours, primarily in e-learning mode, in view of the social distancing required by law in order to curb the Coronavirus pandemic. Although the year has been a remarkable one, what with the emergency and considerable uncertainties, the company ensured full compliance with the norms governing health and safety training as well as technical updates both for plant

operatives and on data management and privacy. On average, the women each benefitted from nearly 6 hours' training and men, from 8.2 hours. This tallies with the data indicating a prevalence of men. With respect to career rankings, the cadres benefitted from 9.6 hours' training on average, white collars from 7.9 hours, directors (7.5 hours) and blue collars (5.4).mediamente 9,6 ore di formazione ciascuno, seguiti dagli impiegati di ufficio (7,9), dai dirigenti (7,5) e dagli operai (5,4).



Our community, our world

Fratelli Carli Società Benefit Specific aim Working for **widespread well-being in full awareness of the social role of the firm** and the firm's responsibility as part of the public sphere.

One element that underscores the quality and engagement of Fratelli Carli with regard to the community in which it operates is its contribution to local growth, thanks to resilient, longstanding local ties. The company's experience and skills are a part of the local ambit, given this local presence, and, for example, its role as an employer of people mainly from the local communities of the plants themselves. Relations with the environs is built upon exchanges of views, and the attention constantly paid to peoples' needs, all this including support for the various local communities – support arising out of close, fruitful exchanges with workers, growers and the company's stakeholders as a whole. Fratelli Carli's awareness of its responsibilities toward the local context also emerges in initiatives and activities that support and sustain communities, aiming at creating positive impacts for these communities while fostering a spirit collaboration and trust, and remaining a point of reference at all times.

The year of the pandemic meant greater attention paid to local situations. The company stood by the local health authority (ASL) and supported health operatives, often on the front-line on a daily basis, with a donation of €100,000. This sum is used to increase the number of beds and purchase new machinery, medicines or medical devices. Over and above the donations, Fratelli Carli's employees very generously set aside a portion of their own salary for a number of months running, in support of the ASL 1 health unit, the Croce Rossa (Red Cross), the Croce Bianca (White Cross) and the local Croce d'Oro (Golden Cross) units. The company also donated

Donated
€ 100.000
for the Covid-19 emergency

ACQUA DYNAMO WATER FOR DYNAMO CAMP

Both for the midday meals served at the Emporium in Imperia and in all the company's reception areas etc., **Acqua Dynamo is the water of choice**. The properties of this water go beyond its natural goodness: all profits go to the Fondazione Dynamo foundation and particularly to **Dynamo Camp (a refuge in a natural setting for children and youngsters aged from 6 to 17 presenting with serious or chronic conditions)**. Here, they have a chance to enjoy and benefit from recreation therapy.



Fondazione Dynamo Camp Onlus (a non-profit foundation) provides recreation therapy programmes free of charge for children and adolescents presenting with chronic diseases, undergoing treatment or following hospitalisation, accompanied by their families. **Dynamo Camp**, in the province of Pistoia, is located in parkland (more than 900 hectares) affiliated with WWF. Dynamo Camp aims to **help sick young people to have faith in themselves and in their own abilities, while raising the quality of life of their families**. The facility and medical assistance ensure protection and an environment in which social life and experimentation raise quality-of-life, with the focus on one's skills as opposed to the disabilities caused by disease.

GASLINI AND GIFTS FOR EMPLOYEES' CHILDREN

For many years now, **the Christmas gifts for employees' children** are chosen not only to give joy but also in the **spirit of solidarity**. In 2019 and 2020, **collaboration with Corner dell'Ospedale Gaslini Onlus** (a Genoese non-profit organisation initiative) took on a new meaning. **Each gift went to two children: children felt the double joy of receiving a gift and of supporting and aiding others**.

Associazione Gaslini Onlus **collects funds to support the Gaslini paediatric hospital**. The idea is to contribute to funding special projects, furthering technological improvements, and providing aid tackling the most urgent needs. At paediatric hospitals, all prevention, assistance and care-provision activities require **hi-tech resources and expertise 'tailored' to the needs of the child**. When dealing with complex cases, or rare or chronic conditions, **treatment must be 'customized', also in view of the stress of prolonged hospitalization both for the patient and his/her family**.



Customers

Fratelli Carli
Società Benefit
Specific aim

Providing our customers with products and services of excellence, meeting every need in a timely manner and with all due care and attention

Our aim is to be part of a large grouping of people in which the needs of all are identified, considered and given all the attention they deserve. Fratelli Carli works on a daily basis toward maintaining a direct link with its customer base, by adopting an exclusive “door-to-door” distribution model. Thanks to its focus on the needs of each customer, **Fratelli Carli’s services may be considered services rendered within a family. Direct, regular contacts reflecting shared values** mean we can understand and meet the needs we encounter **as a guest, as it were, or “an old friend of the family”**. For over a hundred years we have had dealings with customers and have engendered trust via the constant efforts of our Customer Service team, whose work is (and could only be) the fruit of experience and an ability to infuse the “Fratelli Carli spirit” into what we do.

RELATIONS... AS CERTIFIED



Management of privacy, security and protection when processing personal data is a priority concern in all fields of corporate activity. Since 2005, Fratelli Carli has qualified for ISO 27001 certification. It provides customers with optimal security and confidentiality, while safeguarding and ensuring availability of data. This policy is the outcome of ongoing commitments on the field of customer data processing. Fratelli Carli has always conformed with rigorously precise rules and procedures, which were rapidly adjusted to GDPR standards. Fratelli Carli also boasts the Net-Comm seal, awarded to e-commerce websites that display transparency of excellence, and quality and reliability in dealings with consumers. Fratelli Carli also boasts the **Marchio di qualità per il commercio elettronico nel mondo** (world e-commerce quality mark)

EXPERIENCE FOR CUSTOMERS UNLIKE ANY OTHER

August 2019 saw the online inauguration of **seven new sites with innovative graphic design solutions powered by a fully responsive technology, one for each of the marketplaces that the company targets**. This was the key component of a broader initiative to overhaul the company and **create a brand experience capable of meeting all customer needs**. Our goal is to work toward optimal integration of the traditional channels of contact, ranging from telephone calls to the internet and e-mail, plus our local Emporiums. Services must convey a contemporary look and feel and a distinct awareness of our past and traditions. **Technological and managerial changes have organisationally impacted the company as a whole**, leading to partnership with Salesforce (both for the e-commerce platform and the CRM system handling all customer relationships).

“CHAT” SERVICE

The company has always boasted close “family” ties with its customers owing both to distribution, direct to the home, and **direct contacts taking place on a daily basis**, reflecting shared values, by **telephone, post, e-mail messages and with the new sites, chat functions**. Straight from Imperia, in real time, customers worldwide can chat with a Fratelli Carli expert, on hand to meet demands, provide explanations and generally inform.





Products and Materials

GOALS 2020



- ✓ Target reached.
- ✗ Failed, due to delays caused by the Coronavirus pandemic.

- ✓ Raising the quantity of ORGANIC products to 11%
- ✓ Raising the quantity of SLCA-analysed products to 35%
- ✓ Revamping the packaging at the restyling stage in line with principles of sustainability

GOALS 2021

- Raising by at least 1.5% the number of organic products with environmental sustainability certification
- Raising the quantity of SLCA-analysed products to 38%
- Revamping the packaging of at least one product line using recyclable materials

2020 HIGHLIGHTS

PRODUCTS

35%
of product lines SLCA-analysed

11,8%
of cost of sold goods, in purchases of products with ORGANIC or sustainability certification

MATERIALS

97,6%
of the packaging cardboard FSC certified

at least **75%**
of the material used for the components of the packing for our olive oil bottles recycled

*Fratelli Carli undertakes to provide **increasingly sustainable products of the very highest quality** at all stages of the life-cycle, in order to foster “regeneration” of environmental resources of great value, while paying heed to the rhythms and equilibria of nature.*

Quality products and sustainable materials

**Fratelli Carli
Società Benefit
Specific aim**

Analysing and enhancing sustainability at all stages of the life cycle of products, from the raw materials to production and end consumption.
Ensuring **optimal food safety levels, quality, genuineness and natural goodness.**

SAFETY, QUALITY AND COMMUNICATION: UNDERPINNING ASSURED SUCCESS

Fratelli Carli considers **quality an absolute requisite**. The company therefore undertakes to ensure quality at all times, alongside control of product safety standards right from the stage of control of raw materials purchased, on to production, distribution and delivery to our Emporiums and to the households of our customers.

Fratelli Carli conforms with a fully documented **quality guarantee programme**. Periodically it conducts documented **internal checks** as per the rules drawn up. There is also a system for analyses conducted by Fratelli Carli’s in-house lab where the characteristics of the purchased and produced olive oils are assessed (e.g. glycid esters), with a **certificate of analysis and technical data sheet** available for each batch of olive oil produced.

The **food safety management system** adopted by Fratelli Carli is based on the principles of the Codex Alimentarius and Reg. CE 852/2004. Fratelli Carli conducts an **analysis of hazards and risks**, also based in the aforesaid principles and regulations, covering all food-sector chemical, physical and biological hazards, including allergens, and assessing which of these hazards are of significance with respect to the various typologies of Fratelli Carli products.

Customer safety concerns, of vital importance, are stressed right from the stage of selection of raw materials, at all times assessed on the basis of the most demanding safety and quality criteria. Hence, on a daily basis, the company fosters relations with its trusted longstanding suppliers, and constantly conducts quality controls as per both the legal requirements and its own in-house standards.

Over and above safety of raw materials, Fratelli Carli undertakes to safeguard quality and safety for all production processes at all stages leading up to end-consumption. Indeed, in 2019–2020, no consumer health impacts were flagged, concerning the company’s products.

Not only does Fratelli Carli ensure the highest quality standards; it also works toward responsible communication via the label information for customers, not merely regulatory in nature but also aimed toward consumer awareness, with the nutritional data provided in a clear, transparent manner. In 2019–2020, no instances were noted of non-conformity with regulations and/or self-regulation codes, regarding marketing communications for company products.

Fratelli Carli believes that, in order to maintain the high quality of its products and conduct, **priorities must also include that of sustainable innovation** by encouraging the use, inter alia, of materials with a low environmental impact

BRIEF RECIPES: SAFETY, QUALITY, GENUINENESS AND NATURAL GOODNESS

Fratelli Carli recipes have always given pride of place to simplicity and genuineness, very much in the home cooking way! Just a few ingredients, all natural and prime quality, such as our **Olio Carli** olive oil (thanks to which our products are truly distinctive!). This tradition has also engendered our **Gamma BIO** range of organic products supplementing our standard range and meeting the demands of specific cohorts of customers for whom the issue is particularly important. The company takes great pride in this new line, aware as it is that – over and above verification issues – our products attest to Fratelli Carli’s heritage (Mediterranean traditions, uncompromisingly high quality, and a focus on people and the environment). In 2021, Fratelli Carli set itself the goal of raising the quantity of organic or environmentally certified products on offer to our customers by 1.5%.

Lastly, in 2020 the wine, Prosecco Fratelli Carli, acquired **SQNPI (Sistema Qualità Nazionale Produzione Integrata) quality certification** attesting to adoption of production rules technical, economic and social in nature. Agroindustrial concerns with SQNPI certification are systems that minimise their use of synthetic chemicals while rationalizing use of fertilizers, in accordance with ecological, economic and toxicological principles for integrated, low environmental-impact production.

7.872
analyses conducted
by our in-house lab



SLCA ANALYSIS: KNOWLEDGE-BASED ENHANCEMENT AND ENGAGEMENT

Product analysis is conducted according to the SLCA (Sustainable Life Cycle Assessment) method – an approach that looks into social and environmental impacts, for the purposes of remediation, from the raw materials stage through to end consumption. Analysis throughout the life cycle of the product **enables detection of positive or negative impacts with respect to the four principles of sustainability**. The resultant matrix enables identification of the areas of improvement to be included in later yearly assessments.

Starting up in 2012, SLCA product analysis is repeated over time, in order to monitor developments following pro-sustainability remedial measures. In 2020 the number of products analysed was raised yet again to 79% of the total turnover (equivalent to 35% of all product lines), i.e. from 71% (2019).

Principles of sustainability	Raw materials	Production and packing	Distribution	Use of product	End of life
Principle 1 In a sustainable society, nature is not subject to systematically increasing concentrations of substances extracted from the Earth's crust	0	1	2	3	4
Principle 2 In a sustainable society, nature is not subject to systematically increasing concentrations of substances produced by society	1	2	3	4	5
Principle 3 In a sustainable society, nature is not subject to systematically increasing degradation by physical means	2	3	4	5	6
Principle 4 In a sustainable society, people are not subject to conditions that systematically undermine their capacity to meet their needs	3	4	5	6	7

0	1	2	3	4	5	6	7
NEGATIVE Standard not satisfied	HIGH RISK Standard largely not satisfied		TO BE IMPROVED Standard partially satisfied	GOOD Standard largely satisfied		EXCELLENT Standard satisfied	

Materials: recyclable, biodegradable, renewable

*Fratelli Carli
Società Benefit
Specific aim*

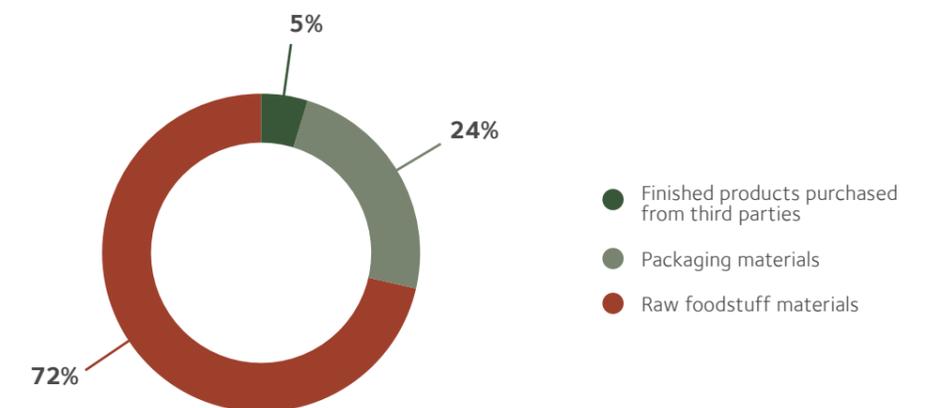
Increasing the use of “eco-friendly”, recyclable, biodegradable, renewable materials, with special attention paid to efforts to reduce product-packaging materials.

Fratelli Carli has always been most careful about its environmental impact. It started replacing product packaging materials with more sustainable materials some years ago. These efforts led to the company both to seek suppliers conforming with the FSC standard, ensuring sustainable forestry management, and to focus on packaging recyclability.

The types of materials used by the company for its products fall into three macro-categories:

- **packaging materials:** materials used for the packagings of Fratelli Carli products (e.g. wood, paper and cardboard, glass);
- **foodstuff materials:** all raw and semi-finished materials used for Fratelli Carli finished products (es. olive oil, tomato pulp, basil);
- **Finished products acquired from third parties:** finished products then sold as Fratelli Carli brand products (e.g. confectionery, wines, soaps).

**CHART 5
Materials / Products (by weight) - 2020**



In 2020, the weight of the materials/purchased products was mainly accounted for by **foodstuff product raw materials (72%)**, practically all of which is **purchased olive oil (98%)**. The quantity of raw materials purchased for packaging totals 24%, and the finished products purchased account for 5% of all materials/products purchased by the company in 2020.

THE NEW 'OLIO CARLI' PACKAGING FORMS

In regard to materials, our journey toward Progresso Responsabile began in 2015, when we used **for all Olio Carli packs only 100% FSC cardboard**. The policy left the materials unchanged as to robustness and consistency, so the quality standard was as our customers had always come to expect. The move meant yearly **savings of more than 85,000 Kg of paper**. We then, in 2019, opted for to **100% sustainable boxes for our key product (olive oil)**. We chose a **light brown cardboard**, which served as a “canvas” on which we could storytell the idea of Progresso Responsabile, while providing our prime quality products to consumer households – from olive grove to supplier, materials, and our exclusive delivery service.

In 2020 we worked with foreign post offices so that, within the European Union, we could use a pergamin envelope window, and not plastic. Now, all envelope components (more than 20,000,000 items purchased in 2020) are in fully recyclable paper. Furthermore, the plastic packings for shipping the “Mediterranea” cosmetics abroad were replaced with 100% cardboard packings equally suitable for shipping, thus **saving more than 100 kg of plastic per year**.

CRADLE TO CRADLE-CERTIFIED INKS

The company printing-shop uses only vegetable inks. The inks – which serve to produce more than 10 million printed notices per year for our customers – are Cradle to Cradle certified. This standard enables producers to implement a rating system thanks to which their products improve quality of life and of the environment. The assessments regard many impacts on human health and the environment (quality and sustainability of materials, re-use, energy and emissions, water and social equity).





Supply chain

GOALS 2020



- ✓ More Code-conformity among suppliers
- ✓ Subjecting all suppliers to an Assessment of SDGs, and identifying at least two shared SDGs to be attained

- ✓ Target reached.
- ✗ Failed, due to delays caused by the Coronavirus pandemic.

GOALS 2021

- More Code-conformity among suppliers
- Updating the 'Codice di Bontà' and 'Codice d Bellezza' to align with the District SDGs, with supply-chain involvement

2020 HIGHLIGHTS

SUPPLY CHAIN

53%
vs total cost of sold items in goods purchased from suppliers conforming with the 'Codice dell'Olivo', 'Codice della Bontà' and 'Codice della Bellezza'.

72%
of the total budget for supplies made over to local suppliers in Italy

13%
The share of purchases from small-scale suppliers with less than 20 employees, vs total turnover

Fratelli Carli has, over the years, entered into longstanding agreements with rigorously selected suppliers, and has implemented a strict monitoring system for the various stages of production, aiming to maintain a short supply chain. The arrangement enables us to ensure excellence of product, and respect for the environment, the people we work with and the public at large.

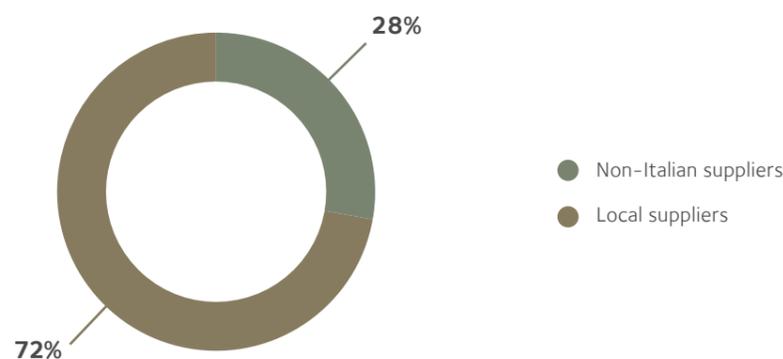
Our chain and the value of our environs

*Fratelli Carli
Società Benefit
Specific aim*

Fostering the values and goals of Fratelli Carli jointly with collaborators and suppliers, for the furtherance of a new model of development.
Promoting sustainable agricultural practices that respect the ecosystem and landscape heritage.
Sustaining the environs and the local fabric of production and economic life, with particular attention paid to small-scale producers

One of the key features of Fratelli Carli is the supply chain: the company's activities depend on a resilient supply structure that has changed only to a limited extent over time, this indicating the presence of longstanding arrangements. The company clearly favours local Italian suppliers, accounting for a 72% share of the total budget made over for supplies.

CHART 6
Expenditure made over to local suppliers - 2020



Fratelli Carli is **aware of the absolute need for involvement of suppliers in production and increasingly sustainable policy-making regarding all stages of the process of production.** Hence, starting out on 2012, the company has designated **four specific Districts, dedicated to the various supplier types with corresponding Codes that set forth goals and concretely sustainable innovation actions.** Furthermore, the new suppliers of 2020 have all been assessed on the basis of environmental and social criteria.

THE OLIVE DISTRICT - CODICE DELL'OLIVO (OLIVE CODE)

The Codice dell'Olivo **sees the involvement of more than 200 suppliers of olives and olive oil, as a means of ensuring** the absolute excellence of the oil and sustainability of the production cycle: shared commitment based on application and ongoing control of sustainable practices during the stages of cultivation and production, as regards resources, people, the environs and production technologies.

By undersigning the Codice dell'Olivo, Fratelli Carli's suppliers of olives and olive oil undertake to conform with given quality and sustainability standards, the company paralleling this activity **with its own monitoring of supplier sustainability performance ratings, by means of a dedicated questionnaire,** in which the suppliers indicate the certifications of quality and sustainability in their possession as well as their engagements on the environmental and social fronts (water and energy consumption, waste management, safeguarding biodiversity, the landscape and workplace health and safety).

As a further measure fostering engagement and our assessment of sustainability performance ratings of the suppliers of olive oil, Fratelli Carli requested that growers and the proprietors of presses fill out a **sustainability questionnaire.** In 2020, the questionnaire targeted Greek and Spanish suppliers in particular. The **key aspects assessed** concerned:

- management of the water supply (e.g. monitoring and recording consumption, typology of water source);
- energy consumption (e.g. monitoring and recording consumption, use of renewable sources, curbing consumption);
- waste management (e.g. monitoring and recording waste, sustainable management of the waste material of production);
- conditions and safety of the workplace (e.g. well-being of workers, curbing accidents at work, training and career advancement);
- respect for biodiversity and the landscape;
- sustainable agronomy (e.g. sustainable use of phytosanitary products and fertilizers).

THE FOOD-PRODUCTS DISTRICT – THE CODICE DELLA BONTÀ

The District includes **companies producing food specialties and the suppliers of packaging and supplementary materials**. The District aims to attain the goals set forth in the Codice della Bontà (wholesomeness code) in regard to two key issues:

- **sustainability of all specialties production stages** (cultivation, resources, technologies, people);
- **lowering the quantities of material, and using recyclable, biodegradable and renewable packaging materials.**

Thank to this approach, the District companies have raised their sustainability performance ratings. At least 3 chain players have become B-Corp or Società Benefit companies.

THE COSMETICS DISTRICT – THE CODICE DELLA BELLEZZA

15 manufacturers and suppliers from the beauty sector engaging in a natural, organic and sustainable cosmetics project have adopted the Codice della Bellezza (beauty code) jointly with Mediterranea to concretely reach targets (and more...) regarding all facets of the production chain:

- **product formulations using olive oils of excellence** and solely natural components;
- **safeguarding the land and its traditional practices** (cultivation of officinal herbs);
- **curbing the use of energy** and of non-renewable natural resources;
- **using recyclable, biodegradable, renewable packaging materials.**

GIORNATA DELLA BONTÀ 2019

June 2019 saw the sixth edition of the **Giornata della Bontà (wholesomeness day)** with the involvement of 36 companies and 68 other participant seeking to meet the sustainability targets of the Codice della Bontà and Codice della Bellezza. The question of plastic was tackled, with a view to curbing its use, and replacing it with more sustainable materials.

What with the suppliers all engaging in the Quick BIA procedure (B Corp assessment for certification in summary form), **it was possible to calculate the sustainability coefficient of each District, which could be collated with B Corp parameters**. Both Districts attained a coefficient equal to or even over the 80 marks required for Certification.

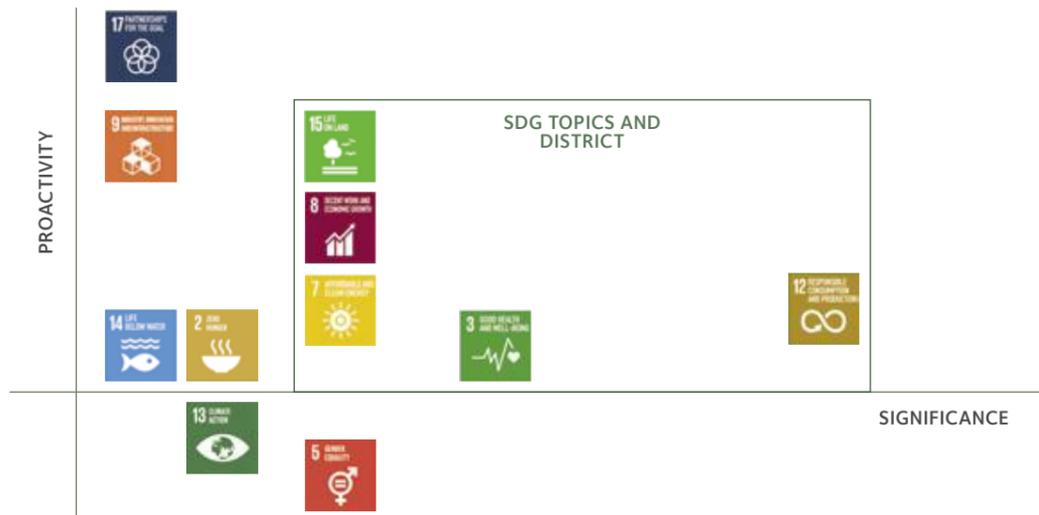


DISTRICTS AND SDG MAPPING

In order to more effectively forge links between the commitments of, on **the one hand, the Distretto della Bontà and the Distretto della Bellezza**, as set forth in their respective District Codes, and, on the other, **the Sustainable Development Goals (SDGs)** of the United Nations, Fratelli Carli implemented the **SDG Action Manager**, and engaged in various analytic and measurement actions to establish the positioning of the suppliers from the two Districts (28 companies) with regard to a set of SDGs. The SDG Action Manager is a strategic working tool devised in order to back up all types of firms intending to gauge and to elaborate on the impact of their sustainability performance and to therefore organisationally boost their progress toward these SDGs.

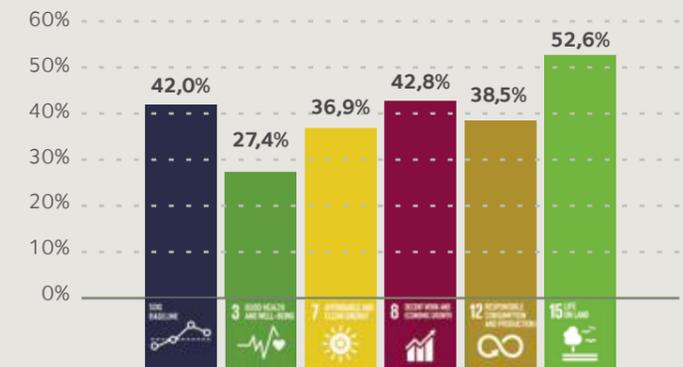
In 2020, all the District companies assessed their own performance in regard to shared SDGs: a **Baseline Form** covering aspects of environmental governance and respect for human rights, and **SDG 12**, Responsible consumption and production, as well as one SDG selected by themselves.

The SDG **materiality matrix** of the District was arrived at by collating the number of companies that chose each SDG (**significance**) with the pertaining average performance score linked to attainment of targets (**proactivity**)



The green box displays the goals considered more significant by suppliers: 15: Life on land; 8: Decent work and economic growth; 7: Affordable and clean energy; 3: Good health and well-being; 12: Responsible consumption and production.

This mapping and assessment then enabled collation of the result with the Italian sectoral benchmark and determination of a **District SDG coefficient**, a mean value representing the positioning of Distretto della Bontà and Distretto della Bellezza suppliers vis-à-vis the SDGs considered of greater significance, i.e. **37.4%**.



THE TRANSPORT DISTRICT – THE CODICE DELLE CONSEGNE (CONSIGNMENT CODE)

For full chain sustainability purposes, the company also developed a **“sustainable logistics” model**, with the aims of curbing energy consumption and the pertaining CO2 emissions, by action on two fronts:

- joint application of a Codice delle Consegne among the carriers distributing Fratelli Carli products favouring virtuous practices (driving, van maintenance);
- optimising long- and mid-haul transport via;
- augmenting intermodal transport;
- optimising loads and routes to have as few “dry runs” as possible.





Energy and Resources

GOALS 2020



- ✓ Improving the disposal icon on all packaging forms

- ✓ Target reached.
- Failed, due to delays caused by the Coronavirus pandemic.

GOALS 2021

- Drawing up the first inventory of the company's GHG emissions

HIGHLIGHTS 2020

ENERGY AND RESOURCES

100%

of electric power from certified renewable sources

24,72

tons of CO2 per million (turnover)

969.042kWh

of energy produced in 2020 by our photovoltaic installation

90%

of all refuse assigned to recovery in 2020

*Fratelli Carli views energy and natural resources as fonts of life and well-being for humankind. It is therefore committed to **curbing wastage while only using power from renewable sources.** A decision absolutely vital for our future.*

Engagement for a sustainable future – More technology, less consumption

**Fratelli Carli
Società Benefit
Specific aim**

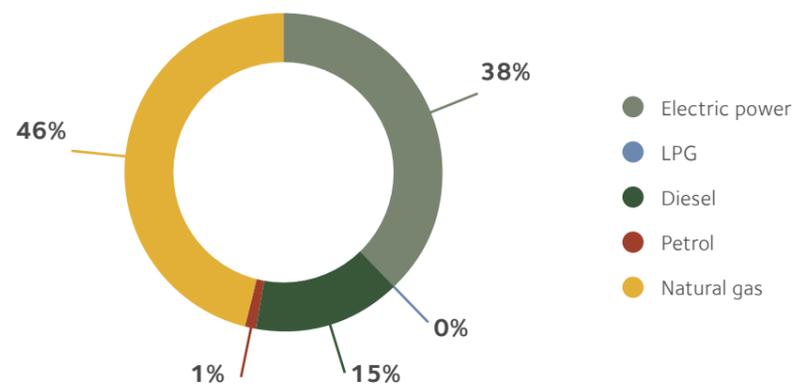
An ongoing policy of curbing use of non-renewable natural resources, in particular, curbing use of energy from exhaustible sources.
Reducing quantities of waste materials deriving from production and ensuring correct disposal of recyclable waste.

Fratelli Carli undertakes to reduce use of non-renewable natural resources on an ongoing basis. The company has always engaged in **projects aiming at efficient use of energy and use of renewable energy.** It has also undertaken to reduce wastage and to foster an awareness on the part of stakeholders in regard to responsible, efficient use of natural resources.

ENERGY AND FRATELLI CARLI

As part of its efforts to enhance its own energy-consumption performance, Fratelli Carli monitors and reports on its consumption of fuels, gas and power, via a periodic **Energy Diagnosis** subjected to an audit conducted by a third party.

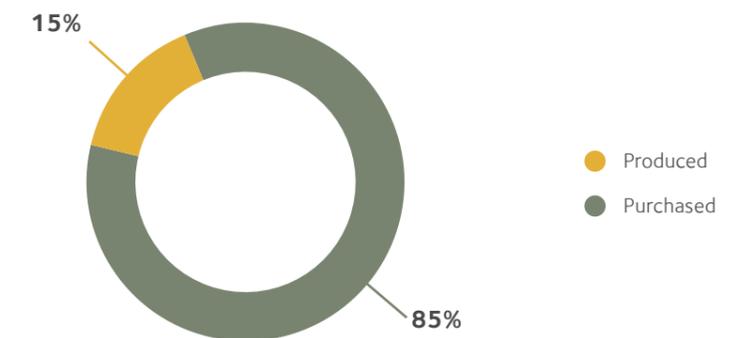
CHART 6
Energy consumption (Gj) - 2020



2019–2020 saw limited reductions in energy consumption (mainly due to fewer movements of personnel because of the restrictions dictated by the Covid-19 pandemic measures, and greater recourse to smart-working relations, which curbed consumption in the offices. Furthermore, our commitment toward energy efficiency in regard to cooling and heating was ongoing: consumption fell from **57,279 GJ** in 2019 to **54,713 GJ** in 2020. Most of the company’s energy consumption was in the form of natural gas and electric power.

Use of electric power, for **more than one third of total energy** consumption in the 2019–2020 period indicates increased sustainability of the company’s overall energy consumption. Indeed, Fratelli Carli opted for sustainable energy, and obtained its electric power from **100% renewable sources**: in 2019–2020: 85% of the electric power purchased, while the remaining 15% was derived from a **photovoltaic system of 8,500 square metres installed on the roof of the plant in 2012**, producing on average **900,000 Kwh per year.**

CHART 7
Electric power from renewable sources - 2019 / 2020



Installation of the photovoltaic system has a positive knock-on effect on sustainable power use also **outside the company.** About 9% of the energy produced that is not consumed is **channelled into the power grid: 69,747 kWh** in 2019 and **86,865 kWh** in 2020.

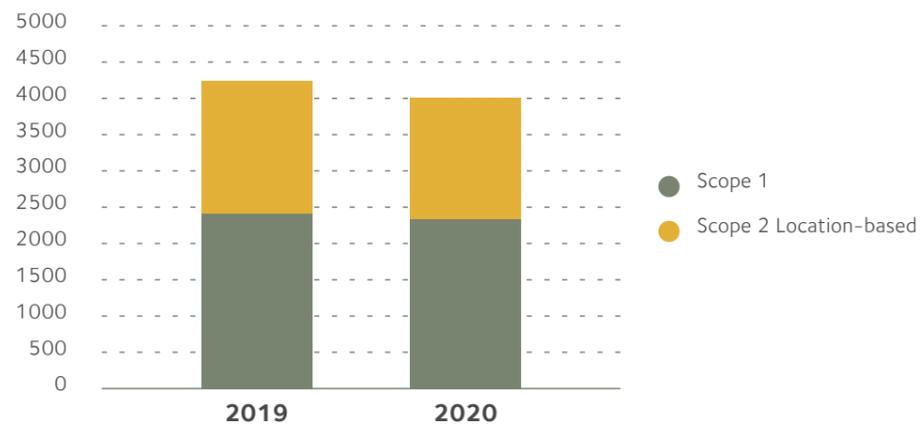
The company has also optimised energy consumption by **installing low-consumption LED lighting in most of its premises**, by revamping its fleet of vehicles and by completing **replacement of the air conditioning systems with low energy-impact solutions.**

GROWTH WITH CURBED EMISSIONS

Our commitment to lowering energy consumption has positively impacted our **greenhouse gas emissions**. In 2020, Fratelli Carli lowered its Scope 15 emissions vs 2019, **from 2,401 tons of CO₂eq to 2,308 tons of CO₂eq (-3.9%)**, while total production rose.

The strategic decision to use electric energy solely from renewable sources enabled zero Scope 26 emissions and lower overall emissions impact **(2,127 tons of CO₂eq in 2019 and 1,934 tons of CO₂eq in 2020) (-9%)**.

CHART 8
Emissioni GHG (tCO₂e)



Furthermore, since 2019 the company has worked toward a marked increase in intermodal transport, and has looked more to waterways as opposed to road transport. As regards this specific area, **we note a 4% reduction in CO₂ between 2018 and 2019**. Furthermore, **in regard to certain specific routes 2018-2019 yoy savings reached 41%**.

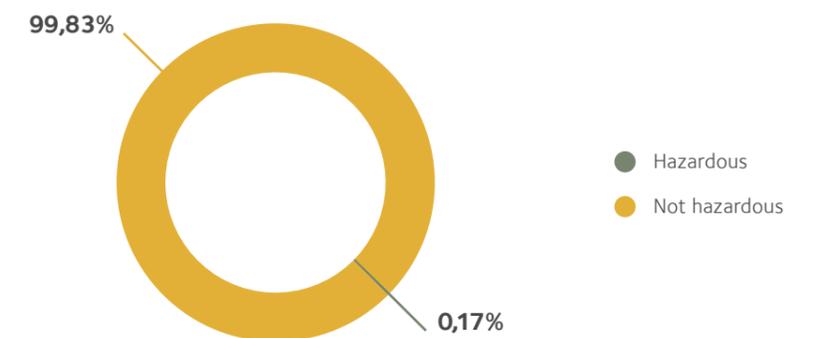
⁵ Scope 1 emissions are direct emissions of greenhouses gas from sources within, or controlled by, the company.
⁶ Scope 2 emissions are indirect emissions of greenhouses gas due to energy consumption from sources not within, or controlled by, the company. These emissions are Scope 2 calculated by market-based method, where, for energy produced and consumed via photovoltaic panels and for the energy purchased and certified as renewable (e.g. with 'certificati verdi' or green certificates), a factor of virtual emission of zero is adopted.

WASTE MANAGEMENT

Care and attention with regard to all activities that generate or may generate refuse has always been a routine part of Fratelli Carli's managerial tasks. The task sees the involvement of all **employees, collaborators** and **companies** operational within the corporate ambit. Responsibilities and methods of correct management of refuse and waste materials are duly set forth in a procedure implemented and updated in accordance with current legal requisites.

Over the last few years, Fratelli Carli has concretized its enduring awareness as a company of sustainability and environmental issues, and has constantly sought to blend attention and commitment with technical knowledge. A mapping was conducted of all activities generating **"refuse" and/or "waste materials"** followed by classification and characterisation of the same, in order to establish appropriate methods of management, and to set aside areas in which to **temporarily deposit** special waste and also for separate collection of waste similar to municipal waste. The company hosts **areas termed "isole ecologiche"** (or waste collection areas) by means of which refuse similar to municipal waste is managed (also in regard to separation).

CHART 9
Waste produced - 2020



The waste produced by the company is largely of the non-hazardous kind, the key classes being:

- packing materials such as paper, glass and plastic;
- food waste;
- printer toners;
- aluminium;
- earth for decolourising filtration;
- edible oils and grease;
- sludge produced by pressing.

Fratelli Carli also undertakes to **monitor the operations of the suppliers handling refuse (transport, disposal, intermediaries)**, by assessing during contractual negotiations the permits held by each player and checking for conformity with the rules set forth by local and national regulators.



To further our ongoing improvement, Fratelli Carli trains and informs all pertaining personnel and collaborators so these shall be fully aware of the importance of correct application not only of legal provisions but also of in-house procedures and of the importance of waste management. To this end, we conduct **awareness campaigns targeting the issue of in-house waste disposal**.

FRATELLI CARLI'S APPROACH TO PREVENTION

From the viewpoint of a preventive approach to production of refuse, the company has for a number of years, adopted actions that have led to a significant reduction of refuse production. These actions were brought forward not only within the company but also upstream in the value chain of the organisation.

In-house:

- Lighter cardboard packing materials;
- Purchase of new machinery dispensing pallet film, using less plastic;
- Replacing the padding for cosmetics packaging, entirely removing plastics;
- Replacing the envelopes with plastic linings, with cardboard alone, for delivery of cosmetics.
- use of pergamin windows for all envelopes, as opposed to plastic.

Upstream:

- with all suppliers, addressing the issue of curbing waste, and considering the variety of solutions available within the supply chain.

Downstream:

- mapping all packages and displaying disposal symbols on all items sold by the company.

Fratelli Carli classifies the soapy pulps derived from the processing of olives and considered byproducts "conforming to the Sistema Nazionale di Certificazione della Sostenibilità dei Biocarburanti e dei Bioliquidi (national system of certification of the sustainability of biofuels and bioliquids)". The pulps are therefore not subject to the rules governing waste management, and are assigned for use as raw material for the production of biofuels.

GRAPHIC 10
Waste assigned to recovery and disposal (kg)



Fratelli Carli assigns most of its refuse to recovery and recycling. In 2019-2020, **the quantity of refuse fell off, thanks to the ongoing commitment of Fratelli Carli to curbing waste production.** The main classes of such refuse were plastic, paper and glass (in line with the company policy of significantly reducing the quantities of **packaging materials**). As for the previous year, the **quantity assigned to recovery** remained unchanged (approx. **90%** of the refuse produced).

MANAGEMENT OF WATER

In line with our ongoing efforts to enhance sustainable practices and raw-material savings, we have introduced **major innovations regarding processing at the refinery**, and have saved about 3 litres of water per kilo of processed olive oil.

Over and above constant control of water consumption, the company undertakes to monitor and control the **quality of the water**, both **upstream and downstream**, as required by law. Conformity with the limits currently applying to **discharges into the sewage grid** is constantly monitored by means of periodic analytic checks on pollutant loads vis-à-vis the significant parameters. To this end, next to the well on the premises in Imperia, a **non-stop device for sampling, a capacity gauge and a thermometric probe** have been installed. The quality standards applying to water discharges are those set forth in D. Lgs. (legislative decree) 152/06, as amended.

The lab analyses, outsourced, all confirmed that the legal limits were abided by. Furthermore, during the refinery working days, with the back-up of the in-hose lab, the company conducts **control analyses of waters** on a voluntary basis for absolute conformity with quality parameters (e.g. COD, PH, Phenols).

For the purposes of integrated management of impacts of consumption and of discharged water, at the Imperia and Gazzelli plants, **water processing systems** were installed that enable transfer to the receptacle for discharge as per the pertaining current legal requisites. On the Imperia premises the water used for processing passes through **settling tanks**, enabling separation and recovery of oily portions, if present. Car-wash water is channelled to a **treatment system and downstream filtering**.





Culture, tradition and the Mediterranean

GOALS 2020



- ✓ First (non-publicly available) edition of the Bilancio di Sostenibilità Fratelli Carli S.p.A. (sustainability report)

- ✓ Target reached.
- Failed, due to delays caused by the Coronavirus pandemic.

GOALS 2021

Fostering and promoting the culture of sustainability during round table meetings, seminars and webinars

Joining forces with Fondazione ITS - Accademia Ligure Agroalimentare to foster the local culture of food production

2020 HIGHLIGHTS

CULTURE, TRADITION AND THE MEDITERRANEAN

435.000

copies of the magazine, Buongusto, focussing on sustainable innovation delivered to all customers

100%

of the emporiums provide information on sustainability

*Olives and olive oil epitomize the ‘Mediterranean-ness’ of Fratelli Carli and its desire to **safeguard and hand down the traditions and skills of a cuisine renowned worldwide.***

Culture, tradition, sustainability

*Fratelli Carli
Società Benefit
Specific aim*

Fostering the culture of sustainability and a new model for a company capable of regenerating forces, within and elsewhere.
Promoting good practices conducive to a correct dietary culture aligned with Mediterranean traditions and the goals of well-being and health.

Fratelli Carli undertakes to **promote the excellence that Italy is renowned for**, whose culinary heritage is predominantly characterised by **Mediterranean products and approaches to food**. These features renowned worldwide spur the company on, accompanied by a policy of adoption of sustainably innovative best practices. Fratelli Carli’s habitual contributions to cultural issues, tradition and sustainability were hampered by the Coronavirus pandemic in 2020.

THE SUSTAINABILITY INFORMATION CAMPAIGN IN EMPORIUMS

The Emporiums showcase the most authentic local products, and reflect our absolute dedication to culinary excellence and to the cause of wholesome, balanced eating habits. To ensure acknowledgement and fruition of the sustainably innovative practices that the company adopts on a daily basis, **the “Sostenibili per natura” (sustainable by nature) concept was devised specifically for the Emporiums**. The concept is promoted by means of information provided in a language that is immediately understandable and modern, **so that customers can come to appreciate the wholesomeness of all our products**, because of the highest quality and goodness and **their fully sustainable nature**.

THE “LABORATOLIO” WORKSHOP: THE FOOD SCHOOL

The premises in Imperia include an area given over to the young who come into contact with the amazing world of olive oil **and learn, also through games and direct experience, about the varieties of olive oil**, and about **the secrets and benefits of good nutrition and wholesome eating habits**, with the accent on experience and personal involvement!

THE MUSEUM, “MUSEO DELL’OLIVO CARLO CARLI”: OLIVE OIL THROUGH THE AGES

Priceless archaeological exhibits, rare objects, vessels, oil lamps and cruets – plus a library entirely given over to the cultural aspects of the olive.

This is one of the major private collections in Italy, the work of many decades, which has also received ministerial acknowledgement and protection, as well as the Archaeological Superintendency of Liguria’s attestation of “extraordinary interest”. Olive oil has a history of millennia, taking us back to the earliest civilizations, **as a sort of crossroads where art, culture, economic life, customs and agricultural practices meet**. The Museo dell’Olivo Carlo Carli was founded in Imperia by the Carli family in 1992, in order to record a past that enables our company to proceed along the paths of tradition and excellence.





Methodological note

This document was drawn up in conformity with **the GRI – Global Reporting Initiative – Sustainability Reporting Standards**. Specifically, as provided for by Standard GRI 101: Foundation, paragraph 3, the document was drawn up as per the “In accordance – Core” option. This Sustainability Report as presented embodies the principles of balance, comparability, accuracy, timeliness and reliability, as defined by GRI Standards. The document points both to strengths and weaknesses, as well as potential areas for improvement. The data collecting and reporting procedure were structure in order to guarantee comparability and correct interpretation of the information on the part of the main stakeholders with an interest in performance ratings and pertaining developments. Furthermore, the company adopts the precautionary principle in all its activities.

In order to maintain an approach based on ongoing improvement the strategic goals and those regarding management for the next reporting year were set forth, heading each section of the Report, together with the company’s **sustainability highlights**. At the foot of the document in the “Appendix”, the tables and other data provide in-depth account of the indicators linked to the material topics of Fratelli Carli.

Contextual analysis conducted for the purpose of updating the materialities also enabled the company to focus on the internationally acknowledged challenges set forth in the United Nations’ Agenda 2030, and to select 7 of the 17 **Sustainable Development** Goals (SDGs)⁷ regarding Fratelli Carli most, in terms of impacts – this to seek alignment between the and the company’s own sustainability goals. Thus, the company focussed on SDGs 3, 7, 8, 12, 14, 15, 17. The sustainability goals indicated in each section of the Report are accompanied by the pertaining SDG icon.

⁷ On 25 September 2015, the 193 United Nations Member Countries unanimously approved the Global Agenda for Sustainable Development, with its 17 Sustainable Development Goals (SDGs), indicating 169 Targets to be reached by 2030. Italy played a key role in negotiations and undertook tasks to concretely ensure attainment of these international goals. Given the scale of the issues at hand, all public and private players are called upon to contribute within the ambit of their own spheres of influence and activity

Reporting boundary and methods of calculation

The company, Fratelli Carli S.p.A. S.B. (benefit corporation), is within the reporting boundary. In particular, as regards issues relating to energy consumption and relative GHG emissions, the data concern the plant/premises in Imperia, the plant at Gazzelli and the warehouses in the company's possession (Assago, Pognano and Zingonia). In regard to refuse and water management, the data of significance regard the Imperia and Gazzelli sites.

The following are the main methods of calculation adopted:

- **Direct Scope 1 emissions:** for consumption of natural gas, petrol, diesel and LPG the factors of emission of the table of standard national parameters of the Ministry for Environment, Land and Sea Protection (2019-2020) were used; as to refrigerant gas leakage from the air conditioning systems, the GWP of DEFRA (Department for Environment Food & Rural Affairs, United Kingdom, 2019-2020) were used.
- **Indirect Scope 2 emissions:**
 - Location-based: these emissions were calculated by multiplying the electric power purchased from the national grid by the factor of emission in Confronti internazionali Terna su dati Enerdata – dati 2017, 2018;
 - Market-based there are no such emissions (0), since the company uses only electric power from renewable sources and therefore adopts zero virtual factor of emission.
- **Accidents at work:**
 - Rate of recordable accidents at work: ratio between the number of recordable accidents at work, not including accidents taking place while travelling, and the total number of hours worked multiplied by 200,000.
 - Rate of serious accidents (not including deaths): ratio between the number of serious accidents and the total number of hours worked multiplied by 200,000.
 - Rate of deaths due to accidents at work: ratio between the number of deaths due to accidents at work and the total number of hours worked multiplied by 200,000.

Materiality assessment

In order to select material topics, desk analyses were conducted to understand the **expectations of the stakeholders** of Fratelli Carli and, by these means, the **company's priorities**.

Analysis comprised

- **benchmark analysis:** for the purpose of selecting the sustainability topics dealt with most, the sustainability reports published by a panel of best in class companies in the agroindustrial, retail and cosmetic sectors were analysed;
- **analysis of sectoral documents:** the main sustainability documents published by the major international organisations as well as the documents produced by sectoral association and organisations;
- **analysis of press reports:** analysis was conducted of articles in the public domain relating to Fratelli Carli and key sustainability aspects in order to gauge pressures exerted by public opinion and the media;
- **sustainability macro-trends:** analysis was conducted of the documents and reports of the key most influential non-governmental organizations, of policy makers and of key stock exchanges worldwide in order to pinpoint key sustainability issues on a local and international level.

Analysis revealed consistency with the sustainability Pillars defined above by the company and Sustainability Committee. Thus, **15 material topics** were identified and subsumed under the company's sustainability Pillars, over and above a single **transversal topic** concerning **ethical business conduct**.

Impact profile

GRI Reconciliation table – Material topics

TOPIC	MATERIAL TOPIC	GRI TOPIC	BOUNDARY OF ASPECT	
			INTERNAL	EXTERNAL
People	Safety and employee rights	GRI 403: Occupational Health and Safety	Fratelli Carli S.p.A. S.B.	Fornitori
		GRI 406: Non-discrimination	Fratelli Carli S.p.A. S.B.	
	Skills-building	GRI 404: Training and Education	Fratelli Carli S.p.A. S.B.	
	Promoting personal well-being	GRI 401: Employment	Fratelli Carli S.p.A. S.B.	
GRI 405: Diversity and Equal Opportunity		Fratelli Carli S.p.A. S.B.		
Materials and Products	Food quality and safety	GRI 416: Customer Health and Safety	Fratelli Carli S.p.A. S.B.	
	Traceability and correct communication	GRI 417: Marketing and Labeling	Fratelli Carli S.p.A. S.B.	
	Use of sustainable materials	GRI 301: Materials	Fratelli Carli S.p.A. S.B.	
Supply chain	Responsible management of supply chain	GRI 414: Social Assessment of Suppliers	Fratelli Carli S.p.A. S.B.	
		GRI 308: Environmental Assessment of Suppliers	Fratelli Carli S.p.A. S.B.	
	Promoting local processing	GRI 201: Economic Performance	Fratelli Carli S.p.A. S.B.	
Energy and Resources	Combatting climate change	GRI 204: Procurement Practices	Fratelli Carli S.p.A. S.B.	Suppliers
		GRI 302: Energy	Fratelli Carli S.p.A. S.B.	
	Management of refuse and wastage	GRI 305: Emissions	Fratelli Carli S.p.A. S.B.	
		GRI 306: Effluents and Waste	Fratelli Carli S.p.A. S.B.	
Responsible use of resources	GRI 303: Water and Effluents	Fratelli Carli S.p.A. S.B.		
Culture, tradition and the Mediterranean	Promoting healthy lifestyles (under the 'Made in Italy' banner)	-	Fratelli Carli S.p.A. S.B.	
Conduzione etica del business	Combatting corruption	GRI 205: Anti-corruption	Fratelli Carli S.p.A. S.B.	
	Respecting privacy	GRI 418: Customer Privacy	Fratelli Carli S.p.A. S.B.	

For the purposes of compliance with legal obligations and for reporting on the impact of the company, Fratelli Carli used third party standard B Impact Assessment. Gauging its impacts for reporting year 2019 led to a score of 98.3, attesting to the company's constantly improving sustainability performance ratings over the years. The certification shall be updated during 2022.

The result of B Impact Assessment provides an overall company score ranging from zero to 200, broken down into the five main impact areas considered:

- **Governance:** topics concerning ethics, transparency and the corporate mission;
- **Employees:** topics concerning health and safety, well-being and employee satisfaction;
- **Community:** topics concerning inclusion, supply chain management and corporate social engagement;
- **Environment:** topics concerning climate change and management of natural resources;
- **Customers:** - : topics concerning interaction with consumers.

Fratelli Carli's B Impact Report, complete and certified B Lab (the non-profit organiser sustaining the B Corp movement internationally), can be accessed by all via <https://bcorporation.eu/directory/fratelli-carli-spa>

B IMPACT

Overall B impact score



Score by area of impact



Appendix

Economic indicators

ECONOMIC PERFORMANCE

GRI 201-1

Directly generated and distributed economic value (€)

	2019	2020
Directly generated economic value	161,109,317	159,734,113
Distributed economic value	155,130,929	148,433,564
Operating costs	136,050,136	128,123,856
Salaries and employee benefits	17,763,504	17,667,762
Payments to providers of capital	1,043,066	887,615
Payments to Public Administration	274,223	1,754,331
Investments in the community	58,042	79,369
Economic withheld value	5,978,388	11,300,549

PROCUREMENT PRACTICES

GRI 204-1

Proportion of expenditure to local suppliers (%)

	2019	2020
Procurement budget for local suppliers	73%	72%

ANTI-CORRUPTION

GRI 205-3

Incidents of corruption ascertained and actions undertaken (no.)

	2019	2020
Incidents of corruption ascertained	0	0
Public legal cases regarding corruption initiated against the organization or against organization employees	0	0

Social indicators

GENERAL DISCLOSURES

GRI 102-8

Information on employees and other workers (no.)

	2019	2020
Employees	359	373
Women	167	178
Men	192	195
Full-Time contract	266	263
Women	88	86
Men	178	177
Part-time contract	93	110
Women	79	92
Men	14	18
Permanent contract	327	336
Women	149	160
Men	178	176
Temporary contract	32	37
Women	18	18
Men	14	19

EMPLOYMENT

GRI 401-1

New hirings (n)

	2019	2020
Total hirings	90	128
Gender		
Women	47	65
Men	43	63
Age bracket		
<30 years	25	70
30 ≤ x ≤ 50 years	43	42
>50 years	22	16



GRI 401-1**Turnover (n)**

	2019	2020
Total terminations	87	114
Gender		
Women	34	54
Men	53	60
Age bracket		
<30 years	21	58
30 ≤ x ≤ 50 years	29	30
>50 years	37	26

HEALTH AND SAFETY**GRI 403-9****Accidents at work⁸**

	U.M.	2020
Employees		
Total no. of hours worked	n.	614.952
Total no. of accidents at work	n.	2
Total no. of accidents at work with severe consequences	n.	0
Total no. of deaths due to accidents at work	n.	0
Accident rate	Tasso	0,65
Serious accident rate	Tasso	0,0
Death rate	Tasso	0,0
Non-employee workers whose and/or workplace is of or under the control of the organisation		
Total no. of hours worked	n.	85.322
Total no. of accidents at work	n.	0,0
Total no. of accidents at work with severe consequences	n.	0,0
Total no. of deaths due to accidents at work	n.	0,0
Accident rate	Tasso	0,0
Serious accident rate	Tasso	0,0
Death rate	Tasso	0,0

⁸ For this indicator only the datum for 2020 could be collected. The company undertakes to report on accidents at work also for the coming years to ensure comparability of data.

TRAINING**GRI 404-1****Average yearly training hours per employee (h)⁹**

	2020
Gender	
Women	5,99
Men	8,18
Professional category	
Executives	7,50
Managers	9,59
White-collar personnel	7,87
Blue-collar personnel	5,39

DIVERSITY AND EQUAL OPPORTUNITY**GRI 405-1****Diversity in governance bodies (no. and %)**

	2019		2020	
	n.	%	n.	%
Gender				
Women	1	20	1	20
Men	4	80	4	80
Age bracket				
<30 years	0	0	0	0
30 ≤ x ≤ 50 years	2	40	2	40
>50 years	3	60	3	60

⁹ For this indicator only the datum for 2020 could be collected. The company undertakes to report on average hours of training per employee also for the coming years to ensure comparability of data.

GRI 405-1

Diversity among employees (no. and %)

Gender	2019		2020	
	n.	%	n.	%
Managers	4	1,1	4	1,1
<i>Women</i>	0	0,0	0	0,0
<i>Men</i>	4	2,1	4	2,1
Executives	12	3,3	11	2,9
<i>Women</i>	5	3,0	5	2,8
<i>Men</i>	7	3,6	6	3,1
White-collar personnel	224	62,4	241	64,6
<i>Women</i>	141	84,4	152	85,4
<i>Men</i>	83	43,2	89	45,6
Blue-collar personnel	119	33,1	117	31,4
<i>Women</i>	21	12,6	21	11,8
<i>Men</i>	98	51,0	96	49,2
Age bracket				
<30 years	16	4,5	26	7,0
<i>Managers</i>	0	0,0	0	0,0
<i>Middle management</i>	0	0,0	0	0,0
<i>White-collar personnel</i>	13	5,8	23	9,5
<i>Blue-collar personnel</i>	3	2,5	3	2,6
30 ≤ x ≤ 50 years	185	51,5	184	49,3
<i>Managers</i>	0	0,0	0	0,0
<i>Middle management</i>	4	33,3	3	27,3
<i>White-collar personnel</i>	136	60,7	142	58,9
<i>Blue-collar personnel</i>	45	37,8	39	33,3
>50 years	158	44,0	163	43,7
<i>Managers</i>	4	100,0	4	100,0
<i>Middle management</i>	8	66,7	8	72,7
<i>White-collar personnel</i>	75	33,5	76	31,5
<i>Blue-collar personnel</i>	71	59,7	75	64,1

CUSTOMER PRIVACY

GRI 418-1

Confirmed reports of breaches of customer privacy (n)

	2019	2020
Tota number of documented complaints received concerning breaches of customer privacy	4	3
<i>Of which received from external subjects</i>	4	3
<i>Of which received from control bodies</i>	0	0

GRI 418-1

Total number of losses of customer data (n)

	2019	2020
Total number of identified cases of theft or loss of customer data	0	6



Environmental indicators

MATERIALI

GRI 301-1

Consumption of materials (tons)¹⁰

	2020
Packaging materials	9.310
<i>Plastic</i>	89
<i>Paper and cardboard</i>	2.952
<i>Wood</i>	186
<i>Tin plate</i>	182
<i>Aluminium</i>	22
<i>Glass</i>	5.879
Foodstuff materials	28.223
<i>Oil</i>	27.747
<i>Other materials (e.g. tomato pulp, basil, cheese)¹¹</i>	230
<i>Olives per press</i>	246
Finished products purchased from third parties	1.796
<i>"Mare" foods (e.g. tuna, tuna steak, anchovies)</i>	420
<i>Confectionery for special occasions (es. 'panettoni' spiced brioche with sultanas; 'colombe' Easter cake)</i>	205
<i>Soaps</i>	273
<i>Wine and vinegar</i>	283
<i>Pasta</i>	136
<i>Olives / Olive pâté</i>	81
<i>Other finished products (e.g. grilled specialties, jams, 'focaccia' flat bread, soups)</i>	398
Total materials	39.330

ENERGY

GRI 302-1

Consumption of fuel from non-renewable sources

	U.M.	2019	2020
Diesel	l	101.636	100.500
GPL	l	12.300	9.087
Natural gas	Std³	753.909	713.038
Fleet fuel consumption	Diesel	141.750	135.445
	Petrol	11.324	7.799

¹⁰For this indicator only the datum for 2020 could be collected. The company undertakes to report on materials also for the coming years to ensure comparability of data.

¹¹ The total for foodstuff materials does not include artichokes (1,174 items).

GRI 302-1

Consumption of indirect energy (kWh)

	2019	2020
Consumption of purchased energy¹²	5.051.521	4.873.655
<i>of which certified as from renewable source</i>	5.051.521	4.873.655

GRI 302-1

Electric power produced (kWh)

	2019	2020
Electric power from renewable source produced and sold	69.747	86.865
Electric power from renewable source produced and consumed	872.762	882.177

GRI 302-1

Energy consumed (GJ)

	2019	2020
Diesel	8.714	8.376
GPL	293	216
Petrol	330	227
Natural gas	26.615	25.172
Electric power	21.327	20.721
Total	57.279	54.713

EMISSIONS

GRI 305-1

Scope 1 emissions (tCO₂eq)

	2019	2020
Diesel	641	616
GPL	19	14
Benzina	24	17
Natural gas	1.490	1.408
Refrigerant gas leakage¹	227	253
Total Scope 1	2.401	2.308

Consumption of electric power purchased only for the premises at Imperia and Gazzelli and the three warehouses in the company's possession (Assago, Pognano and Zingonia). The consumption not within the boundary regard the rented Emporium premises – 283,934 kWh in 2019 (13 sites) and 340,871 kWh in 2020 (17 sites) – and the rented warehouses (5,528 kWh in 2019 and 5,870 kWh in 2020).

GRI 305-2

Scope 2 emissions (tCO₂eq)

	2019	2020
Location – Based	1.813	1.638
Market – Based¹³	0	0

WATER

GRI 303-3

Water uptake according to source (ML)

	2019	2020
<i>Uptake from wells</i>	183	189
<i>Uptake from water system</i>	13	14
Total water uptake	196	203

GRI 303-4

Water discharge according to destination (ML)

	2019	2020
<i>Discharge into municipal system</i>	194	200
Total water discharge	194	200

GRI 303-5

Water consumption (ML)

	2019	2020
<i>Total water uptake</i>	196	203
<i>Total water discharge</i>	194	200
Total water consumption	2	3

WASTE

GRI 306-3

Composition of refuse (t)

	2019	2020
Hazardous waste	7	12
<i>Laboratory solvents</i>	< 1	< 1
<i>Other separate waste products</i>	6	11
Non-hazardous waste	7.907	7.102
<i>Paper</i>	512	447
<i>Plastic</i>	24	21
<i>Glass</i>	55	29
<i>Food waste</i>	10	24
<i>Printer toners</i>	< 1	< 1
<i>Scrap aluminium</i>	4	2
<i>Earth for decolourising filtration</i>	283	257
<i>Edible oils and grease</i>	2	< 1
<i>Sludge produced by pressing</i>	372	477
<i>Other separate materials</i>	6.638	5.837
<i>Non-separated municipal waste</i>	7	7
Total waste	7.914	7.114

GRI 306-4 / 306-5

Water according to type of processing (t)

	2019	2020
Hazardous waste	7	12
<i>Recovery</i>	4	3
<i>Disposal</i>	3	9
Non-hazardous waste	7.907	7.102
<i>Recovery</i>	7.218	6.428
<i>Disposal</i>	688	674
Total Waste	7.914	7.114

¹³Zero Scope 2 emissions calculated by means of the market-based method, because the company consumes electric power solely from renewable sources, in part produced autonomously by means of photovoltaic panels and in part purchased and certified as 100% from renewable source.

GRI Content Index

GRI 306-3, 306-4, 306-5

Waste reduced by type of processing (t)

	2020						
	Transferred for recovery			Transferred for disposal			
	Prepar-ed for re-use	Transferer-red for other recovery oper-ations	Total transferred for recovery	Transferred to landfill	Transferred for other disposal operations	Transferred for other disposal operations	Total waste
Hazardous waste	< 1	6.427	6.428	7	667	674	7.102
<i>Laboratory solvents</i>	-	-	-	-	< 1	< 1	< 1
<i>Other separated waste</i>	-	3	3	-	8	8	11
Non-hazardous waste	< 1	6.427	6.428	7	667	674	7.102
<i>Paper</i>	-	447	447	-	-	-	447
<i>Plastic</i>	-	21	21	-	-	-	21
<i>Glass</i>	-	29	29	-	-	-	29
<i>Food waste</i>	-	24	24	-	-	-	24
<i>Printer toners</i>	-	-	-	-	-	-	-
<i>Scrap aluminium</i>	-	2	2	-	-	-	2
<i>Earth for decolourising filtration</i>	-	257	257	-	-	-	257
<i>Edible oils and grease</i>	< 1	-	< 1	-	-	-	< 1
<i>Sludge produced by pressing</i>	-	-	-	-	478	478	478
<i>Other non-separated waste</i>	-	5.647	5.647	-	190	190	5.837
<i>Non-separated municipal waste</i>	-	-	-	7	0	7	7
Total waste	< 1	6.430	6.431	7	676	683	7.114

The material in this Sustainability Report relates to the following GRI disclosures. Unless otherwise indicated, the disclosures are indicated in their entirety.

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
General indicators of GRI Standards-101: Foundation 2016				
GRI 102 General disclosure 2016				
	102-1	Name of the organization	Page. 7	
	102-2	Activities, brands, products, and services	Page. 11	
	102-3	Location of headquarters		Via Garessio 11 - 18100 Imperia (IM)
	102-4	Location of operations		Via Garessio 11-13 - Imperia (IM) Via Monte Pasubio 31 - frazione Gazzelli, Chiusanico (IM)
	102-5	Ownership and legal form	Page. 7 e 15	
	102-6	Markets served	Page. 7 e 15	
Profile of the organization	102-7	Scale of the organization	Page. 7 e 15	
	102-8	Information on employees and other workers	Page. 23-30	
	102-9	Supply chain	Page. 45-51	
	102-10	Significant changes to the organization and its supply chain		Non vi sono state modifiche significative nell'anno di rendicontazione
	102-11	Precautionary Principle or approach	Page. 67	
	102-12	External initiatives	Page. 32-33	
	102-13	Membership of associations	Page. 19-20	
Strategy	102-14	Statement from senior decision-maker	Page. 5	
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	Page. 13-21	
Governance	102-18	Governance structure	Page. 13	
	102-40	List of stakeholder groups	Page. 19	
	102-41	Collective bargaining agreements		All employees with national contract cover
Stake-holder engage-ment	102-42	Identifying and selecting stakeholders	Page. 18-20	
	102-43	Approach to stakeholder engagement	Page. 20	
	102-44	Key topics and concerns raised		No concerns noted by stake-holders



GRI Standard	Disclosure	Description	Reference	Omissions – Notes
	102-45	Entities included in the consolidated financial statements	Page. 68	
	102-46	Defining report content and topic Boundaries	Page. 70	
	102-47	List of material topics	Page. 21 e 70	
	102-48	Restatements of information		The company drew up an internal 2019 report. The 2020 report is the first sustainability report published by Fratelli Carli
	102-49	Changes in reporting		The 2020 report is the first sustainability report published by Fratelli Carli
Reporting practices	102-50	Reporting period		01.01.2020 to 31.12.2020
	102-51	Date of most recent report		The 2020 report is the first sustainability report published by Fratelli Carli
	102-52	Reporting cycle		Yearly
	102-53	Contact point for questions regarding the report		sosteniamoci@oliocarli.it
	102-54	Claims of reporting in accordance with the GRI Standards	Page. 83	
	102-55	GRI content index	Page. 83	
	102-56	External assurance	Page. 89	
Economic issues (GRI 200)				
GRI 201 Economic Performance	103-1	Explanation of the material topic and its Boundary	Page. 20,21 e 72	
	103-2	The management approach and its components	Page. 20,21 e 72	
	103-3	Evaluation of the management approach	Page. 20,21 e 72	
	201-1	Direct economic value generated and distributed	Page. 20,21 e 72	
GRI 204 Procurement Practices 2016	103-1	Explanation of the material topic and its Boundary	Page. 37-51 e 72	
	103-2	The management approach and its components	Page. 37-51 e 72	
	103-3	Evaluation of the management approach	Page. 37-51 e 72	
	204-1	expenditure to local suppliers	Page. 37-51 e 72	
GRI 205 Anti-corruption 2016	103-1	Explanation of the material topic and its Boundary	Page. 72	
	103-2	The management approach and its components	Page. 72	
	103-3	Evaluation of the management approach	Page. 72	
	205-3	Confirmed incidents of corruption and actions taken	Page. 72	

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
Environmental issues (GRI 300)				
GRI 301 Materials 2016	103-1	Explanation of the material topic and its Boundary	Page. 37-43 e 78	
	103-2	The management approach and its components	Page. 37-43 e 78	
	103-3	Evaluation of the management approach	Page. 37-43 e 78	
	301-1	Materials used by weight or volume	Page. 37-43 e 78	
GRI 302 Energy 2016	103-1	Explanation of the material topic and its Boundary	Page. 53-55 e 78-79	
	103-2	The management approach and its components	Page. 53-55 e 78-79	
	103-3	Evaluation of the management approach	Page. 53-55 e 78-79	
	302-1	Energy consumption within the organization	Page. 53-55 e 78-79	
GRI 303 Water and Effluents 2018	103-1	Explanation of the material topic and its Boundary	Page. 60 e 80	
	103-2	The management approach and its components	Page. 60 e 80	
	103-3	Evaluation of the management approach	Page. 60 e 80	
	303-1	Interactions with water as a shared resource	Page. 60 e 80	
	303-2	Management of water discharge-related impacts	Page. 60 e 80	
GRI 305 Emissions 2016	303-3	Water withdrawal	Page. 60 e 80	
	303-4	Water discharge	Page. 60 e 80	
	303-5	Water consumption	Page. 60 e 80	
	103-1	Explanation of the material topic and its Boundary	Page. 56 e 79-80	
	103-2	The management approach and its components	Page. 56 e 79-80	
GRI 305 Emissions 2016	103-3	Evaluation of the management approach	Page. 56 e 79-80	
	305-1	Direct (Scope 1) GHG emissions	Page. 56 e 79-80	
	305-2	Energy indirect (Scope 2) GHG emissions	Page. 56 e 79-80	

GRI Standard	Disclosure	Description	Reference	Omissions - Notes
GRI 306 Waste 2020	103-1	Explanation of the material topic and its Boundary	Page. 57-60 e 81-82	
	103-2	The management approach and its components	Page. 57-60 e 81-82	
	103-3	Evaluation of the management approach	Page. 57-60 e 81-82	
	306-1	Waste generation and significant waste-related impacts	Page. 57-60 e 81-82	
	306-2	Management of significant waste-related impacts	Page. 57-60 e 81-82	
	306-3	Waste generated	Page. 57-60 e 81-82	
	306-4	Waste diverted from disposal	Page. 57-60 e 81-82	
	306-5	Waste directed to disposal	Page. 57-60 e 81-82	
GRI 308 Supplier Environmental Assessment 2016	103-1	Explanation of the material topic and its Boundary	Page. 37-40 e 45-51	
	103-2	The management approach and its components	Page. 37-40 e 45-51	
	103-3	Evaluation of the management approach	Page. 37-40 e 45-51	
	308-1	New suppliers that were screened using environmental criteria	Page. 37-40 e 45-51	
Social topics (GRI 400)				
GRI 401 Employment 2016	103-1	Explanation of the material topic and its Boundary	Page. 23-33 e 73-74	
	103-2	The management approach and its components	Page. 23-33 e 73-74	
	103-3	Evaluation of the management approach	Page. 23-33 e 73-74	
	401-1	New employee hires and employee turnover	Page. 23-33 e 73-74	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page. 23-33 e 73-74	

GRI Standard	Disclosure	Description	Reference	Omissions - Notes
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page. 23-33 e74	
	403-2	Hazard identification, risk assessment, and incident investigation	Page. 23-33 e74	
	403-3	Occupational health services	Page. 23-33 e74	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page. 23-33 e74	
	403-5	Worker training on occupational health and safety	Page. 23-33 e74	
	403-6	Promotion of worker health	Page. 23-33 e74	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page. 23-33 e74	
	403-9	Work-related injuries	Page. 23-33 e74	
	GRI 404 Training and Education 2016	103-1	Explanation of the material topic and its Boundary	Page. 23-33 e75
103-2		The management approach and its components	Page. 23-33 e75	
103-3		Evaluation of the management approach	Page. 23-33 e75	
404-1		Average hours of training per year per employee	Page. 23-33 e75	
GRI 405 Diversity and Equal Opportunity 2016	103-1	Explanation of the material topic and its Boundary	Page. 23-33 e 75-76	
	103-2	The management approach and its components	Page. 23-33 e 75-76	
	103-3	Evaluation of the management approach	Page. 23-33 e 75-76	
GRI 406 Non-discrimination 2016	405-1	Diversity of governance bodies and employees	Page. 23-33 e 75-76	
	103-1	Explanation of the material topic and its Boundary	Page. 26 e 30	
	103-2	The management approach and its components	Page. 26 e 30	
	103-3	Evaluation of the management approach	Page. 26 e 30	
	406-1	Incidents of discrimination and corrective actions taken		No incidents of discrimination were noted during the reporting period.

Auditing firm report



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GRI Standard	Disclosure	Description	Reference	Omissions - Notes
GRI 414 Supplier Social Assessment 2016	103-1	Explanation of the material topic and its Boundary	Page. 37-40 e 45-51	
	103-2	The management approach and its components	Page. 37-40 e 45-51	
	103-3	Evaluation of the management approach	Page. 37-40 e 45-51	
	414-1	New suppliers that were screened using social criteria	Page. 37-40 e 45-51	
GRI 416 Customer Health and Safety 2016	103-1	Explanation of the material topic and its Boundary	Page. 34 e 35	
	103-2	The management approach and its components	Page. 34 e 35	
	103-3	Evaluation of the management approach	Page. 34 e 35	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page. 34 e 35	
GRI 417 Marketing and Labeling 2016	103-1	Explanation of the material topic and its Boundary	Page. 38-39	
	103-2	The management approach and its components	Page. 38-39	
	103-3	Evaluation of the management approach	Page. 38-39	
	417-3	Incidents of non-compliance concerning marketing communications	Page. 38-39	
GRI 418 Customer Privacy 2016	103-1	Explanation of the material topic and its Boundary	Page. 7 e 34-35	
	103-2	The management approach and its components	Page. 7 e 34-35	
	103-3	Evaluation of the management approach	Page. 7 e 34-35	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page. 7 e 34-35	
Other non-GRI topics				
Promoting healthy lifestyles (under the 'Made in Italy' banner)	103-1	Explanation of the material topic and its Boundary	Page. 63-65	
	103-2	The management approach and its components	Page. 63-65	
	103-3	Evaluation of the management approach	Page. 63-65	

Statement of the independent auditing firm on the Sustainability Report

To the Board of Directors of Fratelli Carli S.p.A. Società Benefit

We have been entrusted with the task of conducting an examination limited in scope ("limited assurance engagement") of the Sustainability Report of Fratelli Carli S.p.A. Società Benefit (hereinafter also "company" or "Fratelli Carli") for the financial year that closed on 31 December 2020.

Responsibility of Directors for the Sustainability Report

The Directors of Fratelli Carli S.p.A. Società Benefit are responsible for drawing up the Sustainability Report in conformity with the "Global Reporting Initiative Sustainability Reporting Standards" as specified in the GRI - Global Reporting Initiative ("GRI Standards"), as noted in the "Methodological note" of the Sustainability Report. The Directors are also responsible for the part of internal control that they considered necessary for a Sustainability Report free of significant errors of fraudulent origin or owing to unintended events. Furthermore, the Directors are responsible for setting Fratelli Carli's objectives in regard to sustainability performance, and identifying the stakeholders and significant aspects to be reported on.

Independence of auditing firm and quality control

We are independent, in conformity with the principles governing ethics and independence of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on the fundamental principles of integrity, objectivity, competence and professional diligence, and of confidentiality and professional conduct. Our auditing firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and therefore implements a quality control system that includes directives and procedures, as documented, regarding conformity with ethical principles, with principles of professionalism, and with the provisions of law and of applicable regulations.

Independence of auditing firm and quality control

We are responsible, on the basis of the procedures undertaken, for drawing conclusions as regards the conformity of the Sustainability Report in respect of the requisites of the GRI Standards. We engaged in our task in accordance with the principle, "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter, also "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance assignments. This principle requires the planning and execution of procedures that allow a degree of certainty that the Sustainability Report is free of significant errors.

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Our examination therefore entailed less commitment than would be required for a full examination, as set forth in ISAE 3000 Revised ("reasonable assurance engagement"). Hence, we cannot be sure that we are familiar with all the facts and circumstances of significance that might emerge during such an examination.

The procedures regarding the Sustainability Report were based on our professional judgment. The procedures entailed interviews, above all with the Company's personnel, responsible for providing the information submitted in the Sustainability Report, as well as analyses of documents, re-calculations and other procedures providing evidence believed to be of use.

Specifically, our procedures were as follows:

1. analysis of the procedure for identifying the topics of significance reported on in the Sustainability Report, with reference to the manner of according priority importance of these topics for the various stakeholder categories, and internal validation of the outcomes of the process;

2. comparative study of the data and information of an economic-financial nature given in the "The Value of Sustainability" section of the Sustainability Report, and of the data and information included in the Group Consolidated Financial Statements;

3. familiarity with the procedures leading up to creation, collection and management of the qualitative and quantitative information of significance included in the Sustainability Report.

Specifically, we interviewed and engaged in discussions with personnel of the top management teams of Fratelli Carli and the Gazzelli plant, and we conducted limited documental controls in order to collect information on the processes and procedures adopted for the purposes of collection, aggregation, processing and transmission of the data and information of a non-financial nature to the function responsible for drawing up the Sustainability Report.

Furthermore, having considered the activities and characteristics of the company information to be of significance:

- in regard to the company

a) in regard to the qualitative information included in the Sustainability Report, we conducted interviews and acquired ancillary documentation to check for consistency with the evidence available;

b) in regard to the quantitative information, we engaged in procedures of analysis and also performed checks limited in scope in order to ascertain, on a sample basis, the correctness of the data aggregation.

In regard to the Gazzelli plant – selected on the basis of its activity, of its consolidated contribution to the performance indicators, and of its location –, we arranged for remote-mode meetings during which we exchanged views with the managers, and we examined documental evidence, on a sample basis, concerning correct application of the procedures and methods of calculation used for the indicators.



Conclusions

On the basis of the work carried out, we saw nothing that suggests that the Sustainability Report of Fratelli Carli S.p.A. Società Benefit for the financial year closing on 31 December 2020, in all its significant parts, had not been drawn up in conformity with the requirements of the GRI Standards as set forth in the "Methodological note" section of the Sustainability Report.

Other aspects

The comparative data provided in the Sustainability Report referring to the financial year that closed on 31 December 2019 were not checked.

Turin, 11 June 2021

EY S.p.A.

Luigi Conti (Auditor)





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