



FRATELLI
Carli
— DAL 1911 —

Fratelli Carli S.p.A. Società Benefit

2022 Sustainability Report

Our Responsible Progress:
tradition, excellence, environment

Certified



Corporation

Fratelli Carli S.p.A. Società Benefit

2022 Sustainability Report

TABLE OF CONTENTS

Letter from the Chairman	5
Fratelli Carli	6
A family-run business	8
A record of excellence spanning more than a hundred years	10
Care, passion, tradition	12
Our products	15



Accountability, ethics and transparency	18
Our Responsible Progress: tradition, excellence, environment	24
B Corp Certified	26
Fratelli Carli has also become a Benefit Corporation	27
The Pillars of Sustainability	28
Sustainable Development Goals (SDGs)	29

Materiality analysis: the key issues	32
Our stakeholders	40
A long-term vision	42



People	50
Our employees: family members	54
The community, our world	62
Our customers	63
Products and Materials	66
Only prime-quality products	70
Supply Chain	78
Our supply chain and the value of our territory	82

Energy and Resources	88
Committed to a sustainable future – More technology, less consumption	92
Mediterranean Culture and Tradition	100
Culture, tradition, sustainability	104



Methodological note	108
Scope of reporting and methods of calculation	111
GRI Reconciliation Table – Material Topics	113
Impact profile	114

Appendix	115
Economic indicators	115
Social indicators	117
Environmental indicators	123

GRI Content Index	130
Independent Auditors' Report	136





Becoming the first Italian production company to obtain B Corp Certification, in 2014, and subsequently choosing to become a Benefit Corporation has allowed us to tackle our complex range of commitments to sustainability through consolidated, aware strategic governance.

Letter from the Chairman

Presenting our **third Sustainability Report** is both a matter of pride for us and an important occasion for reflection.

A careful reading between the lines of our company's achievements in each of the areas of sustainability we pursue with conviction reveals all the **complexity of recent years**, moving on from the pandemic to war, a global energy crisis and the practical effects of climate change on both the economy and our daily lives.

However, this account also seeks to **thank all our employees, suppliers and the people we work** with every day, sharing the efforts, commitments, projects, choices and individual, practical actions necessary to effectively advance along the road toward Responsible Progress.

Becoming the **first Italian production company to obtain B Corp Certification, in 2014**, and subsequently choosing to become a Benefit Corporation has brought us to where we are today, allowing us to tackle the complex efforts that are now imperative to guarantee sustainability through **consolidated, aware strategic governance**.

The Report provides a clear account of the results achieved, the challenges under way and the targets planned for the coming three years in our **Sustainability Plan**. This Plan has been constructed with a careful eye on the material topics for our company that are reflected in its **five Pillars** (People, Products and Materials, Supply Chain, Energy and Resources, Mediterranean Culture and Tradition), as well as on the **Common Good Purposes** set forth in **our articles of association as a Benefit Corporation**.

This account illustrates the **passion that guides our actions** every day, as well as the hope that our Report may contribute to the increasingly widespread sharing of solutions, strategies and innovations organizations can implement in order to really make a difference and to become **not only the best companies in the world, but the best companies for the world**.

Gian Franco Carli

Chairman and CEO

Fratelli Carli S.p.A. Società Benefit

FRATELLI CARLI

The ability to work hard and effectively, with intelligence, tenacity and humility; without ever being presumptuous, yet without getting discouraged, driven by the certainty that we have always strived to do things right, and promising ourselves – on the strength of our experience – that we will endeavor to do even better going forward, and always ready to learn and study something new when required. In short, the ability to work in a particular way, counting on and trusting in our strengths.

Giovanni Carli
Development plan, 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, a time-honored, traditional Italian olive oil producing zone. This is a heritage that Fratelli Carli has been able to preserve over many decades, handing down from one generation to the next a unique knowledge and 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.



20 Emporiums

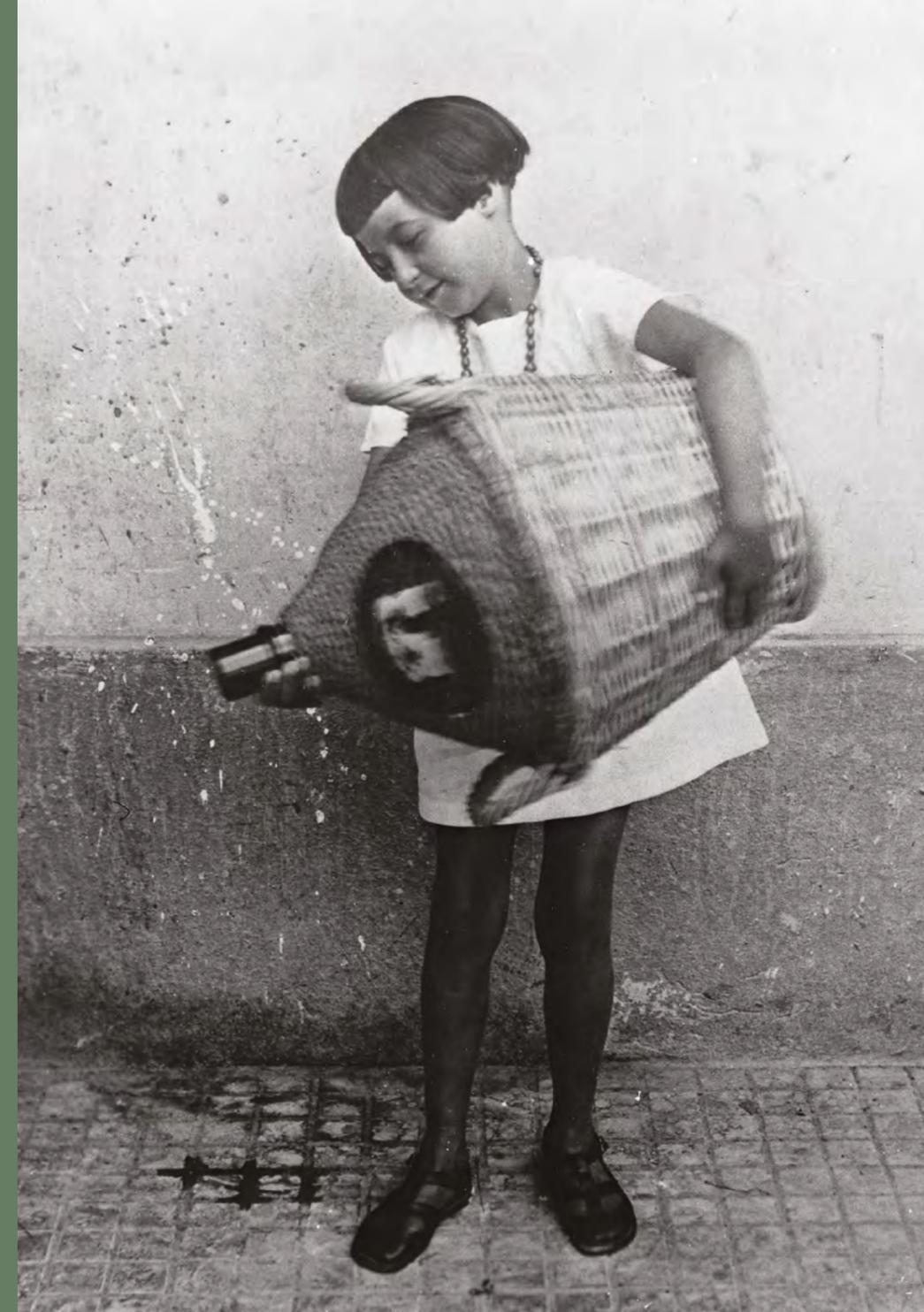
A signature feature of the company has always been our **distribution model**. Consumers worldwide can place their orders directly by phone, by regular mail or online. Delivery is ensured by a broad-reaching logistics network. The national network is operated by trusted transporters and a fleet of vans with the company livery. Full satisfaction and efficiency are guaranteed.

In 2000, we also decided to open a chain of directly run corporate emporiums: with **20 Emporiums** to date, Fratelli Carli operates an omnichannel sales model, enabling our customers to choose their preferred point of contact with us.

This is what we have achieved so far... and we plan to do more and better going forward. This detailed account reaches out to the public at large, seeking in particular to remind our children and grandchildren how the company began and how it has grown, telling the story of a family whose achievements deserve to be recognized and acknowledged.

Giovanni Carli
on the fiftieth anniversary of Fratelli Carli, 1961

”



A record of excellence spanning more than a hundred years

Fratelli Carli was **founded in 1911** by Giovanni Carli, who saw a great future in store for the olive-growing tradition of his native Imperia.

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

Oneglia 1911

The power of an idea



This year saw an exceptional harvest in 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

The creativity that shaped the company's history

The renowned commercial artist, Plinio Codognato, devised the logo that accompanied the firm for 87 years.



1948

The first post-war price list



The 1943 and 1944 bombing raids destroyed the plant. The young Carlo Carli, Giovanni's son, rebuilt the company, and sales resumed in 1948.

1972

The leading-edge Centro Meccanografico (data processing centre)



At the heart of the new premises, built in 1971, the innovative Centro Meccanografico (data-processing centre) allows us to look ahead to the future.

1997

Establishment of Mediterranea



In keeping with the company's hallmark philosophy, the Mediterranea olive-oil based cosmetics range was launched.

2011

100 years in business



Celebration of the firm's centenary. A hundred years of on-going tradition, quality and sustainability, carried forth with passion and dedication by the fourth generation of the family, who joined the company during the 2000s.

2019

Fratelli Carli Società Benefit



As a testament to the company's commitment to sustainable innovation, the Fratelli Carli articles of association were amended, and it became a Benefit Corporation.

1912

The first price list



The family's printing business was key to the success of the enterprise, allowing them to produce price lists in order to reach out to new customers.

1936

Publication of the first Ricettario Carli cookery book



A year before the company was honored as a Purveyor to the Royal Household, the chef of the Royal Household, Cav. Pettini, penned the first Ricettario Carli (Carli cookery book), enriched with illustrations by Cappadonia. This gift to all Carli customers ushered in a tradition that remains to this day.

1965

The first Fratelli Carli small vans



In an effort to fully satisfy demand, Fratelli Carli launched the home delivery system with its own vans, 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 website, oliocarli.it, came 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 retail format has been successfully replicated in Italy's largest cities.

2014

B Corp Certification



Fratelli Carli was the first Italian production company to obtain the B Corp certification.

2022

Toward carbon neutrality



Rising to a global challenge, Fratelli Carli has set out a plan to measure and reduce emissions, and has decided to embark on a process of offsetting them, prioritizing delivery logistics for Italy.



Scan the **QR code** to learn about the **key moments in the history** of Fratelli Carli

Corporate vision

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

Care, passion, tradition

For over a century, the company has placed importance on the local culture, with a passion for quality and respect for hard work. **On a daily basis, Fratelli Carli enters customers' homes, not just to deliver products, but to convey its vision and values**, with the aim of preserving a unique relationship, which in many cases is decades old.

Sustainability

We comply with rigorous social and environmental standards, with a keen awareness of our responsibility toward society and the planet.

Working to make a difference

Doing good is what we do best. This is the guiding principle that drives us to devote attention to every detail, every day: in our products, our service, and our exclusive relationship with our customers.



The hallmark elements of our brand

We make every moment at the table a unique taste experience

The accent is on Carli Flavor: the goodness you can serve up any time, suitable for any occasion. Carli Flavor is both extraordinary and a regular treat, and our products are suitable for both special occasions and everyday fare, making every moment around the table an extraordinarily flavorful experience.

A benchmark in the olive world

Our company was established and has grown in sunny Imperia, where the olive is a symbol of culture and a passion for the production of prime-quality oil. For four generations, our skills and knowledge have been preserved, enhanced and nourished, driven by fresh enthusiasm every day.





Behind each product lies imagination and hard work, ideas, sacrifices, aspirations – and indeed the pride we take in the end results. These are all truths that deserve to be said and transmitted.

Giovanni Carli

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

”

Our products

Excellence is something our company seeks in all its products: from our olive oil, which we started off with over a hundred years ago, to the gourmet specialties that are our vocation.

Moving on to accompanying our oil with the specialties and cuisine of Liguria and the Mediterranean came naturally to us, driven by a strong desire to share the most authentic, genuine flavors with our customers.

OLIVE OIL, FROM TRADITIONAL TO ORGANIC

The oil-tasting ritual remains the preserve of Carli family members. **This ensures quality, guaranteed by the selection of the best oils from trusted olive groves in the finest olive-growing zones of the European Mediterranean.** The range includes various extra virgin olive oils and an olive oil, to satisfy a variety of tastes and requirements, both at the table and for cooking.

FOOD PRODUCTS FROM TRUSTED ARTISANS

Many Fratelli Carli specialties are produced at the facility located in Gazzelli, a small town set amid the olive groves of the hinterland of Imperia. This facility also defines the quality standards the company develops together with its external suppliers, factoring in the selection of prime raw materials and an ability to seamlessly blend industrial practices with artisanship. The Gazzelli plant and a network of traditional local growers produce a **comprehensive range of specialties linked to olive oil and the genuine “pleasures of the table”** so typical of Italian households.



MEDITERRANEA COSMETICS, WHEN NATURE COMES INTO ITS OWN

Mediterranea is the line of cosmetics created by Fratelli Carli, teaming tradition with research and dedicated to well-being and beauty.

Having gained so much experience working with such a noble, natural, ancient product as olive oil, Lucio Carli decided, in 1996, to make his dream come true, by creating **original, effective cosmetic formulas capable of exalting its renowned anti-oxidant properties and superb active ingredients**. Mediterranea is a well-established 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 teams with science, offering natural active ingredients and innovative formulas**.



ACCOUNTABILITY, ETHICS AND TRANSPARENCY

The governance system of Fratelli Carli S.p.A. S.B. is based on a set of rules, practices and processes underpinning and ensuring transparency, efficiency and accountability.



Accountability, Ethics And Transparency

The governance system of Fratelli Carli S.p.A. S.B. is based on a set of rules, practices and processes underpinning and ensuring **transparency, efficiency and accountability**.

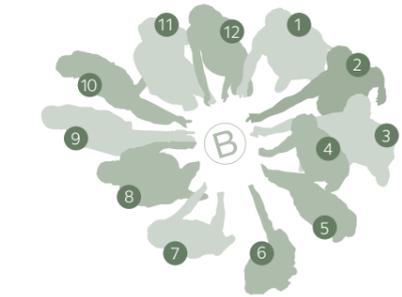
Within the ambit of accountability, governance at Fratelli Carli ensures a work environment conducive to our constant efforts to combat corruption, and underscores the value of legality.

The most senior governance body, appointed by the Shareholders' Meeting, is the Board of Directors.

The Board of Directors, made up 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. Since 2019 there have been no changes to the composition of the Board of Directors of Fratelli Carli.

Gian Franco Carli	Chairman and CEO
Carlo Carli	General Manager and Director
Lucio Carli	Director
Claudia Carli	Director
Luciano Benza	Director

The members of the Board of Directors are endowed with all the skills and knowledge necessary to identify and manage sustainability-related issues and impacts within the scope of their management. They are supported by both the **Sustainability Committee (CO.SO.)** and the **Management Committee**, with which they actively cooperate to guarantee sustainable management of the company.



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

The **Sustainability Committee** is the body entrusted by the Board of Directors with the **management of sustainable innovation issues**. It was set up in 2013 to propose and advise on possible goals and actions to promote sustainability. The Committee, which **includes representatives of all the corporate functions** and is chaired by a member of the BoD, coordinates and guides the efforts of the company to work toward a new social and developmental model. Reports are presented to the BOD quarterly.

The **Management Committee** is responsible for managing the organization's impact on the economy, the environment and people. It is composed of top management figures of the company, and thus offers a global vision of the organization, providing a comprehensive evaluation of the matters submitted to it for attention, considering how they are interconnected and their implications at organizational level.

With regard to remuneration, the **Board of Directors** administers a budget set by the Shareholders' Meeting. The distribution of the budget is defined by the BoD, depending on the positions of the members. For the **executive members**, remuneration is made up of both fixed and variable elements.

No entry bonus is envisaged, and payment of severance indemnity is complied with. There are no specific contract clauses regarding sustainability performance, but pension benefits and remuneration policies are contemplated, which, although not specifically coded, are linked to the achievement of the corporate objectives. The procedure for determining remuneration is updated periodically.

The promotion of responsible conduct within the company is based on two main elements: **sustainability** and the **articles of association of the company**. The articles of association make up the key document that guides the company's operations, setting out the efforts and objectives designed to ensure responsible management. Impact management is entrusted to the pertinent functions in the company. It is the task of these functions to promptly collect and manage any comments made and issues raised by the stakeholders, assessing whether they are effectively valid, and the magnitude and urgency of any such issues. This is followed by an assessment of appropriate remedial action to mitigate and solve the issue.

12 members

The Sustainability Committee

This approach makes it possible to maintain an open dialogue with stakeholders, and to act swiftly to tackle any issues raised.

At 31 December 2022 no conflicts of interest have been reported. Some directors are members of other Boards of Directors in addition to the BoD of Fratelli Carli: according to the Articles of Association, attendance on the Board of Directors of other companies does not breach the principle of competition.

A whistleblowing channel was set up during the first half of 2023, in compliance with the current regulations, in order to ensure significant issues can be reported safely and confidentially. This system allows employees and other interested parties to report critical issues anonymously, so they are protected.

This allows the company to act promptly on the issues reported, guaranteeing transparency and the responsible management of the questions raised. Significant critical issues are promptly reported to the company's top governance body.

In short, the company undertakes to promote responsible conduct, through the commitments set out in the articles of association and in the pillars, and thanks to the tools available to its customers, employees and stakeholders.

Below are the business associations the company belongs to:



In the three-year reporting period, there were no significant instances of failure to comply with laws and regulations.

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

B Corp Certified

Fratelli Carli S.p.A. S.B was **the first Italian manufacturing concern to be certified as a Benefit Corporation**¹, with the aim of building a better future for people and the planet. Being a B Corp means not so much seeking to be the best company in the world but rather the best company for the world. The certification procedure entails a rigorous B Impact Assessment that evaluates the organization'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. With a view to renewal of the certification, set for 2023, Fratelli Carli has once again measured up against the B Impact Assessment, looking at the data for 2022. The certification renewal process will be completed during the coming year, with the validation of the new score obtained by the company.

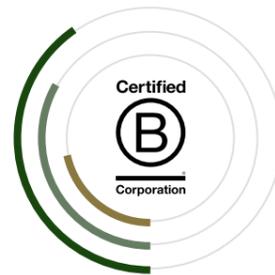
In addition, from 2016 to 2021 Fratelli Carli was acknowledged as one of the best **B Corps in the world in terms of its actions to safeguard the environment** (in the class of companies with more than 250 employees), as a Best For The World – Environment company.



OVERALL B IMPACT SCORE

98.3

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



80

Score required for B Corp certification

50.9

Average score of companies



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

Fratelli Carli has also become a Benefit Corporation

In December 2019, Fratelli Carli chose to adopt the legal form of a “Società Benefit” (Benefit Corporation) according to Italian law, including in its Articles of Association the commitment to pursue the **common good** as well as profit. The common good means the pursuit of one or more positive effects and/or a curbing of negative impacts on people, communities, the territory and the environment. **Including this clear commitment in the Articles of Association means making it an integral part of the company**, however it may change and evolve.

Benefit Corporations (BCs) 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”. The legal form of “Società di Benefit” was introduced in Italy in 2016, which became the first country in Europe and in the world – outside the United States – to introduce this legal form. This has enabled companies to align their corporate mission with the pursuit of long-term shared value. Directors and management are in charge of ensuring that the business is conducted with the aim of generating a positive impact and in pursuit of the common good purposes declared in the Articles of Association.

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

Through the **B Corp** framework, companies undertake to create value for both their shareholders and 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 accountable to all stakeholders and to 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 score more than 80 points, on a scale of 0 to 200, they can be **B Corp Certified**.



B Corporations (B Corps) are companies that voluntarily abide by rigorous social and environmental standards, without sacrificing “marketplace presence”, but with a keen awareness of their responsibility toward society and the planet.

Such concerns see sustainability as a fundamental part of their work and the sole path toward continuity.

+6,000
B Corps worldwide

+2,000
Società Benefit

The Pillars of Sustainability

Fratelli Carli's longstanding commitment takes the form of 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 Società Benefit, the pillars were officially incorporated into the Articles of Association, thus setting the common good purposes that the company wishes to pursue.

COMMON GOOD PURPOSES

PILLARS	 PEOPLE	<p>Providing customers with outstanding products and services while responding to their needs in a timely manner and with all due care and attention.</p> <p>Motivating people who work with Fratelli Carli and contributing to its success on a daily basis thanks to a relationship inspired by respect for others and acknowledgement of diversity as a value, while according absolute priority to the safety and rights of employees and collaborators.</p> <p>Furthering widespread well-being, in full awareness of the social role of companies and their responsibilities as a part of society at large.</p>
	 MATERIALS AND PRODUCTS	<p>Analysing and enhancing sustainability at each stage of the life cycle of Fratelli Carli products: from cultivation of the raw materials to end consumption.</p> <p>Increasing the use of "eco-friendly", recyclable, biodegradable and renewable materials, especially by curbing the quantities of materials used for end-product packaging.</p> <p>Ensuring optimal food safety, quality, genuineness and natural goodness for Fratelli Carli products.</p>
	 SUPPLY CHAIN	<p>Sharing the values and goals of Fratelli Carli with collaborators and suppliers, to help create a new model of development.</p> <p>Promoting sustainable agricultural practices that respect the ecosystem and landscape heritage.</p> <p>Turning to best account our local assets and economic and industrial fabric, with particular attention paid to small farmers.</p>
	 ENERGY AND RESOURCES	<p>Cutting back constantly on the use of non-renewable natural resources, with particular reference to energy sources.</p> <p>Reducing the amount of waste generated by production and ensuring correct disposal of recyclable waste.</p>
	 MEDITERRANEAN CULTURE AND TRADITION	<p>Fostering a widespread culture of sustainability and a new model of a re-generating society (both within and outside the company).</p> <p>Promoting good practices for a correct dietary culture aligned to Mediterranean traditions and the goals of health and wellbeing.</p>

Our business practices are guided by and oriented to the company's common good purposes. The company annually plans its impact goals, the actions necessary to gradually achieve these goals and the criteria for assessing the impact generated.

Sustainable Development Goals (SDGs)

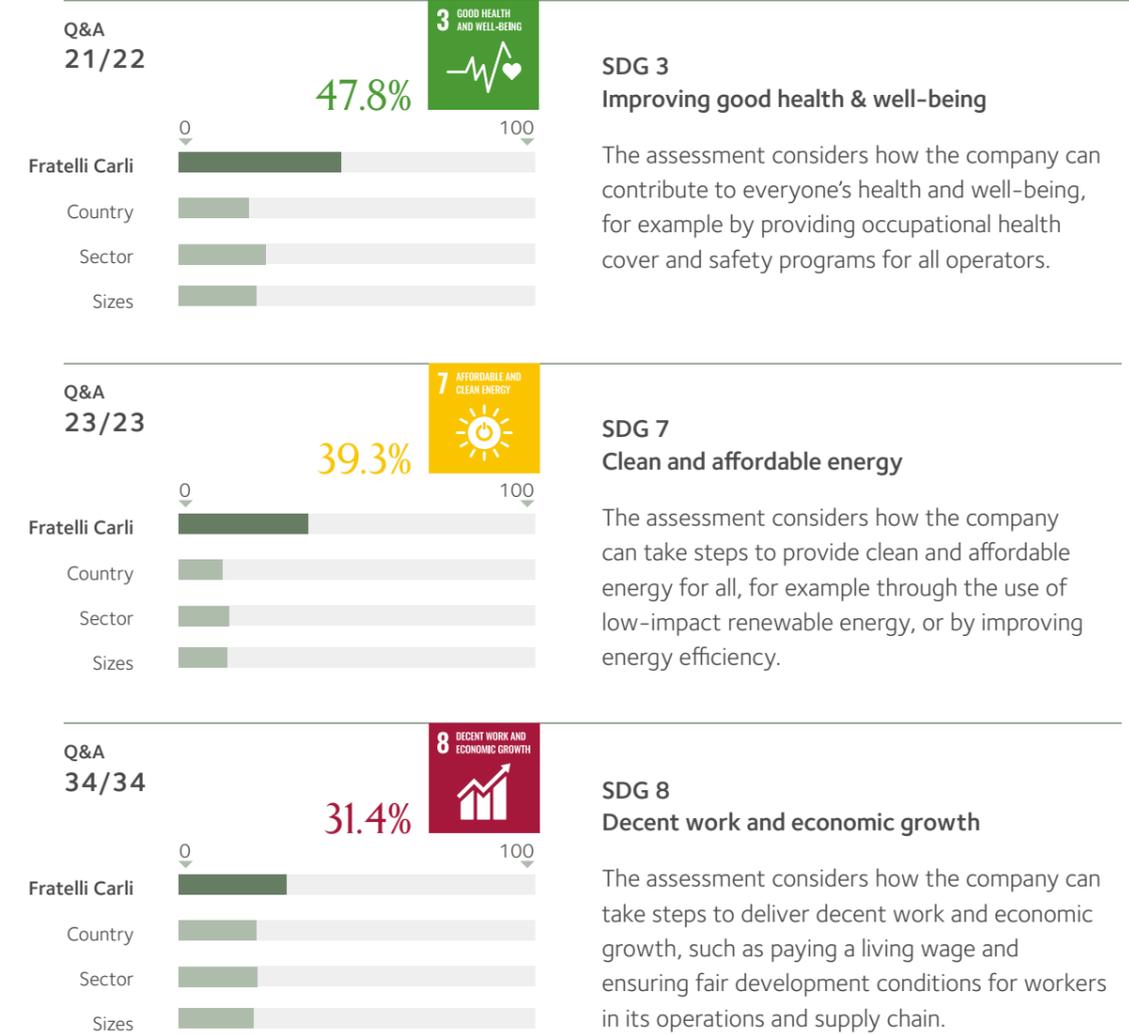
By pursuing the common good, Fratelli Carli also undertakes to work in order to achieve the Sustainable Development Goals (SDGs) approved by the United Nations in 2015. Specifically, the common good purposes indicated in the Articles of Association aim toward attaining the following SDGs.



Through its SDG Action Manager, able to gauge the company's impact by collating B Lab's B Impact Assessment guidelines and the ten principles of the United Nation's Global Compact, Fratelli Carli has calculated its impact on the reference SDGs. By these means, the noteworthy corporate actions are flagged and developed, also via benchmarking, conducive to on-going improvement of the positive impacts on various Sustainable Development Goals.

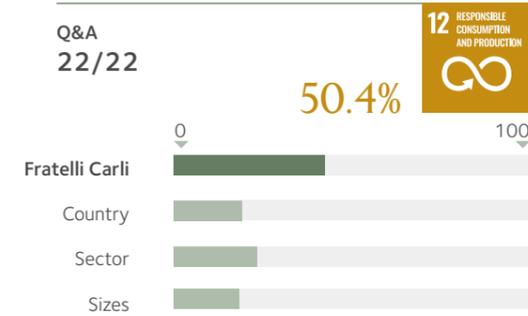
The assessment has also highlighted the positive impact of Fratelli Carli on all the SDGs, and not only the reference goals. It is an important indication of the commitment and sensitivity demonstrated by the company in its everyday operations.

SUSTAINABLE DEVELOPMENT GOALS



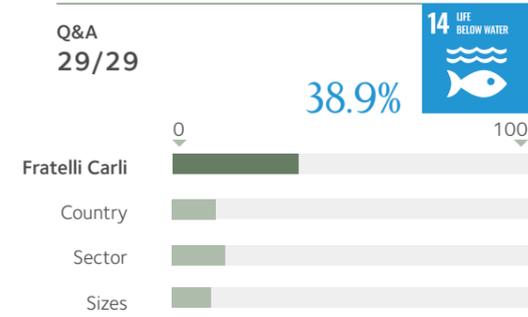
SUSTAINABLE DEVELOPMENT GOALS

THE OTHER SDGs



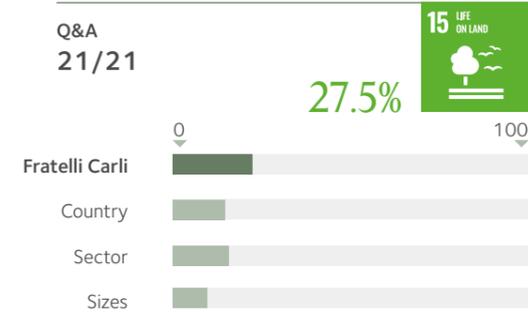
SDG 12 Responsible consumption and production

The assessment considers what the company can do to keep production and consumption at responsible levels, such as adopting the principles of the circular economy and conducting assessments on the impact of suppliers on the consumption of resources.



SDG 14 Life below water

The assessment considers what the company can do to conserve and use the oceans, seas and marine resources sustainably, e.g. by conducting an assessment of the company's impact on the health of the oceans.



SDG 15 Life on land

The assessment considers how the company can protect, restore and promote sustainable use of ecosystems, with actions such as sustainable land use practices, and environmental management screening.



MATERIALITY ANALYSIS: THE KEY ISSUES

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



Materiality analysis: the key issues

In continuity with 2021, Fratelli Carli also conducted a **materiality analysis** in 2022, as a first step to identifying the sustainability issues of greatest relevance for the company, in economic, environmental and social terms. The analysis was carried out using the new methodology introduced by the Global Reporting Initiative Standards (GRI 2021).

This new methodological approach is based on the concept of impact, defined as the effect an organization has (actual impact) or could have (potential impact) on the economy, environment, people and human rights. In addition, impacts may be positive if they contribute to the sustainable progress of people, local communities and the environment, or negative if they cause damage to them.

The **materiality analysis** is therefore used as a starting point for the development of sustainability reporting that is as **transparent, clear and effective** as possible, taking into account the entire value chain of Fratelli Carli, and thus considering not only the core business activities, but also everything that occurs upstream and downstream from the company.

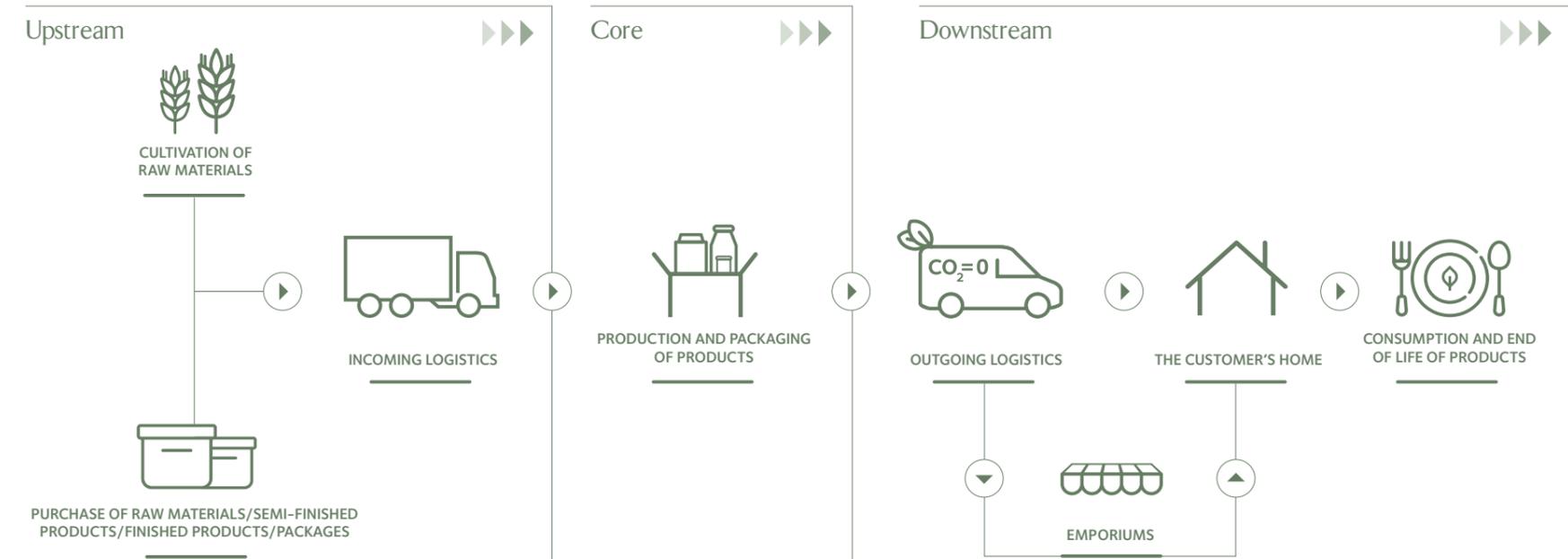
With a view to identifying the **significant sustainability issues**, a preliminary analysis was conducted to illustrate the context Fratelli Carli operates in. This analysis regarded a number of sources, both internal and external, aimed at understanding the sustainability trends and comparing them with the performance of companies operating in sectors similar to Fratelli Carli's business.

This new methodological approach is based on the concept of impact, defined as the effect an organization has (actual impact) or could have (potential impact) on the economy, environment, people and human rights.

Lastly, a **mean analysis** was conducted to identify the external pressures coming from the main communication channels. Based on the information collected, the actual or potential impacts generated by Fratelli Carli were identified. Subsequently, the significance of each impact identified was assessed, taking into consideration the **severity** of the impact, defined in turn by a) the scope (how frequently and widely it occurs along the value

chain), b) the scale (i.e. the severity of the impact that occurs), and c) the irremediable nature (the possibility of restoring the effects of the impact), and the **likelihood** of it happening. The prioritization of the impacts according to the methodology described here above therefore made it possible to identify the impacts that are most significant and therefore worthy of attention: these were

then integrated into the material topics defined during the last reporting year, which, while remaining the same in terms of formulation, are therefore set out in more complete detail, thanks to the analysis of their impacts. The materiality issues thus defined are the focal points of the company's actions.



Shown in the table is a summary of the material topics and the impacts associated with them. In addition, a brief description is provided for each impact.

SUBJECT	MATERIAL ISSUE	IMPACT	TYPE OF IMPACT	DESCRIPTION OF IMPACT AND COUNTERMEASURES ADOPTED	VALUE CHAIN
 People	EMPLOYEES' SAFETY AND RIGHTS	Damage to the health and safety of workers caused by failure to comply with regulatory obligations	Negative Potential	Description: Inadequate working conditions and lack of prevention measures could have an impact on the health and safety of workers in all direct and indirect activities. Countermeasures adopted: Fratelli Carli has always implemented measures for the management and safeguarding of workers' health and safety. The company has also implemented an Integrated Environmental and Occupational Health and Safety Management System for even closer control over this question ³ .	Upstream Direct Downstream
		Discrimination and breaches of human rights due to inadequate safeguarding practices.	Negative Potential	Description: Failure to protect and safeguard human rights in direct and indirect activities could lead to cases of discrimination among employees and along the supply chain. Countermeasures adopted: Fratelli Carli undertakes to comply with international measures regarding human rights and discrimination ³ .	Upstream Direct
	PERSONAL WELL-BEING AND DEVELOPMENT	Development of employees' skills through training activities	Positive Actual	Description: to guarantee employees' professional growth, it is essential to promote the development of specific skills, offering them the necessary resources and training. Fratelli Carli provides valuable, customized training for its employees.	Direct
	DIVERSITY AND EQUAL OPPORTUNITIES	Failure to respect diversity and ensure equal opportunities due to inadequate D&I practices	Negative Potential	Description: the absence of practices for the protection of diversity and the promotion of inclusion among employees could have a negative impact on respect for human rights, on well-being in the company and on the ability to attract and retain talent. Countermeasures adopted: Respect for diversity and guaranteeing equal opportunities is one of the founding principles of Fratelli Carli. The company undertakes to guarantee gender equality and an inclusive workplace that fully respects human rights ³ .	Direct

SUBJECT	MATERIAL ISSUE	IMPACT	TYPE OF IMPACT	DESCRIPTION OF IMPACT AND COUNTERMEASURES ADOPTED	VALUE CHAIN
	CUSTOMER HEALTH AND SAFETY	Safeguarding customer satisfaction levels with a dedicated assistance service	Positive Actual	Description: Customer satisfaction is one of the main objectives of Fratelli Carli. The high quality of the services offered, together with the various channels provided for customers to interact with the company, offer a brand experience able to satisfy all kinds of needs.	Direct
		Protecting customers thanks to transparent communication	Positive Actual	Description: Transparency underpins all communication at Fratelli Carli, allowing customers to make responsible, informed choices.	Direct
 Materials and products	FOOD SAFETY	Protecting customers by developing healthy, wholesome products	Positive Actual	Description: Fratelli Carli prioritizes the protection of its customers' health and safety, by constantly and carefully monitoring aspects of product safety and quality.	Direct
	PRODUCT QUALITY AND EXCELLENCE	Development and production of quality products thanks to the use of excellent raw materials	Positive Actual	Description: Fratelli Carli uses only the finest-quality raw materials for its products. Control over the entire supply chain and a lasting, personal relationship with suppliers allows for a careful selection of ingredients.	Upstream Direct
	SUSTAINABLE MATERIALS AND PRODUCT ECO-DESIGN	Development of products with sustainable packaging	Positive Actual	Description: Fratelli Carli undertakes to use increasingly biodegradable, renewable and recyclable packaging.	Upstream Direct
 Supply chain	RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN	Development of a network of trusted suppliers, by monitoring and controlling the supply chain	Positive Actual	Description: The company has always involved its suppliers in its pathway toward Responsible Progress, also by means of the Sustainability Codes created along with the various districts in the supply chain, to offer increasingly sustainable products right along the value chain.	Upstream Direct
	ENHANCING LOCAL COMMUNITIES	Creation of economic and cultural value for the local communities	Positive Actual	Description: Fratelli Carli provides direct and indirect support to the communities and the areas it operates in.	Upstream Direct

³ For further information on the countermeasures adopted by the company, see Chapter 3 People.

SUBJECT	MATERIAL ISSUE	IMPACT	TYPE OF IMPACT	DESCRIPTION OF IMPACT AND COUNTERMEASURES ADOPTED	VALUE CHAIN
 Energy and resources	CLIMATE ACTION	Contribution to climate change due to greenhouse gas emissions	Negative Actual	Description: the activities carried out by Fratelli Carli and in its value chain generate CO ₂ emissions. Countermeasures adopted: Fratelli Carli undertakes to use energy from renewable sources in all its premises, Emporiums and warehouses. In addition, the company has obtained Carbon Neutrality certification for its entire delivery logistics chain in Italy ⁴ .	Upstream Direct Downstream
	REDUCING THE PRODUCTION FOOTPRINT	Impoverishment of water resources due to inefficient use of water resources	Negative Potential	Description: inefficient use of water resources could lead to a deterioration of the resources, to the detriment of local communities and ecosystems. Countermeasures adopted: The company monitors its water consumption constantly. Management of water resources is also supervised by Fratelli Carli's suppliers ⁴ .	Upstream Direct
		Damage caused to the environment by incorrect disposal of waste produced	Negative Potential	Description: if not disposed of/recovered correctly, waste could cause negative impacts on both ecosystems and local communities. Countermeasures adopted: waste management and proper waste delivery is governed by dedicated internal procedures, in full compliance with the regulations in force ⁴ .	Upstream Direct Downstream

⁴ For further information on the countermeasures adopted by the company, see Chapter 5 Energy and Resources.

SUBJECT	MATERIAL ISSUE	IMPACT	TYPE OF IMPACT	DESCRIPTION OF IMPACT AND COUNTERMEASURES ADOPTED	VALUE CHAIN
 Mediterranean culture and tradition	PROMOTING HEALTHY LIFESTYLES BY SPREADING THE MEDITERRANEAN DIET	Promoting a healthy lifestyle by developing recipes belonging to the Italian tradition	Positive Actual	Description: Fratelli Carli undertakes to promote top-quality traditional Italian food products rooted in the Mediterranean culture and tradition.	Direct
 Ethical business conduct	ETHICAL BUSINESS CONDUCT	Consequences of unfair business practices on the social and economic system	Negative Potential	Description: the absence of adequate checks along the value chain could expose the company to the risk of unfair business practices. Countermeasures adopted: Fratelli Carli's governance system is founded on the principles of accountability, ethics and transparency. This is why the company undertakes to implement a series of actions aimed at ensuring constant control ⁵ .	Upstream Direct
	SAFEGUARDING PRIVACY	Breach of privacy caused by inadequate IT control systems	Negative Potential	Description: episodes of data breach could lead to negative consequences in terms of the violation of the personal data of employees and consumers. Countermeasures adopted: Management of privacy, security and protection when processing personal data is a priority concern in all fields of corporate activity. Fratelli Carli has ISO 27001 certification regarding existing and prospective customer data ⁵ .	Upstream Direct

⁵ For further information on the countermeasures adopted by the company, see the Paragraph "Accountability, Ethics and Transparency".

Our stakeholders

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

The company has identified its key stakeholders with a desk analysis, from which the following key categories emerged: local communities, trade unions, regulatory bodies, sector and B Corps organizations, suppliers, customers, trade associations and employees. Upstream and downstream from the company, the stakeholders involved are mainly suppliers, farmers, logistics operators, self-employed transporters and customers.

A close relationship with the company's stakeholders is essential for product quality. Fratelli Carli and its stakeholders have therefore developed a solid, enduring relationship of collaboration and consultation.

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

The following table outlines the main:

STAKEHOLDER	MODES OF ENGAGEMENT
Employees	Presentations and training on sustainability issues Communications from top management Communications posted on the corporate Intranet notice board
Customers	Institutional website Handling of complaints Customer Care Communication campaigns Visits to the facility and premises
Suppliers	Institutional website Presentations and questionnaires on sustainability issues Meetings and joint events regarding Codes
Regulatory bodies	Institutional website Certifications
Trade unions	Bargaining Participation in meetings/events
Local communities	Institutional website External communication Press releases Collaboration with external bodies
Trade associations	Institutional website Participation in meetings/events
Sector and B-Corp associations	Institutional website Participation in B-Corp community events Specific initiatives

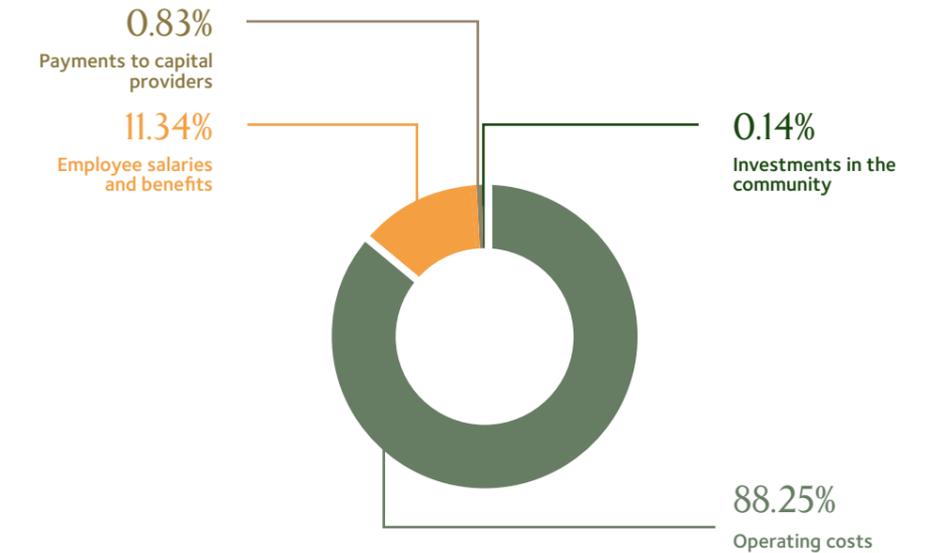
Every year, the company reports on wealth creation and distribution to its stakeholders. It illustrates the impact of the company's economic and financial performance on stakeholders and the local community

The value generated by Fratelli Carli is largely redistributed locally, and mainly within Italy, by creating employment and choosing local suppliers.

In 2022, the economic value directly generated stood at € 159 million, up 2% compared to the previous year. The economic value withheld stood at around € 2 million, down compared to the previous year.

The following graph shows the economic value distributed (€157 million): specifically, 88% is ascribed to operating costs; 11% to personnel costs (salaries and benefits), while the rest breaks down into investment in the community (sponsorships), and payments to capital providers and the Public Administration.

Economic value distributed (2022)



€159 million
Economic value directly generated in 2022

A LONG-TERM VIEW

A long-term vision focuses largely on ideals, and above all on the will to change those aspects an impact cannot be made on in the short term. This is why we have chosen not simply to report on our performance, but to pursue a three-year plan to sustain our Pillars of Sustainability and orient them toward specific ends conducive to the common good.



The actions we will be presenting below illustrate the real significance and commitment of Fratelli Carli to pursuing its common good purposes as a Benefit Corporation.

Patrizia Sacco
Sustainability & B-Corp Coordinator



A long-term view

For Fratelli Carli, adopting a long-term view means looking to the future, starting out from our roots and the solid foundations patiently constructed over the years. This is why the company has made an effective commitment to invest continuously in enhancing our business practices. This commitment has allowed us both to become one of the most attentive Italian companies with regard to ESG (Environment, Social, Governance) and to receive widespread recognition also within the B Corp community, as we carefully and publicly monitor the progress we are making with regard to all prospective activities.

The strategy developed by Fratelli Carli for responsible business development is implemented through the definition of a medium-term Sustainability Plan, which includes both a report on performance and a plan setting forth the company's commitment to sustainability over the next three years.

The plan is based on the Pillars of Sustainability, which clearly outline the common good purposes, as well as the impact generated on the material topics and on the pertinent SDGs.

This solid, shared work base highlights the importance and depth of the sustainability issues in each area of the company's operations.

The plan is based on the Pillars of Sustainability, which clearly outline the common good purposes as well as the impact generated on the material topics and on the pertinent SDGs.

The Sustainability Committee confirmed its effective guiding role in directing the company's work regarding ESG issues and in constructing the medium-term Sustainability Plan in a shared and participatory manner. The actions we will be presenting below illustrate the real significance and commitment of Fratelli Carli to pursuing its common good purposes as a Benefit Corporation.

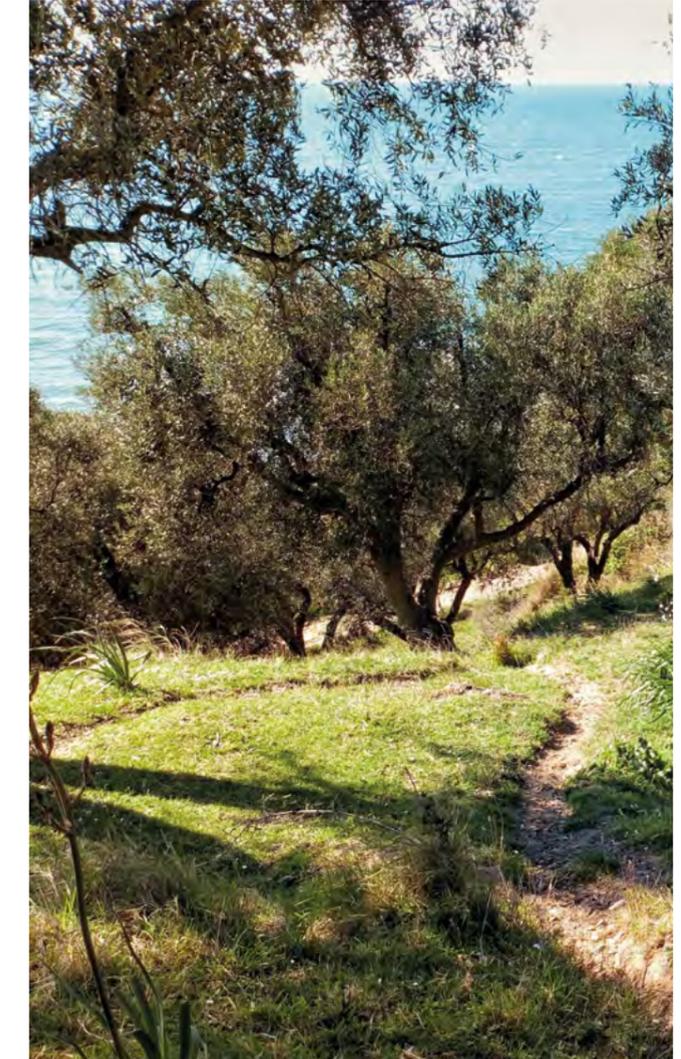
TOWARD CARBON NEUTRALITY

CO₂

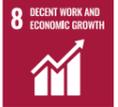
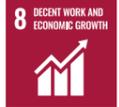
Fratelli Carli's Sustainability Plan includes an element worthy of special attention, in which the company takes great pride: the path toward **carbon neutrality**.

In response to a major input from the broader B Corp movement, Fratelli Carli has decided to formulate a plan for curbing and offsetting climate change emissions and therefore its CO₂ impact.

Our first step along this road was implemented in 2022, when the company prioritized the sector of transport, striving to carry out an extensive and in-depth measurement of the climate change emissions generated by delivery logistics in Italy and fully offsetting those emissions.



Reconciliation table
- Pillars - SDGs -
Material Topics

PILLARS	 People	 Materials and products	 Supply chain	 Energy and resources	 Mediterranean culture and tradition	Ethical business conduct
SDGs	  	   	   	 		> COMBATING CORRUPTION > NON-DISCRIMINATION > SAFEGUARDING PRIVACY
MATERIAL TOPICS	<ul style="list-style-type: none"> • Employee safety and rights • Personal well-being and development • Diversity and equal opportunities 	<ul style="list-style-type: none"> • Product quality and excellence • Sustainability of materials and eco-design 	<ul style="list-style-type: none"> • Responsible Management of the supply chain • Enhancing local communities 	<ul style="list-style-type: none"> • Combating climate change • Management of refuse and waste • Responsible use of resources 	<ul style="list-style-type: none"> • Promoting healthy lifestyles through products made in Italy 	

2023-2025 Sustainability Plan



People

page 50



Materials and products

page 66



Supply chain

page 78



Energy and resources

page 88



Mediterranean culture and tradition

page 100

2022-2025 TARGETS

- A comprehensive rethink of customer care to make it a special encounter for customers.
- Implementing a new welfare plan for employees.

2022-2025 TARGETS

- Ensuring that 50% of the product ranges are analyzed as per the SLCA procedure.
- At least 50% of the product ranges analyzed as per the LCA procedure.
- Completing the "Scatole sostenibili" (sustainable boxes) project for our food specialties.
- Mediterranean: developing increasingly sustainable ranges of cosmetics.
- Increasing the percentage of food specialties with sustainability certification and/or produced by B Corp certified companies or Benefit Corporations.

2022-2025 TARGETS

- Updating the Olive Code.
- Updating the Transport Code.
- Bringing the Transport District on board the "Carbon Neutrality" project.

2022-2025 TARGETS

- Updating and validating Scope 1, Scope 2 and Scope 3 emissions inventories.
- Drawing up and implementing a plan for the organization to achieve Carbon Neutrality.
- Ensuring that more than 90% of total waste produced is recovered.

2022-2025 TARGETS

- Promoting the culture of olives and olive oil and the Mediterranean tradition.

2022-2025 TARGETS

- Design of a new website able to offer increasingly innovative and complete services and content.
- Contributing to actions focused on tackling disadvantageous conditions and extending access to water, healthcare and research.

2022-2025 TARGETS

- Increasing the hours dedicated to training, above all sustainability training.
- Carrying out a climate survey.
- Supporting the needs of local communities, also by donating products.
- Maintaining the highest standards of customer care.
- Contributing to actions focused on tackling disadvantageous conditions and extending access to water, healthcare and research.
- Implementing the services offered and the channels to contact the company for all customers.

2022-2025 TARGETS

- Re-designing primary and secondary packaging for our products, from a sustainability perspective.
- Conducting an LCA for at least 10% of the secondary packaging.
- Rethinking gifts for customers from a sustainability perspective.
- Making product traceability information increasingly accessible to customers.

2022-2025 TARGETS

- Achieving the objectives set out in the new Codes throughout the supply chain, using the shared tools.
- Turning the Goodness and Beauty Districts into "Benefit" Districts.
- Increasing the percentage of suppliers involved in the Codes and assessed according to environmental and social criteria to 80%.

2022-2025 TARGETS

- Implementing and expanding the scope of the new Environmental Management System.
- Offsetting the environmental impact of all home deliveries to customers located in all the foreign countries served.

2022-2025 TARGETS

- Spreading the culture of Sustainability.

People

Customers, Employees, Communities



Our main desire is to become a large community of people, customers and employees, with a set of aspirations, motivations and abilities able to create value. Special people we meet and work with every day to shape a major shared project designed to contribute to a social model founded on shared wellbeing, respect for rights and participation in community life.

Massimo Belmonte
HR Manager

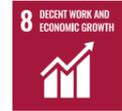




2022 Results

2022-2025 Targets

Employees



- ✓ The emergency remote working policy has been defined and implemented
- ✓ **+52%** hours of training dedicated to sustainability

- Drawing up a non-emergency remote working policy
- Increasing the hours dedicated to training, above all sustainability training
- Implementing a new welfare plan for employees
- Carrying out a climate survey

Customers



- ✓ **99.89%** of the **home deliveries** of our products made with **no errors or delays**
- ✓ **+42%** chats entered into with customers

- Maintaining the highest standards of customer care
- Implementing the services offered and the channels to contact the company for all customers
- A comprehensive rethink of customer care to make it a special encounter for customers
- Design of a new website able to offer increasingly innovative and complete services and content

Community



- ✓ **+10** tonnes of products donated to entities and associations
- ✓ **+1,200,000** liters of water provided to communities that did not have access to water

- Supporting the needs of local communities, also by donating products
- Contributing to actions focused on tackling disadvantageous conditions and extending access to water, healthcare and research

✓ Target achieved
⊘ Target not achieved due to delays attributable to the Coronavirus pandemic
⊞ Result unchanged

2022 Highlights

EMPLOYEES

378

employees at 31.12.2022

50%

the percentage of **women** in the company (+8% since 2016)

Almost **41%**

of our employees have used our **corporate welfare** service

More than **1,000**

cancer prevention examinations conducted free of charge on the company premises since 2016

CUSTOMERS

99.89%

home deliveries of our products made without errors or delays

1,055

hours of training at the **Orders Hub** to meet the needs of our customers as satisfactorily as possible

38+

the number of **associations supported** by donations of our products

COMMUNITIES

12,299

(+42% compared to 2021) the number of **chat-mode exchanges with customers** from all countries served

60

the number of **female operators** at our **Orders Hub** for Italy and Abroad

10+

tonnes of **food products** donated

1,200,000

liters of **drinking water** guaranteed for **water projects** worldwide



Our employees: family members.



Italy's Best Employers 2023

Fratelli Carli has always been aware that our people are the secret of our success, sharing aspirations and needs with them and keeping a constant, careful eye on their health and safety.

This has earned the company a place among the top 20 in the "Italy's Best Employers" list drawn up by Corriere della Sera and Statista to reward those businesses with the highest level of satisfaction among their employees.

Thanks to on-going development and a stimulating environment, Fratelli Carli staff are renowned for their skills and their passion for sustainability. For years now, the company has thus adopted an **ethical, attentive approach to human resources**, striving to strike a healthy work-life balance by offering a series of welfare benefits to its employees and protecting their **health and safety**.

Thanks to a rich training offer, Fratelli Carli employees have access to both **bespoke courses** organized based on the needs of the various functions in the company and training aimed at everyone in the company, such as sustainability training.

In order to ensure optimal personnel management by combining economic efficiency and expertise, certain HR activities, including salary operations, have been outsourced to a third party. For some time now, the company has been utilizing IT tools by means of which metrics are followed up constantly and monitored annually.

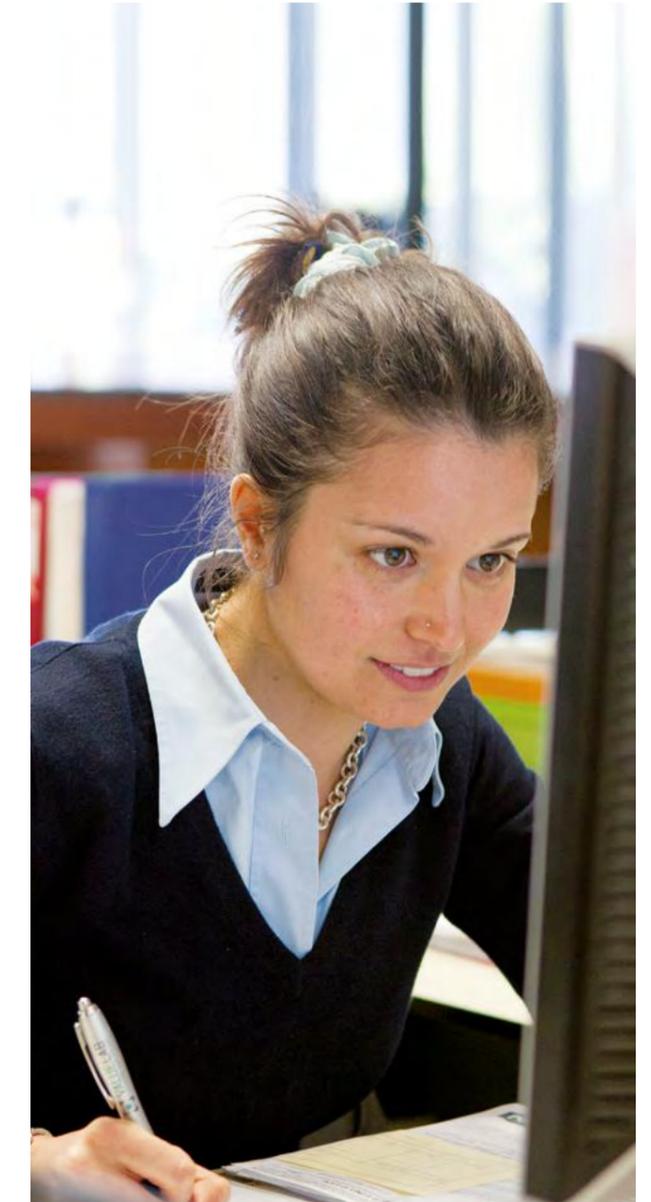
90% of employees have an open-ended work contract

50% of our employees are women (+8% compared to 2016). It is evident that over the years, Fratelli Carli has achieved perfect gender equality. This is indicative of the importance Fratelli Carli continues to place, year after year, on the presence of women in the company.

At the end of 2022, 378 people were working for Fratelli Carli, 374 of them employed directly and the remaining 4 on an agency contract. This is in line with previous years. It is evident that over the years, **Fratelli Carli has achieved perfect gender equality**. This is indicative of the importance Fratelli Carli continues to place, year after year, on the presence of women in the company.

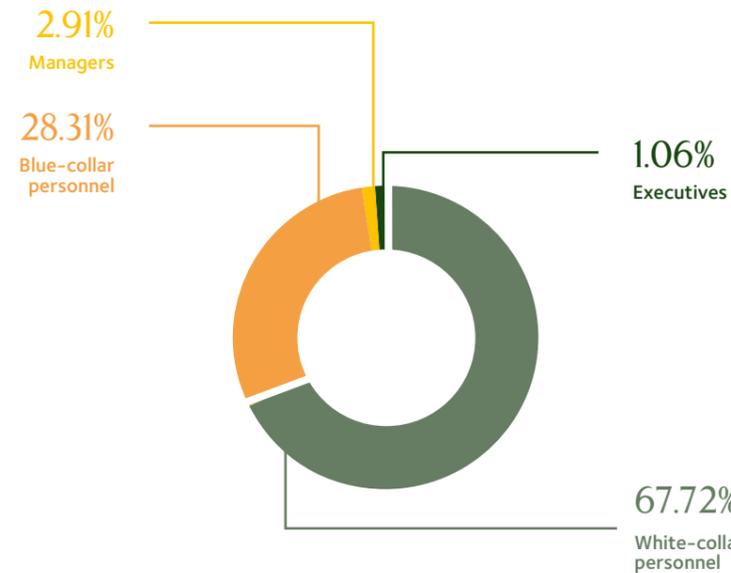
The principles of non-discrimination, equal opportunities and equal dignity and inclusion are the cornerstones of Fratelli Carli's approach to diversity. An analysis of the contracts of those working for Carli immediately shows the attention paid to them by the company: at 31 December 2022 – in line with previous years – **90% of employees were on an open-ended contract, while 73% were working full time**, compared to 69% the previous year.

Employees by gender (2022)



The graph shows that most Fratelli Carli employees are white or blue collar workers, while managers and executives account for around 4% of the total.

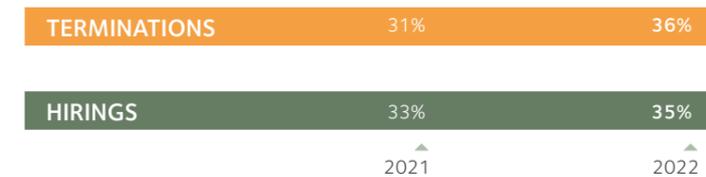
Employees by professional category (2022)



The relationship between Fratelli Carli and the company's employees is founded on mutual, lasting trust, evident from the long time they remain with the business. Thanks to this stability, our staff have a sound skills base when it comes to everyday operations. It is important to underline that **135 of our employees have been with us for over 20 years**.

Turnover rates show a trend in line with previous years. Recruitment is influenced both by seasonal tasks and the opening of new Emporiums, while most workers leaving the company do so because their temporary contract has expired, or because they are seasonal workers. The trend with regard to new recruitment shows a continual rise in the number of female workers in the company (+1% compared to 2021, +2.5% compared to 2020).

Turnover (rates of hirings and terminations)



35% of our employees have been with us for over 20 years

41% of our employees have used our corporate welfare service

What they're saying about us

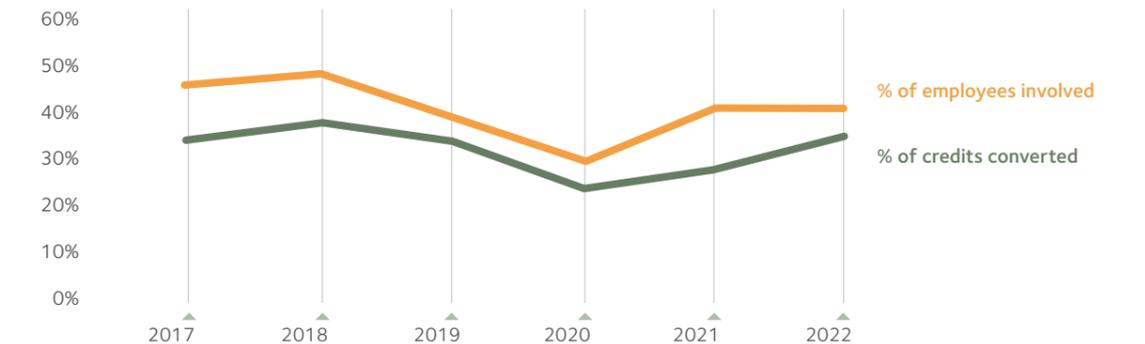
“ For us here at the ANT Foundation, raising awareness on cancer prevention is a very serious mission. By taking our early diagnosis programs directly into companies, as we've been doing for years with Fratelli Carli, we can make a difference, to the benefit of the business communities and the local area. By forming an alliance with businesses, we can bring prevention within everyone's reach, to identify any warning signs as they arise and to promote a culture of taking care of our health.

Raffaella Pannuti
ANT Foundation President

Fratelli Carli acknowledges the need to ensure employee well-being and actively work toward the well-being of the local community. For many years, Fratelli Carli has been offering its employees medical examinations and tests free of charge, collaborating with associations and bodies such as **FIDAS, Imperia Province Blood Donors' Association**, and the **anti-cancer bodies LIIT Lega Italiana Lotta Tumori** (in Sanremo) and **ANT** (Associazione Nazionale Tumori).

Since 2016, we have been organizing a "Prevention Week", during which medical examinations are provided free of charge directly at the workplace. In 2022, the examinations were organized in collaboration with ANT Associazione Nazionale Tumori, which carried out more than 100 cancer prevention examinations free of charge for the company's workers.

Fratelli Carli Welfare Platform



Quality of life: a need we all share

For the **sixth consecutive year**, Fratelli Carli has constantly strived to guarantee the well-being of its staff, with the "**Liberi di... Welfare**" program. This plan, based on flexible benefits, offers a range of customized services to make everyday life easier and boost employees' spending power. Among the benefits included is the reimbursement of expenses sustained for treatment and children's education, assistance for non-self-sufficient family members and medical prevention and check-up protocols. In addition, vouchers can be generated for medical treatments, travel and wellness centers, as well as shopping vouchers that can be used at our partner stores locally. The company undertakes to guarantee a broad, diversified range of welfare benefits, including the signing of agreements with medical and sports facilities and wellness centers in the city of Imperia. In 2022, almost 41% of our workers used the services offered (**the percentage of welfare credits converted – and therefore spent – amounted to 36%, compared to 28% in 2021**). To encourage our workers to use the services offered, Fratelli Carli has devoted particular attention to internal communication regarding how the welfare system works and the services that are available. A detailed explanatory guide has been distributed to all workers hired since 2016 to provide them with all the necessary information.

Health and safety: a top priority

In 2012, the company completed the procedure required for implementing a corporate organizational model to adopt an **Occupational Health and Safety Management System** aligned with UNI-INAIL guidelines. This system – implemented voluntarily, thus attesting to the attention paid by the company to 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 system adopted. By means of a periodic review process, this Management System enables Fratelli Carli to constantly monitor its occupational health and safety performance, and to pinpoint any shortfalls, as part of its ongoing efforts toward improvement.

Generally speaking, the procedures that Fratelli Carli has implemented for the 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 through specific training programs.

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



The risk assessment procedures, for example, are conducted by Fratelli Carli health and safety managers, or officers with a similar role, assisted by third-party experts. As per current regulations, inspections and consultations are carried out, with employee involvement, 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 Occupational Health and Safety Management System also includes a procedure for the analysis of near-misses, if reported by employees, who are in any case encouraged to play an active part, and who are protected against any repercussions subsequent to whistle-blowing.

The controls the company guarantees with regard to occupational health and safety were further consolidated during the two-year period, resulting in an injury rate of zero.

The Workers' Safety Representatives play a vital role that links all levels in the health and safety management chain. They have access to all documentation and are consulted for the purposes of risk assessment and the adoption of prevention and protection measures.

In compliance with the law, and in the light of the company's organizational structure, a number of company physicians have been recruited, one of whom is the medical coordinator of the staff, an integral part of the corporate health and safety management practices and procedures. The company physician takes part in risk assessment and guarantees confidentiality of any information that may emerge during the periodic inspections with employees, in compliance with privacy regulations. The medical fitness examinations conducted by the company physician are structured based on a dedicated health protocol drawn up for the various tasks; this is essential to eliminate risks.

In 2022, Fratelli Carli consolidated its management of health and safety issues by combining the **Environmental Management System** and the Safety Management System into a single **Integrated Management System**.

These management systems are based on requisites defined by standards recognized at international level, guaranteeing a coherent approach that is compliant with best practices regarding health, safety and the environment. The integration of the two management systems was the result of effective collaboration and the sharing of the skills and knowledge of the pertinent corporate functions. The integrated approach adopted has allowed us to maintain effective control across all these critical aspects, thus enabling an improvement of the company's performance.

The control guaranteed by the company over issues regarding occupational health and safety was consolidated further during the two-year period 2021-2022, when the workplace injury rate was equal to zero.

FRATELLI CARLI AND THE PROTECTION OF HUMAN RIGHTS

Fratelli Carli considers attention and respect for human rights an essential, necessary part of its everyday operations.

In addition to guaranteeing the rights of its employees regarding health and safety, Fratelli Carli abides by international human rights provisions. Accordingly, it supports freedom of association and the right to collective bargaining, and opposes forced labor, child labor and discrimination. In this regard, over the three-year period of the report, no cases of discrimination were noted.

Professional growth

Fratelli Carli is committed to offering its personnel a stimulating workplace, offering concrete opportunities for professional growth and enhancing the skills of each individual. To achieve this objective, the company carried out customized assessments on its employees, in accordance with practices that have been consolidated and perfected over the years. This process allows for premiums and promotion to be granted, as well as the identification of areas of improvement to focus on. The creation of synergies among employees at all levels ensures reliable, constantly updated assessments, thus allowing the company to make decisions that acknowledge the skills and value of each individual.

In addition to specific technical training courses, in line with the mandatory training required by Legislative Decree 81/08, Fratelli Carli took steps in 2022 to further structure its training plan, providing specific training courses for the main company functions, which involved the CRM, Retail, Administration and Finance, Customer Management teams and all the Mediterranean departments.

In continuity with 2021, Fratelli Carli has seen the realization of a valuable training offer for its resources in many areas. In particular, within Customer Care, in the wake of the reorganization of the department,



In addition to specific technical training courses, in line with the mandatory training required by Legislative Decree 81/08 Fratelli Carli took steps to further structure its training plan, providing specific training courses for the main company functions, which involved the CRM, Retail, Administration and Finance, Customer Management teams and all the Mediterranean departments.

tools for **building and sharing a working "Community of Practices"** were provided, in addition to specific skills such as those relating to interaction with customers on social networks. In a "COP", people have a shared objective, and by sharing interests, skills and endeavor, they work together to apply the knowledge acquired and attain their goal.

To further advance the professional growth of **resources in the Retail channel**, a specially tailored course was organized in collaboration with the **Bocconi School of Management**, focusing on analyzing the skills necessary to **develop relationships with customers and for customer retention**.

Starting from the second half of the year, all the representatives of the various company functions were involved in **specific training on the OKR (Objectives and Key Results) framework with which the innovation projects of Fratelli Carli will be managed starting from 2023**.

Close attention was also paid to training regarding the risks presented by phishing, the management of emotions in managerial activity and coaching regarding the key figures in the various departments.

In line with the previous year, in 2022 Fratelli Carli continued to **increase training hours** for its employees, reaching a total of **4,357 hours** compared to 3,952 in 2021, a rise of 10%.

The company ensured full compliance with regulatory health and safety training requirements, as well as updates regarding the technical training of plant operators and data and privacy management. There was also a **52% increase** compared to 2021 **in training hours dedicated to sustainability issues**, which are increasingly important for the company.

In terms of average hours of training, women benefited from 14 hours each, while men averaged almost 9 hours.

4,357 hours of training for employees

The community, our world

Fratelli Carli shows its commitment to the communities it operates in through solid, lasting, high-quality links with the local areas, also reflected in the choice of local personnel for each site. The company's relationship with the local areas is based on dialogue and constant attention to peoples' needs, actively supporting the various local communities through cooperation 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, aimed at creating positive impacts for these communities while fostering a spirit of collaboration and trust and remaining a point of reference for the area at all times.



In 2022, the company confirmed its **commitment to the local community by donating** a total of over 10 tonnes of **its products** to some 40 associations, parishes and charities.

WAMI water. Water with a mission



Both for the lunches served at the Emporium in Imperia and in all the company's reception rooms, **Acqua WAMI is the water of choice**. WAMI is a B Corp that builds aqueducts worldwide, and a contribution can be made to its mission simply Bìby drinking its water: each WAMI bottle means

a donation of 10 liters of water to a community involved in its water projects. The QR code on the label allows the consumer to immediately see the family that has been guaranteed water, and to find out more about the countries involved. Thanks to this collaboration, in 2022, Fratelli Carli contributed to **getting 1,200,000 liters of water to communities** that did not have access to it.

Also in collaboration with Wami, Fratelli Carli chose to **totally offset the water footprint of all its collaborators on Christmas Day**, thus taking 150,000 liters of water to the Sanchez family in the community of Pillate in Ecuador.



1,200,000 Liters of drinking water guaranteed for water projects

Christmas presents for our employees' children

For many years now, the **Christmas gifts for employees' children** have been chosen not only to bring joy, but also in the **spirit of solidarity**. Since 2019, we have been **working with the Gaslini Hospital in Genoa**, a non-profit organization. The special value of this collaboration lies in the fact that **each gift purchased from the Gaslini Corner benefits two children** simultaneously: **one who is delighted to receive the gift, and another who receives support and solidarity thanks to its purchase**.

Starting from 2021, we decided to support more than one organization, paying particular attention to children's needs. This year, the Christmas gifts have contributed to the activities of the **Lega del Filo d'Oro association**, the **Dynamo Camp Foundation**, the **CUAMM Medici con l'Africa Association**, the **Francesca Rava Foundation** and **AMREF** (African Medical and Research Foundation).

Our customers

Our aim is to be part of a large community of people in which the needs of all are considered, understood and given all the attention they deserve. **Every day, Fratelli Carli is committed to maintaining a direct link with its customer base.**

This occurs through the home distribution model that has always been the hallmark of the company, and through our 20 single-brand stores: two retail modes that allow Fratelli Carli to establish a close, **family relationship with each customer**. **The attention** paid to customers' needs and desires allows us to meet their requirements, visiting their homes as an **old friend might**. For over a century, the Customer Care team has developed a relationship of trust based on experience and the "spirit" of Fratelli Carli, which today is also rewarded by the most modern web evaluation systems, such as Trustpilot, where the company has an "Excellent" rating on all markets.

A certified relationship

Protection of privacy and the security of personal data is a priority concern in all fields of corporate activity. Since 2005, Fratelli Carli has held ISO 27001 certification, guaranteeing customers optimal security standards, while safeguarding data confidentiality, availability and integrity. This choice reflects the company's ongoing attention to processing customer data. Fratelli Carli has always complied with **strict rules and procedures, which were rapidly adjusted to GDPR standards**.

The Company also boasts the **Net-Comm seal**, awarded to e-commerce websites that display transparency, quality and reliability in dealings with consumers. Fratelli Carli also boasts the **World E-commerce Quality Mark**.

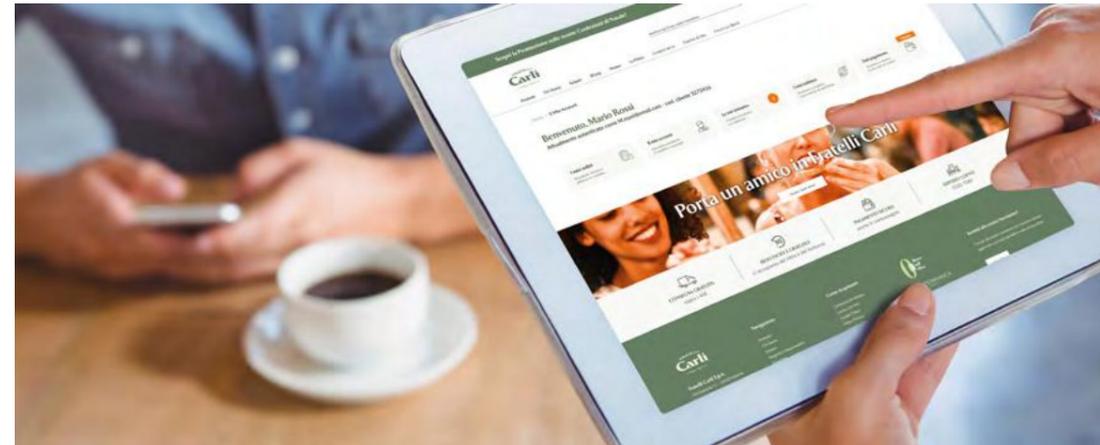


A customer experience unlike any other

Eight websites, each with an innovative design and based on fully responsive technology, represent the online calling card Fratelli Carli presents to customers in each market it operates in. 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.** With this in mind, a study is under way for the redesign of all the corporate websites, to make them even more innovative and complete in terms of the services and content provided. The aim of this process is an increasingly efficient integration of the traditional and digital channels of contact, ranging from telephone calls to the internet, from e-mails to chats and text messages, as well as our local Emporiums, and for services to convey a contemporary look and feel, while maintaining a distinct awareness of our past and traditions. **This technological and managerial change has involved the corporate organisation on all levels,** including a new partnership with Salesforce for the CRM system that manages all relations with customers.

To further improve the service, Fratelli Carli extended the range of payment methods available by adding the Apple Pay and Amazon Pay electronic payment systems.

Fratelli Carli has embarked on a process aimed at creating a brand experience able to satisfy all the needs of its customers. **This technological and managerial change has involved the corporate organization on all levels.**



Nevertheless, Fratelli Carli is aware that technological evolution must go hand in hand with maintaining the privileged relations it has developed with its customer base over the years. One of the key components of our corporate approach is the skillful blend of innovation and tradition: a winning combination of elements that make the company strong and create a unique customer experience.

54,874 replies to customers via mail, e-mail or chat

60 members of the Customer Care team



Customer Care

Fratelli Carli has always been part of an **extended family for its customers,** thanks both to the home delivery service and the direct, daily contact, based on shared values: **by phone, by post, by e-mail, and now, thanks to the new websites, by chat service.**

Every day, **the 60 members of our Customer Care team are available** to receive orders from customers, answer questions, and arrange efficient deliveries, or, in the rare event it is requested, carry out a simple, swift return process that is guaranteed for 90 days. All this guarantees an excellent purchasing experience.

Calls to the Call Center last on average about three minutes. While some customers are quick to place an order, many others call to ask for advice or information from a company they consider as family.

To ensure the level of service and the ability to respond to all customers' needs and requests remains high, whatever the channel used, Fratelli Carli **has embarked on an innovative Customer Care reorganization and training program, which will continue during the coming year.**

Our 2022 e-mail marketing plan

Given the high levels of customer retention, Fratelli Carli engages with both "traditional" consumers who like to be contacted by post and more "modern", digital customers. **To respond to customers' needs also with regard to contact channels and dealings, Fratelli Carli combines the sending of price lists by post with an e-mail marketing plan,** in order to boost sales and promote the brand.

Since 2021, Fratelli Carli's e-mail marketing plan has been complemented by **the monthly sending of a communication focused on sustainability issues,** with an editorial plan designed to update customers on the company's commitment, as well as encouraging them to reflect on the importance of a sustainable approach to their own activities.

In addition, 2022 saw the start of an e-mail marketing **pilot project** in Germany and in Italy, designed **to gradually replace postal communications with a mainly digital mode.** The plan also foresees a broadening of the range of communication channels for our customers, with the accent on more direct, constant exchanges: both e-mail marketing and price lists sent by post **invite customers to visit the websites, which are able to offer a broader, more engaging account of sustainability than the individual means of contact.**



Products and materials

Prime quality
has always been
our only choice

We have embarked on a virtuous process that leads us to analyze and enhance sustainability at each stage of the life-cycle of our products: from the cultivation of the raw materials through to production, packaging and end consumption. This is the only way we can offer the very best to our customers, now and in the future.



Alessandro Anemone
Purchase Office
Manager

Luca Ramella
Mediterranea
Purchasing
Manager

Marta Gorlero
Marketing and
Food Product
Development Manager

Marcello Porro
Packaging
and Warehouse
Manager





2022 Results

2022-2025 Targets



- ✓ Glassine paper replaced with recyclable PET for the technical support of labels
- ✓ **100% recycled filling** adopted for packaging for deliveries abroad
- ✓ **90% recycled plastic** trays adopted for the **bakery line**
- ✓ Shoppers for the Emporiums finalized, made from the stones of the olives used for oil production

- Re-designing primary and secondary packaging for our products with a view to sustainability
- Increasing the percentage of food specialties with sustainability certification and/or produced by B Corp certified companies or Benefit Corporations
- Making product traceability information increasingly accessible to customers
- Rethinking the shoppers for all the Emporiums, with a view to sustainability



- ✓ LCA analysis conducted for the old and new boxes of the specialties sold in jars
- ✓ **Logistic packaging redesigned** for some of the free gifts for which plastic was used

- Conducting an LCA for at least 10% of the secondary packaging
- Mediterraneo: developing increasingly sustainable lines of cosmetics
- Rethinking free gifts for customers with sustainability in mind



- ✓ **48% of product ranges** analyzed with **SCLA**
- ✓ **"Scatole sostenibili"** project completed for the specialties sold in jars; the same project initiated for the other food specialties

- Ensuring that 50% of the product ranges are analyzed as per the SLCA procedure
- Carrying out an SLCA analysis for at least 50% of the products
- Completing the "sustainable boxes for food specialties" project

✓ Target achieved
 ⊘ Target not achieved due to delays attributable to the Coronavirus pandemic
 ⊖ Result unchanged

2022 Highlights

40%

The **turnover of food specialties with environmental certification** and/or produced by concerns with **B Corp** or **Società Benefit** certification out of the total turnover of suppliers of finished products

7,078

the **analyses conducted** on all our **products**

5,704

the product **analyses conducted** by our **in-house laboratory**

13

The **new launches** in the Fratelli Carli food ranges

48%

of product lines (accounting for 80% of turnover) **subjected to LCA/SLCA**

PRODUCTS

MATERIALS

99.86%

of the **cardboard** packing for our products provided from **FSC** sources

1.14%

weight of plastic out of the total weight of all the **processing and packaging materials** purchased



Only prime-quality products



Fratelli Carli pays maximum attention to the **quality and safety of its products**. Fratelli Carli is committed to ensuring high quality standards at all stages of the process, from the selection of raw materials, production and distribution through to the moment products reach our Emporiums and our customers' homes.

Safety, quality and communication: success guaranteed

To comply with the standards set, Fratelli Carli follows a strict, adequately documented **quality guarantee program**. In addition to the pertinent, duly regulated **internal checks**, the company has a **laboratory** in which specific chemical and physical analyses are conducted on the olive oil produced and purchased, thus guaranteeing the presence of a **Guarantee Certificate** for each pack of Carli Oil. Indicated on the Certificate are all the chemical, physical and organoleptic parameters of the oil, thus providing an authentic identity card for each individual bottle. Customers can also find the same information on the website, including traceability information on the oil, accessible from the lot number printed on the package. Traceability is an integral part of the quality management system, and is an effective, constant commitment we make to our customers, allowing each one to quickly and easily access key information such as the date of bottling, the origin of the oil and its organoleptic characteristics.

The Fratelli Carli **food safety management system** complies with the principles of the Codex Alimentarius and EC Regulation 852/2004, carrying out an **in-depth analysis of the dangers and associated risks** and establishing which dangers (chemical, physical and microbiological dangers) may be relevant for the different types of products.

Customer safety is of vital importance for the company, and is considered right from the **raw material selection** stage, assessed on the basis of the most demanding safety and quality criteria. Fratelli Carli engages in stable relations with its trusted suppliers, with whom we cooperate to guarantee high quality standards through constant controls in compliance with the law and our own in-house standards.

7,078 product analyses conducted by our in-house laboratory

Customer safety is an essential priority for the company, and is taken into consideration right from the selection of the raw materials, identified according to rigorous safety and quality criteria.



SHORT RECIPES: SAFE, TOP-QUALITY, WHOLESOME AND NATURAL



short recipe

Fratelli Carli recipes have always been simple and wholesome, made as you might at home from a small number of exclusively natural, prime-quality ingredients, starting from the Olio

Carli that gives them their unique flavor. All the products are developed with care and are emblematic of the company's history: Mediterranean tradition, uncompromising high quality and close attention to people and the environment.

This is attested to by the MSC, Dolphin Safe and SQNPI (Sistema Nazionale Qualità Produzione Integrata) certifications, in addition to the BIO range, conceived to respond to specific demand from a customer segment that is particularly sensitive to the question of organic farming.

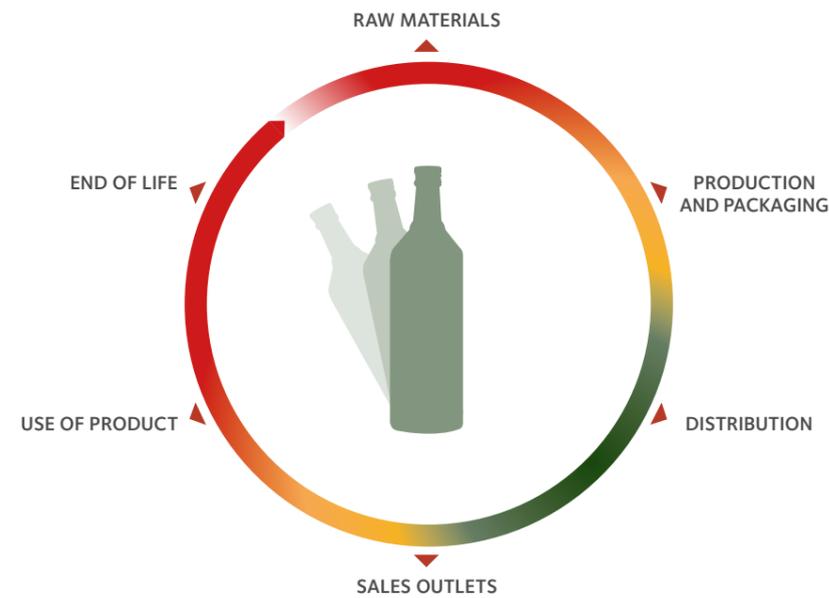
CON
Olio Carli
Ricetta LIGURE



The direct, personal relationship we have with all our suppliers, carefully selected and fully involved in the company's sustainable approach, ensures that the same values are shared right along the supply chain. So far, two of our most important suppliers of food specialties have obtained B Corp Certification.

SLCA analysis, information aimed at improvement: a shared commitment

The company uses **(Sustainable Life Cycle Assessment)**, an analysis method based on decades of scientific research that enables the evaluation of the sustainability profile of a product throughout its entire life cycle, from the sourcing of the raw materials to consumption, covering the production process, distribution, use and end of life.



SLCA enables the identification of **positive or negative impacts in terms of sustainability standards**, actively engaging all players in the company's value chain. The output enables the identification of the areas of improvement to be included in later yearly assessments.



SLCA analysis has been regularly conducted since 2012, in order to monitor developments following pro-sustainability remedial measures. In 2022, an even larger number of products were analyzed, amounting to 48% of all product lines – up from 39% the year before – and corresponding to 80% of total turnover.

Life cycle analysis for **80%** of product turnover

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

0	1	2	3	4	5	6	7
NEGATIVE Standard not met		HIGH RISK Standard not met to a large extent	IMPROVEMENT REQUIRED Standard partially met		GOOD Standard largely met		EXCELLENT Standard fully met

LCA analysis of our products

In order to acquire full awareness of its relationship with the environment, a company selling consumer goods must be aware of 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 identify negative externalities with precision.

For this reason, Fratelli Carli has carried out **life cycle analyzes (LCA)** of its Extra Virgin Olive Oils (bottled), Olive Oil (bottled and canned) and White Tuna (canned).

The Life Cycle Assessment (LCA) allows a company to quantify the potential environmental impacts associated with a product, from raw materials to end of life, enabling the implementation of the areas with the greatest impact.

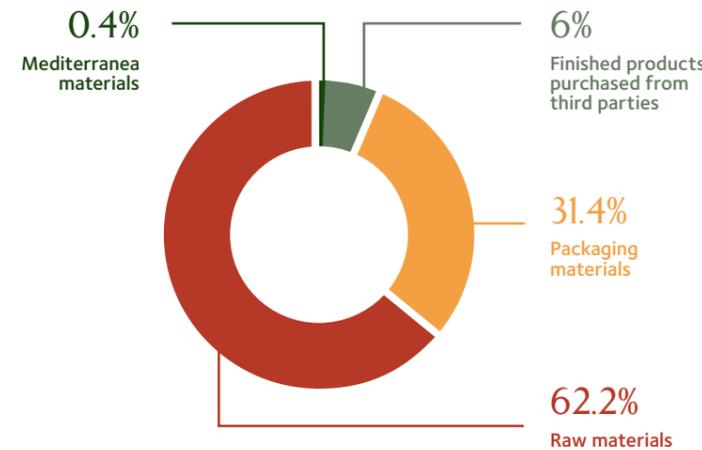
If we look at the carbon footprint of products alone (one of the impact areas examined in the LCA), most of the impact of CO₂ (78% for Oil and 93% for Tuna) is concentrated during the upstream production phases (cultivation and fishing respectively, together with processing) before the raw material is delivered to Fratelli Carli.

Use of paper and cardboard from responsibly managed forests.

99.86% FSC certified cardboard used in all our packs

62.2% food raw materials

Materials/Products by weight - 2022



In line with the previous year, in 2022 the weight of the materials/products consumed was mainly accounted for by **food raw materials** (62.2%), almost entirely related to **olive oil** (91%).

The amount of raw materials purchased for packaging totals 31.4%, while the finished products purchased account for all materials/products purchased. Mediterranea materials account for less than 1%.



Materials: recyclable, biodegradable, renewable

Some years ago now, Fratelli Carli, together with its entire supply chain, embarked on a process for the analysis used for product packaging, in order to gradually decrease the amount used, while maintaining performance, and to increase the use of more sustainable materials.

The main types of materials used by the company for packaging are paper, cardboard, glass, aluminum, steel and plastic.

For some time now, the company has been sourcing paper and cardboard from FSC-certified supply chains, which guarantee responsible management of forests. In addition, 2022 saw the completion of the process for renewing the packaging of its specialties sold in jars, which it had embarked on the previous year. These packs have been completely redesigned, using Havana cardboard for all products, and with a comprehensive rethink of the graphics with a view to reducing and simplifying the use of inks. This action has been implemented in order to create solutions with a lower environmental impact.

1.14% weight of plastic out of the total weight of all the processing and packaging materials purchased

-40% Environmental impact of the new boxes for the specialties supplied in jars

THE SUSTAINABILITY OF OUR DELIVERY BOXES FOR FOOD SPECIALTIES IN JARS

To assess the reduction of the impact of the new pack for the specialties sold in jars, an **LCA analysis** was conducted in order to compare the sustainability index of the old and the new boxes.

Specifically, the assessment considered the differences with regard to both printing inks - applied using 5-color offset technology on the old boxes and single-color flexo technology on the new Havana boxes - and the yields of the cardboard used for the two types of packs.

The LCA assessment mapped 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 water resources (m³-Eq).

Compared to the old packaging, the Havana box has allowed for an **average reduction of around 40%*** in **environmental impacts** across all the six categories under examination.

If we examine the climate change aspect further, it can be estimated that the introduction of the new Havana boxes has allowed us to avoid the emission of approximately **109 tonnes of CO₂** in 2022, considering annual production values.**



* The scope of the analysis system does not include product use and downstream distribution. This is because the product is not associated with any particular environmental impact during use. The downstream product distribution phase 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 2022. The comparative LCA assessment only covered 2x314 boxes: to estimate emissions avoided, the impact identified by the LCA was then applied to all types of purchased boxes, regardless of their category.

The attention paid and efforts made to reduce the amount of plastic purchased for product processes and packaging and to replace the remaining amount with recycled material has yielded considerable results in recent years, and today, taking account of the total weight of all the materials purchased by the company, plastic accounts for just 1.14%.

This valuable result was further enhanced in 2022, with the **adoption of 100% recycled plastic for all the filling materials for shipments abroad, and the move, for all the trays in the bakery line, to a 90% recycled PET plastic.** These two actions have allowed us to **save more than 3 tons of virgin raw materials.**

Action has also been taken with regard to logistics and processing materials, which has allowed us, on the one hand, to **eliminate plastic from the packaging of a number of free gifts**, replacing it completely with paper separators, and on the other, to **redesign the technical support of the labels of the products sold in jars, allowing us to completely replace the backing film in glassine**, a non-separable material that requires a complex disposal process, with a plastic backing that is 100% recyclable.

Another very successful action was the start of production of the **new shoppers for all the Emporiums**, which, starting from this year, are made **with the addition of a percentage of stones from olives** used for the oil-making process.

more than **3** tons of virgin plastic has been saved

90% recycled PET plastic used for the trays in the bakery range

The new shoppers for the Emporiums allow for the re-use of the stones of the olives

By endeavoring to gradually reduce the impact of the materials used, the company achieved an important, innovative result during 2022: the production of all the shoppers used in stores with the stones from the olives used during the oil producing process.

Waste from the production process has thus been turned into a useful raw material: when ground to a powder and added to a paste made from cellulose and water, the olive stones can be used to make the 100% recyclable, compostable, biodegradable paper now used for all the shoppers in the Fratelli Carli Emporiums.

What they're saying about us

“ Although myCordenons already produces paper using a variety of types of fiber derivatives and materials, this is the first time that olive stones have been used in the production cycle. MyFlora-Up Olivestone, the new paper used for Fratelli Carli shoppers, is an innovative upcycling project that is a clear example of the circular economy, studied by the R&D department of Fedrigoni Group to guarantee optimal characteristics in terms of strength, appearance and flexibility. This paper is able to transmit the strong connection with nature and the attention paid to environmental impact that represent a priority for both Fedrigoni and Fratelli Carli.

Micaela Di Trana

Marketing & R&D Director - Fedrigoni Group



100% Emporium shoppers using the stones from the olives

THE SUSTAINABILITY OF CARLI EMPORIUMS

Fratelli Carli has embarked on a project to **redesign and renovate the Emporiums, with a view to replacing traditional materials with environmentally sustainable alternatives**, in line with the most innovative developments in **green building**.

This strategic choice began with the renovation of the Alba Emporium and continued in 2022 with the Emporiums in Vicenza and Treviso; we will gradually be extending it to all the Emporiums, with a view to reducing the environmental impact of our stores. Specifically, the work involved repainting the inside of the stores and replacing the furnishings, with a preference for wood and iron elements. With the assistance of a specialised architecture firm, Fratelli Carli carried out an analysis focused on comparing materials with the same use but with different characteristics, taking into consideration a number of 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 **a reduction in environmental impact associated with the choice of environmentally friendly materials, in terms of reducing emissions and resource consumption**, and highlighted 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, Fratelli Carli has taken a variety of actions for the **progressive dematerialization of the Emporiums' communications**, such as the replacement of posters in shop windows with digital monitors, and the replacement of plastic price tags with alternatives made from biodegradable PLA. These actions testify to Fratelli Carli's ongoing commitment to adopting sustainable, responsible solutions in the conducting of its business.



Supply chain

We always choose our suppliers carefully and get to know them personally



The strong, valuable relationship we have built up with our suppliers over the years has allowed us to establish a trusted reputation for top-quality products. We are aware that our commitment to sustainability and quality would have no future without their help. This is what prompted us to implement the Fratelli Carli Districts and Codes project, which are key to the sharing of a process formed by common values, and above all effective actions.

Marta Gorlero
Marketing and Food Product
Development Manager

Gino De Andreis
Quality Control
Manager

Alessandro Anemone
Purchasing
Manager





2022 Results



✓ Updates to more than **60 SLCA**, to assess the sustainability of products and materials

2022-2025 Targets

- Turning the Goodness and Beauty Districts into “Benefit” Districts
- With the entire supply chain, attaining the goals of the new Codes by using shared tools and incrementing the number of suppliers involved
- Updating the Transport Code
- Updating the Olive Code



✓ **42.8%** - the percentage of suppliers involved in **the Olive, Goodness and Beauty Codes** out of the total sourcing budget

✓ First training step completed in the “**Responsible Transport Project**” for the Transport District

✓ **Lifemax regulations** defined in collaboration with our partner producers and BASF

- Increasing the number of suppliers involved in the Codes and assessed in accordance with environmental and social criteria to 80%
- Bringing the Transport District on board the “Carbon Neutrality” project
- “Oliveto sostenibile” (sustainable olive groves) project for the creation of sustainable olive cultivation practices

2022 Highlights

42.8%

suppliers involved in the **Olive, Goodness, Beauty and Transport Codes** out of the total number of suppliers

77%

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

4

the **Sustainability Codes** shared with our suppliers of materials, finished products, olives and logistics

+60

Sustainable Life Cycle Analysis (SLCA) conducted together with suppliers

7

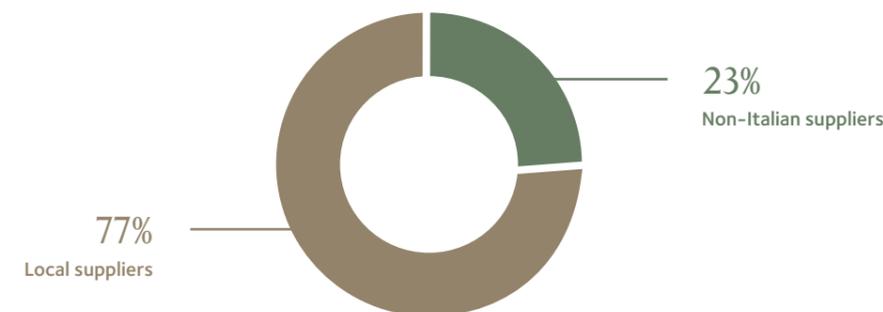
B Corp Certified suppliers or **Benefit Corporations** in our supply chain



Our chain and the value of our local area

Fratelli Carli shows a clear preference for **local suppliers located in Italy, with 77% of the procurement budget** allocated to them.

Proportion of expenditure to local suppliers (2022)



One of Fratelli Carli's hallmark features is our supply chain. In conducting its business, the company can count on a solid network of suppliers, which over the years has not changed significantly; this is indicative of a sound, lasting relationship.

Fratelli Carli is **aware of how important it is to establish a relationship of trust and of active, direct engagement with suppliers when creating its products and company policies, which seek to integrate aspects of sustainability at each individual stage of the process.**

This is why, starting from 2012, the company identified **four supplier Districts, drawing up a specific "Code" for each** that identifies the shared values and principles underpinning the action to be taken and the targets to be set.

During the year, all the suppliers were involved in the specific activities regarding their Codes, aimed at the achievement of the District targets and **monitoring KPIs.**

What they're saying about us

“ For the Molon Lave olive oil company and its whole group of olive growers, sustainability is not just a choice, but an absolute necessity. International collaborations, such as those with BASF and Fratelli Carli, a leader in the sector, are a source of strength and inspiration for us.

Giannis Manikis
CEO - MOLON LAVE SA

4 Codes shared with suppliers to achieve sustainable innovation goals together

200 the olive and olive suppliers involved in the Olive Code



The Olive District - Olive Code

The Olive Code **involves more than 200 suppliers of olives and olive oil** from the top olive-growing areas in the Mediterranean (Greece, Spain and Italy), carefully selected not only for the quality and excellence of their products, but also for the attention paid to sustainability during the production cycle. This process involves a shared commitment to the application and verification of sustainability practices during the growing and production process.

By signing the Olive Code, the suppliers undertake to share the values and objectives of Responsible Progress, and keep a close eye on the monitoring KPIs regarding the use of water and energy, waste management, the safeguarding of biodiversity and the landscape, and occupational health and safety, keeping track of the improvements in these areas from one year to the next.

In addition, 2021 saw the start of a collaboration with a sample of Greek producers that involves the joint creation and implementation of a sustainability protocol in collaboration with BASF. The "Lifemax" protocol envisages the application, during both the growing and the milling process, of practices uncompromisingly aimed at guaranteeing personal wellbeing and safeguarding the landscape and the olive growing areas; these practices are carefully monitored using the model set out in the regulations. The data collected during these first two olive harvests have allowed for the further development of the protocol, which is designed to be gradually extended to an increasing number of producers.

Fratelli Carli has also planned an update, in collaboration with suppliers, of its Olive Code, integrating its values and objectives with the SDGs of the United Nations, and collecting increasingly accurate data with a view to enhancing the care and attention paid to an effective, shared sustainability model.

The Food District - The Goodness Code

The Goodness Code was established in 2013, in collaboration with the suppliers of the **food specialties and components** we work with, based on a shared vision, to define the goals of the entire District regarding **two key issues**:

- **sustainability of all the production phases** of the food specialties (cultivation, resources, technologies, people), guiding the companies in the District towards a regenerative model;
- **reduction of the amount of materials and use of recyclable, biodegradable and renewable materials** for packaging, with a view to improving the sustainability profile of products.

2021 saw an evolution of the Code, with the active contribution of the entire District and the assessment of the impacts generated by the supply chain with regard to the pursuit of the Sustainable Development Goals (SDGs), as well as the integration of new KPIs for both the District companies and their products.

60 suppliers of finished products and components involved in the Goodness Code

The Districts have seen a constant improvement in sustainability performance. At least 7 companies in the supply chain have become B-Corp or Società Benefit companies.

Specifically, among the indicators monitored are the percentage of energy from renewable resources, the presence of women in the District's workforce, any ESG certification held and the number of products analyzed using LCA or SLCA methodology.

Thanks to this approach, the Districts have seen a constant improvement in sustainability performance, with 7 companies in the supply chain becoming B-Corp or Società Benefit companies.



The Cosmetics District - The Beauty Code

With the Beauty Code, Mediterranea and its suppliers, who are **committed to shaping a project for natural, organic and sustainable cosmetics**, have shared their common vision and commitment to improving the sustainability level of their products. In 2021, this District also strived to integrate the **Sustainable Development Goals (SDGs)** into its Code for the definition of monitoring indicators. The Beauty Code tracks the sustainability performance of both the company (focusing, for example, on the percentage of renewable energy used, the presence of women in the workforce and the certifications held) and its products, mapping aspects regarding the amount of products analyzed using the SLCA approach. The aim of the Code is to guarantee sustainable growth for Mediterranea, founded on shared values and goals for every aspect of the production chain, i.e.:

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

+15 Suppliers of cosmetics and packaging involved in the Beauty Code

DISTRICTS AND PRODUCT LIFE (SLCA)

In keeping with the objectives of the Goodness and Beauty Codes, work continued during the year with all the suppliers involved in the Districts to update the sustainability KPIs, and in particular the SLCA analyzes.

Over 60 analyses were conducted on both products and materials, allowing us to verify the improvement actions implemented by suppliers throughout their entire life cycle, comparing them with the 2020 results, and to analyze new products in the light of the District benchmarks.

The outcomes of the surveys offer an overview of the impacts the products – divided into the three categories of finished food products, packaging and Mediterranea products – have on the various life cycle phases:

- raw materials;
- production;
- distribution;
- usage;
- end of life.

With regard to the **4 sustainability principles**:

- 1  systematic increase in the concentration of **resources extracted** from the Earth's crust;
- 2  systematic increase in **substances produced by society**;
- 3  **deterioration of nature** caused by physical means;
- 4  **systematic barriers** regarding the integrity, competence, influence, significance and impartiality of people.

The Fratelli Carli District shows mostly white fields, indicating full compliance with the sustainability principles. The yellow fields indicate an impact that is being mitigated, while the red fields indicate areas that require attention and must continue to be worked on. The most critical areas typically regard the extraction of fuels from the Earth's crust, and the distribution phase.

+60 analyses conducted on products and materials



The virtuous practices implemented in the District mainly regard the development of short recipes, the choice of a short supply chain, optimization and minimization of packaging, the purchase of electrical energy from renewable resources and the implementation of energy efficiency practices in the factories.

SUSTAINABILITY PRINCIPLES



EXTENT OF COMPLIANCE WITH THE PRINCIPLES



District model - PACKAGING COMPONENTS

	RAW MATERIALS	PRODUCTION	DISTRIBUTION	USAGE	END OF LIFE
	58%	50%	49%	58%	68%
	78%	58%	50%	97%	87%
	87%	78%	99%	99%	99%
	87%	87%	97%	99%	99%

71% white fields

District model - FOOD PRODUCTS

	RAW MATERIALS	PRODUCTION	DISTRIBUTION	USAGE	END OF LIFE
	42%	67%	42%	67%	50%
	58%	58%	50%	92%	92%
	92%	100%	100%	100%	92%
	100%	100%	100%	100%	100%

70% white fields

District model - MEDITERRANEA PRODUCTS

	RAW MATERIALS	PRODUCTION	DISTRIBUTION	USAGE	END OF LIFE
	43%	29%	36%	64%	43%
	43%	43%	50%	86%	71%
	71%	86%	100%	93%	100%
	93%	100%	100%	100%	100%

59% white fields

The Transport District - The Delivery Code

To complete the supply chain sustainability process, Fratelli Carli has also brought on board its delivery drivers, the jewel in the crown of the company's distribution logistics, drawing up a "Delivery Code" with the aim of reducing consumption and emissions, by working together on two main fronts:

- sharing virtuous practices for the driving and maintenance of the vans;
- optimization of medium and long-distance transport by:
 - increasing intermodal transport;
 - optimizing loads and routes by avoiding unnecessary trips as far as possible.

The monitoring envisaged in the Code of the application of good practices and their impact on reducing consumption forms the base of an important project aimed at offsetting all the emissions deriving from Fratelli Carli delivery logistics for the Italian market during the year.

The entire transport chain has been fully involved in the achievement of this objective, and trained, during a series of dedicated encounters, on the calculations made to determine the total amount of climate change emissions, the importance of sustainable driving practices in constantly reducing emissions, and the ways chosen to offset emissions.



+130 self-employed van drivers involved in our Transport District



Energy and Resources

Waste is disrespectful,
so we have always avoided it



We are committed to constantly reducing our energy footprint during the production and logistics phases. On the production front, we have created a model for saving and for reducing our carbon footprint based on a synergy created through three essential actions: the use of electrical energy derived entirely from renewable sources, self-production of energy through a photovoltaic plant and actions aimed at reducing consumption.

Federico Calzamiglia
Operations Manager

Vittorio Zeviani
Technical Office





2022 Results

2022-2025 Targets



✔ **Scope 1, Scope 2 and Scope 3** emissions inventory validated

✔ **Integrated Policy** Defined Environment and Occupational Health and Safety

✔ Carbon footprint of the delivery logistics in Italy offset in full

✔ **93% of the waste** produced was sent for recovery

- Update and validation of the Scope 1, Scope 2 and Scope 3 emissions inventory
- Implementation and expansion of the scope of the new Environmental Management System
- Drawing up and implementation of a plan for the organization to achieve carbon neutrality
- Offsetting the carbon footprint of all home deliveries to customers located in all the foreign countries we serve
- Ensuring that more than 90% of total waste produced is recovered

2022 Highlights

100%

of electrical energy from certified renewable sources

965,860

kWh of electrical energy produced by our own photovoltaic plant

20

tonnes of CO₂ per million (turnover)

93%

of waste sent for recovery out of total waste

17%

electrical energy self-produced from renewable sources and consumed out of the total electrical energy consumed

100%

of CO₂ emissions generated by the entire delivery logistics process in Italy offset

-12%

total CO₂ eq. emissions for Scope 1 and Scope 2

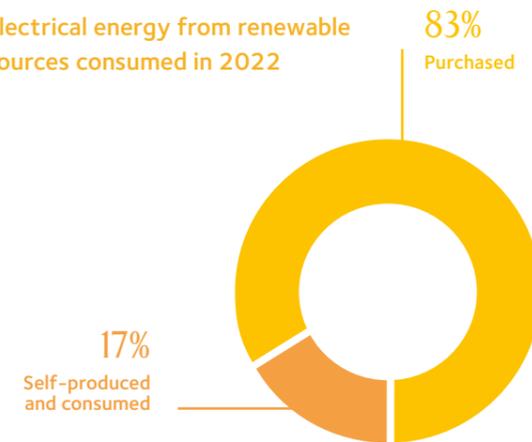


The commitment to a sustainable future: more technology, less consumption

The attention Fratelli Carli pays to energy

With the aim of optimizing energy consumption, the company carefully monitors, and regularly reports on the use of fuels, gas and electrical energy, by carrying out an **energy diagnosis**. This process allows for an accurate analysis of the company's energy performance, and the identification of any areas for improvement.

Electrical energy from renewable sources consumed in 2022



The company has always promoted projects for **improving energy efficiency and obtaining energy from renewable sources**. At the same time, Fratelli Carli undertakes to reduce waste and raise awareness among its stakeholders of the importance of using natural raw materials responsibly and efficiently.

The two-year period 2021-2022 saw a constant decrease in energy consumption, thanks to Fratelli Carli's on-going efforts to optimize systems and processes. Specifically, consumption fell from **50,872 GJ** in 2021 to **45,011 GJ** in 2022. 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 **electrical energy**.

Electrical energy accounts for over a third of total energy consumption, and in line with previous years, Fratelli Carli has continued to pursue a sustainable energy strategy, using 100% electrical energy from renewable sources.

Of this total, **83%** was accounted for by electrical energy purchased and consumed, while the remaining **17%** was self-produced using the **8,500-square-meter photovoltaic plant installed on the roof of the factory** in 2012.

This plant produces an average annual total of **975.000 kWh** and also has a positive knock-on effect on sustainable power use **outside the company**. The proportion of energy not consumed (about 8%) is **channeled into the power grid 68,574 kWh** in 2022, thus contributing to the reduction of the country's energy mix.

-12% total CO₂eq emissions for Scope 1 and Scope 2



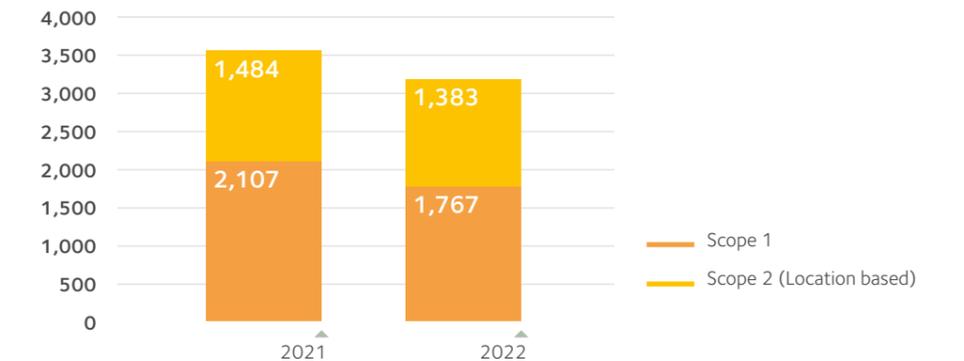
The efforts Fratelli Carli has been making for years now to reduce its energy footprint at all stages of the process also brought effective results in terms of energy efficiency in 2022. The decision to use a cloud system rather than the physical in-house storage of part of the back-up data, the renewal of some of the machines in the Printing Center, and the on-going installation of **low-consumption LED light bulbs throughout the company premises**, the completion of the **replacement of the air conditioning systems** with low-energy solutions and the gradual renewal of the vehicle fleet are just some of the activities that have allowed for a further reduction in the company's energy consumption.

Growth with lower emissions

Fratelli Carli's commitment to lowering energy consumption has also had a positive impact on our **greenhouse gas emissions**. In 2022, in line with the trend for the previous year, the company succeeded in lowering its Scope 1⁶ emissions, which include **direct emissions deriving from sources owned or controlled by the company, moving from 2107 tons of CO₂eq. to 1,767 tons of CO₂eq. (-16%)**.

The strategy of using electrical energy entirely from renewable resources also allows the company to have zero Scope 2 Market Based⁷ emissions. In line with previous years, the company continues to seek to reduce its impact in terms of overall emissions, moving from **3,591 tons of CO₂eq. in 2021 to 3,150 tons of CO₂eq. in 2022, a reduction of 12%**.

GHG emissions (tCO₂eq) 2022

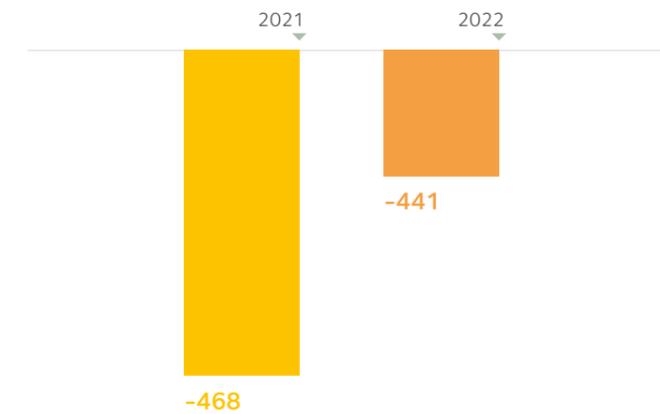


⁶ Scope 1 emissions are direct emissions of greenhouse gas from sources within, or controlled by, the company.

⁷ 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 emissions calculated by the 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.

The production of clean electricity through the photovoltaic system installed at the Imperia plant allowed for a **reduction in emissions of a total of 441 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 (tCO₂eq)



441 tonnes of CO₂ saved through the photovoltaic system

The Scope 3 emissions inventory

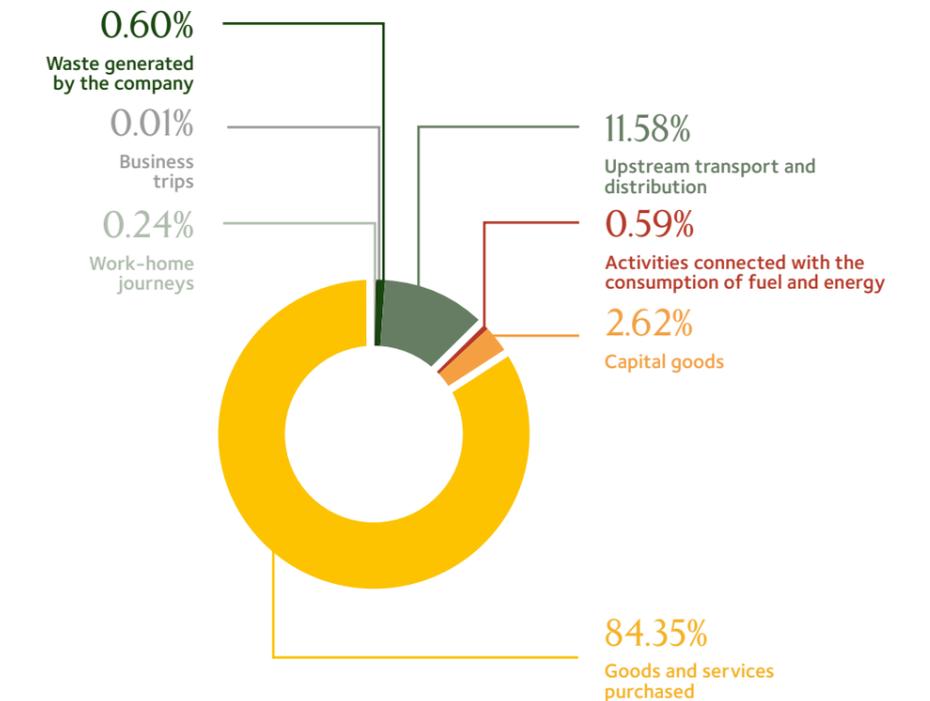
In addition, in order to monitor and understand the magnitude of the carbon footprint deriving from the activities outside of the company along the entire value chain, for the planning of effective management strategies, Fratelli Carli has **quantified the indirect greenhouse gas emissions (GHG) known as Scope 3 that occur upstream from the organization**. This measuring and reporting process, which began in 2021 and was completed in 2022, **follows the requisites of the GHG Protocol**, the most widely recognized methodology guide on the issue. The protocol **identifies 15 indirect emission categories, both downstream and upstream from the organization**; those included in the Fratelli Carli inventory for their significance for the company, are listed in the table below.

Scope 3 Category	Description
1. Goods and services purchased	This category includes all the upstream emissions (from the cradle to the gate) deriving from the production of products purchased or acquired by the company. Products comprise both goods (tangible products) and services (intangible products).
2. Capital goods	This category comprises emissions deriving from the extraction, production and transport of capital goods purchased or acquired by the company during the year considered.
3. Activities connected with the consumption of fuel and energy	This category comprises emissions relating to the production of fuels and energy purchased and consumed by the company that are not included in the categories of Scope 1 or Scope 2. They are the upstream emissions of fuel and energy.

Scope 3 Category

Scope 3 Category	Description
4. Inbound upstream transport and distribution Outbound upstream transport and distribution	1. Transport and distribution of products purchased during the year considered, carried out by third-party suppliers or by Fratelli Carli using vehicles it does not own or manage; 2. Third-party transport and distribution services purchased by the declarant company in the year under examination (directly or via an intermediary), including inbound logistics, outbound logistics (of products sold, for example), and the transport and distribution of third parties within company facilities.
5. Waste generated by the company	Emissions deriving from the disposal and treatment of waste by third parties generated during operations belonging to or controlled by the declarant company.
6. Business trips	This category includes emissions deriving from the transport of employees for business trips, in their own vehicles or vehicles managed by third parties, such as airplanes, trains, buses and cars.
7. Work-home journeys	This category includes emissions deriving from the transport of employees from home to work, in their own vehicles or vehicles managed by third parties, such as airplanes, trains, buses and cars.

GHG Scope 3 emissions for 2022 (t CO₂eq)



As the graph shows, Fratelli Carli's climate change emissions are mainly linked to indirect activities classified as Scope 3, amounting to 95% of the total. With regard to the Scope 3 categories reported on, **the greatest impact is in Category 1 (Goods and services purchased, which includes the emissions incorporated into the raw materials, packaging and finished products purchased by the company, and in Category 4 (Upstream transport and distribution), regarding transport upstream and downstream of the production activity carried out in the company.**

The path towards carbon neutrality: offsetting the delivery logistics in Italy

The quantification of Scope 3 emissions is an important step on the path towards Carbon Neutrality undertaken by Fratelli Carli starting from 2021. Mapping the impact generated by the activities upstream and downstream from the company has allowed us to highlight the areas it is most important and urgent to act on.

During 2022, Fratelli Carli focused its strategic efforts for the management of CO₂ emissions **specifically on the impact of its delivery logistics in the Italian market.**

This was possible first and foremost by bringing on board the self-employed van drivers exclusively entrusted with delivering Fratelli Carli products directly to customers' homes.

The company has been sharing the "Transport Code" with them for years, and has embarked on a process of raising awareness of good driving practices that help to reduce emissions and environmental impacts at least in part. A calculation was thus made of the total CO₂ emissions generated by the entire delivery logistics process, regarding both primary transport from Imperia to the warehouses and secondary transport from the warehouses to customers' homes and to the Emporiums.



CO₂=0 for all delivery logistics in Italy

Lastly, Fratelli Carli has chosen to offset these emissions in full, by purchasing an amount of "carbon credits" (which support projects for the production of energy from renewable sources) equal to the amount of CO₂ emitted by the entire process. All Fratelli Carli deliveries in Italy can thus be described as fully responsible, with CO₂=0.

What they're saying about us

“ I've always been proud to deliver Fratelli Carli products to customers' homes. I'm even prouder today, knowing that all the kilometers covered by my van are carbon neutral, because the emissions have been offset in full.

Stefano Gerbelli

Fratelli Carli delivery driver since 1990

Waste Management

Waste management has always been a priority for Fratelli Carli. This commitment involves all the **people who work for and with us and the companies** we come into contact with right along the value chain. Proper waste management and the responsibilities related to it are governed by a specific procedure, which is constantly implemented and updated to incorporate any changes to the production process and to comply with the requisites established by the pertinent legislation in force.

In recent years, Fratelli Carli has conducted a detailed analysis of all the activities that generate "waste" and/or "scrap", in order to obtain a classification and characterization of such materials. This process has enabled the identification of appropriate ways to manage the waste produced and the preparation of dedicated areas for the **temporary storage** of special waste and for **separate** urban **waste** collection. The company hosts **waste collection areas** where waste is kept and separated appropriately for uplifting by the public waste collection service.

The waste produced by the company is largely of the non-hazardous kind. Specifically, the main categories are:

- packing materials such as paper, glass, plastic, wood and metal;
- soapstock;
- water and sludge from olive milling operations;
- food waste;
- bleaching earths for filtering;
- edible oils and fats.

Fratelli Carli actively undertakes **to monitor the operations of its suppliers that play a part in managing waste (haulers, waste disposal companies and intermediaries).** When defining contracts, the company considers the authorizations of each supplier, and while working with them, monitors their compliance with the measures established in the various local and national regulations. As part of our ongoing improvement, Fratelli Carli trains and informs all relevant personnel and collaborators to ensure they are fully aware of the importance of the correct application not only of legal provisions but also of in-house procedures, so that everyone pays closer attention to how waste is managed. To this end, we conduct **awareness campaigns on how to prevent the production of waste and how to dispose of it correctly.**



93% of waste sent for recovery out of the total waste produced

FRATELLI CARLI'S APPROACH TO PREVENTION

For a **preventive approach** to the production of waste, the company has adopted several actions in recent years that have led to a significant reduction. These actions were developed not only within the company but also upstream and downstream from the value chain of the organization.

In-house:

- lighter cardboard packing materials;
- increasing use of recycled rather than virgin plastic;
- purchase of new machinery for dispensing pallet film that uses less plastic;
- replacement of the padding for cosmetics packaging, eliminating plastic altogether;
- replacement of envelopes with plastic lining for the delivery of cosmetics with envelopes made from cardboard alone;
- using glassine rather than plastic windows for all envelopes.
- move away from paper communication materials.

Upstream of the organization

- engagement with all our suppliers regarding the issue of waste reduction and the various solutions implemented along the supply chain.

Downstream of the organization:

- mapping of all the packaging materials, so as to accurately quantify their end of life impact and identify areas for intervention and improvement.

Waste for recovery and disposal (Kg)



-14% total waste generated in 2022

Fratelli Carli sends most of its waste for recovery and recycling. In 2022, there was a decrease in the **amount of waste, thanks to the ongoing commitment of Fratelli Carli to preventing waste production**. The main categories of waste where a reduction has been observed are: paper, sludge produced from olive milling operations and food waste. The amount **sent for recovery** has also risen, now accounting for **93%** of the waste produced, an increase of 2% compared to the previous year.

Biofuel made from processing by-products

The soapstock and greasy earth derived from the production process are submitted for assessment to 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 a useful raw material for the production of biofuels, pursuant to current regulations.

The integrated environmental and health and safety policy

As part of its ongoing improvement initiatives, Fratelli Carli undertakes to promote and support all the actions necessary to protect the environment and occupational health and safety. It is to this end that the company decided, in 2022, to implement the Health and Safety Management System with an Environmental Management System to create an Integrated Environment and Occupational Health and Safety Policy, in line with the UNI ISO 45001:2018 and UNI EN ISO 14001:2015 standards respectively. This integrated policy is inspired by the principles the company's operations are founded on and by the common good goals set out in the Articles of Association, and is an integral part of the company's management and operating choices.

Water management

Pursuing the implementation and improvement of sustainable practices and raw-material savings, over the years the **refinery** has undergone **major innovations** that have allowed us to save about 3 liters of water per kilo of olive oil processed.

Fratelli Carli has always paid the utmost attention to water consumption, and is committed to monitoring and controlling water **quality, both inbound and outbound**, as required by law.

Compliance with the limits currently applying to **drainage into the sewerage system** is constantly monitored by means of periodic analytic checks on pollutant loads compared with significant parameters. For this reason, a **continuous sampling device**, a **flow meter** and a **thermometric probe** have been installed in the Imperia factory, next to the drain. The quality standards applying to water drainage are those set forth in Legislative Decree , as amended.

For the analysis of the waste water, the company uses an external laboratory, which has always confirmed compliance with the limits established by law. Furthermore, during the days the refinery is in operation, the company's in-house lab is used to conduct daily voluntary **checks on the water**, to verify that the quality parameters (e.g. COD, PH, Phenols) are being complied with.

At the Imperia and Gazzelli plants, **water processing systems** have been installed for drainage into the receiving body, in compliance with the requisites established by current legislation. On the Imperia premises, the water used for processing passes through **settling tanks** for the separation and recovery of any oily parts present, while the car wash water is channeled to a **purification system and downstream filtering**.



Mediterranean tradition and culture

We have always endeavored to promote a culture of sustainability and healthy eating



The olive tree and the precious oil it gives us are symbols of the Mediterranean: the heart and the root of the civilizations that gave birth to our world.

This is where the passion and the mission of our enterprise stems from: the desire to help safeguard and transmit the traditions and knowledge that have created a universally recognised food culture.

Claudia Carli
Head of Corporate
Communications





2022 Results



- ✓ Participation in the **Convention on the General Assembly of Industrial Archaeology**
- ✓ Partnership with the University of Genoa for a **research project on olives and olive oil in classical antiquity**
- ✓ Joining **Museimpresa** and taking part in the association's activities
- ✓ Development of the project **ITS - Accademia Ligure Agroalimentare** to spread the local food culture
- ✓ Participation in the project **"Ragazzi in azienda"** to promote interaction between businesses and school students
- ✓ Implementation of the **web marketing editorial plan**, with content dedicated exclusively to sustainability issues in the company

2022-2025 Targets

- Spreading the culture of olives and olive trees and the Mediterranean food tradition
- Spreading the culture of Sustainability

2022 Highlights

CULTURE AND TRADITION

100%

of the **Emporiums** provide information on sustainability

12,276

visitors to the **Carlo Carli Olive Museum**

876

school groups have learned more about their studies in the rooms of the Carlo Carli Olive Museum

+1,260,000

DEM messages on sustainability issues sent to customers



Culture, tradition, sustainability

Fratelli Carli is continually committed to sustainability and to spreading the concept of healthy eating through a series of activities in the areas of culture, tradition and sustainability.

Fratelli Carli is committed to promoting the culinary excellence typical of Italy, a traditional heritage of products and eating styles based on the Mediterranean diet admired all over the world.

"Ragazzi in azienda"

"Ragazzi in azienda", in collaboration with the Confindustria association and the Chamber of Commerce, is a program that seeks to promote interaction between businesses and school students, offering the students the opportunity to find out more about the world of employment and acquire practical skills. The program involves the companies hosting the students for a period of practical training, allowing them to observe and take part in everyday activities. Through this experience, described as Situated Learning, students have the chance to develop a better understanding of business dynamics, and of the different professions and requisites in the world of employment.

The aim of the "Ragazzi in azienda" project is to boost awareness and help guide the young people in the choice of their future careers, by promoting integration between the world of education and the world of business. The students analyzed the company, the products and potential customers, developing 4 different advertising campaigns for Carli products, aimed at the German market. The projects were then evaluated by a jury whose members included a number of members of the Sustainability Committee.

4 different advertising campaigns for Carli products developed by the students

Digital Sustainability Communication Campaign

Fratelli Carli's strongly commitment to raising awareness regarding a number of sustainability issues is directed at all its stakeholders, bringing them on board and informing them. Starting from this year, the **e-mail marketing** plan has included a plan exclusively **focused on engaging customers further in the company's commitment to Responsible Progress**, inviting them to reflect on issues that regard all the minor and major choices we make every day. This campaign has been successful, involving the sending of more than 1,260,000 DEM messages, and it will be continuing over the coming months.

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. **A series of communication materials** with a modern, immediate style **have been studied** with a view to developing and promoting the sustainable innovation process pursued daily in the company, **helping customers to discover** the wholesome flavor and superb quality of **the products**, as well as the **comprehensively sustainable approach adopted by the company**.

More than **1,260,000** DEM messages on sustainability issues sent to customers



"Innovation Lab" project

Fratelli Carli has worked on the Innovation Lab project promoted by the **Eurostampa graphics company** in collaboration with the **University of Gastronomic Sciences of Pollenzo** and the **University of Cincinnati DAAP**.

Working in synergy, the students of the Universities of Pollenzo and Cincinnati were asked to come up with an idea for a label for a Fratelli Carli food product that shows the identity and the value of the brand. Once they were given the product, the Pollenzo students developed creative briefs able to convey elements and values in keeping with the expectations of Generation Z, while the DAPP students acted as a graphic design agency, developing the sketches, which were then finalized on paper, using the most suitable technical and creative techniques, by Eurostampa.

The result was the prototype for a label for Carli Pesto, designed with a new-generation approach.

Accademia Ligure dell'Agroalimentare

Fratelli Carli, was privileged to be one of the founding members of **Fondazione ITS Accademia Ligure dell'Agroalimentare**, a vocational technical high school in Imperia that specifically focuses on **production and processing techniques for the olive and oil supply chain**. Playing an active part in the Academy offers the company the opportunity to work along with other institutions, manufacturers and experts to train professionals in the sector, and to promote sustainability, innovation and quality in the food and agriculture system in Liguria.

The food and agriculture courses in the high school began this year, and are an important resource for the area and its young people. The Academy seeks to train specialized professionals able, on the one hand, to improve farming practices and production techniques, with an eye on sustainability right along the olive and oil supply chain, and on the other, to acquire a grounding in marketing techniques that can be used to promote the image and reputation of Liguria's food and agriculture sector throughout Italy and worldwide.

"Carta dei Musei dell'Olivo e dell'Olio del Mediterraneo" (Charter of Olive and Oil Museums in the Mediterranean): a wide network of themed museums that aim to transmit the values and the civilization of the olive, and to develop actions able to protect and enhance them.

The Carlo Carli Olive Museum

The **Carlo Carli Olive Museum**, founded in Imperia by the Carli family in 1992, hosts one of the most important private collections in Italy of archaeological finds, rare objects, containers and oil lamps, as well as a fine library, all dedicated to the culture of the olive. The collection has been put together over many decades, and has also been declared of **"exceptional archaeological interest" by the Archaeological Heritage Office** of Liguria, and is subject to **ministerial restrictions**. Olives and olive oil played a key role in the history of the earliest civilizations, featuring in their food, art, culture, economy, customs, religion and cosmetics.

The Carlo Carli Olive Museum plays an important role in **enhancing and promoting the tangible and intangible heritage of the olive and of olive oil**, and in **promoting the Mediterranean diet**, recognized by UNESCO as part of the world's Intangible Heritage.

It is in this context that the Carlo Carli Olive Museum seeks to promote the **"Carta dei Musei dell'Olivo e dell'Olio del Mediterraneo"**(Charter

of Olive and Oil Museums in the Mediterranean): a wide network of themed museums that aim to transmit the values and the civilization of the olive, and to develop actions able to protect and enhance them. Its keen awareness of this role this year prompted the Carlo Carli Olive Museum to take part in the **Convention on the General Assembly of Industrial Archaeology**, making a contribution to the **"Cultural Industry" concept** defined by UNESCO that is **perfectly representative of the bond between the Fratelli Carli company and its Carlo Carli Olive Museum**.

In collaboration with the **University of Genoa**, the company also worked **this year on a research project on the culture of oil, entitled "PatrimOlio culturale"**, which took the form of a scholarship for a research PhD entitled "L'Olivo e l'olio a Bisanzio: dall'età classica a quella tardoantica tra mitologia, magia e religione" (Olives and Oil in Byzantium from the Classical Age to Late Antiquity: mythology, magic and religion) Based mainly on Greek texts, the aim of the research is to look into how the meaning and significance of oil and olives changed and evolved during the shift from the pagan to the Christian era, also by studying the texts and materials held in the Carlo Carli Olive Museum.

+100 archives and museums of Italian companies brought together by Museimpresa

Museimpresa

During 2022, the **Carlo Carli Olive Museum's membership of Museimpresa**, the Italian Association of Business Archives and Corporate Museums, was consolidated and strengthened. Museimpresa brings together over 100 archives and museums of Italian companies, both large and small. This choice was made to make a practical contribution to the aims of the Association, which include **preserving the memory of Italian industry and focusing on the importance of entrepreneurial skills as a driver of sustainable development**. By joining the association, the company also seeks to help spread knowledge and experiences across the various museums, and to boost research and training activities in the field of museology and corporate archiving.

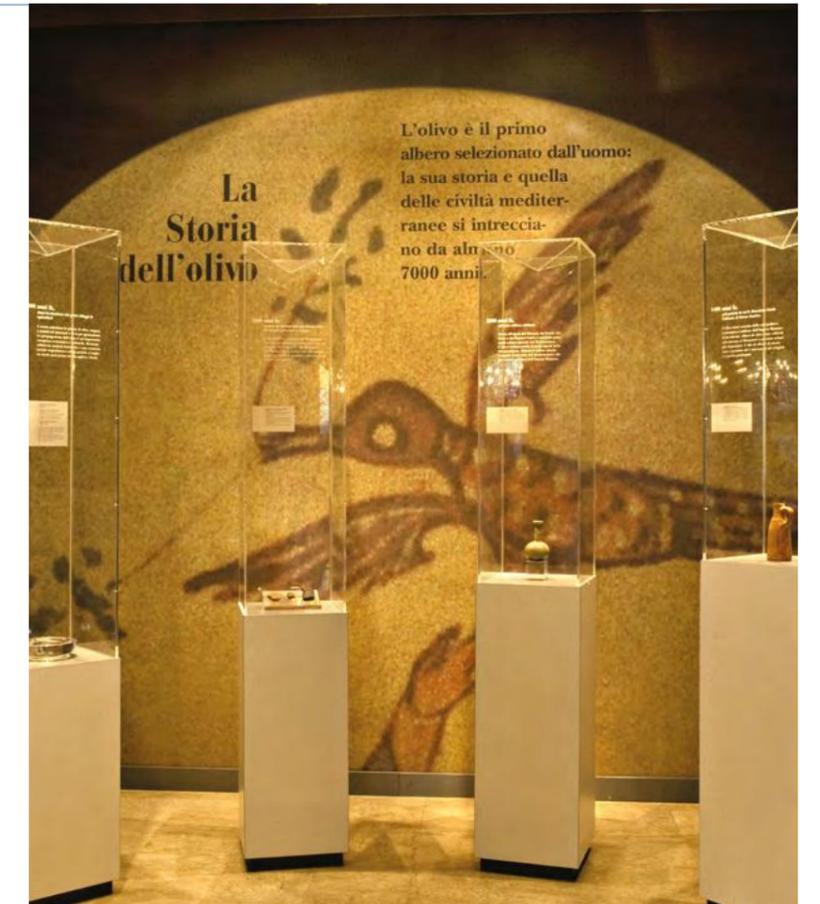
With this in mind, the Carlo Carli Olive Museum once again this year took part in the most significant activities of the Association: **"International Museum Day"** organized by ICOM, the **"Bibliografia d'Impresa"** for the creation of a shared bibliography that can be consulted online, the **"Settimana della Cultura d'Impresa"** (Business Culture Week) and the project **"Itinerari Museimpresa"** in collaboration with the Italian Touring Club.

What they're saying about us

“The agreement with the Carlo Carli Olive Museum has allowed the Department of Italian, Romance, Antique, Art and Entertainment Studies of the University of Genoa to embark on one of the first PNRR PhD courses in Italy in the field of humanities: The collaboration with the Museum has resulted in a research project on the importance of oil in Late Antiquity, focusing on literary texts, documents and archaeological finds. The scholarship has been awarded to Martina Biamino, admitted to the Sciences of Antiquity area of the PhD course in "Modern and Classical Literatures and Cultures" coordinated by Prof. Massimo Bonafin.

Pia Carolla

Associate Professor of Byzantine Civilization.
Department of Italian, Romance, Antique, Art and Entertainment Studies. University of Genoa



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

METHODOLOGICAL NOTE

This Sustainability Report was drafted in accordance with the principles of balance, comparability, accuracy, timeliness and reliability, as defined by the GRI Standards.



Lucio Carli
Head of the Cosmetics Division

Claudia Carli
Head of Corporate Communications

Gian Franco Carli
Chairman and CEO

Carlo Carli
General Manager

Methodological note

This document was drawn up in conformity with the **GRI – Global Reporting Initiative – Sustainability Reporting Standards issued in 2016** and updated in 2021. Specifically, the Report was drafted in accordance with the principles of balance, comparability, accuracy, timeliness and reliability, as defined by the GRI Standards. The document highlights both strengths and weaknesses, as well as potential areas for improvement. The data collection 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 an 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)**⁸ on which Fratelli Carli can have the greatest impact – linking them to the company's own sustainability goals. The company has specifically focused on **SDGs 3, 7, 8, 12, 14, 15, 17**. The sustainability goals indicated in each section of the Report are accompanied by the pertinent SDG icon.

⁸ 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 effectively committed to pursuing these international goals. Given the scale of the challenge, all public and private players are called upon to contribute within their own spheres of influence and action.

Scope of reporting and methods of calculation

The scope of reporting includes the company Fratelli Carli S.p.A. S.B., with registered office in via Gareccio 11, Imperia. With regard to aspects relating to energy consumption and relative GHG emissions, the data refer to the plant/premises in Imperia, the plant at Gazzelli and the company's own warehouses (Assago, Pognano). With regard to waste and water management, the data refer to the Imperia and Gazzelli sites. As regards aspects relating to personnel, the data refer to the plant/premises, the plant at Gazzelli, the warehouses owned by the company and the Emporiums. This Sustainability Report is reviewed and approved in its entirety by the Board of Directors.

The information in the Report is based on data collected during the period from 1 January 2022 to 31 December 2022.

The main methods of calculation adopted are as follows:

- **Scope 1 direct emissions:** for consumption of natural gas, petrol, diesel and LPG, the emission factors taken from the table of standard national parameters of the Ministry for Environment, Land and Sea Protection (2020–2021–2022) were used; for refrigerant gas leakage from the air conditioning systems, the GWP provided by DEFRA (Department for Environment Food & Rural Affairs, United Kingdom) were used for the 2020–2021 two-year period, and the AR6 (Sixth Assessment Report) IPCC (Intergovernmental Panel on Climate Change) for 2022.
- **Scope 2 indirect emissions:**
 - Location-based: these emissions were calculated by multiplying the electricity purchased from the national grid by the emission factor taken from Confronti internazionali Terna based on Enerdata data –2017, 2018, 2019 data;
 - Market-based: there are no such emissions (0), since the company uses only electrical energy from renewable sources and therefore the virtual emission factor is zero.

- **Other Scope 3 indirect emissions:**

- *Category 1 – Goods and services purchased:* emissions were calculated based on the amounts of materials purchased by the company, placing importance on their place of origin. A specific emission factor was attributed to each material, taken from the Ecoinvent data bank or from LCA studies conducted in-house and/or by suppliers. An evaluation was also conducted on the use of electrical energy from renewable sources on the part of suppliers, thus reducing the resulting emission factor, as well as the proportion of all types of materials recycled. Comprised within this category are the emissions deriving from water consumption. In this case, the emission factor is taken from the DEFRA data bank, as for the services purchased by the company.
- *Category 2 – Capital goods:* For the calculation of emissions, the primary element considered are the goods identified as fixed assets by Fratelli Carli. Specifically, goods costing in excess of € were considered. In this case, DEFRA emission factors were used.

- *Category 3- Activities related to fuel and energy consumption:* Emissions were calculated by multiplying the amounts of fuel, electricity and thermal energy by the pertinent upstream emission factors. In this case, consumption attributable to the warehouses not owned by the company and to the Emporiums was considered. The emission factors were taken from DEFRA.
- *Category 4 – Upstream transport and distribution:* emissions relating to logistics are divided into:
 - inbound materials, i.e. all the materials used as input for the production process;
 - outbound materials, relating to the distribution of finished products and the delivery by self-employed van drivers. In both cases, the calculation was based on the distance travelled, the weight transported and the means of transport used (e.g. truck, train, ship). In some cases, the primary fuel consumption data were supplied by logistics service providers. Also in this case, the emission factor used was taken from the DEFRA data bank.
- *Category 5 – Waste generated by the company:* based on/using the MUD (Environmental Declaration Form) and the respective EWC codes, the data are shown in kg and then combined with the emission factors from the Ecoinvent data bank, and to a marginal extent from DEFRA, regarding the processing of waste.
- *Category 6 – Business trips:* emissions were calculated by considering the distance travelled (km) and the type of transport used by personnel for business trips. Distances were then multiplied by the specific emission factor taken from DEFRA. Please note that for stretches travelled by train in Italy, the emission factor used was taken from the Sustainability Report of Trenitalia.
- *Category 7 – Work-home journeys:* for this category, a specific questionnaire was developed and submitted to Fratelli Carli employees to find out the distance they travel from home to work, and the means of transport used. The emission factors used are taken from the DEFRA data bank.

- **Avoided emissions:** avoided emissions 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) 2020-2021-2022.
- **Work-related injuries:**
 - rate of recordable work-related injuries: ratio between the number of recordable work-related injuries, not including injuries taking place while travelling, and the total number of hours worked, multiplied by 200,000
 - rate of injuries with serious consequences (not including deaths): ratio between the number of serious injuries and the total number of hours worked, multiplied by 200,000
 - rate of deaths resulting from Work-related injuries: ratio between the number of deaths due to Work-related injuries and the total number of hours worked, multiplied by 200,000.

The indicators that do not refer to any general or topic-specific disclosure in the GRI Standards, shown on the pages indicated in the Content Index, were not the object of a limited assurance engagement on the part of EY S.p.A.

GRI Reconciliation Table - Material Topics

SUBJECT	MATERIAL TOPICS	GRI STANDARD
People 	Employees' safety and rights	GRI 403: Occupational health and safety GRI 406: Non-discrimination
	Personal well-being and development	GRI 404: Training and education GRI 401: Employment
	Diversity and equal opportunities	GRI 405: Diversity and equal opportunities
	Customer satisfaction	GRI 417: Marketing and labelling
Materials and products 	Food safety	GRI 416: Customer health and safety
	Product quality and excellence	GRI 416: Customer health and safety
	Sustainable materials and product eco-design	GRI 301: Materials
Supply chain 	Responsible supply chain management	GRI 414: Supplier social assessment GRI 308: Supplier environmental assessment
	Enhancing local communities	GRI 201: Economic performance GRI 204: Procurement practices
Energy and resources 	Climate Action	GRI 302: Energy GRI 305: Emissions
	Reduction of production footprint	GRI 306: Effluent and waste GRI 303: Water and effluent
Mediterranean culture and tradition 	Promoting healthy lifestyles through the Made in Italy concept	-
Ethical business conduct 	Ethical business conduct	GRI 205: Anti-corruption
	Respect for privacy	GRI 418: Customer privacy

Impact profile

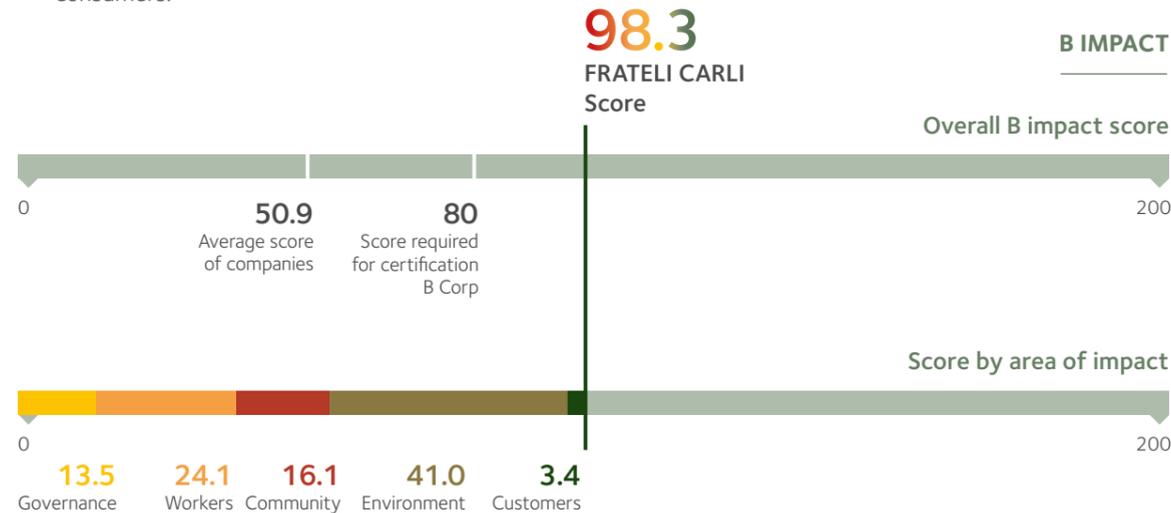
To comply with legal obligations and report on the company's impact, Fratelli Carli uses the third-party standard B Impact Assessment. The measurement of its impact for the 2019 reporting year showed a score of 98.3, attesting to the company's constant improvement in its sustainability performance over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

In view of the updating of the B Corp Certification set for 2023, Fratelli Carli has once again measured its performance against the B Lab B Impact Assessment standard, using the data for 2022. The recertification process will be completed during the coming year, with the subsequent validation of the new score obtained by the company.

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

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



Appendix

Economic indicators

ECONOMIC PERFORMANCE			
GRI 201-1 Direct economic value (€) generated and distributed			
	2020	2021	2022
Direct economic value generated	159,734,113	155,247,840	158,844,271
Economic value distributed	148,433,564	147,958,061	156,557,805
<i>Operating costs</i>	128,123,856	128,187,903	138,168,603
<i>Employees' salaries and benefits</i>	17,667,762	17,905,787	17,756,037
<i>Payments to capital providers</i>	887,615	932,420	1,302,152
<i>Payments to the Public Administration</i>	1,754,331	931,951	-668,988
<i>Investments in the community</i>	79,369	152,695	220,776
Economic value retained	11,300,549	7,289,778	2,286,466

PROCUREMENT PRACTICES			
GRI 204-1 Proportion of spending on local suppliers (%)			
	2020	2021	2022
Procurement budget spent on local suppliers	72%	74%	77%

ANTI-CORRUPTION

GRI 205-3 | Confirmed incidents of corruption and actions taken (n)

	2020	2021	2022
Confirmed incidents of corruption	0	0	0
Corruption-linked public lawsuits commenced against the organization or its employees	0	0	0



Social indicators

GENERAL DISCLOSURE

GRI 2-7⁹ | Employees (n)

	2020	2021	2022
Employees	373	381	378
<i>Women</i>	178	187	190
<i>Men</i>	195	194	188
Full-time contract	263	263	277
<i>Women</i>	86	93	108
<i>Men</i>	177	170	169
Part-time contract	110	118	101
<i>Women</i>	92	94	82
<i>Men</i>	18	24	19
Permanent contract	336	346	342
<i>Women</i>	160	168	165
<i>Men</i>	176	178	177
Temporary contract	37	35	36
<i>Women</i>	18	19	25
<i>Men</i>	19	16	11

GRI 2-8 | Workers who are not employees (n)

	2020	2021	2022
Non-employees			
<i>Interim staff</i>			4

⁹ The company's employees are all located in Italy. There are no employees with working hours that are not guaranteed, and there are no employees that do not identify as male/female.

EMPLOYMENT

GRI 401-1 | New hires (n)

	2020	2021	2022
Total hires	128	125	133
Gender			
<i>Women</i>	65	65	73
<i>Men</i>	63	60	60
Age bracket			
<30 years	25	53	67
30 ≤ x ≤ 50 years	43	51	49
>50 years	22	21	17

GRI 401-1 | Turnover (n)

	2020	2021	2022
Total terminations	114	117	136
Gender			
<i>Women</i>	54	56	70
<i>Men</i>	60	61	66
Age bracket			
<30 years	58	47	61
30 ≤ x ≤ 50 years	30	43	53
>50 years	26	27	22

HEALTH AND SAFETY

GRI 403-9 | Work-related injuries

	Unit of meas.	2020	2021	2021
Employees				
<i>Total no. of hours worked</i>	no.	614,952	634,763	602,220
<i>Total no. of work-related injuries</i>	no.	2	1	0
<i>Total no. of work-related injuries with severe consequences</i>	no.	0	0	0
<i>Total no. of deaths due to work-related injuries</i>	no.	0	0	0
<i>Injury rate</i>	Rate	0.65	0.32	0.0
<i>Serious injury rate</i>	Rate	0.0	0.0	0.0
<i>Death rate</i>	Rate	0.0	0.0	0.0
Workers other than employees whose work and/or workplace is under the organization's control				
<i>Total no. of hours worked</i>	no.	85,322	91,024	90,007
<i>Total no. of work-related injuries</i>	no.	0	0	0
<i>Total no. of work-related injuries with severe consequences</i>	no.	0	0	0
<i>Total no. of deaths due to work-related injuries</i>	no.	0	0	0
<i>Injury rate</i>	Rate	0.0	0.0	0.0
<i>Serious injury rate</i>	Rate	0.0	0.0	0.0
<i>Death rate</i>	Rate	0.0	0.0	0.0

TRAINING

GRI 404-1 | Average yearly training hours per employee (h)

	2020	2021	2022
Gender			
Women	5.99	13.3	14.1
Men	8.2	7.6	9
Professional category			
Top management	7.5	32.1	9.6
Middle management	9.6	20.9	17.8
White-collar personnel	7.9	12.6	13.8
Blue-collar personnel	5.4	3.6	5.6



DIVERSITY AND EQUAL OPPORTUNITIES

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

	2020		2021		2022	
Gender	no.	in %	no.	in %	no.	in %
Women	1	20	1	20	1	20
Men	4	80	4	80	4	80
Age bracket	no.	in %	no.	in %	no.	in %
<30 years	0	0	0	0	0	0
30 ≤ x ≤ 50 years	2	40	2	40	2	40
>50 years	3	60	3	60	3	60

GRI 405-1 | Diversity among employees (no. and %)

	2020		2021		2022	
Professional category	no.	in %	no.	in %	no.	in %
Gender	no.	in %	no.	in %	no.	in %
Top management	4	1.1	4	1.1	4	1.1
Women	0	0.0	0	0.0	0	0.0
Men	4	2.1	4	2.1	4	2.1
Middle management	11	2.9	11	2.9	11	2.9
Women	5	2.8	4	2.1	4	2.1
Men	6	3.1	7	3.6	7	3.7
White-collar personnel	241	64.6	253	66.4	256	67.7
Women	152	85.4	163	87.2	167	87.9
Men	89	45.6	90	46.4	89	47.3
Blue-collar personnel	117	31.4	113	29.6	107	28.3
Women	21	11.8	20	10.7	19	10.0
Men	96	49.2	93	47.9	88	46.8

cont.



Age bracket	no.	2020		2021		2022	
		in %	no.	in %	no.	in %	
<30 years	26	7.0	28	7.0	32	8.5	
<i>Top management</i>	0	0.0	0	0.0	0	0.0	
<i>Middle management</i>	0	0.0	0	0.0	0	0.0	
<i>White-collar personnel</i>	23	9.5	25	9.9	31	12.1	
<i>Blue-collar personnel</i>	3	2.6	3	2.7	1	0.9	
30 ≤ x ≤ 50 years	184	49.3	176	46.2	162	42.9	
<i>Top management</i>	0	0.0	0	0.0	0	0.0	
<i>Middle management</i>	3	27.3	2	18.2	1	9.1	
<i>White-collar personnel</i>	142	58.9	136	53.8	130	50.8	
<i>Blue-collar personnel</i>	39	33.3	38	33.6	31	29.0	
>50 years	163	43.7	177	46.5	184	48.7	
<i>Top management</i>	4	100.0	4	100.0	4	100.0	
<i>Middle management</i>	8	72.7	9	81.8	10	90.9	
<i>White-collar personnel</i>	76	31.5	92	36.4	95	37.1	
<i>Blue-collar personnel</i>	75	64.1	72	63.7	75	70.1	

CUSTOMER PRIVACY

GRI 418-1 | Substantiated complaints concerning breaches of customer privacy (n)

	2020	2021	2022
Total number of documented complaints received concerning breaches of customer privacy	3	8	3
<i>of which received from external subjects</i>	3	8	3
<i>of which from supervisory bodies</i>	0	0	0

GRI 418-1 | Losses of customer data (n)

	2020	2021	2022
Total number of identified thefts or losses of customer data	6	1	2

Environmental indicators

MATERIALS

GRI 301-1 | Consumption of materials (tons)

	2020	2021	2022
Processing and packaging materials	9,310	8,661	8,701
<i>Plastic</i>	89	76	91
<i>Paper and cardboard</i>	2,952	2,712	2,639
<i>Wood</i>	186	185	214
<i>Tinplate</i>	182	204	178
<i>Aluminum</i>	22	18	26
<i>Glass</i>	5,879	5,466	5,553
Food raw materials	28,244	17,836	17,252
<i>Oil</i>	27,747	17,431	16,925
<i>Olives for milling</i>	246	83	28
<i>Other materials (e.g. tomato pulp, basil, cheese)</i>	230	322	299
Finished products purchased from third parties	1,796	1,511	1,240
<i>"Seafood" products (e.g. tuna, tuna filets, anchovies)</i>	420	409	303
<i>Bakery products for special occasions (panettone, colomba)</i>	205	222	210
<i>Soaps</i>	273	133	123
<i>Dry pasta</i>	136	184	154
<i>Olives / olive paté</i>	81	144	127
<i>Other finished products (e.g. grilled products, jams, focaccia, soups)</i>	398	419	323

cont.



	2020	2021	2022
Mediterranea products		171	117
<i>Bulk</i>		104	67
<i>Plastic</i>		20	12
<i>Paper</i>		33	22
<i>Glass</i>		13	7
<i>Aluminum</i>		0	0
<i>Wood</i>		1	1
<i>Solid soap</i>		0	8
Total materials	39,330	28,179	27,311

OTHER MATERIALS (I)			
	2020	2021	2022
<i>Wine</i>	149,940	239,540	225,153
<i>Vinegar</i>	132,895	117,075	107,419
<i>Liquid soap, stain remover, hand cream</i>	98,331	94,046	81,196
Total other materials	381,166	450,661	413,768

ENERGY				
GRI 302-1 Fuel consumption from non-renewable sources				
	Unit of meas.	2020	2021	2022
Diesel		100,500	93,510	78,439
LPG		9,087	7,214	6,789
Natural gas	STDM ³	713,038	606,787	494,608
Consumption of fuel for company fleet	Diesel	135,445	148,654	140,713
	Gasoline	7,799	11,393	17,742
GRI 302-1 Indirect energy consumption (kWh)				
		2020	2021	2022
Consumption of electrical energy purchased¹⁰		4,873,655	4,710,066	4,390,260
<i>of which with renewable energy certification</i>		4,873,655	4,710,066	4,390,260
GRI 302-1 Electrical energy produced (kWh)				
		2020	2021	2022
Electricity from a renewable source produced and sold		86,865	94,209	68,574
Electricity from a renewable source produced and consumed		882,177	926,070	897,286

¹⁰ Electrical energy consumption refers only to the Imperia and Gazzelli facilities and to the two warehouses belonging to the company (Assago, Pognano).

GRI 302-1 | Energy consumed (GJ)

	2020	2021	2022
Diesel	8,376	8,669	7,845
LPG	216	171	161
Gasoline	227	334	520
Natural gas	25,172	21,408	17,450
Electrical energy	20,721	20,290	19,035
Total	54,713	50,872	45,011

EMISSIONS

GRI 305-1 | Scope 1 emissions (tCO₂eq.)

	2020	2021	2022
Diesel	616	641	580
LPG	14	11	10
Gasoline	17	24	38
Natural gas	1,408	1,203	985
Refrigerant gas leaks	253	228	154
Total Scope 1	2,308	2,107	1,767

GRI 305-2 | Scope 2 emissions (tCO₂eq)

	2020	2021	2022
Location-Based	1,638	1,484	1,383
Market-Based ¹¹	0	0	0

¹¹ Zero Scope 2 emissions calculated by means of the market-based method, because the company consumes electrical energy solely from renewable sources, in part self-produced by means of photovoltaic panels and in part purchased and certified as 100% from renewable sources.

GRI 305-3 | Scope 3 emissions (tCO₂eq)

	2021	2022
1. Goods and services purchased	61,226	50,749
2. Capital goods	1,300	1,579
3. Activities connected with the consumption of fuels and energy	401	353
4. Upstream transport and distribution – inbound	2,639	3,031
Upstream transport and distribution – outbound	3,472	3,937
5. Waste generated by the company	645	362
6. Business trips	0,4	4
7. Work-home journey	155	147
Total Scope 3	69,839	60,162



WATER

GRI 303-3 | Water withdrawal by source (ML)

	2020	2021	2022
<i>Withdrawal from wells</i>	189	124	70
<i>Withdrawal from aqueduct</i>	14	15	13
Total water withdrawal	203	139	83

GRI 303-4 | Water discharge by destination (ML)

	2020	2021	2022
<i>Discharge into municipal system</i>	200	133	80
Total water discharge	200	133	80

GRI 303-5 | Water consumption (ML)

	2020	2021	2022
<i>Total water withdrawal</i>	203	139	83
<i>Total water discharge</i>	200	133	80
Total water consumption	3	6	3

WASTE

GRI 306-3/306-4/306-5 | Waste generated, diverted from disposal and directed to disposal (t)

	2020	2021	2022
Laboratory solvents	<1	<1	<1
Packaging			
Paper	447	401	390
Plastic	21	22	25
Glass	29	34	41
Food waste	24	17	8
Printer toner	0	<1	<1
Aluminum scrap	2	5	4
Bleaching earths for filtering	257	179	195
Edible oils and fats	1	2	1
Sludge produced by olive mill operations	478	219	56
Other separate waste	5,848	5,035	4,360
Unsorted urban waste	7	3	0
Total	7,114	5,917	5,080
<i>of which hazardous</i>	12	12	2
<i>of which non-hazardous</i>	7,102	5,905	5,078
<i>of which sent for recycling/recovery</i>	6,431	5,385	4,747
<i>of which not sent for recycling/recovery</i>	683	532	333

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.

Disclosure	Description of the Indicator	Section	Omissions – Notes
The organization and its reporting practices			
GRI 2-1	Organizational details	Page 20	
GRI 2-2	Entities included in the organization's sustainability reporting	Page 20	
GRI 2-3	Reporting period, frequency and contact point	Page 20	sosteniamoci@oliocarli.it
GRI 2-4	Restatements of information		Not present
GRI 2-5	External assurance	Pages 138-140	
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	Page 35	
GRI 2-7	Employees	Page 117	
GRI 2-8	Workers who are not employees	Page 117	
Governance			
GRI 2-9	Governance structure and composition	Page 20	
GRI 2-10	Nomination and selection of the highest governance body	Page 20	
GRI 2-11	Chair of the highest governance body	Page 20	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Page 22	
GRI 2-13	Delegation of responsibility for managing impacts	Page 22	
GRI 2-14	Role of the highest governance body in sustainability reporting	Page 20	

Disclosure	Description of the Indicator	Section	Omissions – Notes
GRI 2-15	Conflicts of interest	Page 23	
GRI 2-16	Communication of critical concerns	Page 23	
GRI 2-17	Collective knowledge of the highest governance body	Page 20	
GRI 2-18	Evaluation of the performance of the highest governance body		The Board of Directors is not subjected to evaluation of its performance with reference to the supervision of impacts on the economy, the environment and people.
GRI 2-19	Remuneration policies	Page 22	
GRI 2-20	Process to determine remuneration	Page 22	
GRI 2-21	Annual total compensation ratio		Confidentiality constraints
Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	Pages 29-30	
GRI 2-23	Policy commitments	Pages 22-23	
GRI 2-24	Embedding policy commitments	Pages 22-23	
GRI 2-25	Processes to remediate negative impacts	Pages 22-23	
GRI 2-26	Mechanisms for seeking advice and raising concerns	Page 26	
GRI 2-27	Compliance with laws and regulations	Page 23	
GRI 2-28	Membership of associations	Page 23	
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	Page 40	
GRI 2-30	Collective bargaining agreements	Page 59	
Material topics			
GRI 3-1	Process to determine material topics	Pages 34-39	
GRI 3-2	List of material topics	Pages 36-39	

Disclosure	Description of the Indicator	Section	Omissions – Notes
Enhancing local communities			
GRI 3-3	Management of material topics	Page 41; Page 82	
GRI 201-1	Direct economic value generated and distributed	Page 41	
GRI 204-1	Proportion of spending on local suppliers	Page 82	
Ethical business conduct			
GRI 3-3	Management of material topics	Page 116	
GRI 205-3	Confirmed incidents of corruption and actions taken	Page 116	
Sustainability of materials and product eco-design			
GRI 3-3	Management of material topics	Pages 66-77	
GRI 301-1	Materials used by weight or volume	Pages 123-124	
Climate Action			
GRI 3-3	Management of material topics	Pages 88-99	
GRI 302-1	Energy consumption within the organization	Pages 125-126	
GRI 305-1	Direct (Scope 1) GHG emissions	Page 126	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Page 126	
GRI 305-3	Other indirect (Scope 3) GHG emissions	Page 127	
Reducing the production footprint			
GRI 3-3	Management of material topics	Pages 88-99	
GRI 303-1	Interactions with water as a shared resource	Page 99	
GRI 303-2	Management of water discharge-related impacts	Page 99	
GRI 303-3	Water withdrawal by source	Page 128	
GRI 303-4	Water discharge	Page 128	
GRI 303-5	Water consumption	Page 128	

Disclosure	Description of the Indicator	Section	Omissions – Notes
GRI 306-1	Waste generation and significant waste-related impacts	Pages 97-99	
GRI 306-2	Management of significant waste-related impacts	Pages 97-99	
GRI 306-3	Waste generated	Page 129	
GRI 306-4	Waste diverted from disposal	Page 129	
GRI 306-5	Waste directed to disposal	Page 129	
Responsible management of supply chain			
GRI 3-3	Management of material topics	Pages 78-87	
GRI 308-1	New suppliers that were screened using environmental criteria		No new suppliers were added in 2022
GRI 414-1	New suppliers that were screened using social criteria		No new suppliers were added in 2022
Employees' safety and rights			
GRI 3-3	Management of material topics	Pages 50-65	
GRI 403-1	Occupational health and safety management system	Pages 58-59	
GRI 403-2	Hazard identification, risk assessment and incident investigation	Page 59	
GRI 403-3	Occupational health services		
GRI 403-4	Worker participation, consultation and communication on occupational health and safety	Pages 58-59	
GRI 403-5	Worker training on occupational health and safety	Pages 58-59	
GRI 403-6	Promotion of worker health	Pages 58-59	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 58-59	
GRI 403-9	Work-related injuries	Pages 58-59; Page 119	
GRI 406-1	Incidents of discrimination and corrective actions taken	Page 59	

Disclosure	Description of the Indicator	Section	Omissions – Notes
Personal well-being and development			
GRI 3-3	Management of material topics	Pages 50-65	
GRI 401-1	New employee hires and employee turnover	Page 56; Page 118	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 57	
GRI 404-1	Average hours of training per year per employee	Page 120	
Diversity and equal opportunities			
GRI 3-3	Management of material topics	Page 20; Pages 50-65	
GRI 405-1	Diversity of governance bodies and employees	Page 20; Pages 121-122	
Food safety			
GRI 3-3	Management of material topics	Pages 70-71	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 70-71	
Product quality and excellence			
GRI 3-3	Management of material topics	Pages 70-71	
GRI 417-3	Incidents of non-compliance concerning marketing communications	Pages 70-71	
Respect for privacy			
GRI 3-3	Management of material topics	Pages 50-65	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 63; Page 122	
Promoting healthy lifestyles through the Made in Italy concept			
GRI 3-3	Management of material topics	Pages 100-107	



INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report



Independent Auditors' Report on the Sustainability Report

To the Board of Directors of Fratelli Carli SpA Società Benefit

We have been entrusted with conducting a limited assurance engagement of the Sustainability Report of Fratelli Carli S.p.A. Società Benefit (hereinafter also "the Company") regarding the FY that ended on 31 December 2022.

Responsibility of the Directors for the Sustainability Report

The Directors of Fratelli Carli SpA Società Benefit 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 Note" 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
Registered with 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
Registered with the Register of Statutory Auditors under no. Published in the Official Gazette Suppl. 13 - IV Special series of 17/2/1998
Entered on the Special Register of Auditing Companies held by Consob under progressive no. 2 Resolution no. 10831 of 16/7/1997

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:
 - i. 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;
 - ii. 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 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. Società Benefit regarding the FY that ended on 31 December 2022 has not been drafted, in all its significant aspects, in compliance with the requirements of the GRI Standards as described in the Methodology Note paragraph of the Sustainability Report.

Genoa, 12 July 2023

EY S.p.A.

Riccardo Riva
(Auditor)



Fratelli Carli S.p.A. Società Benefit

Via Garessio 11, 18100 Imperia

www.oliocarli.it