

Our Responsible Progress:
tradition, excellence, environment

Certified



Corporation

2021 Sustainability Report

Fratelli Carli S.p.A. Benefit Corporation

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“Becoming a *Benefit Corporation* is proof once more of our concrete commitment to the cause of sustainable innovation, which translates also into our efforts to safeguard our social mission.”



Letter of the Chairman

It is with great pride that I present the **second edition** of Fratelli Carli's **Sustainability Report** with its reporting on the many activities of 2021, but also attesting to the deep feelings of our family and all employees for Responsible Progress.

For all of us, **sustainability is a fundamental part of our daily work**, the only way to ensure a chance for the future. Starting out from this belief, we committed ourselves, already since 2010, to a concrete project: contributing to a **new idea of progress** inspired by the sharing of well-being and of respect for the environment.

Progress led us to become the **first Certified B Corp manufacturing company in Italy in 2014** and, in 2019, to acquire **Benefit Corporation** status, with a legal form capable of recognising and protecting over time the principles and values that our company has always embodied.

During the year that has just passed, **key goals were attained that constitute**, in turn, a starting point for the new far-reaching projects in which we strongly believe.

The Report is therefore the stirring record of a journey **along the path traced by the themes of our Pillars of Sustainability, namely People, Products and Materials, Supply Chain, Energy and Resources, and Culture, tradition and the Mediterranean.**

Unflagging commitment that has seen us seek the involvement of all our suppliers in a process of ongoing growth, to constantly improve services for our customers, to create well-being and opportunities for our **employees**, to serve as a point of reference **for the community**, to aim for the ever greater sustainability of each of our products, packing forms or process materials, to undertake a mapping of **emissions** in order to further reduce them, and lastly to foster the **culture of the Mediterranean** through the Museo dell'Olivo Carlo Carli (Carlo Carli Olive Museum).

So we thank all our collaborators, customers and suppliers for making all this possible. We know we can count on them for the future.

We hope you will read this report with pleasure and interest!

Gian Franco Carli

Chairman and CEO

Fratelli Carli S.p.A. Benefit Corporation

FRATELLI CARLI

“ This is what we have achieved so far... and we plan more.

This account says a great deal. It reaches out to the public at large, and especially our children and grandchildren. This is the history of the development of our company, and how it has progressed over time. It is the story of a family whose achievements must be recognised and acknowledged.

Giovanni Carli on the fiftieth anniversary
of Fratelli Carli, 1961



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, and 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.



A longstanding major feature is our direct sales to consumers (via phone, mail and online ordering). Delivery is ensured by a broad-reaching logistical network.

The national network is operated by trusted transporters and a fleet of vans with the company livery. Full satisfaction and efficiency are guaranteed.

From 2000 on, we decided also to open a chain of corporate emporiums: **18 Emporiums to date**, to implement an omnichannel sales model, enabling our customers to choose their preferred point of contact with us.

18 Emporiums

“ You see, with our exclusively direct, I would even say personal, mode of distribution, we are actually a huge family, made up not only of Carli relatives but also of the hundreds of thousands of Customers with whom every day of the year we have thousands of contacts.

We call them “Amici Clienti” (Customer Friends) – with capital letters –, and such they must be not only in words but also in our hearts... So, for more than fifty years I have, every day, taken in what customers send us by mail or telephone.

I can therefore see how much they like our products, how the delivery service is working, and, when there’s a complaint, I can react promptly. The greatest satisfaction is knowing that our customers, all of them, are happy that they joined our family.

Lettera di **Carlo Carli to his grandson, Carlo**
Lettere al futuro (letters to the future, 1999)



A record of excellence spanning a hundred years and more

Fratelli Carli was founded by Giovanni Carli in **1911**. He saw a great future for local Imperia olive-growing traditions.

The business continues to this day as a repository of unique skills handed down over **four generations**. Not to speak of the love we nurture for the **olive**, as part of the company's DNA.

Oneglia 1911

The driving force of an idea



The year sees a bumper crop at the Carli family's olive grove.

The twenty-year-old Giovanni, one of the six children of Carlo Carli – a printer in Oneglia – thought he would offer the abundant olive oil not to local traders but directly to families residing in the nearby Piedmont region.

1920

Creativeness as a component of the firm's history

The renowned commercial artist, Plinio Codognato, devises the Fratelli Carli logotype, which has accompanied the firm for 87 years!



1948

The first post-war price list



The 1943 and 1944 bombing raids destroy the plant. The young Carlo Carli, Giovanni's son, rebuilds the company. In 1948 sales commence once more.

1912

The first price list



The family's printing house is the key to the success of this enterprise. Price lists means reaching out to new customers.

1936

The year of the first *Ricettario Carli* cookery book



One year before the company was honoured as a Purveyor to the Royal Household, the chef of the Royal Household, Cav. Pettini, pens the first *Ricettario Carli* (Carli cookery book) published with illustrations by Cappadonia.

A marvellous gift for all Carli customers, heralding a tradition that remains with us to this day.

1972

The leading-edge
Data-processing centre



At the heart of the new head office premises, built 1971, is an innovative *Centro Meccanografico* (data-processing centre) – our way of looking ahead to the future.

1997

Mediterranea is born



The philosophy of wellness and well-being has always been a part of the company's credo. Hence the project to launch *Mediterranea* olive-oil based cosmetics.

2011

Celebrating the centenary!

100

Celebrating the firm's centenary! A hundred years of ongoing tradition, quality and sustainability. Passionate dedication displayed also by the members of our fourth generation (who joined the company at the dawning of the third millennium).

1965

The first Fratelli Carli
small vans



In its effort to fully satisfy demand, Fratelli Carli launches its small/light vans fleet system for home delivery, abandoning delivery by rail.

1996

E-commerce pioneers



Fratelli Carli is one of the earliest companies to place its faith in the web. After the first site, oliocarli.it, come the platforms in the various languages of the Carli product importing nations.

2010

Emporium inaugurated
in Imperia



The plant in Imperia hosts the first Fratelli Carli Emporium. This successful retail format is replicated in the various key cities of Italy.

2021

Fresh challenges

Dedication and passionate commitment are a given! The company managed by the Carli family is 'warming up' to tackle the coming century. The goals of excellence remain unchanged.



Care, passion, tradition

For over a century the firm has looked toward the culture of its environs while seeking quality and recognition of the merits of hard work. **On a daily basis, Fratelli Carli enters into dealings with its customers in their homes, not just for the purposes of delivery but also to convey its own vision and values.** The aim is to conserve this unique relationship, which in many cases is decades-old.

Corporate vision

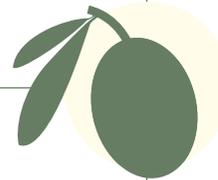
Fostering the culture of the olive and of Italian taste, by engaging in direct dealings with our customer-base, always under the banners of ethics, quality, and respect for the environment and for people.

Quality

Not just expertise, but expertise of the highest order. This is the principle underpinning Fratelli Carli's activities, and why we guarantee top quality, and dedication – right down to the very last detail.

Tradition

When our company looks back in time, it also looks forward... finding openings for renewal and for affirmation of a style – its own – that is both unique and meticulously caring.



Ethics

Enhancing the cuisine of households is a mission that Carli assumes willingly and most seriously, reflecting its commitment to quality, care and respect.

Courage

Fratelli Carli has always believed in innovation, setting great store by experience. The company, operating in an era of evolved tradition, strives to preserve its uniqueness.

The values that have guided our company for more than a hundred years and four generations.



Our products

Excellence is something our company seeks in all

its products: first comes our olive oil, production of which began a hundred years ago, Then come our gastronomic specialties (decidedly a calling!).It was a perfectly logical next step: the specialties and cuisine of Liguria, alongside our olive oil – and our search for the most authentic, genuine flavours and fragrances. We are delighted to share our own preferences with our customer-base.

OLIVE OIL FROM TRADITIONAL TO ORGANIC

Carli family members still engage in oil tasting. **This ensures quality, via selection of the best oils of trusted olive groves from the olive growing zones of the European Mediterranean.** The range includes various extra virgin olive oils. In short, oils to please everyone and meet all the needs of diners and hosts alike.

“

Each of our products is a distillation of imagination and hard work, ideas and sacrifices. And we cannot deny the pride we take in the results we've obtained. All these things are true, worth pointing out and worth telling the world about.

Giovanni Carli

Programma mensile di Propaganda ed Espansione (monthly propaganda and expansion programme), 1971



Olivo Carli
OLIO EXTRA VERGINE DI OLIVA
BIO
Una speciale gamma
che garantisce la massima
sicurezza per il consumatore
grazie alla certificazione
di qualità del prodotto.

Olivo Carli
OLIO EXTRA VERGINE
DI OLIVA
FRUTTATO
PRODOTTO NELL'ALCANTARE EUROPEO

Olivo Carli
OLIO EXTRA VERGINE
DI OLIVA
DELICATO
PRODOTTO NELL'ALCANTARE EUROPEO

Olivo Carli
OLIO EXTRA VERGINE
DI OLIVA
CENTO PER CENTO
ITALIANO
PRODOTTO NELL'ALCANTARE EUROPEO

Olivo Carli
TRADIZIONALE
OLIO DI OLIVA
COMPOSTO DI OLI DI OLIVA RAFFINATI
E OLI DI OLIVA VERGINE
PRODOTTO NELL'ALCANTARE EUROPEO

GOURMET PRODUCTS A RELATIONSHIP OF TRUST

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 with 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 a noble, natural, ancient material as olive oil, Lucio Carli decided in 1996 to make his dream come true, and create **original, effective 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

The governance system at Fratelli Carli S.p.A. S.B. is based on a set of rules and practices (including processes) that underpin and ensure transparency, efficiency and responsibility.



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 of legality.

The Board of Directors, of four male members and one female, has a key role in setting strategies and organisational coordination. Two members are in the 30–50 year age range and the others are more senior.

Between 2019 and 2021 there were no changes as to membership of the Board of Directors of Fratelli Carli.

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 representatives of all corporate functions, coordinates and guides the efforts of the company to work toward a new social and developmental model.**

12 members

The Sustainability Committee



- 1 **Gian Franco Carli** • Chairman and CEO
- 2 **Carlo Carli** • General Manager
- 3 **Marta Gorlero** • Food Products Marketing and Development Manager
- 4 **Vittorio Zeviani** • Engineering Office
- 5 **Marcello Porro** • Packaging and Warehouse Manager
- 6 **Alessandro Anemone** • Purchasing Office Manager
- 7 **Gino De Andreis** • Quality Control Manager
- 8 **Claudia Carli** • Head of Corporate Communications
- 9 **Patrizia Sacco** • Sustainability & B-Corp Coordinator
- 10 **Luca Ramella** • Mediterranea Purchasing Office
- 11 **Federico Calzamiglia** • Operations Manager
- 12 **Massimo Belmonte** • HR Manager

OUR RESPONSIBLE PROGRESS: TRADITION, EXCELLENCE, ENVIRONMENT

The common good means the pursuit of one or more positive effects, and/or a curbing of negative impacts, on individuals, communities, the environs and the environment, cultural and social assets and activities, bodies and associations, and other stakeholders.



Our Responsible Progress: tradition, excellence, environment

Certified B Corp

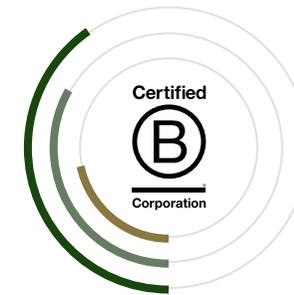


In 2014, Fratelli Carli S.p.A. S.B was the **first Italian manufacturing concern to be certified as a Benefit Corporation**¹, with the aim in mind of building up a better future for people and the planet. Indeed, being a B Corp means not so much seeking to be the best company in the world but rather seeking to be the best company for the world. The certification procedure entails a rigorous assessment of the B Impact Assessment control model through which we assess the organisation's social and environmental impacts. Certification requires a minimum score of 80; Fratelli Carli scored 90 in 2014, 97 in 2016 and 98.3 in 2019.

OVERALL B IMPACT SCORE

Following impact assessment, Fratelli Carli SpA scored a total of 98.3. The average score for participating companies currently stands at 50.9.

98.3



80

The score required for B Corp certification

50.9

The average score for companies

Between 2016 and 2021, Fratelli Carli was also acknowledged one of the best **B Corps in the world in terms of its actions to safeguard the environment** (in the class of firms with more than 250 employees), as a Best For The World – Environment company.



¹ For further information, see: <https://bcorporation.eu/about-b-lab/country-partner/italy>

Fratelli Carli also becomes a Benefit Corporation

In December 2019, Fratelli Carli chose to also become a *Benefit Corporation* according to Italian law, including in its Articles of Association the pursuit, alongside profit, of common-good purposes. The **common good** means the pursuit of one or more positive effects and/or a curbing of negative impacts on people, communities, the environs and the environment. **Putting this commitment down "in black and white" in the Articles of Incorporation means securing it** and making it, beyond all evolution and transformation, **part and parcel of the company itself.**

Benefit Corporation (SB) are **"an evolution of the very concept of a company"**² that with its legal status is committed to the achievement

of a dual purpose: the pursuit of profit and of social and environmental responsibility."

Italy introduced this legal status in 2016, as the first country in Europe and first in the world outside the United States, to enable companies to align their corporate mission with the pursuit of shared long-term value.

The directors and management are responsible for ensuring that conduct of activities is aimed toward a positive impact and that the purposes of the common good stated in the Articles of Incorporation are attained.

² For further information, see: <http://www.societabeneft.net/cosa-sono-le-societa-beneft/>



B Corporation (B Corp) 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 (and sole) 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 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.**

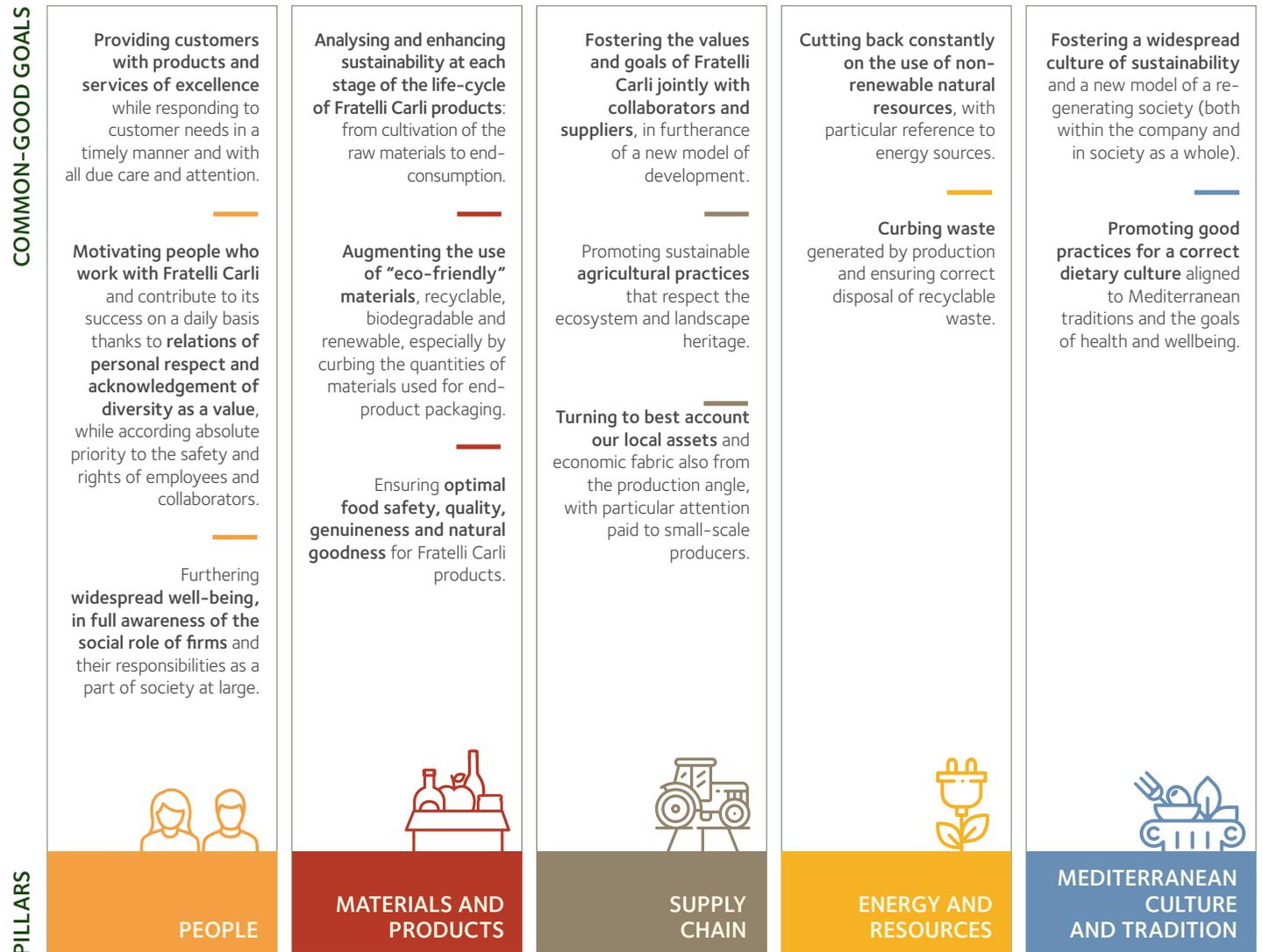
+4,900
B Corps worldwide

+1,900
Benefit Corporation

The pillars of sustainability

Fratelli Carli's longstanding commitment to sustainability is concretized in the five Pillars of Responsible Progress, listing the company's fields of engagement.

These pillars are the cardinal points of Fratelli Carli's actions. On becoming a *Benefit Corporation*, the pillars have been included in the new Articles of Association, with the common-good goals that the company intends to pursue.



These aims guide the company's activities as part of its daily routine. The company annually plans its impact goals, its actions designed to attain these goals, and the principles governing assessment of impacts.

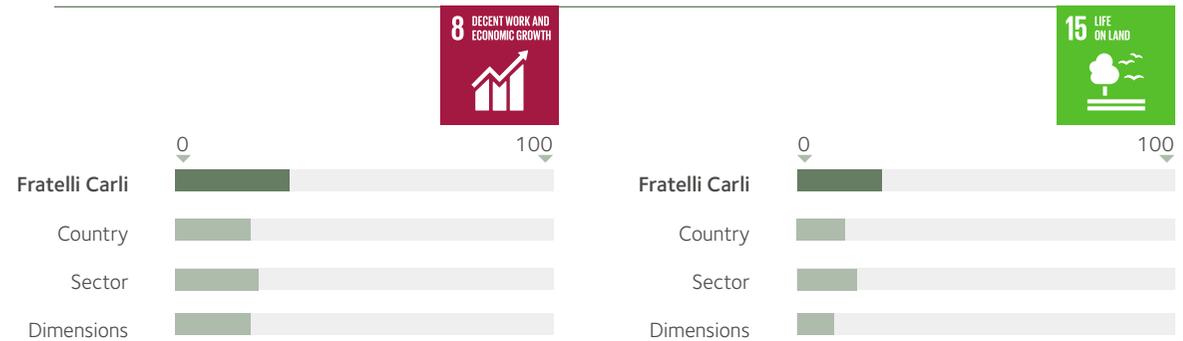
Sustainable Development Goals (SDGs)

Fratelli Carli undertakes to work toward the common good and the Sustainable Development Goals (SDGs) approved by the United Nations in 2015.

The common-good goals indicated in the Articles of Association aim toward attaining the following SDGs.



Through its **SDG Action Manager**, who is a resource capable of gauging the company's impact by collating B Lab's guidelines of B Impact Assessment and the ten principles of the United Nation's Global Compact, **Fratelli Carli has calculated its impact in respect of the pertaining SDGs.** By these means, the noteworthy corporate actions are flagged and developed, also via benchmarking, conducive to improvement in regard to positive impacts upon various Sustainable Development Goals.



MATERIALITY ANALYSIS: THE KEY TOPICS

The procedure for materiality analysis is deployed as a starting point for reporting on sustainability as transparently, clearly and efficaciously as possible.



Materiality analysis: the key topics

In conformity with the indications of the **Global Reporting Initiative (GRI)**, as in 2020, Fratelli Carli conducted a **materiality analysis** again in 2021, in order to update the **material topics** of the company, and assess their pertinence.

Topics were pinpointed that were capable of reflecting the **environmental, social and economic impacts of the company** or impacts that may condition the **expectations of stakeholders**. The **materiality analysis** 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 of key sectoral publications was conducted, to then engage in a marketplace comparative study with companies 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 articles** publicly available concerning Fratelli Carli and key sustainability issues was conducted in order to track external pressures generated by the media.

In 2021, over and above the key aspects for the company, we also assessed our priorities among these topics via **construction of a materiality matrix**. This matrix thus reflected pressures as to sustainability perceived by key stakeholders and by the company itself. When the priority is set as the x axis, **we see direct involvement on the part of Fratelli Carli's Sustainability Committee**, meeting for a workshop session and keenly discussing and exchanging notes on how to upgrade our material topics and prioritise them.

The materiality matrix was validated during the workshop session of 4 April 2022, with the Sustainability Committee members attending

Fratelli Carli's materiality matrix

Fratelli Carli's materiality matrix highlighted the following topics pertaining to **Business ethics and integrity**:

- Anti-corruption
- Non-discrimination

These topics are seen as **preconditions for operations**, and are to be reported on as **transversal** elements regarding all topics of the materiality matrix.



People



Supply chain



Materials



Energy and resources



Ethical business dealings



Culture and the Mediterranean tradition



Fratelli Carli's new material to topics and their position within the materiality matrix therefore constitute the main sustainability issues on which the company focusses, thus defining, alongside the Pillars of Responsible Progress, corporate aims for the future.

Furthermore, Fratelli Carli believes constantly ongoing dialogue with its stakeholders is fundamental for maintaining relations based on the principles of collaboration, correctness and mutual respect. The company, on a day-to-day basis, is committed to reaching out to all stakeholders and seeking to fulfil all their expectations and generate value throughout the value chain.

Indeed, the company has identified its key stakeholders via desk analysis through which the following key categories emerged: namely, local communities, trade unions, regulatory bodies, sectoral and B Corp associations, suppliers, customers, trade associations and employees. Upstream and downstream from the company, the stakeholders involved are mainly suppliers, growers, logistical players, self-employed transporters and customers.

Closeness to the company's stakeholders is essential for product quality. Fratelli Carli and its stakeholders have therefore developed a robust, enduring relationship of collaboration and consultation.

Fratelli Carli has always sought stakeholder involvement via a variety of channels of communication and modes of engagement.

The following table outlines the key elements:

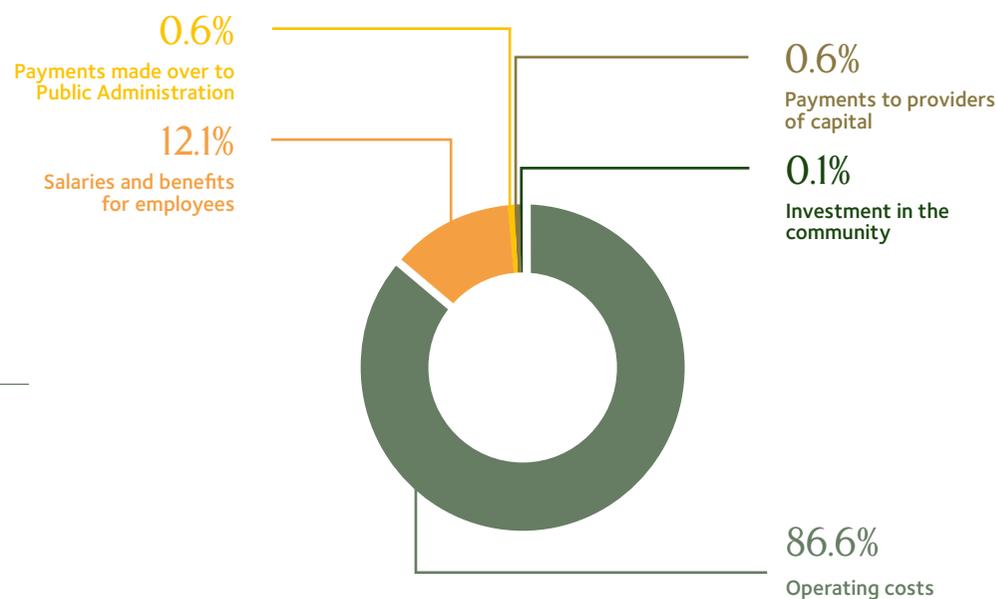
STAKEHOLDERS	MODES OF REACH-OUT
Employees	Presentations and training on sustainability issues Notices from the top management team Notice-board announcements Company intranet
Customers	Official website Complaints processing Customer care Communication campaigns Visits to the facility and premises
Suppliers	Official website Presentations and questionnaires on sustainability issues Meetings and joint-events regarding 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 bodies
Trade associations	Official website Attendance at meetings/events
Sectoral and B-Corp associations	Official website Attendance at B-Corp community events Specific initiatives

Every year, the company reports on wealth creation and distribution to its stakeholders. It illustrates the impact on stakeholders and the 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 2021, the economic value directly generated stood at € 155 million, and fell slightly (3%) vs 2020. The economic value conserved came to more than € 7 million (a 35% downturn vs 2020).

The following graph presents the economic value distributed (€147,958,061 million): 86.6% is ascribed to operating costs; 12% to the costs of personnel (salaries and benefits), while the rest breaks down into investment in the community (sponsorship), payments to providers of capital, and Public Administration.

Economic value distributed (2021)



€155 million
economic value directly
generated in 2021

A LONG-TERM VIEW

Viewing matters from the long-term angle means focussing largely on our ideals, above all to modify those aspects that cannot be tackled as short-term issues. We therefore chose not to limit ourselves to an account of our performance in these fields, but embarked instead on a three-year plan to sustain our Pillars of Sustainability and orient them toward specific ends conducive to the common good.



“ Our aim is an ambitious one. Innovation is our corporate approach. Not just to curb environmental impacts but also to emerge as a company that actively seeks to re-generate the resources and equilibria of an increasingly precarious environmental and social system. ”

Patrizia Sacco
Sustainability & B-Corp Coordinator

The long-term view

Adopting the long-term view entails, also – indeed, above all – looking to the future, starting out, however, from our roots and the fundamentals laid down patiently over the years. Fratelli Carli therefore undertakes concretely to invest continuously in enhancing the practices that for many years have set us apart as one of the most caring Italian companies in regard to ESG (Environment, Social, Governance). Hence, the many awards we have received also within the community of B Corp concerns, as we carefully and publicly gauge the progress we make in regard to all prospective activities. Fratelli Carli's strategic commitment to furthering the cause of its Responsible Progress concretizes in its **medium-term Sustainability Plan**, whereby the company's reporting on performance forms an integral part of the planning behind the company's sustainability plans for the coming three years.

The plan is based on the Pillars of Sustainability, which finds expression in specific common-good ends and their impacts on Material Topics and on the pertaining SDGs.

As took place last year, we highlighted the link between the Pillars of Sustainability, the material topics pinpointed during materiality assessment and their impact on the various Agenda 2030 goals, as set forth in the tables on the following pages. "Conduzione etica del business" (ethical business dealings) is a transversal issue, in that its contents stand at the core of corporate activities.

The plan is based on the Pillars of Sustainability, which finds expression in specific common-good ends and their impacts on Material Topics and on the pertaining SDGs

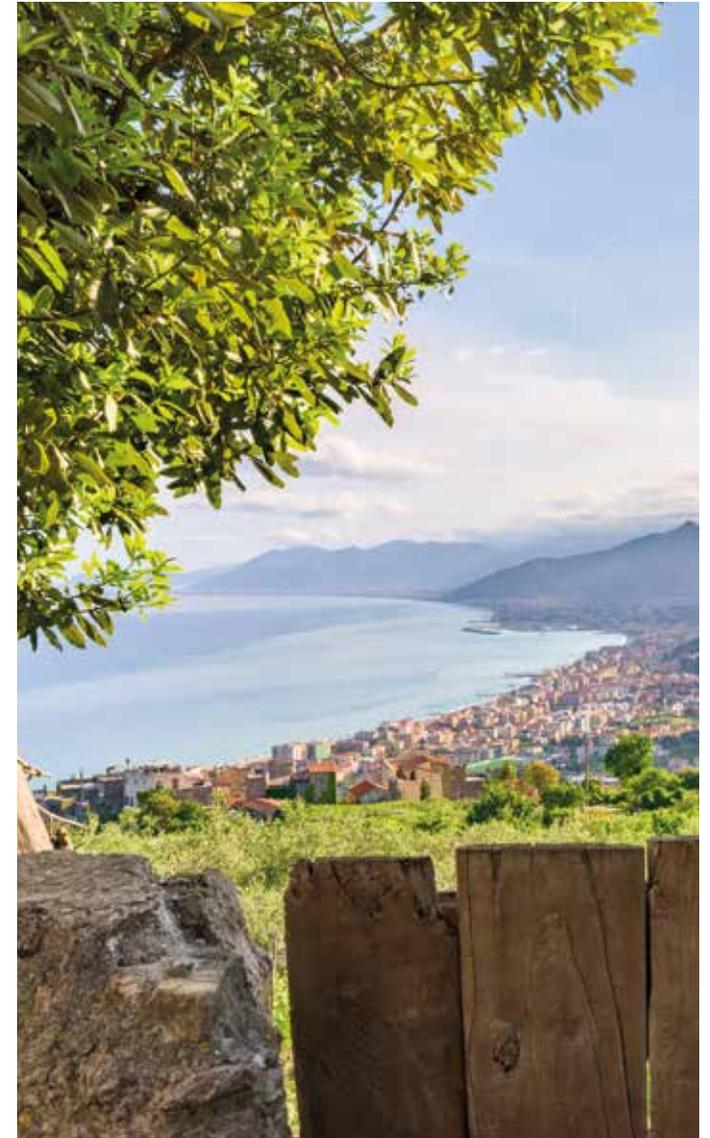
The goals set, in furtherance of which a variety of specific initiatives are taken, proceed in line with strategic directions identified via the Pillars of Sustainability. Progress depends on involvement of the company on all levels, commencing with the Sustainability Committee, enabling core ESG guidance and realisation. The actions below represent (and will increasingly represent) Fratelli Carli's real approach to the common good, as embodied in its Articles of Association as a *Benefit Corporation*: reporting shall be the core concern of the upcoming editions of our Sustainability Report, which shall record our dedicated efforts and progress toward our targets.

TOWARD CARBON NEUTRALITY

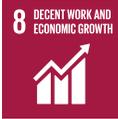
CO₂

Fratelli Carli's Sustainability Plan includes an element worthy of special attention and which the company takes great pride in: **carbon neutrality**. In response to a major input from the broader B Corp movement, Fratelli Carli decided to formulate a plan for curbing emissions which, together with compensation for CO₂ or removal of remaining CO₂, will enable "neutralization" of the company's impact.

Our first step along this road is already planned for 2022, which is the year that the company shall prioritise the sector of transport, with efforts to provide in-depth and extensive gauging of the climate-changing emissions generated by delivery logistics (to the home, but also transport in general) and full compensation for these emissions.

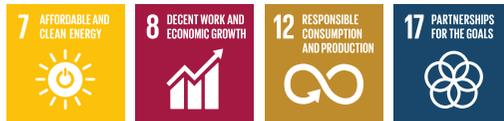


Reconciliation table
Pillars - SDGs -
Material topics

PILLARS	 PEOPLE	 MATERIALS AND PRODUCTS
	SDGs	  
MATERIAL TOPICS	<ul style="list-style-type: none"> • Safety and rights of employees • Well-being and development of people • Diversity and equal opportunities 	<ul style="list-style-type: none"> • Product quality and excellence • Sustainability of materials and eco-design



SUPPLY CHAIN



- Responsible Management of the **supply chain**
- Turning **local communities to best account**



ENERGY AND RESOURCES



- Combatting **climate change**
- Management of **refuse** and waste
- Responsible use of **resources**



MEDITERRANEAN CULTURE AND TRADITION



- Promoting **wholesome lifestyles** through **Made in Italy**

ETHICAL BUSINESS CONDUCT

> COMBATTING CORRUPTION

> NON-DISCRIMINATION

> SAFEGUARDING PRIVACY

2022-2024 Sustainability Plan



PEOPLE



2022-2023 GOALS

- Implementing a new welfare plan for employees.
- Drawing up a new *Manuale per il Dipendente* (employees' handbook).

2022 GOALS

- Non-emergency smart-working policies.

2022-2024 GOALS

- Augmenting the hours dedicated to training, above all sustainability training.
- Investigating the climate.
- Meeting the needs of local communities also by donating products.
- Maintaining the highest standards of customer care.
- Implementing services and providing information online for customers.
- Implementing channels to reach out as a company to customers.



MATERIALS AND PRODUCTS



2022-2024 GOALS

- Ensuring that 50% of the product lines are SLCA analysed.
- LCA for at least 50% of the products.
- Completing the Sustainable boxes project for our food specialities.
- Mediterranean: developing increasingly sustainable lines of cosmetics.
- Increasing the share of food specialities with sustainability certification and/or of food specialities from concerns with B Corp or *Benefit Corporation* certification.

2022-2023 GOALS

- Re-designing primary and secondary packaging forms for our products, in accordance with sustainability needs.
- Conducting LCA for at least 10% of the secondary packaging forms.
- Revamping the shopping bags for all Emporiums, in accordance with our sustainability needs.



SUPPLY CHAIN



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2022-2024 GOALS

- Increasing the number of suppliers that implement Codes.
- With the entire supply chain, attaining the goals of the new Codes using shared tools.
- Proceeding with the "Oliveto sostenibile" (sustainable olive groves) project in order to implement sustainable olive cultivation practices.
- Assessing at least 80% of our key suppliers according to environmental and social criteria.



ENERGY AND RESOURCES



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2022-2023 GOALS

- Validating the Scope 1 and Scope 2 emissions inventory.
- Completing the Scope 3 emissions inventory.
- Compensating for the environmental impact of all home deliveries to Italian customers.
- Implementing the Environmental Management System.

2022-2024 GOALS

- Drawing up and implementing a plan to attain Carbon Neutrality for the organisation.
- Ensuring that more than 90% of total waste produced is recovered.



MEDITERRANEAN CULTURE AND TRADITION



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2022-2023 GOALS

- Taking part in the B Corp "#Unlock Education" project targeting local schools.

2022-2024 GOALS

- Promoting the culture of sustainability by taking part in round tables, seminars, webinars etc.
- Promoting the culture of Mediterranean food via all corporate channels.
- Joining *Museimpresa* and taking part in association activities.
- Joining in with the agroindustry school, *fondazione ITS – Accademia Ligure Agroalimentare*, to promote the culture of local foods.



Un attimo, tante vite, una storia.

La straordinaria quotidianità della Fratelli Carli.

Agili. Integrati. di Fabbrica. Esperia.

FRATELLI
Carli
— 1881 —

People

CUSTOMERS, EMPLOYEES, COMMUNITIES

“ We foster the well-being of the community within which we operate, and we are fully aware of the social role of our company and human resources upon whom our success depends... and with whom, day in day out, we share our needs and aspirations. With resources such as these, we also reach out to others whom we have always considered our “Amici Clienti” (Customer Friends), via contacts at their homes.” ”

Massimo Belmonte
HR Manager



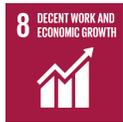


2021 GOALS

2021 RESULTS

2022-2024 GOALS

Employees



Drawing up a new **Manuale per il Dipendente** (employees' handbook)

Augmenting the hours dedicated to **training**, above all sustainability training

✓ **+116%** hours of training dedicated to sustainability

⊘ Drawing up a new *Manuale per il Dipendente* (employees' handbook)

- Drawing up non-emergency smart-working policies
- Implementing a new welfare plan for employees
- Investigating the climate

Customers



Maintaining the **highest standards** of customer care

✓ Maintaining high service standards at all stages of the process

✓ Activating chat web service on the sites for each country served

- Maintaining the highest standards of customer care
- Implementing services and providing information online for customers
- Implementing channels to reach out as a company to customers

Community



Meeting the needs of **local communities** also by donating products

✓ **More than 50 charitable bodies** sustained by donations of our products

- Meeting the needs of local communities also by donating products



Goal attained



Goal not attained due to delays ascribable to the Coronavirus pandemic

2021 HIGHLIGHTS



EMPLOYEES

381 employees as at 31.12.2021

49% the percentage of **women** in the company (+7% since 2016)

More than **40%** the percentage of employees who availed themselves of corporate **welfare services**

More than **900** **oncological prevention** examinations conducted free of charge on the company premises since 2016

CUSTOMERS

99.8% of the **home deliveries** of our products with no errors or delays

948 **hours of training** at the **Centro Ordini (orders office)** to meet the needs of our customers as satisfactorily possible

6,880 the number of **chat-mode exchanges with customers** di ogni nazione from all countries served

60 the number of **female operators** at our **Centro Ordini (orders office)** for Italy and elsewhere

COMMUNITIES

50+ the number of **associations sustained** by donations of our products prodotti

Employees, family members



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 due regard for competence and sustainability.

Building on these premises, Fratelli Carli has been implementing **virtuous personnel management practices** for a number of years. We are committed to promoting **well-being and work-private life balance** by providing employees with welfare tools and safeguarding **health and safety**. We contribute to enhancing the **professional advancement** of our resources by developing tailored training paths and by fostering resource career advancement. These prerequisites, which are essential to ensure the continuity of activities during the most critical period of the health emergency, enabled Fratelli Carli to maintain a high level of supervision over the management of the Covid-19 pandemic also in 2021.

In line with the provisions established by the Committee in charge of managing the health emergency and curbing contagion among employees, established in 2020 and active throughout 2021, the company in fact continued to apply social distancing measures and to privilege the remote work mode, enhancing the conversion to digital mode initiated when the pandemic situation emerged. As was the case last year, the key to success was the cohesion with which the large Fratelli Carli family - made up of all its people at all company levels and in all locations - met the most important challenge: that of ensuring business continuity, in a united, co-ordinated effort.

91% employees with open-ended labour contract

LOOKING BACK ON 2020

From the very start, 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. In this regard, the IT department's support 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 committed to provide all its employees with the necessary Personal Protective Equipment (PPEs), such as FFP2 facemasks. Plexiglas panels were installed in workspaces (in particular open-space areas), 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 people at a time in order to avoid crowding. And every division was reorganised to accommodate more frequent work-shifts.

Over and above the initiatives and measures already adopted, in 2020 and 2021 Fratelli Carli entered into two insurance policies for persons requiring hospitalization for Covid and for adverse reactions to the vaccine.

In order to ensure optimal personnel management by combining economic efficiency and expertise, certain HR actions, including salary operations, were outsourced to a single partner. For some time now, the company has adopted IT tools by means of which the metrics are followed up constantly and monitored on a yearly basis.

At the close of 2021, Fratelli Carli had a **workforce of 385 units**, including 381 workers employed directly. The number rose slightly vs 2020 and 4 workers with provisional labour contract as in 2020. The personnel breakdown was **49% women ad 51% men.**

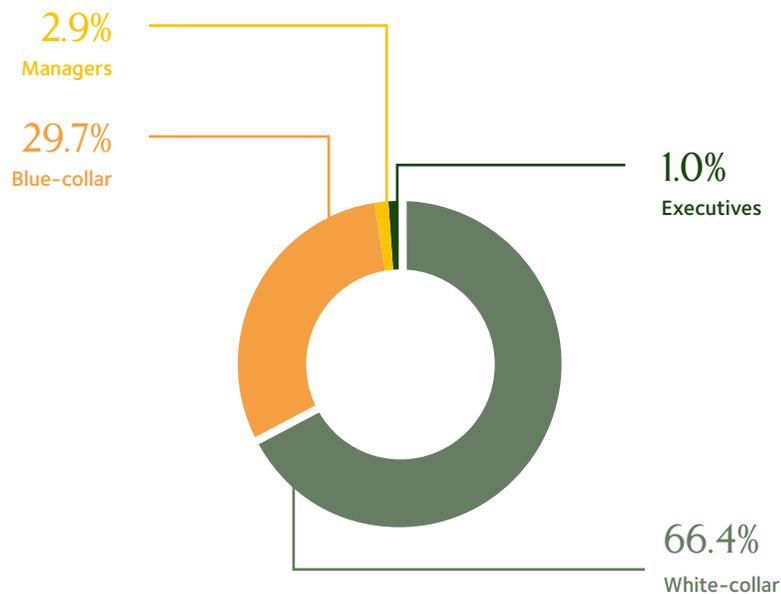
Employees and gender (2021)



Fratelli Carli's approach to diversity is based on the fundamental principles of non-discrimination, equal opportunities and equal dignity for all forms of diversity and to further inclusion. In addition, Fratelli Carli's care over its employees is also embodied in its contracts. Indeed, in 2021 **91% of the employees were with an open-ended labour contract, and 69% full-time**, reflecting a generally unchanged situation vs 2020 and attesting to the company's long-term commitment to its own people.

As we note from the chart, the majority of the Fratelli Carli employees are white-collar, immediately followed by blue-collar workers. At the top of the pyramid are the managers and executives.

Employees by workplace ranking (2021)



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 2020, we see an unchanging rate of hirings; new hirings are influenced by seasonal work and the opening of new Emporiums, whereas the terminations came about as a natural consequence of expiry of fixed-term contracts and seasonal contracts.

We note that the trend displayed by new hirings led to a **5% increase in the number of females** while males fell off (-1%), reflecting Fratelli Carli's policy year after year of turning out female staff to best account.

Turnover (rates of hirings and terminations)

	2020	2021
TERMINATIONS	31%	31%
HIRINGS	34%	33%

127 employees with the company for more than 20 years

Quality of life: a shared need

In regard to ongoing initiatives aimed at ensuring personal well-being, for the fifth year running, our employees have had access to the “*Liberi di... Welfare*” platform. This programme via its flexible benefits scheme, **provides a number of bespoke services that simplify day-to-day encumbrances and raise users’ spending power**: from reimbursement of costs incurred for health and children’s education needs and aid for family members who are not self-sufficient, to 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 guaranteeing 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 2021, 40% of collaborators **availed themselves of services (the percentage of welfare credits converted – and therefore spent – came to 28%)**. These data reflect an upswing vs 2020, as confirmed also by an increased percentage of employees actively involved in conversion (encouraging employees to use the platform). Indeed, in 2021, Fratelli Carli engaged in in-house communication regarding welfare functions and the services available. It distributed a guide to all employees hired after 2016.

40%

 of our employees availed themselves of our corporate welfare service


The need to ensure **employee well-being** is accompanied by the parallel need to actively work toward **public well-being**. For many years, Fratelli Carli has therefore provided its employees with **medical 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 medical examinations provided free of charge to collaborators, directly at the workplace. After discontinuing activities in 2020 due to the Coronavirus pandemic, **in 2021 Fratelli Carli teamed up once more with ANT** for 147 oncological preventive examinations conducted free of charge on the premises of the company.

Health and safety: an absolute priority

In 2012, the company completed the procedure required for implementing a corporate organisational model to adopt 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 compliance, functionality and efficacy of the adopted system. By means of a periodic review process, this management system (*Sistema di Gestione*) 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

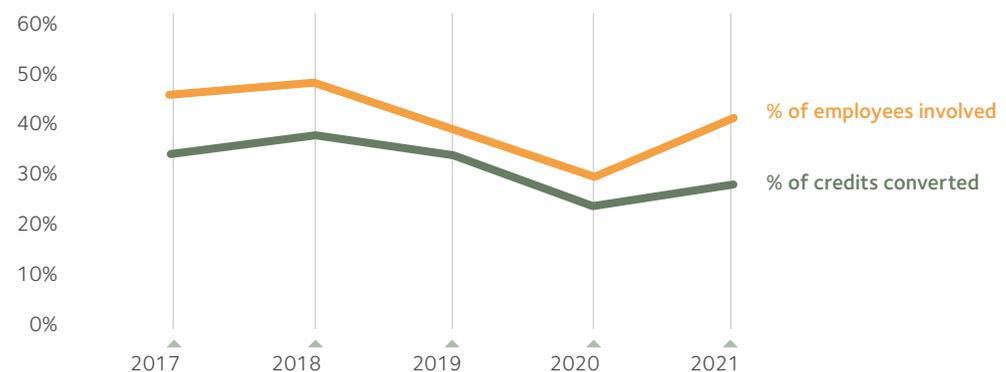
As part of its ongoing improvement initiatives, Fratelli Carli undertakes to promote and sustain all actions required to ensure prevention and protection for employees.

experts. As per current regulations, inspections and consultation, with employee involvement, take place in order to promptly 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 blowback for whistle-blowing. The role of the *Rappresentanti 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. They 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.

Fratelli Carli Welfare Platform



Over and above the low accident rate (0.6, and falling with respect to the previous year), Fratelli Carli maintained insurance cover in the event of Covid-19 hospitalisation and of a following period of convalescence for all employees.



FRATELLI CARLI AND THE PROTECTION OF HUMAN RIGHTS

Fratelli Carli considers attention and respect for human rights 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 three-year period of the report, no cases of discrimination were noted.

In compliance with the 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 physician 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 privacy regulations. The inspections regarding suitability 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 in view of the emergency situation and was further consolidated in 2021, While the accident rate was low (0.3) and lower than the previous year, Fratelli Carli maintained insurance cover for all its employees in the event of hospitalisation and convalescence (in this instance following intensive care) for Covid-19, as stipulated in 2010, with the addition in 2021 an insurance policy specifically linked to vaccines administered to employees. This attests to the company's ongoing commitment to safeguarding the well-being and good health of its own people.

Career advancement

Fratelli Carli's stimulating work environment offers concrete opportunities for career advancement and 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 adopt reliable, constantly updated assessments and thus acknowledge the skills and value of all. In addition to specific training programs, in line with the mandatory training established in Legislative Decree no. 81/08, in 2021, Fratelli Carli further reinforced its training plan, contemplating specific courses for the main corporate functions, involving the CRM, Retail, Administration and Finance and Mediterranea teams.

Retail, Administration and Finance, Customer Management and Mediterranea. In continuity with 2020, the company has also provided for **soft skills** training and training also in familiarity with the product, this being essential both the personal development and the company's business activities.

Two main items of interest in 2021: the Lean Six Sigma Green Belt training course, with the involvement of resources of the Direzione Operations (Operations Department); and a training programme dedicated to sustainability issues from the business school ALTIS - l'Alta Scuola Impresa e Società of Milan's Università Cattolica del Sacro Cuore.

These types of courses, delivered in both **e-learning mode** and face-to-face, are developed internally by the company and, especially for **soft skills, in collaboration with qualified external training companies**. The main soft skills courses held by the company in 2021 covered innovative aspects such as communication and meeting management, conflict and agreement management, problem-solving, leadership and delegation, and team building. There were two main new developments in 2021: a **Lean Six Sigma Green Belt** training course, which involved resources of the *Direzione Operations* (Operations Department), with a focus on optimizing the orders-management process; and a training program focussing on sustainability issues, delivered by the business school ALTIS - the Alta Scuola Impresa e Società of Milan's Università Cattolica del Sacro Cuore, aiming at

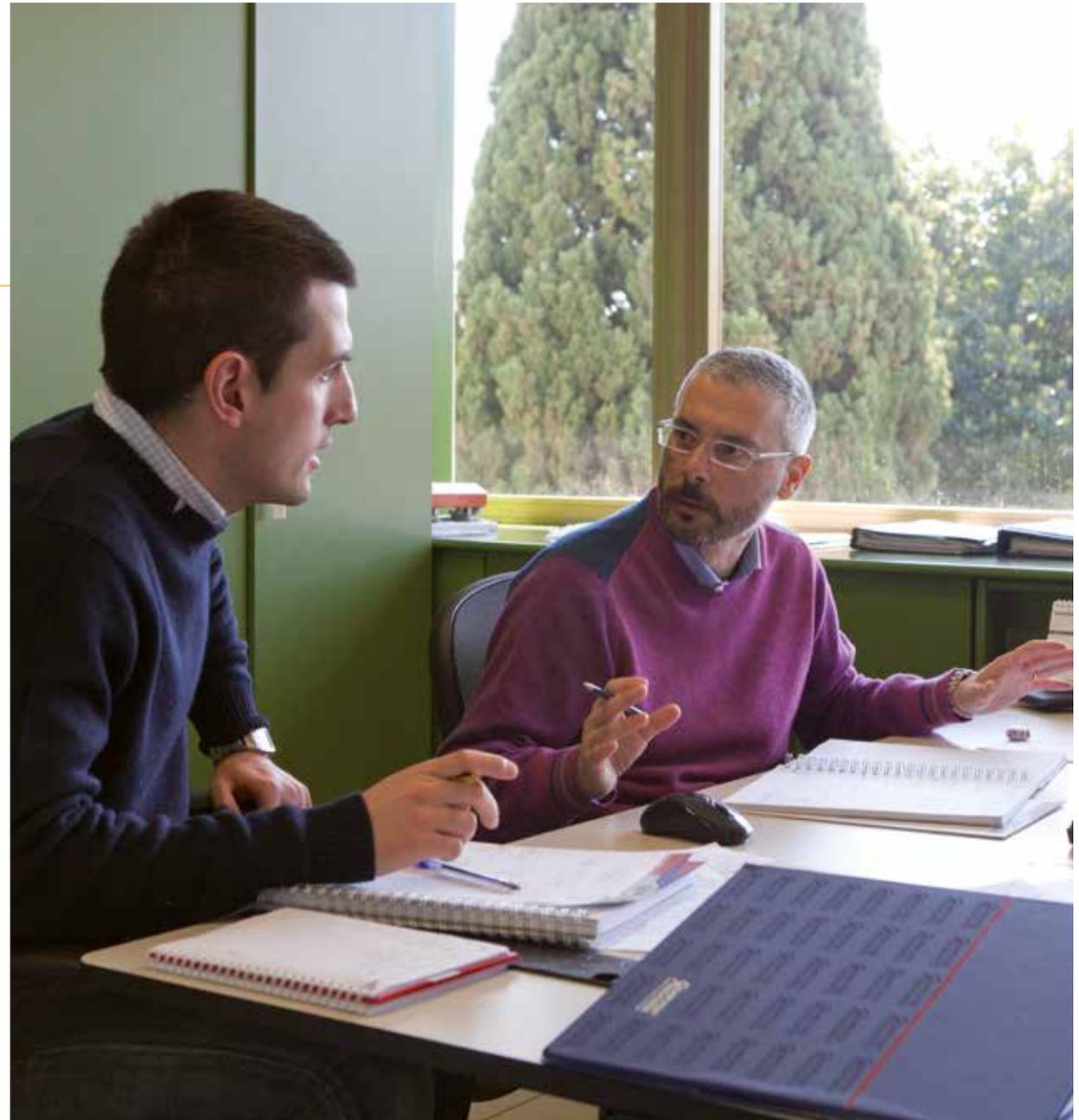
developing skills useful for integrating sustainability into corporate strategy, improving the effectiveness of corporate policies on sustainability issues, and consolidating the internal organizational unit dedicated to sustainability issues.

The easing of the most critical period of the health emergency has allowed Fratelli Carli, in 2021, **to increase training hours for its people**, providing a total of 3,952 hours, compared to 2,663 in 2020, most of which were delivered in e-learning mode, so as to ensure the necessary interpersonal distancing measures as per legal provisions for containment of the Coronavirus pandemic.

3,952 hours of training for employees

Although the pandemic situation continued to condition the normal management of activities, in 2021 the company conditioned to ensure full compliance with regulatory norms in regard to health and safety training, as well as updates to the technical training of plant operators and updates to data and privacy management.

On average, as to hours, **women benefited from nearly 13.3 hours of training each, as compared to 7.6 hours for men.** This indicates an increase in training for women and a slight reduction in training for males, compared to the previous year. As to professional categories, managers received on average 32.1 hours of training each, followed by middle management (20.9), white-collar workers (12.6) and blue-collar workers (3.6)



The community, our world

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, given its role as an employer of people mainly from the local communities hosting 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 of collaboration and trust, as a permanent point of reference.



In 2021, the company displayed its **commitment to the local community**, through its support for more than 50 associations, parishes and charitable bodies as a **donor of its own products**.

Acqua Dynamo for Dynamo Camp

Both for the midday meals served at the Emporium in Imperia and in all the company's reception areas before the pandemic, **Acqua Dynamo was 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.



Christmas presents for our 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 the Ospedale Gaslini Onlus** (a Genoese non-profit organisation initiative) took on a particular meaning. **Each gift was purchased in the Gaslini Corner and thus benefitted two children: the one who was delighted to receive the gift, and the other who received support and solidarity from its purchase**. In 2021, we decided to sustain more than one organisation, paying particular attention to children's needs. Christmas presents went out to sustain the activities of Lega del Filo d'Oro, Fondazione Dynamo Camp, Ai.Bi. Associazione amici dei bambini and Fondazione Francesca Rava.

Customers



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.

For more than a century, the Company has been building a family relationship with all our customers, taking care of their needs and requirements. This **direct, regular contact based on shared values** allows us to understand and meet the needs we encounter, **entering customers’ homes as “an old friend of the family”**: a unique experience possible only thanks to the “Fratelli Carli spirit”.

A Certified relation

Management of privacy, security and protection when processing personal data is a priority concern in all fields of corporate activity. Since 2005, Fratelli Carli is ISO 27001 certified. It provides customers with optimal security, while safeguarding data confidentiality, availability and integrity. This policy is the outcome of ongoing commitments on the field of customer data processing. Fratelli Carli has always complied 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, after great scrutiny, display transparency, 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

Eight sites with innovative graphic design solutions powered by a fully responsive technology, one for each of the marketplaces that the company targets, form the portal introducing the company to its customers.

This is a core element of the transformation that Fratelli Carli wishes to bring about for a **brand experience that meets all the needs of our customer base**. Our goal is to work toward optimal integration of traditional and digital contact channels, ranging from telephone calls to the internet and e-mail, as well as our local Emporiums, offering a modern service deeply rooted in tradition.

A technological and managerial change impacting the corporate organisation on all levels including a new partnership with Salesforce, both for the e-commerce platform and the CRM system managing all relations with customers. To further improve services, Fratelli Carli extend the range of payment methods in 2021 adding the Apple Pay and Amazon Pay systems for electronic payment.

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 yet a distinct awareness of our past and traditions.



This said, Fratelli Carli is aware that technological evolution in no way substitutes the privileged relations it has developed with its customer base over the years.

One of the key components of our corporate approach is a skilful blend of innovation and tradition: a winning combination of elements that makes for a strong company and a unique customer experience.

60 *Centro Ordini* (orders office) operators

3 minutes, the average duration of calls to our Call Center

Our *Centro Ordini*

For its customers, which have always been considered part of the “family” since our delivery system is door-to-door, and since we can keep **in touch directly each and every day**, given our shared values: we provide telephone, mail, e-mail **and through our new system, also chat mode relations.**

Every day the 60 members of the team at the *Centro Ordini* are there to receive orders from customers, to answer questions, and arrange smoothly for delivery, so it makes perfect sense to distance shop at Fratelli Carli’s.

The Call Center calls last in average about three minutes. We have customers who order ‘in a trice’ and many others who ask for advice or just want to “chat for a while” with a company which is a family – the same family to which they belong!

Moreover, in 2021 chat-mode communication was implemented for our foreign sites, already functioning in Italy. This means customers from all nations served can contact a Fratelli Carli expert in real-time, who will be delighted to provide the information you seek.



Our 2022 e-mail marketing plan

Aiming to gradually cut back on hard-copy communication, still very much a part of our dealings, and in order also to ensure continuity of our sustainability communication throughout the year, Fratelli Carli started up an e-mail marketing plan in 2021. It includes an item per month sent out regarding sustainability. The plan also foresees a broadening of the range of communication channels for our customers, with the accent on more direct, constant exchanges.



Products and Materials

PRIME QUALITY HAS ALWAYS BEEN THE FRATELLI CARLI WAY!

“ We aim to take on our most important challenge: supplying prime quality products, increasingly sustainable at all stages of their life cycle. We have one aim; working toward “regenerating” precious environmental resources, in line with the pace and equilibria of nature itself. ”

Marta Gorlero
Food Products Marketing and
Development Manager

Alessandro Anemone
Purchasing Office
Manager

Marcello Porro
Packaging and Warehouse
Manager

Luca Ramella
Mediterranea
Purchasing Office





2021 GOALS

2021 RESULTS

2022-2024 GOALS



Ensuring that 35% of the product ranges are analysed as per the SLCA procedure

- ✓ 39% of the **product ranges** are analysed as per the SLCA procedure
- ✓ LCA completed for Olio Extra Vergine (extra virgin olive oil) and *Olio Tradizionale* (traditional olive oil) in 1-litre bottles and cans
- ✓ LCA completed for the boxes for the specialties supplied in jars
- ✓ LCA completed for **Tonno Carli** (Carli tuna fish)

- Ensuring that 50% of the product ranges are analysed as per the SLCA procedure
- At least 50% of the product ranges analysed as per the LCA procedure
- At least 10% of secondary packaging forms analysed as per the LCA procedure



Ensuring that 11% of the products are organic products



- ⊖ The percentage of the products that are certified remained unchanged compared to 2020
- ✓ **Mediterranea: Perfect Planet** "cosmetici solidi" (solid cosmetics) range launched

- Increasing the share of food specialties with sustainability certification and/or of food specialties from concerns with B Corp or Benefit Corporation certification
- Mediterranea – developing new, increasingly sustainable, ranges of cosmetics



Re-designing the primary and secondary packaging of **all of our products** to guarantee sustainability



- ✓ The **pack** for the "Crispy Focaccia" line was redesigned for **100% separate waste disposal**
- ✓ The **Sustainable boxes** project launched for all products in jars

- Re-designing primary and secondary packaging forms for all our products, in accordance with sustainability needs.
- The Sustainable boxes for our food products
- Revamping the shopping bags for all Emporiums, in accordance with our sustainability needs



Goal attained



Goal not attained due to delays ascribable to the Coronavirus pandemic



Goals unvaried

2021 HIGHLIGHTS

PRODUCTS

33% The **turnover of food specialities with environmental certification** and/or produced by **concerns with B Corp or Benefit Corporation certification** out of the total turnover of suppliers of finished products

8,827 **analyses**, in all, conducted on **all our products**

7,011 product **analyses conducted** by our **in-house laboratory**

14 **new food specialities** included in our array

MATERIALS

100% of the **cardboard** packing forms for our olive oils provided from **FSC** sources

100% of the cardboard packing forms for our olive oils **recyclable**

0.004% of the weight of all packing forms **cannot be disposed of separately**



Only prime quality products



Fratelli Carli believes **quality is an absolute prerequisite**. Fratelli Carli believes quality is an absolute prerequisite. It is therefore committed to ensuring such standards at all times together with high product safety standards, from control of the raw materials purchased through production and distribution to the moment products reach our Emporiums and our customers' homes.

Safety, quality and communication: underpinning assured success

Fratelli Carli complies with a fully documented **quality guarantee programme**. We periodically conduct 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 with a **certificate of analysis 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. EC 852/2004. Fratelli Carli conducts an **analysis of hazards and risks**, also based on 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 the 2019-2021 period, no consumer health impacts were flagged, concerning the company's products.

7,011 product analyses conducted by our in-house laboratory

Not only does Fratelli Carli ensure the highest quality standards; it also works toward responsible communication via the label information for customers

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 the 2019–2021 three-year period, no instances were noted of non-compliance with regulations and/or self-regulation codes, regarding marketing communications for company products.

QUICK RECIPES: SAFETY, QUALITY, NATURALLY GENUINE

Fratelli Carli recipes have always been simple and genuine, as in the home. Few ingredients, exclusively natural and of the highest quality, starting with Olio Carli olive oil, making them unique. All products are carefully developed and embody the company's history: Mediterranean traditions, the highest quality without compromise, and attention to people and the environment.

The MSC, Dolphin Safe, SQNPI and National Integrated Production Quality System certifications, as well as the ORGANIC range, created to meet the specific demand of a part of customer base particularly sensitive to this issue, attest to our keen attention.

The direct and personal relationship with all suppliers, carefully selected and fully involved in the company's sustainability journey, means the same values can be shared throughout the supply chain. To date, two of our key specialty food suppliers have already obtained B Corp certification.



Knowing in order to improve: a shared commitment

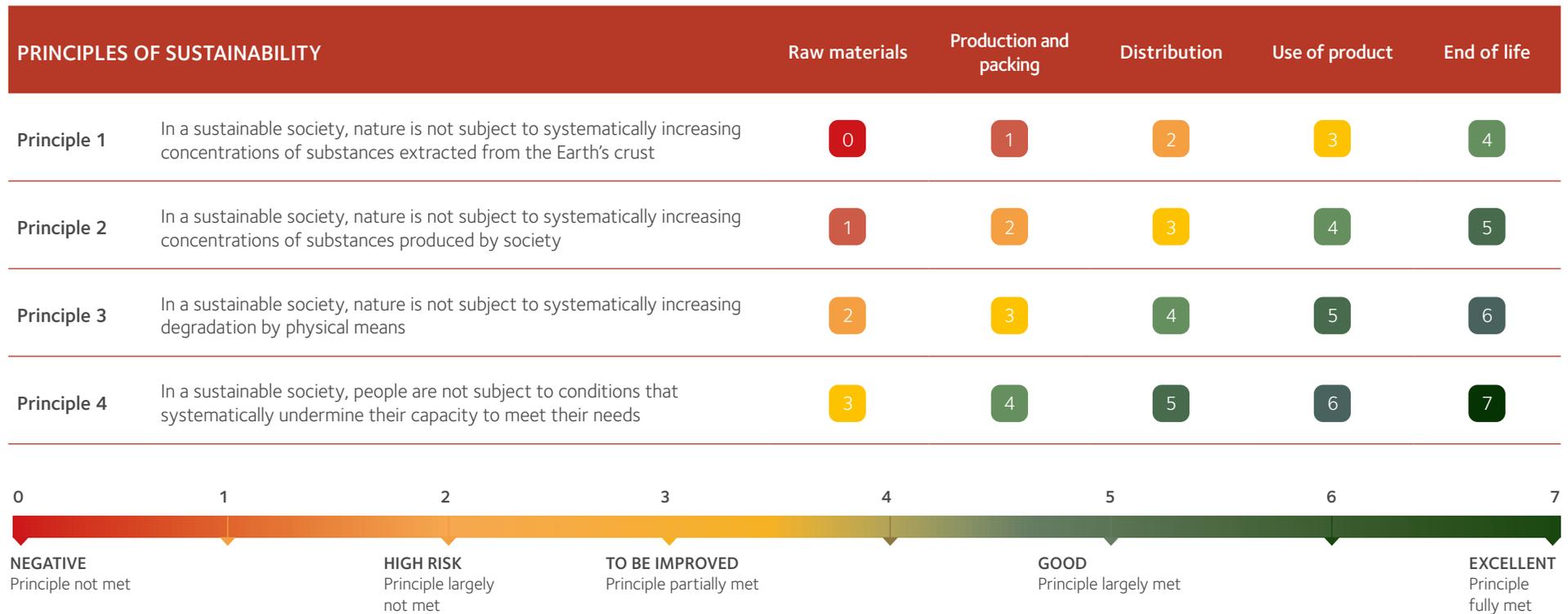
SLCA assessment: product life cycle versus sustainability principles

Product analysis is conducted by the company according to the SLCA (Sustainable Life Cycle Assessment) method – an approach that looks into social and environmental impacts, 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 4 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 2021, an even larger number of products were analysed, amounting to 39% of all product lines – up from 35% the year before – and corresponding to 78% of total turnover.



LCA analysis: environmental footprint of a product throughout its life cycle

For a company selling consumer goods to be fully aware of its relationship with the environment, it is essential to know the impact its products have on the ecosystem. This means understanding the implications along the entire value chain by relying on rigorous methodologies that can isolate negative externalities with rigour and precision.

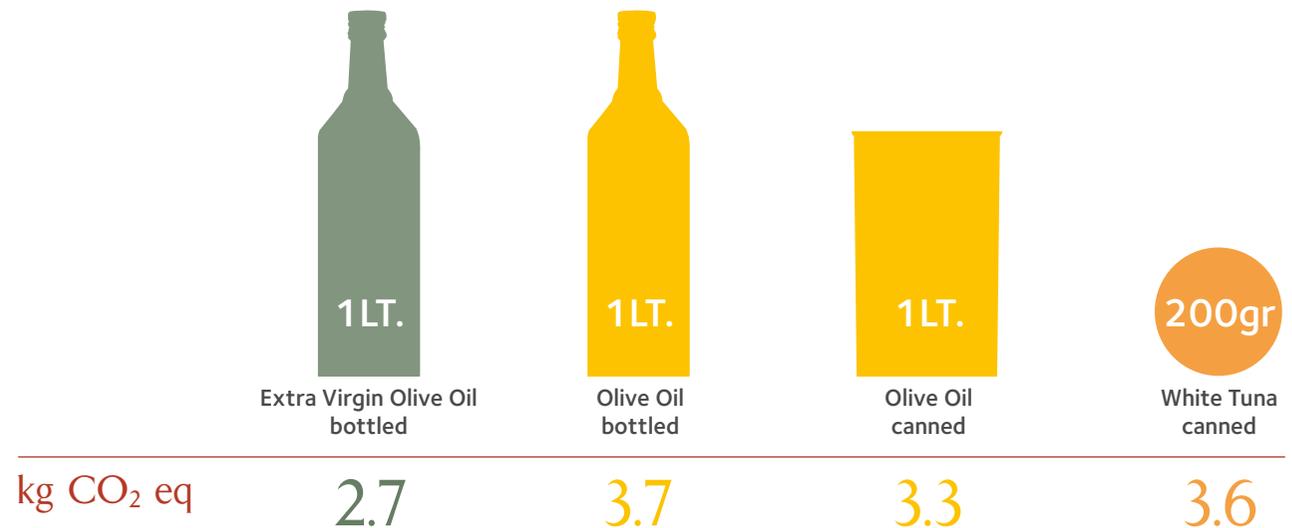
For this reason, in 2021 Fratelli Carli decided to carry out life cycle analyses (LCA) of Extra Virgin Olive Oils (bottled), Olive Oil (bottled and canned) and White Tuna (canned).

A **Life Cycle Assessment (LCA)** allows a company to quantify the potential environmental impacts associated with a product from raw materials to end-of-life management. This mapping makes it possible to identify the areas that are most affected.

On the other hand, if one looks at the carbon footprint of products alone (one of the impact areas examined in the LCA), most of the impact (78% for Oil and 93% for Tuna) is during the upstream production phases (cultivation and fishing respectively, together with processing) before the raw material is delivered to Fratelli Carli.



The results of the study in absolute terms are as follows:



Materials: recyclable, biodegradable, renewable

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

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

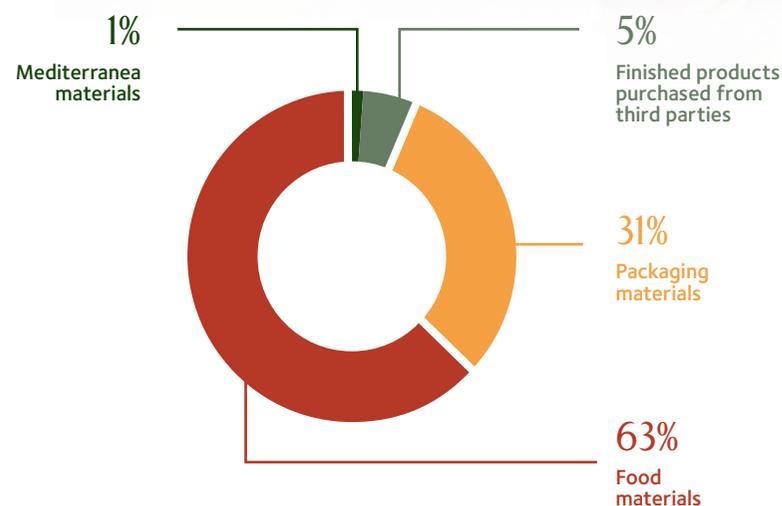
- **Packaging materials:** materials used for the packaging of Fratelli Carli products (e.g. wood, paper and cardboard, glass);
- **Foodstuff materials:** all raw and semi-finished materials used for Fratelli Carli finished products (e.g. olive oil, tomato pulp, basil);
- **Finished products acquired from third parties:** finished products with exclusive recipes developed for Fratelli Carli (e.g. sweet specialties, wines, soaps).

63% food raw materials

98% purchased Olive Oil



Products and materials by weight - 2021



In line with the previous year, in 2021 the weight of the materials/purchased products was mainly accounted for by foodstuff **product raw materials** (63%), practically all of which is purchased **olive oil** (98%). The quantity of raw materials purchased for packaging totals 31%, and the finished products purchased account for 5% of all materials/products purchased, whereas the Mediterranea materials – included in the reporting process for the first time this year – amounted to 1%.

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**.

There was more, however: in 2019, we opted for **100% sustainable boxes for our key product**. We chose a **light brown cardboard**, which served as a "canvas" on which we could storytell the idea of Responsible Progress, while providing our prime quality products to consumer households – from olive grove to supplier, materials, and our exclusive delivery service.

In 2021, we worked on redesigning the boxes for our food specialties sold in jars, giving them a complete makeover with a view to sustainability.

-40%

the environmental impact
of new speciality food jars

THE SUSTAINABILITY OF OUR DELIVERY BOXES FOR FOOD SPECIALITIES IN JARS

In addition to the previously reported life cycle assessments, in 2021 we conducted a **Life Cycle Assessment (LCA)** to compare the old and new cardboard boxes used for packaging the jars produced by the company.

The assessment, specifically, concerned the previously used boxes, on which ink was applied with 5-colour offset printing technology, and the new Havana boxes, which not only require less cardboard, but are decorated with flexo printing technology that requires less ink (monochrome).

The LCA assessment covered 6 environmental impact categories:

- climate change (kg CO₂e)
- ozone layer depletion (mg CFC-11-Eq)
- formation of photochemical smog (kg NMVOC-Eq)
- acidification (kg SO₂e)
- eutrophication - fresh water (kg PO₄e)
- depletion of the water resources (m³-Eq).

Compared to previously used packages, the Havana box **reduces environmental impacts by an average** of around 40%* across all the six categories under examination.

By further analysing the climate change aspect, emission savings from the use of the new boxes can be estimated by considering annual production volumes: compared to 'classic' boxes, the Havana box avoided the emission of about 44 tonCO₂ in 2021.**



* The scope of the analysis system do not include product use and downstream distribution. This is because the product is not associated with any particular environmental impact during use. The product distribution phase downstream is currently not included but will be incorporated as soon as the data is available.

** The estimate took into account the volume of boxes used during 2021. The comparative LCA assessment only covered 2x314 boxes: to estimate avoided emissions, the impact identified by the LCA was then applied to all types of purchased boxes regardless of their category.

On a daily basis, Fratelli Carli is engaged in an effort to improve its materials in keeping with technical developments, and many actions were taken in 2021.

For all the envelopes used for sending price lists in every country served by the company, we completed the transition **to the “parchment” window**, a thin transparent glazed paper film, which replaced the traditional plastic window. As a result, the envelope is now fully disposable as paper and **about 600 kg of plastic were saved in one year**.

Adhesive 'package marker' labels have been completely eliminated which carried the customer's name on each delivery package. This was achieved by implementing the internal logistical organisation and will allow **the saving of almost 2 million labels each year** which is equivalent to about 3 tonnes of paper, in addition to the elimination of inks and less electricity for printing.

3 tonnes of paper saved by eliminating parcel labels

Starting this year, **Plastic fillers** used inside parcels for export contain **50% pre-consumer recycled plastic**. This has saved over 20 tonnes of virgin plastic.

Regarding **Mediterranea** as of 2020, plastic bags for shipping cosmetics abroad have been replaced by 100% cardboard envelopes, which afford the same safety and have led to **savings of more than 100 kg of plastic per year**.

20 tonnes of virgin plastic saved by adopting recycled plastic fillers

Cradle to Cradle certification

In the company's Printing Centre, the inks - all vegetable-based - used to prepare the more than 10 million printed products intended for customers annually **are Cradle to Cradle certified**.

This standard provides manufacturers with a rating system that enables them to manufacture products that improve the quality of life and the environment. These are assessed in respect of several aspects that have an impact on human health and the environment: quality and sustainability of materials, reuse, energy and emissions, water resources and social equity. As of 2021, most glass bottles of oils are also cradle to cradle certified.

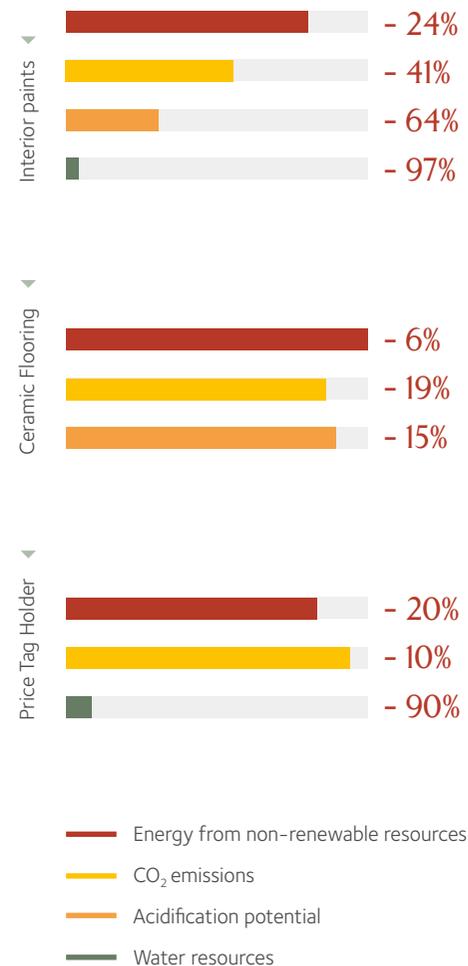
THE SUSTAINABILITY OF CARLI EMPORIUMS

In 2021, Fratelli Carli embarked on a project to **redesign and renovate the Emporiums, with a view to replace traditional materials with environmentally sustainable ones**, in line with the most innovative developments in **green building**. This is a strategic choice that began with the renovation of the Alba Emporium but which we will gradually extend to all Emporiums, with a view to reduce the environmental impact of our shops. Specifically, the work involved the replacement of interior paints and furnishing materials, with a preference for wood and iron. With the assistance of a specialised architectural firm, Fratelli Carli carried out an analysis focused on comparing materials for the same use but with different characteristics, taking into consideration several parameters (the use of energy from renewable sources, overall CO2 emissions, soil and water acidification potential, and consumption of water resources). The outcome of the study confirmed the reduction of the environmental impact associated with the choice of environmentally friendly materials in terms of reducing emissions and resource consumption, and pointed out some further areas for improvement, which will guide the company's future actions towards an increasing use of environmentally friendly materials.

In line with these developments, in 2021 Fratelli Carli also undertook a **progressive dematerialisation of the Emporiums' communications**, favouring the replacement of posters in shop windows with digital monitors, and the replacement of plastic price tags with those made of biodegradable PLA. Other significant initiatives will be pursued in 2022: these include, in particular, the production of entirely recyclable shoppers from waste derived from the stones of olives crushed in Carli's mills, and the 'single pack' project planned for Christmas 2022, with the production of larger recycled material shoppers of greater capacity to increase packaging efficiency and minimise waste.



ALBA EMPORIUM





Supply chain

WE ALWAYS CHOOSE OUR SUPPLIERS CAREFULLY AND GET TO KNOW THEM PERSONALLY

“ We have always known our suppliers personally and shared with them a passion for 'things well done'. Without them, we could not reach excellence which is rooted in the enthusiasm of those who work by our side on a sustainability path and with whom we share a project for a better world. ”



Gino De Andreis
Product Quality Control
Manager

Alessandro Anemone
Food Purchasing
Manager

Marta Gorlero
Marketing and Food Product
Development Manager



2021 GOALS

2021 RESULTS

2022-2024 GOALS



Increasing the number of suppliers involved in the Codes

✓ + 20% of relevant suppliers involved in the Goodness and Beauty Codes

- ✓ All new relevant suppliers assessed according to environmental and social criteria
- ✓ All our owner-drivers assessed according to environmental and social criteria

- Increasing the number of suppliers involved in the Codes
- Development of the 'Sustainable Olive Grove' project for the study of sustainable olive cultivation practices
- At least 80% of relevant suppliers to be assessed according to environmental and social criteria



Updating the Goodness and Beauty Codes in line with the SDGs of the District together with the supply chain

✓ Codes updated according to the supply chain SDGs

- Achieving, with the entire supply chain, the targets defined in the new Codes with regard to: energy from renewable sources, gender equality and sustainable materials



Objective achieved



Objective not achieved due to delays attributable to the Coronavirus pandemic

2021 HIGHLIGHTS

SUPPLY CHAIN



46% percentage of **purchase from suppliers** involved in the **Olive Tree, Goodness and Beauty Codes** compared to total cost of sales

74% share of the **total procurement budget** spent on **local suppliers** located in Italy

23% percentage of purchases from **small suppliers**, with **less than 20 employee** as a percentage of total turnover

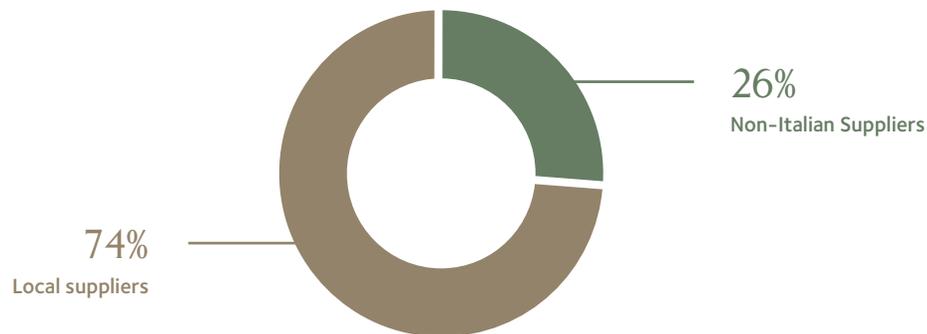
2 **B Corp Certified suppliers** of speciality foods

Over **100** **suppliers** who participated in the **5 webinars** on District SDGs

Our chain and the value of our environs

The company shows a clear preference for **local suppliers located in Italy, with 74% of the procurement budget** being allocated to them.

Proportion of expenditure to local suppliers (2021)



One of the key features of Fratelli Carli is our supply chain: to carry out our activities we rely on a **solid structure of suppliers** which has remained fairly stable over time - a sign of the **lasting relationship** we establish and maintain with our suppliers.

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.**

To this end, since 2012, the company has identified **four Districts** dedicated to different types of suppliers and, with each of them, it has developed a specific 'Code' setting objectives and concrete initiatives for sustainable innovation.

With the aim of contributing to a constantly improved dialogue with our suppliers, based on sharing our values and best practices, in 2021 Fratelli Carli updated the Goodness, Beauty and Delivery Codes, with the inclusion of the United Nations Sustainable Development Goals (SDGs) and introducing **new KPIs for assessing suppliers**. In addition, as in previous years, all new 2021 relevant suppliers were assessed according to environmental and social criteria.

4 Codes shared with suppliers to achieve sustainable innovation goals together



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 comply 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).

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. wellbeing 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 new *Codice della Bontà* (Goodness Code)

In 2021, Fratelli Carli updated the Goodness Code, which includes the companies producing **the food specialities and the suppliers of packaging and complementary materials, defining the impact of the supply chain on the Sustainable Development Goals (SDGs)** and including new KPIs, both for the District's companies (taking into consideration the percentage of energy from renewable sources, the percentage of women among the District's employees and any company or product certifications), and for their products (assessing the number of products analysed through the LCA methodology and implementing SLCA assessments on the individual products supplied). The District is committed to achieving the objectives defined in the Code of Goodness on two key issues:

- **sustainability of all production phases** of food specialities (cultivation, resources, technologies, people), guiding the District companies towards a regenerative model;
- **reduction of material quantities and use of recyclable, biodegradable and renewable materials** for packaging, thus undertaking to improve the sustainability profile of products.

Goodness Code: it has led the District's companies to continuously improve their sustainability performance and has resulted in at least 3 companies in the supply chain becoming B Corporations or Benefit Societies

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

In addition, during 2021, the number of significant suppliers involved in the Codice della Bontà rose by 20%.

The Cosmetics District – the new *Codice della Bellezza* (Beauty Code)

15 manufacturers inspired by beauty and committed to creating a natural, biological, sustainable cosmetics project. The *Codice della Bellezza* – the guide shared by Mediterranea and its suppliers, was updated in 2021, **defining the impact on the supply chain of the Sustainable Development Goals (SDGs)** and integrating the company's new KPI regarding sustainability (percentage of renewable

energy, gender quotas, and holding of certifications as indicators of quality) and products (amount of products analyzed using SLCA methodology), with the aim of guaranteeing the sustainable development of the Mediterranea line, founded on shared values and objectives regarding every aspect 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**

20% percentage increase of relevant suppliers involved in the Goodness Code

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 involved (around 60 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 2021, in particular, the District companies assessed their own performance in regard to 2 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**).

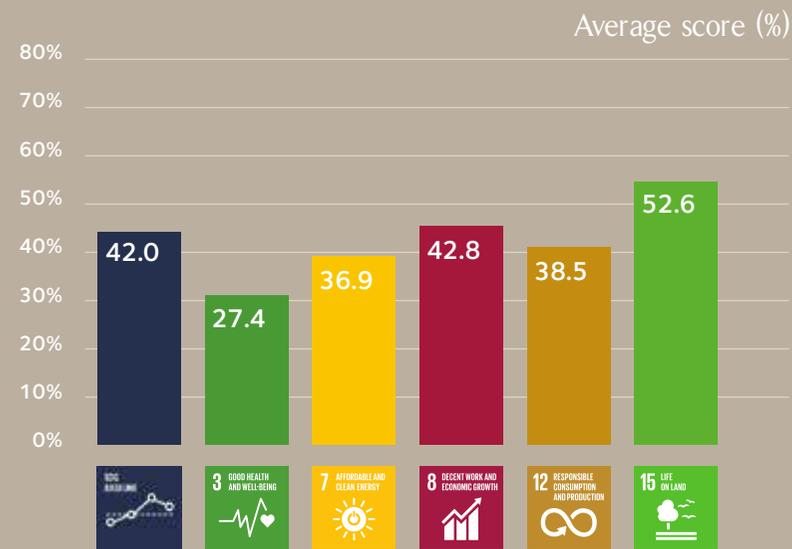
The white box displays the goals considered more significant by suppliers: 15: Life on land; 8: Decent work and economic growth; 7: Affordable and clean energy; 3: Good health and wellbeing; 12: Responsible consumption and production.





This mapping and assessment subsequently allowed us to compare the results with the Italian and sector benchmarks and to determine a **District SDG coefficient**, i.e. an average value representative of the positioning of Food and Cosmetics District supplier with respect to the SDGs identified as most relevant, equal to 37.4%.

In 2021, Fratelli Carli involved its suppliers in **five in-depth webinars, focusing on the five supply chain SDGs (3, 7, 8, 12, 15)** that were identified as material, asking them to attribute a relevance score to the key issues and practices associated with each SDG. The outcome of this activity, which **involved 100 participants from over 60 different companies**, guided the review and updating of the new Goodness and Beauty Codes to be shared with suppliers in 2021.



5
in-depth webinars

100
participants

60
different companies



The company has also developed a 'sustainable logistics' model, with the aim of reducing energy consumption and related CO₂.

The Transport District - the *Codice delle Consegne* (Delivery Code)

To complete the sustainability process of its supply chain, the company **has also developed a 'sustainable logistics' model** with the aim of reducing energy consumption and related CO₂ emissions, which is implemented on two fronts:

- **sharing a Delivery Code with deliverers who distribute our products** with a view to adopt virtuous driving and van maintenance practices;
- **optimisation of medium and long-distance transport** by:
 - increasing intermodal transport;
 - optimising loads and routes by avoiding 'unladen' trips as much as possible.

The Deliveries Code was also updated and revised in 2021, introducing a checklist to assess and monitor compliance with sustainable practices by owner-drivers and transport companies and their impact on reducing consumption.

For owner-drivers, the topics addressed included planning of vehicle maintenance (with 99% of positive responses), monitoring energy consumption (91%), route planning to optimise journeys (99%), use of route planning apps (59%) and participation in refresher courses in the last year (9%).

The KPIs introduced to assess the environmental impact of transport companies included the percentage of companies sharing the Delivery Code with suppliers (71%), the importance and priority given to employee health and safety (71%), and, lastly, the percentage of employees who participated in training courses during the year (12%).



Olio Carli

dal 1911

DIRETTAMENTE A CASA VOSTRA

Energy and Resources

WASTE IS DISRESPECTFUL, SO WE HAVE ALWAYS AVOIDED IT

“ We believe that energy and natural resources are a sources of life and of human well-being. We know they are not unlimited. That is why we avoid waste and only use electricity from renewable sources. This is one of the fundamental choices to be made if we want to give future a chance. ”

Federico Calzamilgia
Operations Director



2021 GOALS

To draw up the company's first
GHG emissions inventory



2021 RESULTS

✓ Inventory of **Scope 1** and **Scope 2**
emissions and of most relevant **Scope 3**
emissions completed

2022-2024 GOALS

- Completion of Scope 3 emission inventory
- Offsetting the environmental impact of all customer home deliveries in Italy
- Definition and implementation of a plan to achieve Carbon Neutrality for the organisation
- Maintaining the percentage of waste sent for recovery above 90% of total waste produced
- Implementation of the Environmental Management System



Objective achieved



Objective not achieved due to delays attributable to the Coronavirus pandemic

2021 HIGHLIGHTS

ENERGY AND RESOURCES



- 100% of **electric power** from certified **renewable sources**
- 1,020,279 kWh of **energy** produced by our **photovoltaic** installation
- 23.15 **tons of Co₂** per million (turnover)
- 91% of **waste sent for recovery** out of total waste
- 16% of **self-produced and consumed electricity from renewable sources** compared to total electricity consumed
- 100% of **Fratelli Carli product packaging** bearing **indications** for **correct disposal** of all components
- 9% of **total Co₂eq** Scope 1 and Scope 2 **emissions**

Engagement for a sustainable future: more technology, less consumption

Energy and Fratelli Carli

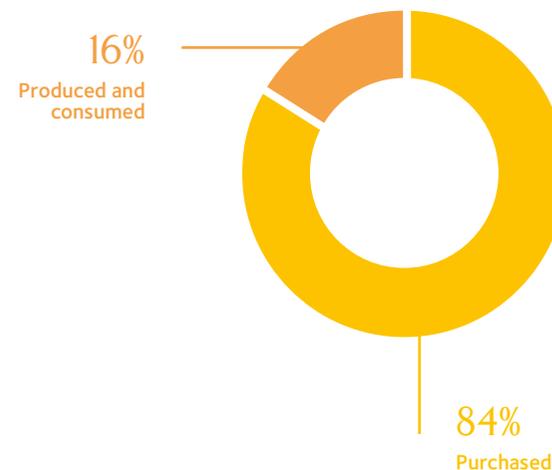
As part of its efforts to enhance its own energy-consumption performance, the company monitors and reports on its consumption of fuels, gas and power, via a periodic **energy diagnosis** subjected to an audit conducted by a third party.

The 2019–2020 two-year period had already witnessed a significant reductions in energy consumption, due to fewer movements of personnel because and greater recourse to smart-working relations, and the 2020–2021 two-year period saw a further slight drop in energy consumption, due not only to the on-going efforts to boost the efficiency of heating and cooling systems, but also to the continuing restrictions linked to the Covid-19 pandemic and the large-scale application of flexible working that led to a reduction in consumption in offices. In particular, consumption fell from **54,713 GJ** in 2020 to **50,872 GJ** in 2021.

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.

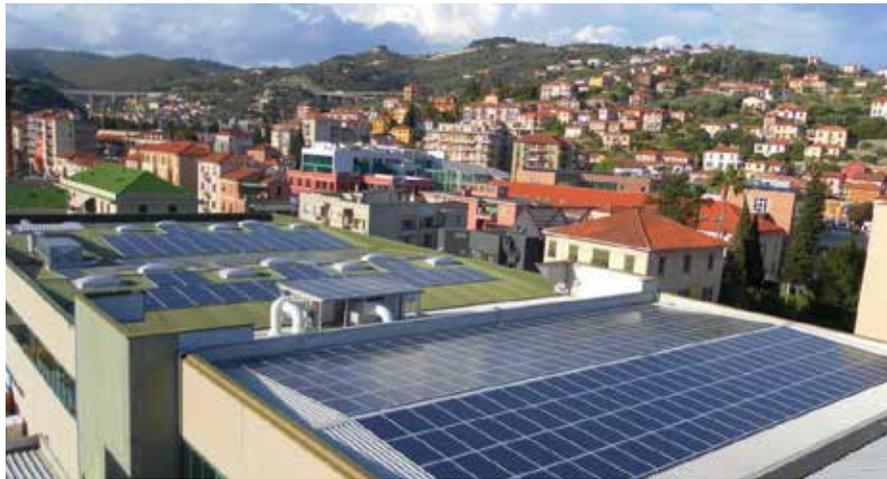
Most of the company's energy consumption was in the form of **natural gas** – used for the oil refining processes, and to a marginal extent for heating – and **electric power**.

Electricity consumed from renewable sources 2020–2021



Use of electric power, for **more than one third of total energy consumption** in the 2020–2021 two-year 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**, of which, in 2020–2021, 84% of the electric power purchased and consumed, while the remaining 16% was derived from the **photovoltaic system of 8,500 square metres installed on the roof of the plant in 2012**, producing on average **900,000 Kwh per year**.

+8.4% kWh self-generated and fed into the grid in 2021



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: 86,865 kWh** in 2020 and **94,209 kWh** in 2021, thus contributing to the reduction of the country's energy mix.

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.

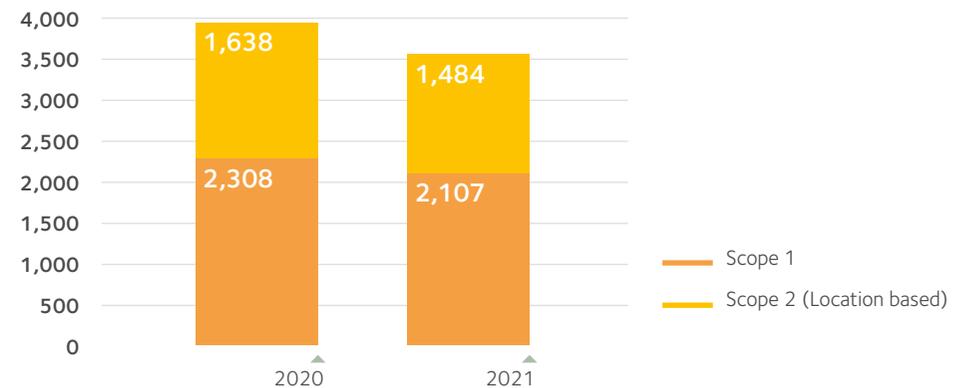
-9% total CO₂e emissions

Growth with curbed emissions

Our commitment to lowering energy consumption has positively impacted our **greenhouse gas emissions**. Specifically, in 2021, Fratelli Carli lowered its Scope 1 emissions vs 2020, **from 2,301 tons of CO₂e to 2,107 tons of CO₂e (-9%)**, in line with the reduction in energy consumption in the company in 2021.

The strategic decision to use electric energy solely from renewable sources enabled zero Scope 2 Market Based⁴ emissions and a 9% reduction in overall emissions (**from 3,946 tons of CO₂e in 2020 to 3,591 tons of CO₂e in 2021**).

GHG emissions (tCO₂e)



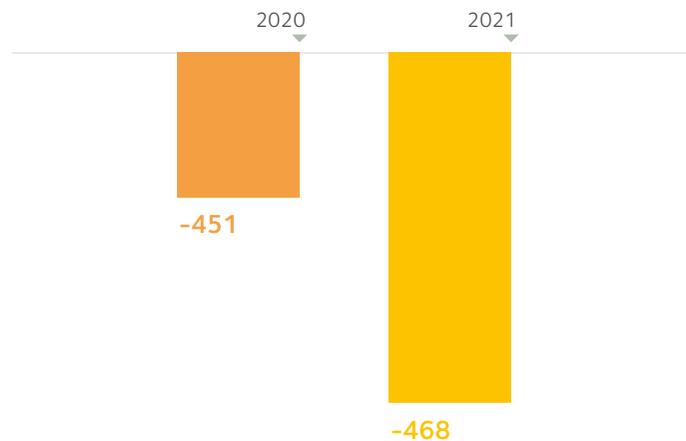
³ Scope 1 emissions are direct emissions of greenhouse gas from sources within, or controlled by, the company.

⁴ Scope 2 emissions are indirect emissions of greenhouse 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.

468 tonnes of CO₂ saved through the photovoltaic system

The production of clean electricity through the photovoltaic system installed at the Imperia plant allows for a **reduction in emissions of a total of 468 tonnes of CO₂** that would have been emitted into the atmosphere for the production of an identical amount of energy using fossil fuels. The avoided emissions trend perfectly mirrors that of the self-generation of electricity through photovoltaic panels.

Avoided emissions (tCO₂e)



In 2021, Fratelli Carli also started **mapping the consumption and carbon footprint of its logistic operations**, a process that will be completed in 2022 and that will lead to the identification of strategic choices aimed at reducing transport-related consumption and environmental impact. Finally, in the course of the year the company drew up a Mobility Management report analysing the details of home-to-work journeys of its employees.

THE SUSTAINABLE MOBILITY QUESTIONNAIRE FOR FRATELLI CARLI EMPLOYEES

In 2021, Fratelli Carli submitted a questionnaire to employees, investigating their home-to-work travel habits. 67% of the employees replied to the survey.

The sample of participants in the study consisted of 53% women and 47% men, with a predominance of employees with permanent contracts (87%), aged over 50 (47%), followed by employees aged between 30 and 40 (17%) and the remaining employees aged under 30 (5%).

The survey showed that 80% of employees live less than 10 km from their workplace, with travelling by car being the preferred travel mode, strongly influenced by travel time, used by 55% of employees, compared to 13.5% who use a motorbike, 23% who walk, and the remaining 2% and 3% who habitually use bicycles and public transport respectively.

Being aware of the importance of promoting more sustainable modes of transport, Fratelli Carli will take into account the survey results and will seek to implement initiatives in the near future designed to limit the use of cars by employees; this will involve constant monitoring of the activities promoted by the Municipality and the Provincial government to improve public transport efficiency and to optimise cycle-pedestrian lanes.

80% of employees reside less than 10 km from their workplace

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 mapped 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 municipal waste.

The company hosts **areas termed "isole ecologiche" (or waste collection areas)** by means of which municipal waste is managed (also in regard to separation).

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 compliance 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 the correct application not only of legal provisions but also of in-house procedures. This should ensure everyone pays closer attention to 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 several actions that have led to a significant reduction of refuse production.

These actions were brought forward not only within the company but also upstream and downstream from the value chain of the organisation.

In-house:

- Lighter cardboard packing materials;
- Purchase of new machinery for 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;
- Using pergamin windows for all envelopes, as opposed to plastic.

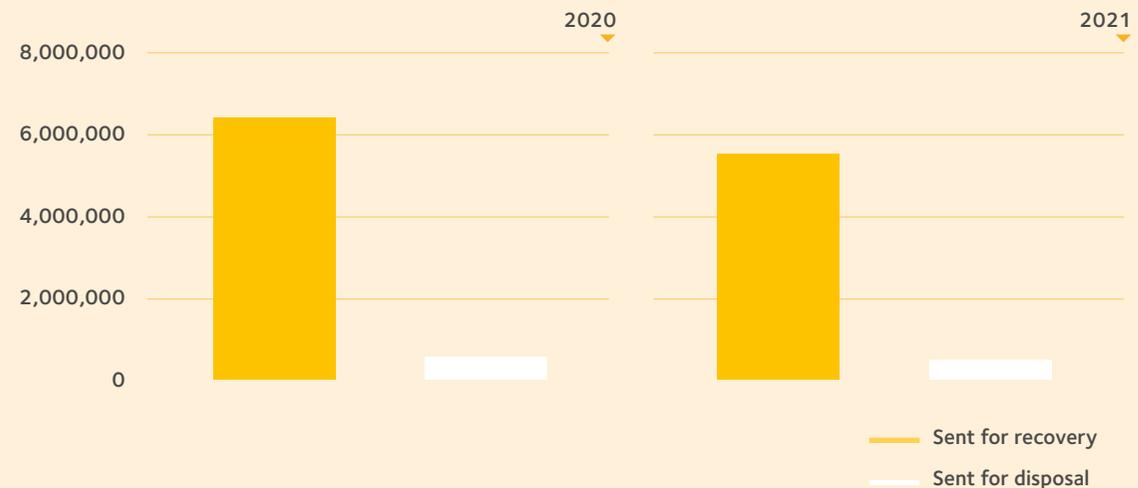
Upstream of the organisation

- the issue of waste reduction and the different solutions implemented within the supply chain are shared with all our suppliers.

Downstream of the organisation:

- mapping of all pack materials and inclusion of disposal icons on all product packaging sold by the company;
- inclusion of QR codes on product packaging, which provide non-printed disposal instructions when scanned.

Waste for recovery and disposal (Kg)



-17% total waste generated in 2021

Fratelli Carli assigns most of its refuse to recovery and recycling. In 2020–2021, **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**). In line with the previous year, the **quantity assigned to recovery** remained unchanged (approx. **90%** of the refuse produced).

Biofuel made from processing

The soapy pulps and greasy earth derived from the production process are submitted to the assessment of the Sistema Nazionale di Certificazione della *Sostenibilità dei Biocarburanti e dei Bioliquidi* (national system of certification of the sustainability of biofuels and bioliquids)". If considered compliant, instead of being disposed of as waste, they are assigned for use as precious raw material for the production of biofuels in line with current regulations.

Management of water

In line with our ongoing efforts to enhance sustainable practices and raw-material savings, over the years 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. Compliance 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 Legislative Decree 152/06, as amended and supplemented.

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 daily **control analyses of waters** on a voluntary basis for absolute compliance 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**.



Mediterranean culture and tradition

“ The olive tree and the precious oil it gives us are symbols of the Mediterranean: the heart of the civilisations that gave birth to our world and the place where they are rooted. The passion and the 'reason' for our being entrepreneur are entrenched in this history: we want to give our contribution to safeguarding and handing down traditions and knowledge that have created a universally recognised food culture. ”

Claudia Carli
Head of Corporate Communications



2021 GOALS



Engaging in the dissemination of a sustainability culture by participating in round tables, seminars, webinars

Participation in the **ITS Foundation – Ligurian Agrifood Academy** for the dissemination of a food culture in the region

2021 RESULTS

✓ Association with **Museimpresa** completed

✓ First-year **courses** of the Ligurian Agri-food Academy activated

2022-2024 GOALS

- Engaging in the dissemination of a sustainability culture by participating in round tables, seminars, webinars
- Participation in the B Corp '#Unlock Education' project for local schools
- Dissemination of the Mediterranean food culture through all company channels
- Participation in Museimpresa social activities
- Supporting the activities of the ITS Foundation – Ligurian Agrifood Academy for the dissemination of a food culture in the region



Objective achieved



Objective not achieved due to delays attributable to the Coronavirus pandemic

2901 HIGHLIGHTS

MEDITERRANEAN CULTURE AND TRADITION



100% of the **Emporiums** provide **information on sustainability**

5,107 **visitors of the Carlo Carli Olive Museum** since its reopening after the pandemic in June

Over **1,600** **remnants** from the **olive-growing and oil-making tradition** preserved by the Carlo Carli Olive Museum

152 archaeological **artefacts** preserved by the Carli Collection have been described of **"exceptional archaeological interest"** by the Ministry of Culture

Culture, tradition, sustainability

As in 2020, also in 2021 our cultural, tradition and sustainability initiatives were slowed down due to the continuing pandemic situation. The company nevertheless engaged in various activities, attesting to its renewed commitment to the community and to the dissemination of a correct culture of food sustainability in the region.

Fratelli Carli is committed to spreading the culinary excellence typical of Italy, a traditional heritage of products and eating styles based on the Mediterranean diet which is appreciated all over the world and which inspires us along with the best practices of sustainable innovation.

Designing the Unlock Education campaign

Enhancing its being part of the B Corp community, in 2021 Fratelli Carli participated in the design of the '#Unlock Education' campaign, a sustainability education and awareness initiative for the younger generation.

The campaign, which targets young people aged between 14 and 25, aims to guide high school and university students towards the values of the B Corp's global movement, encouraging their engagement through concrete actions that can contribute to a positive and tangible change in society and the biosphere. The campaign is divided into two phases: the first is dedicated to learning and in-depth study, by means of courses that focus on B Corp topics and which can be accessed through the website unlockededucation.it.

The second, more practical, designed to put the acquired knowledge into practice by accessing the 'Take action' section of the website. Upon completion of the course, participants are directed to choose one or more actions to undertake, including, for example, participation in the B Corp School programme, designed to foster a connection between B Corp and schools and to promote regenerative entrepreneurship models, or engaging in initiatives such as neighbourhood clean-up or plastic reduction campaigns in schools.

young people aged between
14 e 25 involved



The Ligurian Agri-Food Academy

During the year, Fratelli Carli, together with other Ligurian companies and the main sponsor of the project, the G. Ruffini High School, supported the inauguration of the Ligurian Agrifood Academy, a Technical High School based in Imperia specifically focused on the study of production and processing techniques for the olive and oil production chain.

The purpose of the academy is to train professionals specialised in product creation, development and marketing, also with a view to orienting the sustainable development of agri-food and food and wine supply chains towards greater integration with the local area, in an effort to counteract the depopulation of the hinterland and to offer professional opportunities for young people in the area.

The purpose of the academy is to train professionals specialised in product creation, development and marketing, also with a view to orienting the sustainable development of agri-food and food and wine supply chains towards greater integration with the local area



In 2021 we became member of Museimpresa, the Italian Association of Enterprise Archives and Museums, which brings together over 100 large archives and museums of small and large Italian companies.

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 museum, "Museo dell'Olivo Carlo Carli": olive trees and 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.

Museimpresa

In 2021 we became member of Museimpresa, the Italian Association of Enterprise Archives and Museums, which brings together over 100 large archives and museums of small and large Italian companies. This decision was made to ensure the Carlo Carli Olive Tree Museum could offer a concrete contribution to the Association's aims, i.e. to preserve the memory of Italian industry and to enhance entrepreneurial skills as drivers of sustainable development, to facilitate the dissemination of knowledge and experience of the various museums and to promote research and training in the field of enterprise museology and archiving.



1992 Carlo Carli Olive
Tree Museum
foundation year



Scan the **QRcode** to learn about the **Carlo Carli Olive Tree Museum**

METHODOLOGICAL NOTE

This Sustainability Report has been prepared in accordance with the principles of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards.



Lucio Carli
Head of the Cosmetics Division

Carlo Carli
General Manager

Gian Franco Carli
Chairman and Chief Executive Officer

Claudia Carli
Head of Corporate Communications

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 was drafted in accordance with 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 structured 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)**⁵ on which Fratelli Carli has the greatest impact – 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.

⁵ 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 perimeter and methods of calculation

The reporting perimeter includes the company Fratelli Carli S.p.A. S.B. (Benefit Corporation). 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). 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 (2019-2020-2021) were used; as to refrigerant gas leakage from the air conditioning systems, the GWP of DEFRA (Department for Environment Food & Rural Affairs, United Kingdom, 2019-2020-2021) 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, 2019;*
 - *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.
- **Emissions avoided:** the emissions avoided were calculated by multiplying the total electrical energy produced using photovoltaic panels and expressed in kWh by the residual mix emission factor taken from AIB (Association of Issuing Bodies) 2019-2020.
- **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 analysis

In order to select material topics, desk analyses were conducted to understand the **expectations of the stakeholders** of Fratelli Carli.

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 ambits 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.

To identify the most significant issues for Fratelli Carli, an analysis was conducted in-house, involving the Sustainability Committee, to guide the prioritization process and construct the materiality matrix. Analysis revealed consistency with the Sustainability Pillars defined above by the company and by the Sustainability Committee. Thus, **14 material topics** were identified and subsumed under the company's Sustainability Pillars, over and above a single **transversal topic** concerning **ethical business conduct**.

14 material topics

GRI Reconciliation Table - Material Topics

TOPIC	MATERIAL TOPIC	GRI TOPIC	SCOPE OF THE TOPIC	
			INTERNAL	EXTERNAL
People 	Safety and employee rights	GRI 403: Health and safety at work	Fratelli Carli S.p.A S.B.	Suppliers
		GRI 406: Non-discrimination	Fratelli Carli S.p.A S.B.	
	Personal well-being and development	GRI 404: Training and education	Fratelli Carli S.p.A S.B.	
		GRI 401: Employment	Fratelli Carli S.p.A S.B.	
	Diversity and Equal Opportunities	GRI 405: Diversity and equal opportunities	Fratelli Carli S.p.A S.B.	
Customer satisfaction	GRI 416: Customer health and safety	Fratelli Carli S.p.A S.B.		
Materials and products 	Food safety	GRI 416: Customer health and safety	Fratelli Carli S.p.A S.B.	
	Product quality and excellence	GRI 417: Marketing and labelling	Fratelli Carli S.p.A S.B.	
	Sustainable materials and product eco-design	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.	
	Enhancing local communities	GRI 201: Economic performance	Fratelli Carli S.p.A S.B.	
		GRI 204: Procurement practices	Fratelli Carli S.p.A S.B.	Suppliers
Energy and resources 	Climate Action	GRI 302: Energy	Fratelli Carli S.p.A S.B.	
		GRI 305: Emissions	Fratelli Carli S.p.A S.B.	
	Reducing the production footprint	GRI 306: Effluents and Waste GRI 303: Water and effluents	Fratelli Carli S.p.A S.B.	
Mediterranean culture and tradition 	Promoting healthy lifestyles through Made in Italy products	-	Fratelli Carli S.p.A S.B.	
Ethical business conduct 	Ethical business conduct	GRI 205: Anti-corruption GRI 406: Non-discrimination	Fratelli Carli S.p.A S.B.	
		Respect for privacy	GRI 418: Customer privacy	Fratelli Carli S.p.A S.B.

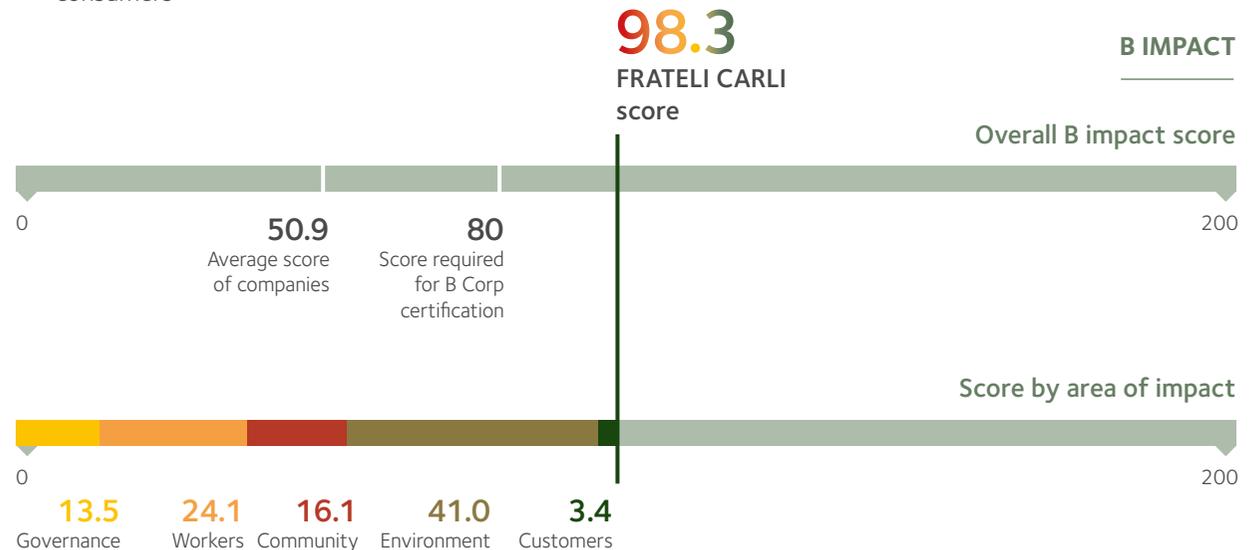
Impact profile of Fratelli Carli Benefit Corporation

To comply with legal obligations and report on the company's impact, Fratelli Carli uses the third-party standard B Impact Assessment. The measurement of its impact for the 2019 reporting year showed a score of 98.3 attesting to the company's constant improvement in its sustainability performance over the years. The certification will be updated in 2023.

The result of the B Impact Assessment is expressed with an overall company score ranging from 0 to 200, broken down into the five main impact areas considered:

- **Governance** topics concerning ethics, transparency and 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 natural resource management;
- **Customers** topics concerning interaction with consumers

Fratelli Carli's B Impact Report, complete and certified by B Lab (a non-profit organisation supporting the B Corp movement internationally), can be accessed at the following link:
<https://bcorporation.eu/directory/fratelli-carli-spa>.



Appendix

Economic indicators

ECONOMIC PERFORMANCE

GRI 201-1 | Directly generated and distributed economic value (€)

	2019	2020	2021
Directly generated economic value	161,109,317	159,734,113	155,247,840
Distributed economic value	155,130,929	148,433,564	147,958,061
<i>Operating costs</i>	136,050,136	128,123,856	128,187,903
<i>Salaries and employee benefits</i>	17,763,504	17,667,762	17,905,787
<i>Payments to providers of capital</i>	1,043,066	887.615	932,420
<i>Payments to the Public Administration</i>	274.223	1,754,331	931,951
<i>Investments in the community</i>	58.042	79.369	152,695
Withheld economic value	5,978,388	11,300,549	7,289,778

PROCUREMENT PRACTICES

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

	2019	2020	2021
Procurement budget spent for local suppliers	73%	72%	74%

ANTI-CORRUPTION

GRI 205-3 | Corruption episodes ascertained and actions undertaken (n)

	2019	2020	2021
Corruption episodes ascertained	0	0	0
Corruption-linked public lawsuits commenced against the organization or its employees	0	0	0

Social indicators

GENERAL DISCLOSURE

GRI 102-8 | Information on employees and other workers (n)

	2019	2020	2021
Employees	359	373	381
<i>Women</i>	167	178	187
<i>Men</i>	192	195	194
Full-Time contract	266	263	263
<i>Women</i>	88	86	93
<i>Men</i>	178	177	170
Part-Time contract	93	110	118
<i>Women</i>	79	92	94
<i>Men</i>	14	18	24
Permanent contracts	327	336	346
<i>Women</i>	149	160	168
<i>Men</i>	178	176	178
Temporary contracts	32	37	35
<i>Women</i>	18	18	19
<i>Men</i>	14	19	16

EMPLOYMENT

GRI 401-1 | New hirings (n)

	2019	2020	2021
Total hirings	90	128	125
Gender			
<i>Women</i>	47	65	65
<i>Men</i>	43	63	60
Age bracket			
<i><30 years</i>	25	25	53
<i>30 ≤ x ≤ 50 years years</i>	43	43	51
<i>>50 anni</i>	22	22	21

GRI 401-1 | Turnover (n)

	2019	2020	2021
Total terminations	87	114	117
Gender			
<i>Women</i>	34	54	56
<i>Men</i>	53	60	61
Fascia d'età			
<i><30 years</i>	21	58	47
<i>30 ≤ x ≤ 50 years</i>	29	30	43
<i>>50 years</i>	37	26	27

HEALTH AND SAFETY

GRI 403-9 | Accidents at work

	Unit of meas.	2020	2021
Employees			
<i>Total no. of hours worked</i>	no.	614,952	634,763
<i>Total no. of accidents at work</i>	no.	2	1
<i>Total no. of accidents at work with severe consequences</i>	no.	0	0
<i>Total no. of deaths due to accidents at work</i>	no.	0	0
<i>Accident rate</i>	Rate	0.65	0.32
<i>Serious accident rate</i>	Rate	0.0	0.0
<i>Death rate</i>	Rate	0.0	0.0
Workers other than employees whose work and/or workplace is under the organisation's control			
<i>Total no. of hours worked</i>	no.	85,322	91,024
<i>Total no. of accidents at work</i>	no.	0.0	0.0
<i>Total no. of accidents at work with severe consequences</i>	no.	0.0	0.0
<i>Total no. of deaths due to accidents at work</i>	no.	0.0	0.0
<i>Accident rate</i>	Rate	0.0	0.0
<i>Serious accident rate</i>	Rate	0.0	0.0
<i>Death rate</i>	Rate	0.00	0.0

TRAINING

GRI 401-1 | Average yearly training hours per employee (h)

	2020	2021
Gender		
Women	5.99	13.3
Men	8.18	7.6
Professional category		
Managers	7.5	32.1
Middle management	9.6	20.9
White-collar personnel	7.9	12.6
Blue-collar personnel	5.4	3.6



DIVERSITY AND EQUAL OPPORTUNITIES

GRI 405-1 | Diversity in management bodies (no. and %)

	no.	2020		2021	
		%	no.	%	
Gender					
<i>Women</i>	1	20	1	20	
<i>Men</i>	4	80	4	80	
Age bracket	n.	%	n.	%	
<i><30 years</i>	0	0	0	0	
<i>30 ≤ x ≤ 50 years</i>	2	40	2	40	
<i>>50 years</i>	3	60	3	60	

GRI 405-1 | Diversity among employees (n. e %)

Professional category	2019		2020		2021	
	no.	%	no.	%	no.	%
Gender						
Managers	4	1.1	4	1.1	4	1.1
<i>Women</i>	0	0.0	0	0.0	0	0.0
<i>Men</i>	4	2.1	4	2.1	4	2.1
Middle management	12	3.3	11	2.9	11	2.9
<i>Women</i>	5	3.0	5	2.8	4	2.1
<i>Men</i>	7	3.6	6	3.1	7	3.6
White-collar personnel	224	62.4	241	64.6	253	66.4
<i>Women</i>	141	84.4	152	85.4	163	87.2
<i>Men</i>	83	43.2	89	45.6	90	46.4
Blue-collar personnel	119	33.1	117	31.4	113	29.6
<i>Women</i>	21	12.6	21	11.8	20	10.7
<i>Men</i>	98	51.0	96	49.2	93	47.9

cont.



Age bracket	2019		2020		2021	
	no.	%	no.	%	no.	%
<30 years	16	4.5	26	7.0	28	7.0
Managers	0	0.0	0	0.0	0	0.0
Middle management	0	0.0	0	0.0	0	0.0
White-collar personnel	13	5.8	23	9.5	25	9.9
Blue-collar personnel	3	2.5	3	2.6	3	2.7
30 ≤ x ≤ 50 years	185	51.5	184	49.3	176	46.2
Managers	0	0.0	0	0.0	0	0.0
Middle management	4	33.3	3	27.3	2	18.2
White-collar personnel	136	60.7	142	58.9	136	53.8
Blue-collar personnel	45	37.8	39	33.3	38	33.6
>50 years	158	44.0	163	43.7	177	46.5
Managers	4	100.0	4	100.0	4	100.0
Middle management	8	66.7	8	72.7	9	81.8
White-collar personnel	75	33.5	76	31.5	92	36.4
Blue-collar personnel	71	59.7	75	64.1	72	63.7

CUSTOMERS' PRIVACY

GRI 418-1 | Proven complaints regarding customer privacy infringement (n)

	2019	2020	2021
Total number of documented complaints received for customers privacy infringement	4	3	8
<i>Of which received by external subjects</i>	4	3	8
<i>Of which proceeds from control bodies</i>	0	0	0

GRI 418-1 | Customer data losses (n)

	2019	2020	2021
Total number of identified thefts or losses of customer data	0	6	1

Environmental indicators

MATERIALS

GRI 301-1 | Consumption of materials (ton)

	2020	2021
Packaging materials	9,310	8,661
<i>Plastic</i>	89	76
<i>Paper and cardboard</i>	2,952	2,712
<i>Wood</i>	186	185
<i>Tinplate</i>	182	204
<i>Aluminium</i>	22	18
<i>Glass</i>	5,879	5,466
Food material	28,244	17,836
<i>Oil</i>	27,747	17,431
<i>Olives for mill</i>	246	83
<i>Other materials (e.g. tomato pulp, basil, cheese)</i>	230	322
Finished products purchased from third parties	1,796	1,511
<i>"Seafood" products (e.g. tuna, tuna steak, anchovies)</i>	420	409
<i>Bakery products for special occasions (panettone, colomba)</i>	205	222
<i>Soaps</i>	273	133
<i>Dry pasta</i>	136	184
<i>Olives / olive paté</i>	81	144
<i>Other finished products (e.g. grilled products, jams, focaccia, soups)</i>	398	419

cont.



	2020	2021
Mediterranea products		171
<i>Bulk</i>		104
<i>Plastic</i>		20
<i>Paper</i>		33
<i>Glass</i>		13
<i>Aluminium</i>		0
<i>Wood</i>		1
<i>Solid soap</i>		0
Total materials	39,330	28,179



ENERGY

GRI 302-1 | Consumption of fuel from non-renewable sources

	Unit of meas.	2019	2020	2021
Diesel	l	101,636	100,500	93,510
LPG	l	12,300	9,087	7,214
Natural gas	Stdm ³	753,909	713,038	606,787
Consumption of fuel for company fleet	Diesel	141,750	135,445	148,654
	Gasoline	11,324	7,799	11,393

GRI 302-1 | Indirect energy consumption (kWh)

	2019	2020	2021
Consumption of electrical energy purchased ⁶	5,051,521	4,873,655	4,710,066
<i>of which with renewable energy certification</i>	5,051,521	4,873,655	4,710,066

GRI 302-1 | Electrical energy produced (kWh)

	2019	2020	2021
Electricity from a renewable source produced and sold	69,747	86,865	94,209
Electricity from a renewable source produced and consumed	872,762	882,177	926,070

⁶ Electrical energy consumption refers only to the Imperia and Gazzelli facilities and to the three warehouses belonging to the company (Assago, Pognano). Other energy consumption refers to stores rented, accounting for 283,934 kWh in 2019 (13 stores) and 340,871 kWh in 2020 (17 stores) and to warehouses rented, accounting for 5,528 kWh in 2019 and 5,870 kWh in 2020.

GRI 302-1 | Energy consumed (GJ)

	2019	2020	2021
Diesel	8,714	8,714	8,669
LPG	293	293	171
Gasoline	330	330	334
Natural gas	26,615	26,615	21,408
Electric power	21,327	21,327	20,290
Total	57,279	57,279	50,872

EMISSIONS**GRI 305-1 | Scope 1 emissions (tCO₂eq)**

	2019	2020	2021
Diesel	641	616	641
LPG	19	14	11
Gasoline	24	17	24
Natural gas	1,490	1,408	1,203
Refrigeration gas leaks	227	253	228
Total Scope 1	2,401	2,308	2,107

GRI 305-2 | Scope 2 emissions (tCO₂eq)

	2019	2020	2021
Location-Based	1,813	1,638	1,484
Market-Based ⁷	0	0	0

⁷ Zero 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.

WATER

GRI 303-3 | Water uptake per source (ML)

	2019	2020	2021
<i>Uptake from wells</i>	183	189	124
<i>Uptake from water system</i>	13	14	15
Total water uptake	196	203	139

GRI 303-4 | Water discharge according to destination (ML)

	2019	2020	2021
<i>Discharge into municipal system</i>	194	200	133
Total water discharge	194	200	133

GRI 303-5 | Water consumption (ML)

	2019	2020	2021
<i>Total water uptake</i>	196	203	139
<i>Total water discharge</i>	194	200	133
Total water consumption	2	3	6

WASTE

GRI 306-3/306-4/306-5 | Product waste, not for disposal and for disposal (t)

	2020	2021
Laboratory solvents	<1	<1
Packaging	Paper	447
	Plastic	21
	Glass	29
Food waste	24	17
Printer toners	0	< 1
Aluminium scrap	2	5
Bleaching earth for filtration	257	179
Edible oils and grease	1	2
Sludge produced by olive mill operations	478	219
Other separate waste	5,848	5,035
Unsorted urban waste	7	3
Total	7,114	5,917
<i>Of which hazardous</i>	12	12
<i>Of which non hazardous</i>	7,102	5,905
<i>Of which sent for recycling/recovery</i>	6,431	5,385
<i>Of which not sent for recycling/recovery</i>	683	532

GRI Content Index

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

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
GRI 102 General disclosure 2016				
Organisation's profile	102-1	Organisation's name	Page 7, Page 27	
	102-2	Activities, brands, products and services	Pages 16-19	
	102-3	102-3 Headquarter's location		Via Gressio 11 - 18100 Imperia (IM)
	102-4	102-4 Location of activities		Via Gressio 11-13 - Imperia (IM) Via Monte Pasubio 31 - frazione Gazzelli, Chiusanico (IM)
	102-5	Ownership and legal form	Page 7, Page 27	
	102-6	Markets served	Page 10, Page 27	
	102-7	Organisation's size	Page 10, Page 27	
	102-8	Information on employees and other workers	Pages 46-55	
	102-9	Supply chain	Pages 74-81	
	102-10	Significant changes to the organisation and its supply chain		There were no significant changes during the reporting year
	102-11	Precaution principle	Page 102	
	102-12	External initiatives	Page 56	
	102-13	102-13 Membership of associations	Pages 34-35	

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
Strategy	102-14	Statement from top management	Page 7	
Ethics and integrity	102-16	Values, principles, standards and rules of behaviour	Pages 22-43	
Governance	102-18	Governance structure	Pages 22-23	
Stakeholder engagement	102-40	List of stakeholders' groups	Page 34	
	102-41	National bargaining agreements		All employees are covered by CCNL 102-42
	102-42	Identification and selection of stakeholders	Pages 32-34	
	102-43	Approach to stakeholder engagement	Page 34	
	102-44	Key issues and critical points raised		No key critical points were raised by stakeholders
Reporting practices	102-45	Entities included in the consolidated financial statements	Page 103	
	102-46	Definition of report content and scope of issues	Page 105	
	102-47	List of material topics	Pages 40-41; Page105	
	102-48	Revision of information	N/A	
	102-49	Amendments in reporting	N/A	
	102-50	Reporting period		01.01.2021 to 31.12.2021
	102-51	Date of latest report		This document represents the 2nd edition of Fratelli Carli's Sustainability Report.
	102-52	Reporting cycle		Yearly
	102-53	Contacts to request information regarding the Report		sosteniamoci@oliocarli.it
	102-54	Disclosure on reporting in accordance with GRI Standards	Page 120	
	102-55	Summary of GRI contents	Page 120	
102-56	External assurance	Page 128		

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
ECONOMIC ISSUES (GRI 200)				
GRI 201 Economic performance 2016	103-1	Explanation of the material topic and its perimeter	Page 35; Page 107	
	103-2	Management approach and its components	Page 35; Page 107	
	103-3	Evaluation of management approach	Page 35; Page 107	
	201-1	Directly generated and distributed economic value	Page 35; Page 107	
GRI 204 Procurement practices 2016	103-1	Explanation of the material topic and its perimeter	Pages 76–81; Page 107	
	103-2	Management approach and its components	Pages 76–81; Page 107	
	103-3	Evaluation of management approach	Pages 76–81; Page 107	
	204-1	Proportion of expenditure to local suppliers	Pages 76–81; Page 107	
GRI 205 Anticorruption 2016	103-1	Explanation of the material topic and its perimeter	Page 108	
	103-2	Management approach and its components	Page 108	
	103-3	Evaluation of management approach	Page 108	
	205-3	Corruption episodes ascertained and actions undertaken	Page 108	
ENVIRONMENTAL ISSUES (GRI 300)				
GRI 301 Materials 2016	103-1	Explanation of the material topic and its perimeter	Pages 62–71; Page 114	
	103-2	Management approach and its components	Pages 62–71; Page 114	
	103-3	Evaluation of management approach	Pages 62–71; Page 114	
	301-1	Materials used by weight and volume	Pages 62–71; Page 114	
GRI 302 Energy 2016	103-1	Explanation of the material topic and its perimeter	Pages 85–86; Pages 116–117	
	103-2	Management approach and its components	Pages 85–86; Pages 116–117	
	103-3	Evaluation of management approach	Pages 84–86; Pages 116–117	
	302-1	Energy consumption within the organisation	Pages 84–86; Pages 116–117	

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
GRI 303 Water and effluents 2018	103-1	Explanation of the material topic and its perimeter	Page 91; Page 118	
	103-2	Modalità di gestione e le sue componenti	Page 91; Page 118	
	103-3	Evaluation of management approach	Page 91; Page 118	
	303-1	Interactions with water as a shared resource	Page 91; Page 118	
	303-2	Management of water discharge-related impacts	Page 91; Page 118	
	303-3	Water withdrawal	Page 91; Page 118	
	303-4	Water discharge	Page 91; Page 118	
	303-5	Water consumption	Page 91; Page 118	
GRI 305 Emissions 2016	103-1	Explanation of the material topic and its perimeter	Pages 87-88; Page 117	
	103-2	Management approach and its components	Pages 87-88; Page 117	
	103-3	Evaluation of management approach	Pages 87-88; Page 117	
	305-1	GHG direct emissions (Scope 1)	Pages 87-88; Page 117	
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	Pages 87-88; Page 117	
GRI 306 Waste 2020	103-1	Explanation of the material topic and its perimeter	Pages 89-90; Page 119	
	103-2	Management approach and its components	Pages 87-88; Page 117	
	103-3	Evaluation of management approach	Pages 87-88; Page 117	
	306-1	Waste production and significant impacts related to waste	Pages 87-88; Page 117	
	306-2	Management of significant impacts related to waste	Pages 87-88; Page 117	
	306-3	Waste produced	Pages 87-88; Page 117	
	306-4	Waste recovered and not for disposal	Pages 87-88; Page 117	
GRI 308 Environmental evaluation of suppliers 2016	103-1	Explanation of the material topic and its perimeter	Pages 62-67; Pages 74-81	
	103-2	Management approach and its components	Pages 62-67; Pages 74-81	
	103-3	Evaluation of management approach	Pages 62-67; Pages 74-81	
	308-1	New suppliers that have been evaluated according to environmental	Pages 62-67; Pages 74-81	

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
SOCIAL ISSUES (GRI 400)				
GRI 401 Occupation 2016	103-1	Explanation of the material topic and its perimeter	Pages 46–56; Page 109	
	103-2	Management approach and its components	Pages 46–56; Page 109	
	103-3	Evaluation of management approach	Pages 46–56; Page 109	
	401-1	New hirings and turnover	Pages 46–56; Page 109	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees ⁷	Pages 46–56; Page 109	
GRI 403 Workers' health and safety 2018	403-1	Occupational health and safety management system	Pages 48–53; Page 110	
	403-2	Hazard identification, risk assessment and accident investigation	Pages 48–53; Page 110	
	403-3	Occupational medicine services	Pages 48–53; Page 110	
	403-4	Worker participation and consultation regarding occupational health and safety	Pages 48–53; Page 110	
	403-5	Worker training on occupational health and safety	Pages 48–53; Page 110	
	403-6	Promotion of workers' health	Pages 48–53; Page 110	
	403-7	Prevention and mitigation of impacts regarding occupational health and safety within the area of commercial relations	Pages 48–53; Page 110	
	403-9	Workplace injuries	Pages 48–53; Page 110	
	GRI 404 Education and training 2016	103-1	Explanation of the material topic and its perimeter	Pages 54–55; Page 111
103-2		Management approach and its components	Pages 54–55; Page 111	
103-3		Evaluation of management approach	Pages 54–55; Page 111	
404-1		Average annual employee training hours	Pages 54–55; Page 111	
GRI 405 Diversity and equal opportunities 2016	103-1	Explanation of the material topic and its perimeter	Page 49; Pages 112–113	
	103-2	Management approach and its components	Page 49; Pages 112–113	
	103-3	Evaluation of management approach	Page 49; Pages 112–113	
	405-1	Diversity in management bodies and workforce	Page 49; Pages 112–113	

⁷ The welfare plan envisages a variety of specific measures for each category of employees, depending on their grade and in compliance with the provisions of the National Collective Labor Agreement, and is supplemented with additional benefits aimed at all employees on a permanent contract.

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
GRI 406 Non discrimination 2016	103-1	Explanation of the material topic and its perimeter	Page 49; Pages 54-55	
	103-2	Management approach and its components	Page 49; Pages 54-55	
	103-3	Evaluation of management approach	Page 49; Pages 54-55	
	406-1	Episodes of discrimination and corrective measures adopted		No episodes of discrimination occurred during the period
GRI 416 Customer Health and Safety 2016	103-1	Explanation of the material topic and its perimeter	Pages 57-59	
	103-2	Management approach and its components	Pages 57-59	
	103-3	Evaluation of management approach	Pages 57-59	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 57-59	
GRI 414 Supplier Social Assessment 2016	103-1	Explanation of the material topic and its perimeter	Pages 62-67; Pages 74-81	
	103-2	Management approach and its components	Pages 62-67; Pages 74-81	
	103-3	Evaluation of management approach	Pages 62-67; Pages 74-81	
	414-1	New suppliers that were screened using social criteria	Pages 62-67; Pages 74-81	
GRI 417 Marketing and labelling 2016	103-1	Explanation of the material topic and its perimeter	Pages 64-65	
	103-2	Management approach and its components	Pages 64-65	
	103-3	Evaluation of management approach	Pages 64-65	
	417-3	Incidents of non-compliance concerning marketing communications	Pages 64-65	
GRI 418 Customer privacy 2016	103-1	Explanation of the material topic and its perimeter	Pages 57-59; Page 113	
	103-2	Management approach and its components	Pages 57-59; Page 113	
	103-3	Evaluation of management approach	Pages 57-59; Page 113	
	418-1	Proven complaints regarding customer privacy infringement and loss of customer data	Pages 57-59; Page 113	

GRI Standard	Disclosure	Description	Reference	Omissions – Notes
				OTHER NON-GRI MATTERS
Promotion of healthy lifestyles through	103-1	Explanation of the material topic and its perimeter	Pages 94–99	
	103-2	Management approach and its components	Pages 94–99	
	103-3	Evaluation of management approach	Pages 94–99	



Independent Auditors' Report



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Fratelli Carli S.p.A. Benefit Corporation

We have been entrusted with conducting a limited assurance engagement of the Sustainability Report of Fratelli Carli S.p.A. Benefit Corporation (hereinafter also “the Company”) regarding the FY that ended on 31 December 2021.

Responsibility of the Directors for the Sustainability Report

The Directors of Fratelli Carli S.p.A. Benefit Corporation are responsible for drafting the Sustainability Report in compliance with the “Global Reporting Initiative Sustainability Reporting Standards” defined by the GRI – Global Reporting Initiative (“GRI Standards”), as described in the section “Methodology” of the Sustainability Report.

The Directors are also responsible for the supervisory role they consider necessary to enable the drafting of a Sustainability Report that does not contain significant errors due to fraud or unintentional behaviours or events.

The Directors are also responsible for defining the Company’s performance targets in relation to sustainability, as well as for identifying stakeholders and the significant aspects to report on.

Independence of the auditing company and quality control

We are independent in compliance with the principles of ethics and independence of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on the fundamental principles of integrity, impartiality, competence and professional diligence, confidentiality and professional conduct.

Our auditing firm applies the International Standard on Quality Control 1 (ISQC Italia 1), and consequently, maintains a quality control system that includes directives and procedures documented on compliance with ethical and professional principles and the applicable legal measures and regulations.

EY S.p.A.
Registered Office: Via Meravigli, 12 – 20123 Milan
Secondary Office: Via Lombardia, 31 – 00187 Rome
Share Capital Euro 2,525,000.00 fully paid up
Entered in the Ordinary Section of the Register of Companies at the Chamber of Commerce of Milan Monza Brianza Lodi
T.I.N. and registration number 00434000584 – Economic and Administrative Index of Milan no. 606158 – VAT no. 00891231003
Entered on the Register of Statutory Auditors under no. 70945 Published in the Official Gazette Suppl. 13 - IV Special Series of 17/2/1998
Entered on the Consob Special Register of
Auditing Firms under progressive number 2, resolution no. 10831 of 16/17/1997

A member firm of Ernst & Young Global Limited

Responsibility of the auditing firm

It is our responsibility, based on the procedures carried out, to draft a conclusion regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been carried out in accordance with the provisions of the “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. This standard requires the planning and carrying out of procedures in order to acquire limited assurance that the Sustainability Report does not contain significant errors.

Therefore, the scope of our examination was inferior to that required for conducting a complete examination in accordance with ISAE 3000 Revised (“reasonable assurance engagement”). Consequently, we cannot be certain that we have ascertained all the significant facts and circumstances that could be identified if such an examination were carried out.

The procedures carried out on the Sustainability Report are based on our professional judgement, and included interviews, mainly with the Company personnel responsible for drafting the information presented in the Sustainability Report, as well as an analysis of documents, recalculations and other procedures designed to acquire evidence considered useful.

Specifically, we carried out the following procedures:

1. analysis of the process for defining the significant questions reported on in the Sustainability Report, with reference to how they were identified in terms of priority for the various categories of stakeholders and the internal validation of the process outcomes;
2. comparison between the data and the information of an economic and financial nature reported in the Sustainability Report and the data and the information included in the financial statements of the Company;
3. understanding of the processes underlying the generation, collection and management of the significant qualitative and quantitative information included in the Sustainability Report.

Specifically, we conducted interviews and discussions with the Company Management and the personnel of the Gazzelli production plant, as well as limited checks on documents, in order to gather information on the processes and procedures supporting the collection, aggregation, processing and transmission of data and information of a non-financial nature to the function responsible for preparing the Sustainability Report.



In addition, for the significant information, taking account of the activities and characteristics of the Company:

- at company level:

- a) with reference to the qualitative information contained in the Sustainability Report, we conducted interviews and acquired supporting documentation to verify consistency with the evidence available;
- b) with reference to the quantitative information, we conducted both analytical procedures and limited checks to ascertain the correct aggregation of data, on a sample basis.

- For the facility in Via Garessio, which we selected based on its activities, its contribution to the performance indicators and its location, we conducted remote encounters, during which we discussed matters with the figures responsible and acquired documentary evidence, on a sample basis, regarding the correct application of the procedures and the calculation methods used for the indicators.

Conclusions

Based on the work carried out, no elements have come to our attention that led us to believe that the Sustainability Report of Fratelli Carli S.p.A. Benefit Corporation regarding the FY that ended on 31 December 2021 has not been drafted, in all its significant aspects, in compliance with the requirements of the GRI Standards as described in the "Methodology" paragraph of the Sustainability Report.

Genoa, 20 June 2022

Riccardo Riva
(Auditor)

A handwritten signature in black ink, appearing to be 'R. Riva', written over a light blue horizontal line.



Fratelli Carli S.p.A. Benefit Corporation

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