

SUSTAINABILITY
REPORT
2022
SUMMARY



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FruttageI is a member of IE



Our identity

Reference values

All of Fruttigel's activities are guided by these values:



Food health

Fruttigel's primary commitment is the health of consumers. The food they eat must guarantee their well-being



Environment

Soil protection, respect for natural resources and energy savings are fundamental rules for Fruttigel



Entrepreneurship

For Fruttigel, entrepreneurship is the production of shared value, interaction with the market, and innovation



Cooperation

The cooperative model and practice are Fruttigel's historical roots, its social intentions, the desire for cooperation between workers inside and outside the plant



Integration

Fruttigel seeks to increase the value of the food production chain and strives to balance the interests of its stakeholders



Community

Fruttigel considers people as individuals with their own relationships, active in their physical and social environments



Responsibility

Fruttigel believes we are all responsible not only for ourselves, but for the whole we are a part of

Fruttigel's Mission

A leading player in the agro-industrial supply chain, one that typifies the cooperative ethos in production, processing and distribution for people's nutritional well-being

Nurture entrepreneurial, professional and human relationships based on responsibility, participation, respect and transparency

Consolidate the equity, industrial and relational value of the company for current and future members and for the development of cooperation

Achieve innovation, service improvements and professional qualification to increase sector efficiency and competitiveness

Adopt technological and organisational systems that ensure the health of consumers and workers and the protection of the environment; contribute to the social development of local communities

Demonstrate that even in situations of considerable industrial complexity, you can do business while respecting people, their work, the competition and the market

Key information

	2021	2022
Member organisations	18	18
Agricultural raw materials supplied (tonnes)	102,618	94,189
Employees	842	842
Turnover €	132,319,441	146,419,480
Operating result €	27,575	1,157,610
Company capital €	16,031,233	18,031,233
Net assets €	54,497,599	57,684,856
% self-produced energy used (cogeneration plant)	29,5	35,6
% water recovered of total supply (purification plant)	12,7	8,5
Rate of total CO ₂ emissions (tonnes of CO ₂ /tonnes of raw materials processed)	0,12 tonnes of CO ₂ 28,698 tonnes of raw materials 235,465	0,13 tonnes of CO ₂ 28,928 tonnes of raw materials 209,192

Plants

Alfonsine RA
(registered office)

production of fruit juices and plant-based beverages, processing of vegetables and tomato

Larino CB

processing of vegetables



Legacoop

www.legacoop.coop/quotidiano



Unionfood

www.unioneitalianafood.it

Biodiversity

Attention to biodiversity will certainly have to be strengthened, through relationships and projects with local institutions and other primary stakeholders, and Fruttigel is ready to play a proactive role in these activities

The Larino plant (in a municipality with a rich history), although not directly located in zones of significant biodiversity interest, is in an area surrounded by wildlife reserves and rivers of major environmental importance.

The Alfonsine plant (in a municipality located between the Argenta Wetlands and the Mezzano Valleys) is in fact situated within the area of the Po Delta Regional Park, which is characterised by a high degree of biodiversity, a large number of plant species and a wide variety of very different plant associations.

This is a predominantly sandy area, subject to subsidence, which Fruttigel is very much aware of (as reflected in the data reported in the environmental report section), and the company is seeking to reduce water extraction from wells (groundwater pumping) and to avoid making full use of the municipal levy authorisation at its disposal.

Our story

There are three basic steps that have led Fruttigel to its current configuration:

1

In the early 1960s, Ala Frutta was founded as a cooperative company involved in fresh fruit processing.

In the mid-1960s, the company began processing production waste: apricots, pears, peaches and apples for the production of fruit purées (cremogenates) and for the in-house production of fruit juices.

At the beginning of the 1970s, the first investment was made in a fully automated glass-bottled juice line.

At the end of the 1970s, the first financial problems began, resulting in a composition with creditors and the liquidation of Ala Frutta in August 1981.

2

In November 1981, Parmasole, a cooperative from Martorano di Parma and a market leader in tomato processing, leased the Alfonsine plant owned by Ala Frutta (in liquidation).

1983 saw the installation of a tomato processing plant, the first line of Brik-packed juices and a processing line for solid-pack apples.

In the late 1980s, Parmasole acquired the Arrigoni plant in Cesena (business that had been closed for ten years), although this acquisition did not achieve the desired outcome. The entire Parmasole Group began to struggle, and the Alfonsine production site, which carried the debts of the entire group, requested a composition with its creditors.

3

In 1994, Fruttigel was established and acquired the plant in Alfonsine (RA). Two years later, Co.ind, an industrial cooperative based in Castelmaggiore, became a shareholder.

In 1998, the Consorzio Fruttigel Molise consortium was established in Termoli (CB) to manage the leased plant in Larino, owned by the Molise Region, for the local production and processing of vegetables.

In 2000, along with other leading Emilia-Romagna companies, Fruttigel established the Consorzio AlmaverdeBio consortium to develop and market organic products.

In 2009, the Consorzio Fruttigel Molise consortium acquired the Larino plant from the Molise Region. In November, a merger was concluded incorporating this entity into Fruttigel.

From 2009 to 2021, no significant corporate changes took place.

In 2022, Fruttigel took over the subsidiary ABA (AlmaverdeBio Ambiente).



Institutional and organisational model

Fruttage is a predominantly mutual cooperative company and is entered in the corresponding register in accordance with Article 2512 of the Civil Code. In the 2022 financial year, it has complied with all of the subjective requirements and objective conditions for predominantly mutual status laid down by Article 2513 of the Civil Code.

The members of Fruttage are classified under two categories:

Grower cooperative members

These are agricultural or land management cooperatives, which see Fruttage as a tool for completing the agro-industrial production chain and for the economic and strategic exploitation of the goods they produce on the market, of farms and of the work they do in general.

Fruttage's predominantly mutual status is demonstrated in the following table in accordance with Article 2513 of the Civil Code. Fruttage is classified as predominantly mutual because it is supplied with raw materials by its members to a greater extent than by non-members:

Demonstration of predominantly mutual status (tonnes)

Calculation of mutual level	2020	2021	2022
A) Contributions by members (agricultural raw materials and semi-finished goods)	75,339.66	76,549.94	66,097.56
B) Contributions by non-members (agricultural raw materials and semi-finished goods)	38,071.19	34,222.49	37,249.52
C) TOTAL	113,410.85	110,772.43	103,347.08
Ratio A/C	66.43%	69.11%	63.96%

Non-grower cooperative members

These are cooperatives that see Fruttage as a means of gaining a presence in the agri-foods supply chain, resulting in greater consumer protection and assurance.

The thing that brings these various entities together – and represents the reason why Fruttage exists – is the concept of “creating value” along the different stages of the agro-industrial supply chain by closely linking production and consumption.

Ethics and supervision

Fruttigel has established various methods for the development and consolidation of its corporate ethics, not only for those individuals who are part of the bodies and personnel with operational responsibilities and discretionary powers, but for the entire body of employees, external contractors and suppliers.

In 2019, Fruttigel drew up a Code of Ethics (a tool for monitoring the behaviour of the various parties involved in the company) and established the Ethics Committee, which was tasked with implementing and disseminating that Code. It also drafted the Membership Charter, which relates more directly to employees. The Code and the Charter have their own bodies responsible for implementation and supervision.

As will be seen later in the text, Fruttigel's operational horizon includes a topic of considerable importance and one that is closely linked to the subject of business ethics: risks and how they are managed. There are at least two reasons why this issue must be addressed: the increase in uncertainty that has already been widely discussed, and the legislative guidelines that are still being drafted by the EU. In fact, a directive now under discussion incorporates an obligation of due diligence, namely the identification of risk effects sustained or generated by the company. This is why the subject of "Risks" has been included in Fruttigel's Sustainability Plan, as we will see below.

With regard specifically to the operations of the audit bodies, the primary data of relevance are as follows

- with regard to the Ethics Committee, which is intended to oversee the application of the requirements laid down in the Code of Ethics, this body met six times in 2022 (*see details of its activities in Section Three*);
- for information about the specific activities planned by the Ethics Committee and for an in-depth examination of the related processes, please refer to analysis sheet 7;
- with regard to the Supervisory Board required by Legislative Decree No 231/2001, this body is responsible for assessing whether the procedures that the company adopts comply with the provisions of the MOG 231, Special Section. The procedures to be assessed relate mainly to relationships with public bodies for the receipt of grants and both asset and liability business activities.

In 2022, the Supervisory Board met on three occasions and performed the following activities:

Issues	Information provided to executive management	Finding verified
Operational audit: special section A: management of public contributions	None	In line with the procedures laid down in the Organisational, Management and Control model required by Legislative Decree No 231/2001 (MOG 231)
Operational audit: special section B: accounts receivable and payables invoicing	None	In line with the procedures laid down in the MOG 231
Operational audit: special section C: analysis of accidents for 2021 and trend for 2022	Greater formalisation of warnings for inappropriate behaviour by employees.	In line with the procedures laid down in the MOG 231
Meeting with the other corporate audit bodies (Board of Statutory Auditors and audit company)		No significant events in relation to offences under Legislative Decree No 231/2001

The story of Fruttigel's social responsibility

This is how it has grown

2006

2006

Fruttigel launched a real social responsibility programme with the first definition of the company's mission/vision, through the involvement of a large working group drawing on staff from across the company, from managers to second lines, while it was also drafting the first strategic plan.

2008

Social responsibility report "number zero", an experimental document, was drafted for internal circulation only.

2009

Several focus groups were run among workers from various areas and levels in order to prepare the first true social responsibility report to be made public. That same year, the Code of Ethics was drawn up and the Ethics Committee was created.

2010

Alongside an in-depth review of management methods, which was dictated in part by stringent questions associated with economic and financial equilibrium, the second social responsibility report

was drafted and presented, ending the "experimental period" for CSR policies.

2011

The document was restructured, with the introduction of the "intangibles" section covering the reporting of non-economic assets (human, structural, relational) held by Fruttigel. The practice of dual-presentation was launched: at the Alfonsine head office and at the Larino plant.

2012

Now in its fourth edition, the social responsibility report was supplemented by the introduction of the "Area Objectives Horizon" summary.

2013

This year saw an important methodological adjustment, with the decision to present the social responsibility report at the same time as the financial statements (which took place in May 2014). An "internal" version of the report was drafted, more closely coordi-

nated with the business plan, which in 2013 was in its second version.

2014

The social responsibility report took on a definitively public form, which was also distinguished by its design appearance. A new "closing of the cycle" was approaching, with reflection on two fundamental aspects: the "validation" of the document by a certification body and greater adherence to international reporting standards.

2015

The financial year was marked by the preparation of the first sustainability plan. The report on 2014 indicated the main steps to be taken to achieve the desired outcome.

2016

The criterion for identifying stakeholders was further developed and the materiality matrix was refined.

An aspect yet to be completed was the stakeholder engagement process, which could only be partially implemented.

2017

The salient aspects concerned stakeholder consultations, the corresponding checking and updating of the sustainability plan, and its integration into the business plan.

A further important aspect was the drafting and launch of the Membership Charter.

2018

The highlight of 2018 was the review of the Code of Ethics, completed in early 2019.

2019

Between the end of 2018 and 2019, Fruttigel received some significant awards related to sustainability and CSR, significantly increasing its

reputation as a company strongly committed to these issues:

- **National Library Award for Corporate Social Responsibility Report;**
- **Responsible Innovators Award from the Emilia-Romagna Region;**
- **“Winning Companies” programme promoted by the bank Intesa San Paolo:** special recognition for the top eight Italian excellence successes of the Emilia-Romagna, Marche, Abruzzo and Molise areas.

2020

Bureau Veritas further improved its rating in the report/approval of what Fruttigel has achieved in accordance with ISO 26000 certification.

2021

The company initiated sustainability reporting according to the “core” option of the GRI standard.

2022

Dissemination of the Code of Ethics and initial actions to adapt to the new GRI standard.

2022



The Sustainability Report Award is an initiative of the **Corriere della Sera** and **Bologna Business School**, aimed at rewarding the companies that have best described themselves through their Sustainability Reports, on the basis of specific parameters determined by the organisers with reference to Environmental, Social and Good Governance (ESG) indicators. The comprehensiveness of the subjects covered, the ambitions stated and the quality of reporting were also assessed for each report.

As part of this initiative, **Fruttigel was ranked among the five best large companies in the Food category**, on the following basis:

The Fruttigel 2020 Sustainability Report *“presents clear objectives that the company ties to the United Nations Sustainable Development Goals, highlighting the corresponding contribution. It also contains appropriate metrics with historical data”*.

This is a further important acknowledgement for Fruttigel in the areas of Social Responsibility and Sustainability, and we are proud of this achievement in the light of the significant commitment the company has dedicated to these issues since 2006.

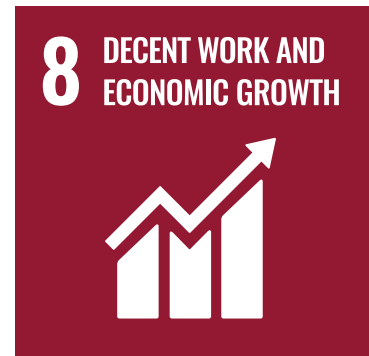


UN 2030 Agenda for sustainable development

*giving life
a future and
the future value*

SDGS
Sustainable
Development Goals
17 Goals
169 Targets

The main references
for Fruttigel



Services, processing, market



UN 2030 Agenda for sustainable development The UN says:

Goal 2

“...improve nutrition and promote sustainable agriculture”

Target 2.4 By 2030

Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality

Goal 3

“... ensure healthy lives and promote well-being for all at all ages”

Target 3.9 By 2030

Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination

Goal 12

“Ensure sustainable consumption and production patterns”

Target 12.4 By 2030

Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment

The values in our main investments in recent years: production and optimisation of the supply chain

Soy extraction plant: benefits for producers, product quality, efficiency

Sand separators and optical sorting: quality and efficiency

Compostable pack: biodegradable bag, UNI EN 13432 - certified

New root vegetable processing line in Larino: increased processing capacity, waste reduction, efficiency and quality

Two new pea harvesting machines: lower fuel consumption, quality, efficiency

New Tetra Crystal® packaging lines: 200 format, using paper made from less plastic and aluminium

New beverages without added sugar and with low sugar content

Promotion of aseptic production: refurbishment of the large-size Tetra department, new Tetra edge line, new pasteurisation plant, decommissioning of the PET department

Analysis of solutions for the management and promotion - with a view to circularity - of by-products and processing waste

Services to grower members and monitoring of the supply chain

Fruttigel – Producers

Sharing:
*planning, objectives, rules,
investments*

Retention:
*lasting mutual utility,
common purposes,
industrial and research
investments*

Specialisation:
*innovation, product quality,
market, farming vocation*



Map.
Geographical locations
of grower members
(and associated producers)

The strategic development relationships and expectations that Fruttigel intends to build with its grower members will be illustrated extensively in the final section of this report,

In this section we will simply highlight the important, consolidated relationships with growers, which are marked by an increasing need for specialisation and retention,

The main activities and services managed and/or supplied by Fruttigel for its growers (through the Agronomy Area) are:

- purchase of seeds from the main Dutch and American multinational companies, requesting “GMO FREE” certification;
- availability of 13 harvesting machines, including seven for borlotti beans and peas (between the end of 2019 and 2020, two new high-performance pea/borlotti bean machines were purchased, making it possible to scrap three obsolete machines), four for green beans, and two for leafy products (spinach, chard and chicory);
- transportation of vegetables from the fields to the plant paid by Fruttigel (fruit and tomatoes are handled directly by the growers),

Sowing



1

Checking



2

Harvesting



3

Checking



4

Transporting to the plant



5

Processing



6

The sampling and checking activities that Fruttigel carries out merit a more in-depth examination,

In the pre-harvesting phase, **sampling** for pesticides is carried out using specific plans, depending on how difficult it is to reach certain residues in the raw material for the species:

- **peas:** 100% sampling of farms for Organic products and 10% for conventional crops (these have a low degree of cultivation difficulty);
- **green beans:** 100% sampling of the product;
- **leafy products:** 100% sampling (degree of difficulty mainly due to the presence of insects);
- **borlotti beans:** 100% sampling of the product;
- **organic:** 100% pre-harvest sampling (as per EU rules),

Management of the **checks** on agricultural raw materials can be characterised as follows:

Vegetables

Fruttigel purchases the vegetable seeds (which it sells to its members) and agrees on a seeding and harvesting plan according to precise specifications, which lay down the technical and organoleptic characteristics of the product according to the requirements of the specific customer, Fruttigel engineers periodically check the progress of the product's cultivation,

In the pre-harvesting phase, the Quality Department (Pesticides Laboratory) drafts a sampling plan to verify compliance with the specifications and cultivation times, Once the product is ripe, harvesting and transportation are organised,

The supply prices are set the year prior to the year of cultivation, according to supply specifications related to the quality level required for freezing and based on the forecast market trends,

Tomato

Agronomic assistance for production is entrusted directly to the POs (Producer Organisations), and Fruttigel is only responsible for the product from the point when it is supplied until processing has been completed,

Fruit

Daily or weekly supply schedules are prepared to enable constant updates of requirements on the basis of market price trends,

The checks on fruit and tomatoes are carried out by sampling only at the point when they are supplied or purchased,

Processing

The production lines represent a key point in determining the quality of the finished product,

The following section describes the main characteristics of Fruttigel's two production lines: cold line for frozen vegetables and hot line for fruit juices and tomato products,

Processes on the cold line

The cold line carries out the tasks involved in processing leafy products (spinach, chard, chicory, beet tops), green beans, peas and borlotti beans, and those for mixing vegetables for minestrone mix (chopped, mixed vegetables for making minestrone), the packaging lines for frozen foods and the tomato production line for frozen cubes, The cold lines work alternately for about ten months a year, except for the frozen packaging line, which operates on a continuous basis,

The Larino plant only has cold-line processing, with a line for processing leafy products (spinach, chicory, chard and beet tops) and for processing courgettes and carrots into slices and cubes, celery into cubes, savoy cabbage, leeks, potatoes, broccoli, cauliflower and asparagus, Since 2019 there has been a new complete root vegetable processing line, which has significantly increased processing capacity,

The plant also has a line for grilling eggplant, courgettes, peppers and potatoes, and a line for processing and packaging asparagus,

Processes on the hot line

The hot line includes the processing of fruit into juice and nectars (apricots, peaches, pears and apples), tomato processing (pulp and puree (passata)), and processing of plant-based beverages (in particular soy, oat and rice) in various types of packaging, sizes and formulations,

For products sourced from grower members and those arriving as semi-finished products in frozen barrels or zero-degree tanks, Fruttigel carries out checks to ensure that quality assurance for processing is not compromised, Pesticide checks are carried out on each incoming raw material, For tomatoes, which Fruttigel is also responsible for growing, these checks are also carried out in the field to further validate their quality,

Organic products

The quantity of organic vegetables and fruit certified in 2022 represents 32,2% of total ARM (agricultural raw materials) processed,

The quantity of organic tomatoes processed during the year saw a significant increase in percentage terms compared to the total quantity of tomatoes processed over the previous two years, along with vegetables, fruit and plant-based beverages,

Overall, these figures represent a consolidation of Fruttigel's role as the leading processor of organic raw materials in Italy,

Agricultural raw materials (ARM) processed in the three-year period (tonnes)

MPA	2020	2021	2022
Total ARM	102,201.8	102,617.8	94,189.4
Total organic ARM	30,857.3	26,858.9	30,337.2
% Organic of TOTAL ARM	30.2	26.2	32.2

Vegetables in the three-year period (tonnes)

ARM – vegetables	2020	2021	2022
Total ARM	47,107.6	46,229.0	46,944.7
Total organic ARM	10,630.0	9,177.3	11,066.9
% Organic of TOTAL ARM	22.6	19.8	23.6
Semi-finished vegetables (including purchased)	2020	2021	2022
Total semi-finished	40,690.5	40,483.0	38,034.2
Total organic semi-finished	7,408.0	8,236.5	7,833.3
% Organic of TOTAL semi-finished	18.2	20.4	20.6
Finished products – vegetables	2020	2021	2022
Total FP	39,629.1	39,582.9	37,081.0
Total organic FP	6,317.3	7,291.4	6,705.1
% Organic of TOTAL finished products	16.0	18.4	18.1

ARM = agricultural raw material

Tomatoes in the three-year period (tonnes)

ARM – tomatoes	2020	2021	2022
Total ARM	43,464.3	44,808.1	35,406.0
Total organic ARM	17,739.0	15,949.0	17,013.1
% Organic of TOTAL ARM	40.8	35.6	48.1
Semi-finished tomatoes (including purchased)	2020	2021	2022
Total semi-finished	53,882.2	52,658.1	45,217.3
Total organic semi-finished	21,373.6	18,267.3	19,763.9
% Organic of TOTAL semi-finished	39.7	34.7	43.7
Finished products – tomatoes	2020	2021	2022
Total FP	35,310.9	35,101.9	30,644.5
Total organic FP	12,476.2	11,408.3	11,011.9
% Organic of TOTAL finished products	35.3	32.5	35.9

Fruit in the three-year period (tonnes)

ARM - fruit	2020	2021	2022
Total ARM	11,630.0	11,580.8	11,838.7
Total organic ARM	2,488.3	1,732.5	2,257.2
% Organic of TOTAL ARM	21.4	15.0	19.1

Semi-finished fruit and tea (including purchased)	2020	2021	2022
Total semi-finished	19,735.7	19,731.7	17,026.7
Total organic semi-finished	3,049.4	3,763.0	2,646.4
% Organic of TOTAL semi-finished	15.5	19.1	15.5

Finished products - fruit and tea	2020	2021	2022
Total FP	54,963.0	56,292.7	51,365.8
Total organic FP	4,979.1	6,274.4	4,929.1
% Organic of TOTAL finished products	9.1	11.2	9.6

Organic plant-based beverages (oat, soy and rice) in the three-year period (tonnes)

ARM	2020	2021	2022
Total ARM	1,111.7	1,262.5	1,487.1
Total organic ARM	744.4	905.5	1,104.4
% Organic of TOTAL ARM	67.0	71.7	74.3

Semi-finished products (including purchased)	2020	2021	2022
Total plant-based beverages	10,916.5	11,047.7	12,468.1
Total organic plant-based beverages	9,130.5	9,004.6	10,065.8
% Organic of TOTAL semi-finished	83.6	81.5	80.7

Finished products	2020	2021	2022
Total plant-based beverages	13,641.4	14,205.5	14,951.76
Total organic plant-based beverages	9,566.0	9,855.5	10,328.3
% Organic of TOTAL finished products	70.1	69.4	69.1

The tables provided above show the quantity of agricultural raw materials entering the plants, semi-finished products including purchases, and products leaving that have undergone a processing and packaging process,

Marketing

FruttageL is a company that produces primarily distributor-label food products. Some of its activities are also focused on the own-brand market.

FruttageL generates its sales mainly through the following channels:

- **Distribution to end-consumers;**
- **Distribution for the restaurant and catering industry;**
- **Distribution for large-scale catering** (school and non-school);
- **Door-to-door distribution;**
- **Supplies for industrial production;**
- **Through its subsidiary AlmaverdeBio Ambiente SpA, in the online shop (<https://shop.almaverdebio.it/>) specifically for sales of AlmaverdeBio grocery products.**

As of 1 December 2022, the company AlmaverdeBio Ambiente, established to manage the distribution of Ambient products under the AlmaverdeBio brand, of which FruttageL had already acquired control in 2018, was incorporated into FruttageL.

From 1 January 2022, FruttageL will therefore be responsible not only for the production and marketing of the original AlmaverdeBio branded products (frozen vegetables, plant-based beverages, tomato derivatives, fruit beverages and juices), but also for the distribution of products under the brands of the merged company (sauces and pestos, pickles and products preserved in oil, tinned cereals and pulses).

In 2023, the online sale of grocery products under the AlmaverdeBio brand will be merged into a single portal along with the other product categories.

The brands that FruttageL manages directly are:

AlmaverdeBio

for frozen vegetables, side dishes and soups, fruit beverages and juices, plant-based beverages, tea, puréed (passata) and chopped tomatoes, sauces and pestos, pickles and products preserved in oil, tinned cereals and pulses;

Sucor

for conventional frozen vegetables;

Il Giardino dei Sapori

an “umbrella” brand that brings together and promotes grocery products in domestic and international markets (tomato passata, plant-based beverages, nectars, 100% juices and fruit beverages, teas).



Sales by product line

Overview of the market

The 2022 year was the most difficult year Fruttage, like so many companies in Italy, has ever had to face.

The continued presence in the first quarter of uncertainties and negative cost and market effects related to the pandemic was then exacerbated by the deflagrating effects of the war in Ukraine, which brought devastating consequences for the economy, significantly affecting the procurement of foreign and consequently Italian raw materials and increasing energy and other costs to unsustainable levels. There was also a severe climate crisis in Italy in 2022 (spring/summer drought), which dramatically affected the procurement of raw materials sourced from Italy.

The company's 2022 turnover, which is significantly higher than budget forecasts and the figures recorded in the 2021 financial year, is strongly correlated to the increase in the list prices of our products, achieved in particular in April/May and September/October, when we were forced, because of all of the phenomena described above (scarcity of raw materials and corresponding price increase, increase in energy and packaging costs), to submit inflationary requests to all our customers across all the product categories we handle, without which the financial year would have closed with a significant loss for the company.

Fruit juices, beverages and nectars Plant-based beverages

*Source:
IRI, AT December 2022
Channels: Total Italy
+ Discount + C&C

**Source:
Formind December 2022

As far as the consumer-facing distribution channel is concerned, in 2022 the Italian market for beverages, juices and nectars with 25% to 100% fruit content was stable overall in volume compared to 2021.*

Like other food sectors, the market for fruit-based juices, nectars and beverages is increasingly affected by wellness and health trends. As a result of this, the "no added sugar" segment is driving growth at the expense of standard formulations.

With regard to the retail channel, Fruttage has been picking up on this trend for some years now through the intensive work carried out by its R&D teams, which has led to the formulation of recipes with high fruit content and no added sugar. Therefore, in addition to offering fruit beverages differentiated by target (children/adults) under our own AlmaverdeBio and Il Giardino dei Sapori brands, we have been increasingly developing our distributor-label offering: this expansion, combined with the revision of our price lists, has enabled Fruttage to achieve double-digit growth in turnover. In relation to performance in the restaurant and catering channel, 2022 saw a consolidation of consumption compared to the previous year, with appreciable growth in volume and value**. Even for restaurant and catering business, the positive trend sees a particular consumer focus on health and well-being (premium products, organic, no added sugar, etc.).

Fruttage achieved double-digit growth in turnover in this channel.

Plant-based beverages

***Source:
IRI, AT December 2022
Channels: Total Italy
+ Discount + C&C

On the plant-based beverages front, the market trend in 2022 was positive, in terms of both volume (+2%) and value (+6%)***. The soy and rice segments, which were dominant until December 2021, declined by -2% and -8% respectively, while the oats segment, which accounts for 23% of sales volumes for plant-based beverages, grew by +23% compared to the previous financial year. Fruttage has closed the year with strong growth in value terms

for plant-based beverages, thanks to the development of new formulations (no added sugar, protein, “barista”) and the expansion of its customer range.

Tomato products

****Source:
IRI, AT December 2022
Channels: Total Italy
+ Discount + C&C

In 2022, conventional tomato derivatives showed a slight drop in volume (-1%) and an increase in value of +9% compared to 2021, with a significant increase in the average price (€1.91/kg +10% vs FY 2021)****. Puréed (passata) and chopped tomatoes represent the main segments, with both registering a -2% drop in volume. The trading of tomato derivatives has been very complex, due to the combination of adverse climatic factors (such as the drought mentioned above) and significant inflationary pressure. These factors led to new list trades, the effects of which can be seen in the figures to end 2022: Fruttigel achieved positive results in terms of both volume and value in this segment.

Frozen vegetables

The summer drought in 2022 and energy problems generated an even more critical situation in the frozen vegetable sector - due to unavailability of raw materials and renegotiation of price lists - than for the other commodities handled by Fruttigel described above. In spite of this, we have still recorded a substantially stable position in the retail channel and a slight decline in the Food Service channel, probably due to the substitution of domestic products with foreign ones in order to meet market demand.

Organic

*****Source:
Health Watchdog 2022 - Nomisma
Processed using data from
Nielsen, Assobio, Ismea

Within a generally dramatic food industry context in terms of availability of raw materials compared to demand, both conventional and organic supply suffered in 2022. The size of the domestic market signals the presence of certain transformations, the effect of both the gradual exit from the pandemic crisis and the rediscovered social lives of Italians: organic consumption on the domestic market is growing thanks to the boost provided by consumption outside the home (+53% compared to 2021). The performance of organic exports has also been very positive, reaching €3.4 billion in 2022, an increase of +16% over the previous year.*****. Fruttigel’s 2022 organic turnover of €37,246,000 grew by +7.5% in value over the previous year. This growth is driven by positive value performance recorded in end-consumer distribution and exports (tomato derivatives, frozen vegetables, juices and fruit-based beverages).

Fruttigel sales invoicing by product line: trend 2020-2022

Sales invoicing/000	2020	%	2021	%	2022	%
Fruit juices, fruit beverages, plant-based beverages and teas	47,839	37.1	50,677	38.3	55,239	37.7
Frozen vegetables	60,613	47.0	62,929	47.6	67,271	45.9
Tomato products	18,033	13.9	16,670	12.7	20,861	14.2
Other income	2,451	1.9	2,043	1.5	3,048	2.2
TOTAL	128,936	100	132,319	100	146,419	100

Source: Financial statements, 2022 financial year

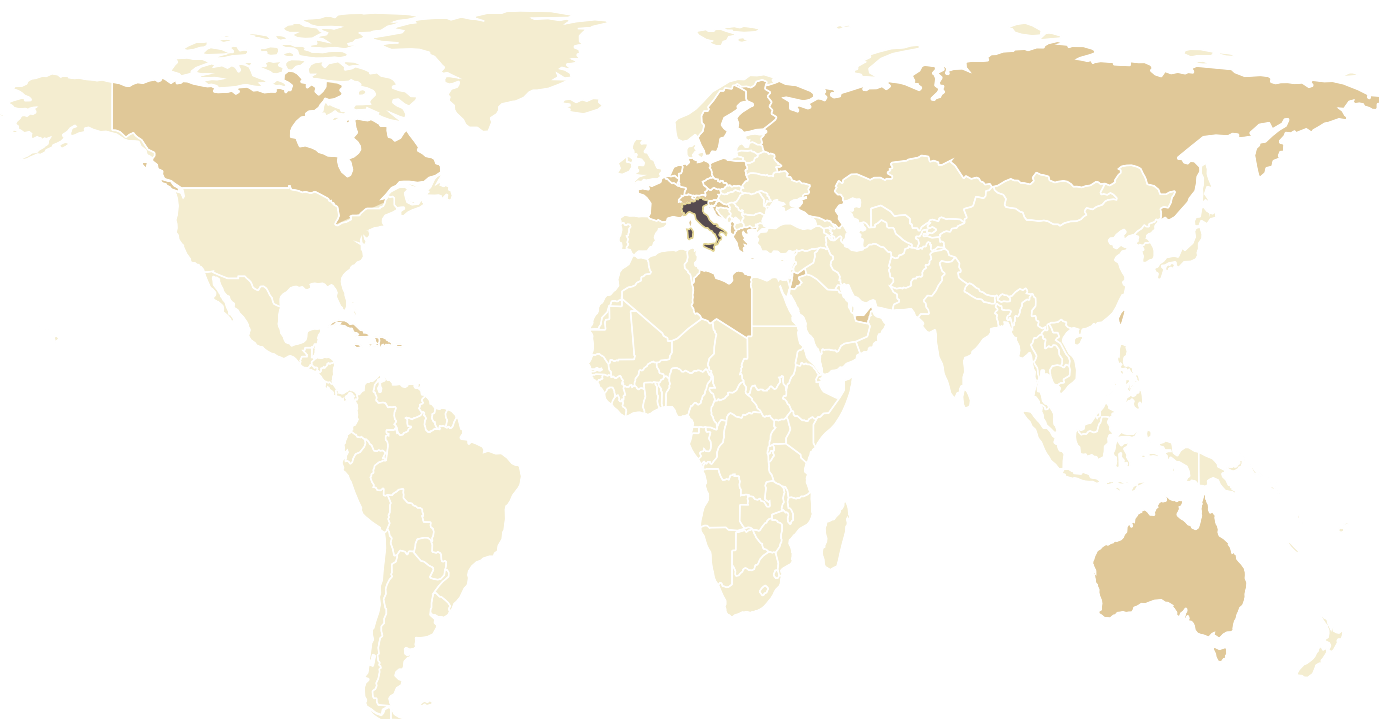
Foreign sales invoicing, also considering invoicing in Italy but for products intended for abroad:
trend 2020-2022 (% of total invoicing)

Foreign invoicing/000	2020	%	2021	%	2022	%
Fruit juices, fruit beverages, plant-based beverages and teas	952	1.9	531	1.0	585	1.0
Frozen vegetables	1,711	2.8	1,736	2.7	1,337	2.0
Tomato products	6,341	35.1	6,078	36.5	8,428	40.3
Other income	32	0.9	0	0	0	0
TOTAL	8,670	6.5	9,036	6.9	10,350	7.0

Foreign invoicing for 2022 and 2021 (invoicing/000; % of total foreign invoicing)

Organic	2021	%	2022	%
Fruit-based beverages and juices line	20	0.2	47	0.5
Plant-based beverages line	390	4.7	323	3.1
Tomato line	2,838	34	3,232	31.2
Frozen line	871	10.4	931	9
TOTAL	4,119		4,533	
Non-organic	2021	%	2022	%
Fruit-based beverages and juices line	104	1.2	203	1.9
Plant-based beverages line	16	0.4	12	0.1
Tomato line	3,240	76.7	5,196	50.2
Frozen line	863	10.3	406	3.9
TOTALE	4,223		5,817	
OVERALL TOTAL	8,342		10,350	

Map.
Domestic market
and foreign market



Countries making up the foreign market

Countries 2022	Invoicing €	Export share of total %	Countries 2022	Invoicing €	Export share of total %
Albania	3,652	0.04	Israel	66,114	0.69
Australia	199,895	2.10	Italy*	463,961	0.04
Austria	525,782	5.51	Malta	8,396	0.09
Belgium	1,265,901	13.27	Mauritius	2,252	0.02
Canada	16,758	0.18	Holland	191,266	0.02
Croatia	114,823	1.20	United Kingdom	551	0.00
United Arab Emirates	3,854	0.04	San Marino	12,075	0.13
Finland	1,145,513	12.01	Slovakia	6,613	0.07
France	1,305,993	13.69	Slovenia	24,116	0.25
Germany	350,184	3.67	Sweden	4,175,053	43.76
Japan	24,844	0.26	Switzerland	4,994	1.71
Greece	88,113	0.92	Taiwan	4,780	0.05
			TOTAL	10,350,073	100

* Sales invoiced abroad to Italy



“From the field to the counter with Ortilio” educational project

For Fruttage!, education and communication mean committing to:

- 1) offering our customers new good, healthy products that can be combined with a healthy lifestyle;
- 2) increasing customer and consumer awareness of the factors involved in proper nutrition and sustainability (especially for children);
- 3) promoting the consumption of organic products.

In relation to education, Fruttage! is involved for the eighth consecutive year in a major food education project in the Emilia Romagna region aimed at primary school classes in the municipalities around the Alfonsine plant.

Starting from the 2019/2020 school year, the educational project is also aimed at primary schools in the Molise region, specifically in the municipalities around Larino (where Fruttage! has a production plant), areas that have indicated a strong interest in participating in the initiative.

Implemented each year since 2014, the educational project “**From the field to the counter with Ortilio**” aims to promote healthy lifestyles and correct, balanced eating habits through discussion and reflection both at school and within the family, promoting the quality and wholesomeness of the food chain and encouraging environmentally friendly behaviours.

As part of the project, the classes are offered a contest every year featuring different themes relating to promotion of fruit and vegetable consumption. The following are the most recent educational contests completed:



school year 2021/2022

- 75 primary school classes in the municipalities of Alfonsine, Ravenna, Argenta, Lugo and Bagnacavallo
- + 20 primary school classes in the municipalities of Larino, Guglionesi, Montorio nei Frentani, Portocannone, San Martino in Pensilis, Ururi and Termoli

2020: “It happened in my garden” invites discussion on the history, typical uses, geographical origins, agricultural characteristics and nutritional properties of fruit and vegetables.

2021: “The Traditional Recipe Book” aims to stimulate discussion on the use of fruit and vegetables in the preparation of traditional local recipes.

2022: “CibARTE” promotes fruit and vegetable consumption through creativity, art and creative recycling.

Full details of the initiative can be found on the project website: educational.fruttage.it.



school year 2022/2023

- 75 classes in the municipalities of Alfonsine, Argenta, Bagnacavallo, Fusignano, Longastrino, Lugo, Mezzano and Ravenna
- + 40 classes in the municipalities of Campomarino, Guglionesi, Larino, Portocannone, San Martino in Pensilis, Termoli and Ururi

Trade fairs and exhibitions

In the course of 2022, thanks to the easing of the restrictions that characterised the most critical moments of the Covid pandemic, Fruttage! resumed its participation in the main sector events in Italy and abroad (Marca Bologna, Biofach Nuremberg, Gulfood Dubai, PLMA Amsterdam and Sial Paris) through both an individual presence and a contribution to the collective entities to which it belongs (AlmaverdeBio Consortium and the Romagna Coop Food business network).

These occasions represent fundamental networking opportunities with customers and potential customers, and a showcase for the company and its major product innovations.



Initiatives against food waste: joining the Waste Watcher Observatory and the “Label Aware” initiative.

Fruttigel’s decision to work with the **Waste Watcher Observatory** as of 2021 was an easy and natural one.

The Observatory’s objectives on reducing food waste, conscious consumption, food well-being and, in general, a broadening of consumer knowledge and culture on these issues, immediately appeared to us as an extraordinary opportunity for further development and growth of a “sensitivity” that the company had already taken on board, in practice and through specific projects, reporting the associated effects in its Sustainability Report.

Fighting food waste means first of all taking action on a “cultural and consumer knowledge” level, an aspect that Fruttigel has been involved with since 2014 through the food education project *“From the field to the counter with Ortilio”*, which we have reviewed in this report.

But it also means taking action on the types of products that the company makes. Approximately half of Fruttigel’s turnover comes from the production of frozen vegetables, namely those using the most natural preservation system, in formats ranging from 300 g to 2 kg (for the retail market).

On the “ambient” front (juices, beverages and tomatoes), we process typical fresh fruit and tomatoes drawn entirely from our own local areas, in formats ranging from 200 ml to 1.5 litres.

In both cases, the decision to diversify and implement the range of packaging formats was made specifically to capture and guide the needs and purchasing choices of consumers towards product quantities that, based on the composition of households, are best suited to limit as much as possible the risks of food waste.

Lastly, returning to the subject of knowledge and awareness about how to consume products, Fruttigel, in cooperation with *Too Good to Go*, has promoted the *“Label Aware”* campaign through its own-brand products, with the aim of increasing consumer knowledge of the real meaning of the “best before” date indicated on the label, and the possibility, in order to reduce household waste, of consuming products even after what is understood as the “minimum shelf life”.

We therefore intend to support the hugely effective work that the Observatory is carrying out, in the belief that the reduction of food waste, sustainability in the use of resources and the other issues mentioned are indispensable factors that must be tackled extremely quickly and with dedication, for the future of our country and our planet.

Employment



UN 2030 Agenda for sustainable development

The UN says:

Goal 8

“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”

Target of interest for Fruttigel

Target 8.5 By 2030

Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Target 8.8 By 2030

Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment

*Work values at Fruttigel
Some
key aspects*

No labour lawsuits/disputes

Full implementation of compulsory recruitment obligations under Law No 68/99

Ordinary and social solidarity training and internships

Corporate welfare system

Stability of temporary staff employment relationships

Correct use of employment contract types

*Search
and selection
2021*



**Searches
implemented
17**



**Selection
interviews
248**



**Hires
86**

*Internships/Work
placements:
2017-2021*



**Internships/work-school
placements
49**



**Hires from internships
(from 2012 to 2022)
18**

Employees by gender, job title and plant as at 31 December 2022

Alfonsine employees	Total	Men	Women	Larino employees	Total	Men	Women
Executives	7	7	0	Executives	1	1	0
Managers of which PT 3 Women	15	10	5	Managers	1	1	0
Employees of which PT 6 Women	63	27	36	Employees	6	1	5
White-collar apprentices of which PT 1 Women	4	0	4	White-collar apprentices	0	0	0
Permanent workers	43	43	0	Permanent workers	5	5	0
Blue-collar apprentices	3	3	0	Blue-collar apprentices	0	0	0
Temporary workers	534	100	434	Temporary workers	160	34	126
Grand TOTAL	669	190	479	Grand TOTAL	173	42	131

Health and safety

The main objectives of the company's occupational health and safety policy focus on reducing occupational accidents and illnesses, planning regular educational, informative and training activities, performing regular inspections of the workplace by the Prevention and Protection Department, choosing technologies and equipment that can prevent risks to workers' health and safety, and paying careful attention to internal and external communication processes, so as to develop a "sense of belonging" and the growth of workers and their representatives, based on a commitment to complying with all legal and regulatory requirements applicable to Fruttigel.

This "sense of belonging" is developed by involving workers (directly and through their representatives) in the choice of new plant and equipment solutions or simply organisational changes.

With this in mind, Fruttigel promotes and encourages regular meetings between the Prevention and Protection Department and the workers' safety representative, actively involving the workers themselves in "practical" choices intended to improve the general safety of the working environment.

General objectives

Spread and consolidate a safety culture and risk awareness among employees, requiring responsible behaviour from everyone

Safeguard the health and safety of visitors and suppliers that have access to the company's premises, requiring responsible behaviour from them also

Management of the occupational health and safety management system and context analysis

The Alfonsine and Larino plants maintain active multi-site certification for the Occupational Health and Safety Management System in accordance with ISO 45001:2018. Applying the principles of this Standard, Fruttigel analyses the context in which it operates and the needs and expectations of its "stakeholders", and assesses their impacts in terms of risks and opportunities. This allows Fruttigel to carry out a careful analysis of the external and internal factors considered significant for the achievement of strategic objectives and that influence its ability to achieve the expected results.

The analysis of the context is therefore an analysis of "organisational" risks: legislative compliance obligations, working conditions, stakeholder needs and expectations, resources and economic and financial constraints can create risks and opportunities. Opportunities for improvement may result from choices made in the management of an adverse risk, but also from decisions made at the design stage in the context of change management. Once the needs and expectations of stakeholders have been identified – risks and opportunities assessed – a determination is made as to which of these are objectives for Fruttigel. The determination and approval of improvement objectives by Management are periodically updated and re-assessed.

In this scenario, Fruttigel has managed change through:

- **Monitoring and analysis** of the risks of possible contagions in the workplace and of possible service issues for customers, but also of operational changes to be implemented when the resumption of work normalises, monitoring of customer behaviour, with evaluation of alternatives for critical supplies, and analysis of reference markets (external context). As regards personnel management (internal context), implementation of appropriate preventive measures, both administrative (*agile working*) and organisational (reorganisation of work shifts to avoid overcrowding in certain workplaces, holidays, guaranteed service levels).
- **Consultation of workers:** communication with workers and their representatives, with the aim of protecting workers' health conditions. Management of possible conflicts with staff (for example, on safety measures, *agile working* management or shift reorganisation).
- **Internal/external communication:** provision of appropriate information to workers and other stakeholders, without contributing to fuelling the climate of insecurity and fear caused by miscommunication through, for example, social media. Consultation of official websites for updates on official regulations, in order to ensure that dangers are not underestimated but also to avoid *fake news* and unwarranted alarmism.
- **Management of contractors,** with coordination on the preventive measures to be implemented, ensuring these are adopted by any sub-contractors (shared protocol).
- **Resources:** evaluation of the need to use production resources in a different way, investments to increase the safety of people (PPE, hygienic solutions, investments in disposable equipment, etc.). IT overhaul (provision of mobile devices, implementation of services available remotely).

The following table shows the objectives and programmes that have been determined, considering the following:

- legislative changes;
- changes in the collective bargaining agreement;
- assessment of risks and opportunities related to the activities carried out;
- Integrated Policy;
- Investment Plans;
- consultation and involvement of stakeholders, including workers.

To verify that the Occupational Health and Safety Management System is effective and improves over time, Fruttigel has established performance *indicators* (KPIs): the measurement of these indicators is intended to verify that processes and activities are carried out in accordance with what has been planned and are adequate to achieve the expected results and objectives.

Workplace health and safety area	Qualitative objectives	Indicator (KPI)	Quantitative objectives (2020-2021)
Employment UN 2030 Agenda for sustainable development Goal 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)	Reduce accidents, prevent occupational illnesses, continuously improve health and safety in workplaces (already in the phase involving design and choice of technologies and installations).	Risk index (RI)	5% reduction in the number of jobs exposed to noise risk
		Incidence Index i(I)	5% reduction in the incidence index
Staff training Qualify and reward employees' work and behaviours. Ensure that employees are competent (particularly in their ability to identify hazards) and aware of their contribution to the effectiveness of the general workplace health and safety system	Improve the safety culture by increasing skills and encouraging workers to report accidents or unsafe situations promptly.	Number of hours of training in addition to legally required (= non-binding)/ number of hours worked	1.5%
	Encourage the recording of near misses, and reports of "non-conformities" by all employees or interested parties (such as external firms)	Increase in reporting of near misses	5%
	Strengthen opportunities for discussion, listening and information through regular initiatives intended for all employees, on Fruttage's activities and results, on the choices made on projects, and on critical issues to be managed (participation and consultation)	Continuity in training activities for intermediate functions with greater responsibilities, with a specific focus on the issue of knowledge of the organisation and of the proper exercise of responsibilities	5%
	Carry out training of newly recruited staff in OH&S, including coaching and subsequent practical testing to verify the effectiveness of the information transfer process, by an experienced person	Number of staff recruited/Number of reports	100%
	Evaluate and implement a behaviour-based safety (BBS) approach to monitor critical worker behaviour and create behavioural prerequisites aimed at reducing injuries	Specific behavioural training for new recruits within 30 days of employment	50%
Safety and belonging Strengthen the sense of belonging and the work culture and improve employee relations. Participation in the system of rules	Encourage consultation and participation of all workers, including those without managerial functions, both in reporting hazardous situations and in change management phases	Non-conformities	5% reduction in the number of non-conformities due to behavioural factors
	Provide continuity in the use of the tools already implemented	Regular release of <i>Noi di Fruttage</i>	Quarterly
Monitoring of occupational health and safety	Organise internal audits by supervisors in the various processing departments (monthly)	Number of audits/ Department	50%
	Manage manual handling of loads	Risk index < 1.5	Reduction of RI > 1.5 by 50% (following assessment using new ISO 11228/2022 standard)
Supplier qualification Optimise procedures concerning suppliers of goods and services, with particular reference to the management of interference risks. Monitoring and coordination	Ensure that suppliers and visitors are aware of the health and safety risks to which they may be exposed at Fruttage	Supplier commitment to SA 8000 ethical requirements also for service providers/Technical Area. Verification of the possession of specific technical and professional qualifications for strategic suppliers (such as UNI standards, guidelines, etc.)	5% of suppliers

Quality, food safety and innovation



UN 2030 Agenda for sustainable development The UN says:

Goal 12

“ensure sustainable consumption and production patterns”

Target of interest for Fruttage

Target 12.4 By 2020

achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment

*The values underpinning
the choices (production
and consumption)
made by Fruttage:
quality and nutritional
well-being
Actions taken*

The development of organic food:
over **32.3%** organic ARM processed

Checks:

over **486,738** internal and **1,301** external analyses

Projects with schools

on correct diet and sustainable consumption:

nine years / **830** recipient classes / **20,750** students and families

Certifications

Quality = > **47** audits by organisations, customers, supervisory bodies and competent authorities for a total of **73** days

		YEAR	CERTIFICATION	
Alfonsine		15/10/2004	BRC GLOBAL STANDARD FOOD SAFETY global standard for food safety TOMATOES AND DERIVATIVES	
		13/10/2009	BRC-IFS FOOD GLOBAL STANDARD FOOD SAFETY global standard for food safety EXTENSION OF BRC STANDARD TO BEVERAGES, NECTARS, JUICES AND ADDITION OF IFS FOOD STANDARD	
		21/09/2010	BRC-IFS FOOD GLOBAL STANDARD FOOD SAFETY global standard for food safety EXTENSION TO FROZEN PRODUCTS	
		12/03/2009	UNI EN ISO 9001 QUALITY MANAGEMENT SYSTEM	
		16/04/2015	SMETA Verification of ethical criteria in the supply chain according to the SMETA methodology assessment criteria based on the ETI (<i>Ethical Trade Initiative</i>) code, supplemented by applicable national and local laws	
			FAIR TRADE INCLUSIVE FRUIT JUICES	
Larino		17/04/2011	UNI EN ISO 9001 QUALITY MANAGEMENT SYSTEM	
		13/12/2016	BRC-IFS FOOD GLOBAL STANDARD FOOD SAFETY global standard for food safety	
Alfonsine	Larino	08/11/2011	ITALIAN PRODUCT ITALIAN ORIGIN OF THE AGRICULTURAL RAW MATERIAL FROM INTEGRATED PRODUCTION processed at the Larino and Alfonsine plants	
		08/11/2011	INTEGRATED PRODUCTION Agricultural raw material grown according to INTEGRATED PRODUCTION GUIDELINES	
		08/01/2015	ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM	
		08/01/2015	OHSAS 18001 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	
		19/02/2019	Transition from OHSAS 18001 to ISO 45001 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	
		2016	KOSHER Certifying food products that are " PERMITTED AND COMPLIANT WITH THE RULES OF JEWISH LAW " FROZEN PRODUCTS, TOMATOES, PLANT-BASED BEVERAGES	
			ORGANIC PRODUCTION FOR ORGANIC PRODUCTION According to EC Regulation (EC) No 834/2007	
		12/04/2017	OK COMPOST Certificate for use and awarding of the label " OK COMPOST " FOR FROZEN FOOD FILMS	
			YEAR	ASSURANCE
		Since 2018	ISO 26000 Related to governance in the field of CORPORATE SOCIAL RESPONSIBILITY	
Since 2020	GRI ASSURANCE Compliance of the Sustainability Report according to the GRI STANDARD			

Quality and sustainability

In recent years, agri-food supply chains have become the subject of increasing interest, for two main reasons:

- **food quality and safety**
- **sustainability, namely the assessment of the impacts they have on the surrounding environment**

Achieving QUALITY

Achieving QUALITY for the food industry means integrating the efforts of all those involved in the agro-industrial complex: agricultural production, processing, distribution, preparation and consumption.




Maintaining food quality and safety throughout the food chain requires operational procedures and monitoring systems to ensure that operations are carried out properly.

The safety of a food product is not based solely on chemical or microbiological analysis, but is achieved through a process of correct formal and substantive traceability, involving all actors in the supply chain.

Being SUSTAINABLE

Being SUSTAINABLE means integrating environmental protection, proper nutrition and economic development of the local area throughout the entire supply chain. This involves creating a lasting balance on several fronts: environmental, social and economic.

The following is the FAO's schematic illustration of the relationships between agriculture, processing and consumption that can have a positive influence on sustainability.

	Environmental Aspects	Nutritional Aspects	Economic Aspects	Socio-cultural Aspects
Agriculture 	<ul style="list-style-type: none"> Applying sustainable farming practices Fostering resilience of production systems Developing and maintaining diversity 	<ul style="list-style-type: none"> Promoting different food varieties Producing nutrient-rich food 	<ul style="list-style-type: none"> Developing cost-effective cultivation practices Promoting self-sufficiency through local production 	<ul style="list-style-type: none"> Maintaining traditional farming practices and promoting local varieties
Food production 	<ul style="list-style-type: none"> Reducing the impact of production, processing and marketing 	<ul style="list-style-type: none"> Preserving nutrients throughout the food chain 	<ul style="list-style-type: none"> Strengthening local food systems Producing food at affordable prices 	<ul style="list-style-type: none"> Producing culturally accepted food
Consumption 	<ul style="list-style-type: none"> Reducing the environmental impact of food consumption 	<ul style="list-style-type: none"> Promoting a diversified, balanced and seasonal diet 	<ul style="list-style-type: none"> Promoting the affordability of a varied diet 	<ul style="list-style-type: none"> Safeguarding food traditions and culture Meeting local tastes and preferences

2022 projects FROZEN PRODUCTS AREA

Total projects
studied/developed
16

Percentage success of
environmental projects
> 81%

35
New products
released onto the market

2
Projects being studied

3
Research projects

3
Projects

Environment Area comprises:

Fruit-based juices/nectars/beverages

Plant-based beverages

Tomatoes

The development projects related to the Environment Area were based on the following guidelines:

- reduction and/or elimination of additional sugars, for products aimed at both adult and child target groups;
- reduction in calorific value;
- increase in the percentage of fruit used;
- focus on the origin of the raw material, favouring those from Italy (where possible);
- enrichment with vegetable proteins and functional ingredients: such as vitamins, minerals and fibre;
- selection of increasingly natural flavourings and components.

Projects that have led to new products being launched on the market or ready to be launched:

- > **Conventional and organic fruit beverages for the retail channel** - 200 ml, 1 l and 1.5 l Brik - glass bottle
- > **Conventional fruit beverages without added sugar for the Food Service channel** - glass bottle
- > **Study of the new range for the Food Service channel** AlmaverdeBio beverages, high fruit content and no added sugar - 200 ml glass bottle
- > **Conventional and organic plant-based beverages for the Italian market** characterised by different flavour combinations, different functionalities (for example, protein-rich, sugar-free) and different sizes: 200 ml, 500 ml and 1 l Brik
- > **Functional plant-based beverages** (enriched with protein, beta-glucans and fibre)
- > **Tomato purées (passata) for the foreign market in paper packs** - 500 ml and 1 l Brik

Projects being studied with a view to increasing production efficiency and economic competitiveness

- > Reda UHT system for plant-based beverages
- > Improved internal extraction of oats and rice

Research projects on the circular economy in cooperation with Rimini University

Research project on the recovery of vegetable by-products with a start-up from Emilia-Romagna: production of functional flours for human consumption

Research project on the recovery of vegetable by-products with a start-up from Lazio

Project suspended/annulled

2022 projects FROZEN PRODUCTS AREA

Total projects
studied/developed

13

Percentage success of
frozen products projects

>76.8%

11

**New products
released onto the market**

2

Projects being studied

3

Projects

Projects that have led to new products being launched on the market or ready to be launched:

- > Study of new conventional and organic products for the retail channel, gastronomy, large-scale catering and door-to-door
- > Study of a new organic grilled mix
- > Study of seasoned organic soups
- > Study of high-protein side dishes and soups
- > Grilling tests for new vegetables

Projects being studied with a view to increasing production efficiency, environmental sustainability and economic competitiveness

- > Analysis and testing of paper packs
- > Insourcing of the production of diced and new potatoes

Project suspended/annulled

Environment

UN 2030 Agenda for sustainable development

The UN says:



Goal 3

Target of interest for Fruttage

3.9 By 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination



Goal 6

Target of interest for Fruttage

Target 6.3 By 2030 improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

Target 6.6 By 2020 protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes



Goal 7

Target of interest for Fruttage

Target 7.3 By 2030 double the global rate of improvement in energy efficiency



Goal 12

Target of interest for Fruttage

Target 12.3 By 2030 halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.5 By 2030 substantially reduce waste generation through prevention, reduction, recycling, and reuse



Goal 13

Target of interest for Fruttage

Target 13.2 By 2030

Integrate climate change measures into national policies, strategies and planning

The values in the environmental choices at Fruttigel

Corporate

- water recovery 122,254 m³ in 2022; attention to groundwater extractions – subsidence reduction
- entrusting the management of the plant to Hera SpA and specific investments to reduce the consumption of electricity and oxygen and improve plant efficiency

Cogeneration

energy use efficiency – attention to CO₂ emissions

Compostable pack

Biodegradable bag, UNI EN 13432 - certified

Relamping of the Larino and Alfonsine sites

to maximise energy efficiency, with Alfonsine being completed in 2021

Replacement of a Mingazzini 2005 steam generator

with a thermal rating of 13,950 kW with four Mingazzini steam generators (model PB50) with individual thermal ratings of 2,950 kW. The new generators have higher efficiency and modulation (action recommended in the energy audit)

Replacement of two ammonia compressors

one equipped with an inverter (action recommended in the energy audit)

2022 actions aimed at increasing energy efficiency and those planned for 2023

Actions recommended in the energy audit

Replacement of the Mingazzini 2005 steam generator with a thermal rating of 13,950 kW with four Mingazzini steam generators (model PB50) with individual thermal ratings of 2,950 kW.

Installation of four Mingazzini steam generators (model PB50), methane-fuelled, each with a nominal rating of 2.95 MWt, for a total installed capacity of 11.8 MWt, replacing the Mingazzini 2005 steam generator with a thermal rating of 13,950 kW.

The new machines will ensure better performance through the use of a specific economiser on each of the new boilers and an automated cascade management system.

In the new set-up, the configuration will therefore be as follows:

- Mingazzini 2014 methane-fuelled boiler with a nominal thermal rating of 13.95 MWt;
- four new Mingazzini methane-fuelled boilers (model PB50) with a nominal thermal rating of 2.95 MWt;

With this set-up, the average efficiency of the thermal power plant will be 95%, due to the greater operational contribution of the new machines rather than the 2014 Mingazzini, a boiler that still provides efficient performance.

2022 actions aimed at increasing energy efficiency and those planned for 2023

The new set-up of the thermal power plant will result in a different operational regime for the boilers, which will be associated with a change in the mass flows of pollutants attributable to the installation. There will therefore be a halving of mass flows in the case of dust, SO_x and CO, while the reduction in NO_x will be more substantial and levels will be approximately 75% less than the current scenario.

As far as energy consumption is concerned, a significant reduction in methane consumption is expected as a result of greater modulation in boiler operation and higher overall efficiency.

Replacement of two ammonia compressors, No 5 and No 10, the latter being equipped with an inverter.

Planned actions 2023-2025

Chilled water production

Upgrading of existing cooling chillers to ensure chilled water production at temperatures close to 5 °C.

Description of intervention

The objectives to be achieved with this intervention are the following:

- reduction in the use of chilled water required for cooling the product at a lower temperature in contact with the product;
- less impact on the company purification plant.

Well water purification system

To ensure a flow rate of 40 m³/h for the production of water for food use and replenishment of steam generators.

Description of intervention

Reduced use of drinking water from the mains.

Water recovery plant in the purification system

Required flow rate of 70 m³/h to guarantee supply for evaporative cooling towers and flushing.

Description of intervention

Internal reuse of recovered water from the purification system to make up for the amount of groundwater used for drinking water, with an estimated reduction in well water use of 200,000 m³. No change in total annual pumping.

Purification system

Primary equalisation tank with submerged mixer and bio sludge recirculation with pre-aeration.

Description of intervention

To ensure as constant a feed flow to the purification system as possible by smoothing out flow and load fluctuations, the proposal is to transform tank C into an equaliser.

Purification system

Mixed-liquor aerobic to secondary sedimentation distributor.

Description of intervention

Possibility of managing the plant set-up by means of an oxidation tank that feeds the two existing sedimentation tanks in terms of process and/or potentially for the management of ordinary or extraordinary maintenance activities (currently only possible with oxidation tank A). This is expected to provide better load distribution between sedimentation tanks A and B.

Circular economy

We at Fruttigel are strongly convinced that the first rule of sustainable food production is the full exploitation of all components of the raw materials used and therefore also the parts remaining following the production of human foodstuffs, and we have long been allocating a considerable proportion of processing waste for biomass plants for electricity generation (through the combustion of biogas obtained by anaerobic digestion or through direct combustion of wastes, in the case of stones from the processing of summer fruit).

For the three-year period 2020/2022, the volumes recorded for this process are shown in the following table:

Tabella 46. Kgs of processing by-products in accordance with Article 184-bis of Legislative Decree No 152/06 intended for anaerobic digestion in biogas production plants or for combustion

		2020	2021	2022
Fruit and vegetable processing residues	Anaerobic digestion	1,268,690	1,366,550	1,522,150
Residues obtained from the processing of fresh peas	Anaerobic digestion	533,620	579,510	442,740
Residues obtained from the processing of green beans and fresh beans	Anaerobic digestion	714,880	696,050	424,050
Tomato hulls	Anaerobic digestion	928,920	902,780	697,920
Residues obtained from the extraction of grains of soy, rice and oats	Anaerobic digestion	2,053,900	2,036,680	2,353,660
By-products from packaging of plant-based beverages	Anaerobic digestion	278,550	0	0
Peach and apricot stones	Combustion	218,750	252,630	367,410

Although the trend in the production of these processing wastes has been fairly predictable and constant over the years, they can often vary substantially depending on the processing year and the fluctuating availability of raw materials.

The energy recovery of by-products, in the context of environmental policies, generates a concrete reduction in the volumes of waste produced and a substantial reduction in CO₂ released into the atmosphere.

The Sustainability Plan: stakeholders, value chain, impacts and risks

This introductory section of Section Three provides evidence of how Fruttigel is adapting to the new reporting requirements (GRI 2021). In particular, three new features are introduced by the new standards:

- a)** the description of the value chain;
- b)** an initial inspection with regard to impacts (effects of business activities on target publics and environments);
- c)** identification of related risks.

(These latter two aspects are, for now, treated as a single paragraph).

It should be emphasised that this is only an approximation of what the changes in the relevant rules and the new standards envisage, but it is based on a criterion that has guided Fruttigel's commitment to sustainability from the outset: sustainability reporting must be able to represent the progressive awareness on the part of the management team and the resulting adjustment processes. It is therefore not just a matter of highlighting performance, but of demonstrating how, within the organisation, sustainability issues have been discussed, understood and implemented in practice.

What follows is therefore the description of a process that is by no means perfect, aimed at gradual improvement, which takes into account official recommendations but interprets them within the framework of the (cultural and operational) feasibility of the company.

The Plan and associated updates

The current Sustainability Plan was drawn up between the summer of 2021 and March 2022 and is still the point of reference for sustainability policies. A number of updates were made during the past financial year and the first part of the current one, resulting in an increased focus on outlining objectives and forward-looking processes (up to 2024) and an update required by changes in the applicable rules and legislation. Information about when the next comprehensive review will start is provided below. This is expected to begin in the autumn of this year.

However, the necessary updates were required to consider the need for consistency with new EU sustainability standards, changes in reporting standards, and updates to the applicable rules, as outlined below.

In fact, it was necessary to take into account the changing regulatory and disciplinary context, and in particular:

- a)** the need to apply ESG (Environmental Social Governance) logic;
- b)** aspects relating to the Corporate Sustainability Reporting Directive (CSRD), namely the change in the basic criteria of the new (recently approved) European directive concerning sustainability policies, associated reporting and the scope of companies required to ensure compliance;
- c)** the changes in the GRI standards and in particular the 2021 version, which is partially applied for the first time in this report.

The Sustainability Plan: stakeholders, value chain, impacts and risks

Four areas of policy classification have been identified, as described below: “Governance and Business Development”, “Healthy and Sustainable Consumption”, “Work and People” and finally “Environment”, meaning the control of factors and processes with the greatest impact on the natural environment.

A number of emphases should be considered:

- 1.** in 2022, stakeholder engagement was made problematic by the continuing pandemic and the effects on the economy resulting from the war in Ukraine, which complicated management and made relationships with stakeholders, who were equally concerned about their respective economic performance, difficult and limited;
- 2.** this has not meant a reduction in the commitment to managing relationships with stakeholders, and in particular with workers, as will be seen in the section in the Plan on developing a culture of sustainability;
- 3.** there has been a particular focus on issues that, given the situation of uncertainty, seemed to be of greater urgency and strategic weight, as well as being required by the standard: the beginning of the processing of impacts and related risks.

There is a definite commitment to developing a more direct and substantial relationship with stakeholders in the near future, based also on the descriptions provided below.

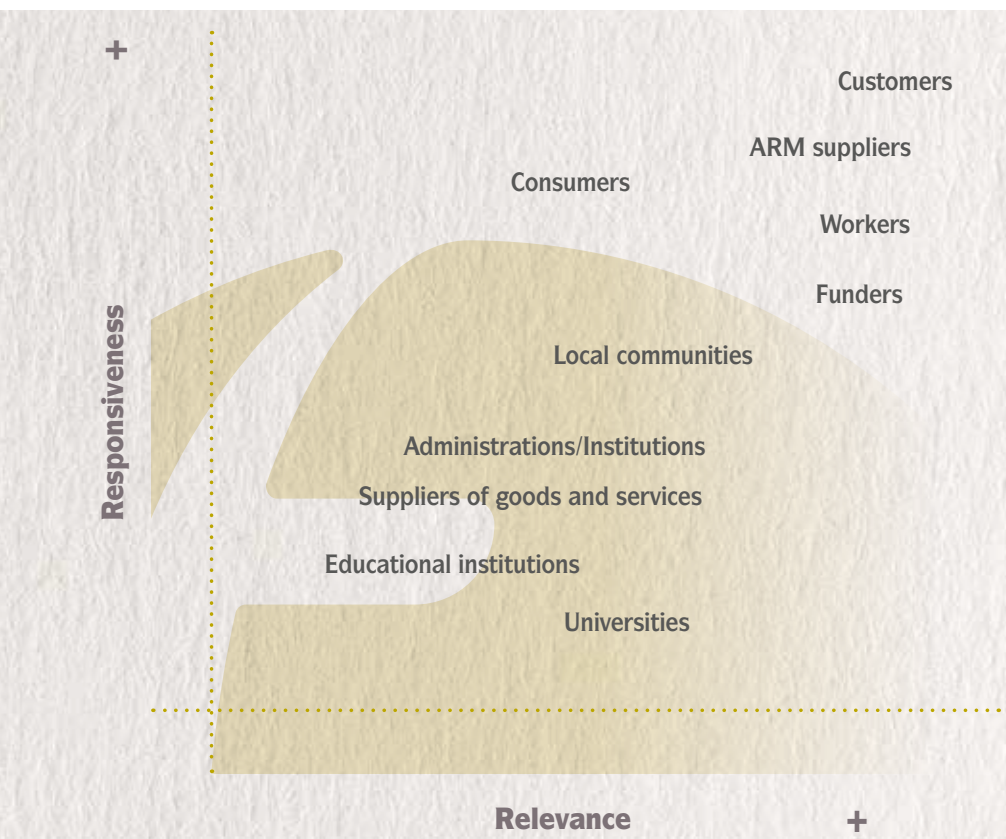
Stakeholders

It has already been noted that no direct stakeholder consultation activities were carried out in 2022, but these are nevertheless easy to describe, as a first approximation.

The two axes determine the position of stakeholders on the intersection between the **relevance** of the given contact for the company and its **responsiveness**, namely the speed and intensity of the response from that contact when faced with a change in the relationship with the company (which may result from very different reasons, either specific to the relationship or dependent on the changing general conditions in which the relationship is built and managed).

This map has been present in Fruttage's reports for some years now, but its validity is beyond doubt: the fact that, for example, customers and workers are very important to the company and tend to be very responsive to any hypothetical change in the relationship cannot be questioned. It was yesterday, it is today and it will inevitably be tomorrow. The fact is, however, that the significant instability in the market and the cost of raw materials, in addition to major changes in employment and legal conditions, currently create enormous obstacles in terms of efforts to establish a precise position within the map, and thus to make adjustments.

In essence: the condition appeared (and appears) to be so indeterminate and variable that direct dealings with stakeholders had to develop, in the period covered by this report, based primarily on updates to short- or very short-term relationships, largely focused on the need to counteract the most significant effects of the various imbalances that were becoming evident in the market. Relationships with stakeholders have basically been *defensive* and short-term in nature.



It is quite clear that the stakeholders in the north-east corner (customers, ARM suppliers and workers) continue to be "critical" (as they have been repeatedly called), and are therefore essential to the fate of Fruttage. The only possible change could concern the suppliers of goods and services, through an assessment of how much the cost of ancillary materials and energy on the one hand and the (economic and environmental) importance of logistics on the other are changing the picture. There will be a way, and a need, to address these issues.

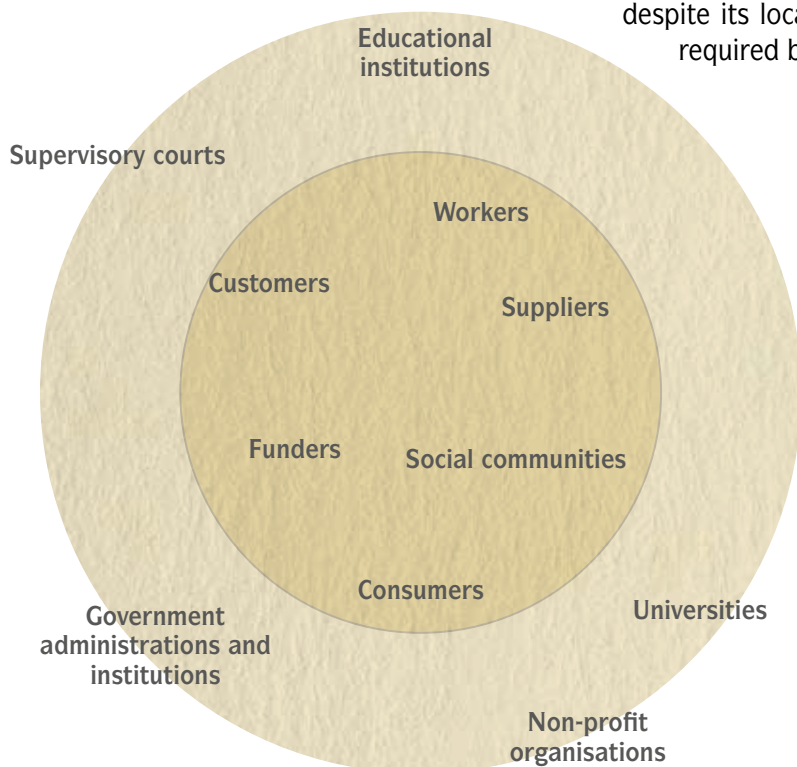
The preferred approach – based also on the "comply or explain" criterion – was to avoid specific stakeholder consultation activity, which would most likely have been of little use for the reasons mentioned above. Instead, attention

has been focused on (and activities developed accordingly) promoting the restatement of sustainability objectives, which will be the basis for the next and subsequent dialogue and listening sessions with stakeholders, in relation also to the revision of the Business Plan and, consequently, of the Sustainability Plan, the drafting of which is scheduled between autumn 2023 and spring 2024. This does not mean that Fruttigel has not identified specific focus points on which to concentrate upcoming stakeholder engagement initiatives.

- **With regard to customers:** the subjects to be addressed are essentially related to the field of product innovation, with a focus on healthiness and packaging. Naturally, this will also involve opening up the dialogue in relation to the objectives and demands of *consumers*.
- **ARM suppliers:** the main topic will once again be organic farming and the related adaptation of the farming enterprise. For Fruttigel, this area is the most significant, considering also that ARM suppliers are, however indirectly, also cooperating partners of Fruttigel and that the objective of qualification of the grower enterprise is one of the qualifying points of its mission.
- **Workers:** this is the only relationship segment where an activity comparable to stakeholder engagement has developed. Please refer to the specific section on the development of the culture of sustainability and, in particular, the Code of Ethics and – related to this – the specific paragraph in Section Two in the “Employment” section that deals with the initiative to disseminate the Code of Ethics within the company.

With regard to the other stakeholders, please refer directly to the Plan update sheets that follow.

Here, however, are the aspects linking the stakeholders previously generically identified with the impacts of Fruttigel’s activities. The following paragraph, despite its location, takes into account the “General Disclosures” required by the standard.



Contexts, stakeholders, impacts

The contexts in which Fruttigel operates are of two types: physical and social contexts and contexts more directly related to business activity. The company's stakeholders depend directly on their inclusion in one or other of those two contexts, although they frequently coincide and overlap.

Fruttigel operates two plants, one in Alfonsine and the other in Larino. Both plants have a direct relationship with the surrounding area, from which a large part of the agricultural raw material is sourced. The workers employed in the two plants come from a local area that essentially coincides with the area supplying the ARM. This results in specific economic-entrepreneurial, physical-environmental and finally social relationships.

Physical and environmental considerations

Relationships of an **economic-entrepreneurial** nature produce, however indirectly, environmental effects. These refer to contributions from and relationships with growers. These are key stakeholders with whom specific agreements are established concerning the quantity and quality of the products supplied and other fundamental issues such as, for example, the use of products for agriculture, organic farming, compliance with regulations concerning their employment and others.

The more distinctly **physical-environmental** relationships must take into account the fact that the activities of Fruttigel, and the entire chain, have significant environmental impacts. Mention has already been made of the activities of growers, but it should also (and above all) be noted that an industrial activity such as that carried out by Fruttigel entails, for example, significant impacts on the hydrogeological structure, air quality, and the use of other resources directly taken from the local area and influenced in various ways by its activity. In this respect, the environment, in the contexts indicated, is undoubtedly a stakeholder of the company.

Employment considerations

The most direct aspect, relating to the reference contexts, is certainly the **employment** aspect. The several hundred workers and their families influence and are influenced by their relationship with the company. Needless to say, these are very important stakeholders.

However, employment relationships are not limited to the work aspect. Fruttigel is, in any case, a local player, and has necessary relationships with public administrations, schools, associations and other people and entities active in civil life.

Fruttigel's impacts on the local area are therefore different in nature, although within the two contexts, as mentioned above, they are very often closely linked. For this very reason, it is difficult to clearly segment effects and impacts, which must take into account both their specific nature and their reciprocal relationships.

These aspects will be looked at separately in the remaining sections of this document: relationships with growers, environmental effects produced by industrial activities, labour relations, and other social relationships linked to the local areas. For each of these aspects, specific measurement and evaluation criteria are needed, and these are identified in Section Three of this document and specifically in the materiality analysis.

In terms of the **significance of impacts**, the logic follows on from what has just been said: Fruttigel produces economic, physical and social impacts. All of these impacts are examined in terms of their relevance to the company's sustainability policies.

The value chain

As a player in the agro-industrial supply chain, Fruttigel is structurally and inevitably positioned as part of a well-defined value chain.

Upstream in the chain, the most important actors are:

1. ARM growers (members of agricultural cooperatives that are themselves members of Fruttigel, or commercial suppliers);
2. suppliers of machinery and industrial equipment;
3. suppliers of packaging (glass, paper, cardboard, plastic, etc.).

For each of these, the specific characteristics and role within Fruttigel's sustainability policies are described further on in this document. There are also two other categories that should be noted:

4. entities involved in incoming and outgoing logistics, with specific regard to road haulage;
5. service providers of various kinds, ranging from consultancy and support on digital matters to aspects more related to the core business.

What should be emphasised, with regard to this part of the value chain, is that the functional links between Fruttigel and the actors mentioned above are particularly close for two intertwined reasons: from an *institutional* point of view – with specific emphasis on growers – these are *inter-cooperative* relationships (and thus based on a mutualistic approach). They are in turn intertwined with the character of the agro-industrial chain, where the two-way relationship is particularly close for understandable reasons: agricultural production is affected by downstream functions (processing and distribution) which in turn are largely shaped by the raw material.

As far as **relationships further down** the value chain are concerned: the products produced by Fruttigel – as a co-packer – are geared mainly towards distributors. In turn, large retailers play a constitutive role in the most widespread consumption habits. The importance of Fruttigel's role within a complex series of phenomena with great relevance for sustainability can therefore be easily understood. This involves the following:

- influencing the determinations of the cultivation plans of growers, disseminating sustainable methods as far as necessary;
- equally, contributing to the development of consumption proposals that are as healthy and cost-effective as possible,
- rationalising the various stages of production and distribution while minimising the use of natural resources (soil, water, energy) and simultaneously reducing the release of pollutants into nature,
- intervening through appropriate methods on end consumers to reduce consumption-related risks and generally optimise the use of resources.

Looking at things from an organisational and skills perspective within the company, it is possible to briefly describe the Fruttigel value chain using Porter's well-known descriptive model:



The double arrow linking MKTG and after-sales services indicates that, in the specific case of Fruttigel, it is impossible to distinguish between the two primary processes, which in fact refer to a single department and are treated as a single process.

These organisational and skills references are linked to relationships and activities that determine the impacts and consequently the associated risks, which are identified below and related to the primary and supporting activities set out in the diagram.

Impacts and risks

Taking into account the aspects briefly outlined in the previous paragraph, it is now possible to move on to the identification of internal-external relationships, namely those types of impacts and risks to which each organisational area within Fruttigel (each department) must pay particular attention. As has already been said, the following should be considered nothing more than an approach. However, that approach has been constructed and discussed within the company's management team and therefore signals and describes the level of shared sensitivity and implicit commitment that exists. For the time being, this is merely an indicative list of topics, which will be better organised in the future and which, in any case, is supported by some planning information in the sheets included later in the document in this Section Three, which constitute the materiality analysis and updates to the Sustainability Plan.

Finally, it should be emphasised that the identification of impacts and risks – which will be shown below – is not treated identically for all departments. In some cases there are indications of things to be done and in others simply aspects identified without proposals. These approaches will need to be made more uniform and more appropriate.

Stakeholders

Impacts and risks

1

Management, finance and control

Funders, members (both cooperative members and funders), State, public administrations, customers, suppliers, employees

Administration and Finance

Compliance failures, risks associated with finding sources of finance (equity and debt), market risk linked to operators' perception of the company's soundness, source cost risk, exchange rate and interest rate risk.

Control

Control model governance risk, risk of incorrect interpretation of model data and distortion of decisions, know-how risk due to limited dissemination of knowledge about the model.

2

Staff, human resources

Workers, trade unions, job centres, employment agencies and job-seeker agencies, schools and universities, training centres, local health trusts and occupational medicine, public prosecutor's office

Health and safety

Occupational health and safety prevention today is characterised by a need for further strengthening and training of operators in how to handle any negative events. In fact, there is an increased risk that the authorities will shut down plants in the event of accidents, even minor ones, as a precautionary measure.

Welfare

Welfare services must continue to be strengthened, in addition to the provisions of the national collective bargaining agreement, thus constituting a significant and attractive form of the remuneration package for blue- and white-collar workers alike.

Organisational structures and difficulties in finding labour

The risks associated with the difficulty of finding skilled labour with the willingness to integrate permanently into a complex work organisation, potentially involving the performance of continuous-cycle shifts, are now obvious. This requires:

- a) reviewing production cycles, with weekend work being limited to what is strictly necessary;
- b) making the most of suitable/deserving staff with a desire to grow by tying themselves to Fruttage, where necessary through more frequent financial rewards (also to be considered linked to departmental productivity targets?);
- c) stimulating a sense of belonging to the company, where appropriate through involvement on CSR compliance, membership charter, etc.;
- d) continuing to consider the distance between employees' homes and the plants a very important element (again with a view to work-life balance).

Lack of refresher training, skills and reskilling of workers

For a large part of the required tasks, including production/maintenance and logistics management, priority should be given to finding personnel who are capable of handling computer tools, even if not complex ones, and who already have the aptitudes and skills to learn with greater ease and mastery in the use of new instruments. These aspects will also necessarily characterise the training of existing staff. This is in light of the necessary digitisation/digitalisation/computerisation process that is increasingly accompanying investment.

3

Analysis, (product) research, quality

Laboratories, universities, supervisory bodies, customers, consumers, employees

Failure to keep up-to-date (market risk), risk of non-compliant products reaching the market with possible effects on end consumers, control errors, risk of non-compliance due to changes in the regulatory framework for the food industry, risk of non-compliance with the various and increasingly numerous certifications.

4

Technology, digitisation and digitalisation

Designers, suppliers of machines and services, packaging suppliers, hardware and software suppliers, human resources as users of technology and management systems, external stakeholders as users of information, data and procedures.

Failure to adapt (market risk), (indirect) environmental effects, environmental risks arising from the installation of new machinery or machinery already installed, IT risks both in the sense of attacks on the company's information systems and in the sense of sensitive data being stolen and then put on the web, risks also from "internal" staff due to negligence or poor compliance with company policies, risk of obsolescence of operating systems/basic SW components used by plant systems, risk that digitalisation might not align with customer expectations, risk from inadequate training of internal staff.

<p>5 Procurement (Supply Chain)</p>	<p>ARM suppliers, services suppliers, packaging suppliers, utilities suppliers, suppliers of machinery, equipment and infrastructures</p>	<p>Failure to adapt (market risk), environmental effects (upstream chain configuration).</p> <p>Water, electricity and gas risk Availability and price (for the Larino plant, the water risk is linked to both availability and problems with the distribution network managed by a land improvement cooperative).</p> <p>Organic production Availability risk, price risk and compliance risk in relation to organic ARM.</p> <p>(Indirect) environmental effects Risk of drought and its consequences on ARM availability, risks related to climate change, both in terms of availability of product from members and the cost of the product due to cultivation difficulties.</p> <p>(Indirect) geopolitical effects Risk on ARM availability due to competition from other crops. Effects also on prices.</p> <p>Risk associated with the global supply chain or individual supply or production chains, inflation risk, lack of supply (market risk).</p>
<p>6 Incoming logistics</p>	<p>Suppliers, hauliers, plant engineers</p>	<p>Traffic, air quality, emissions, occupational safety risk, risk of not finding hauliers, legal/contributory compliance risk of suppliers and hauliers and joint and several liability. Inflation risk and the cost of diesel.</p>
<p>7 Operations</p>	<p>Workers, supervisory bodies, services suppliers.</p>	<p>Environmental risks Emissions, waste, purification/wastewater, exceptional events (meteorological, seismic, pandemic).</p> <p>Health and safety Risks linked to product food safety, occupational safety risk, fire risk.</p> <p>Professional and operational capabilities Risk associated with finding qualified personnel, risk of loss of know-how due to incorrect dissemination and sharing of skills, risk of not finding personnel available to work shifts, nights and weekends, risk resulting from cultural and social changes, especially in the perception of work, risk of non-availability of spare parts and technological components, risk of low line yields = > stock-outs of finished products.</p>
<p>8 Outgoing logistics</p>	<p>Transport</p>	<p>Waste, emissions, traffic, air quality, occupational safety risk, risk of not finding hauliers, legal/contributory compliance risk of suppliers and hauliers and joint and several liability, inflation risk and the cost of diesel.</p>
<p>9 MKTG and sales</p>	<p>Retail customers, industrial customers owning a known industrial brand (brand industry), wholesale customers.</p>	<p>Risks of not having availability of finished products in line with product demand, credit risk linked to customers not being able to cope with increased financial requirements, counterparty risk linked to the high incidence of third-party branding, for both distributor-label and branded products, risk of loss of competitiveness, cultural and social risks leading to greater conviction in product changes. Immigration, cultural contamination, diets and modern nutrition.</p>

Summary and comment

The overall framework of Fruttage's relationships is made up of these primary stakeholders: customers, workers, ARM suppliers, funders, suppliers of other raw materials, suppliers of machines, systems and services, supervisory bodies, public administrations and local communities.

With regard to risks:

- a) pending:** finance, market, sociopolitical situation, environmental change, shortage of raw resources, insufficient social legitimacy;
- b) products:** environmental effects (emissions, waste, water, energy), failure of suppliers to adapt, difficulties in maintaining employment standards, effects on consumer quality.

It should be emphasised that the changes in standards and the more pressing prospects of sustainability reporting may represent a compliance burden for companies, namely a more mechanical than substantial effort of compliance, with the bureaucratic risks that this may entail. Apart from this critical assessment of current trends in the applicable rules (which will be addressed elsewhere if necessary), it should be emphasised once again that the approach is to focus on substance: apart from the form, intending to introduce evaluation and intervention practices aimed at improving sustainability performance through processes tailored to the organisation's capacity and capabilities.

A final consideration: as you will have just seen, this was a simple identification of the impacts and risks involved. There are also some hints of what appears to be necessary, but not a consistent description of the policies needed to eliminate, reduce or mitigate risks. These are primary issues that will be addressed in the revision of the Plan, which will begin in the autumn of this year.

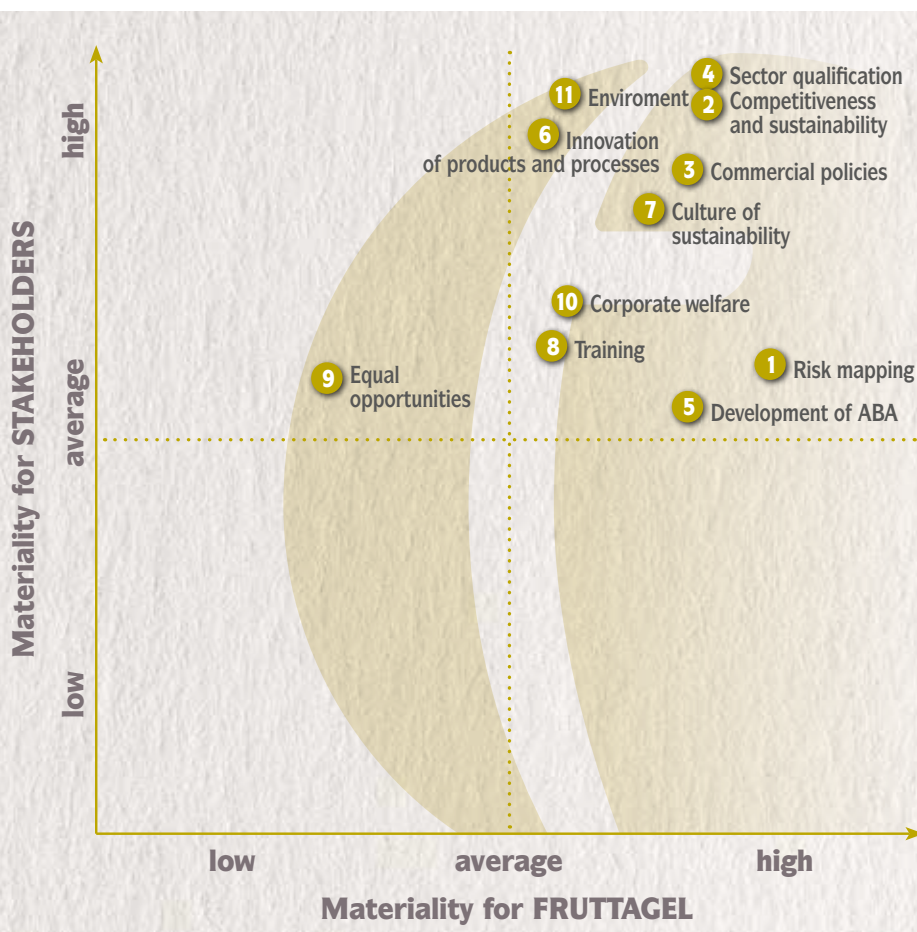
Materiality analysis

This section deals with the materiality analysis, namely the most important aspects of Fruttage's sustainability policies, the development and synthesis of the information and descriptions on the previous pages. The logical process that was followed is represented by several images:

- the design shown below once again identifies the company's main stakeholders, those who are both "the target public" and partners in the production of value;
- the materiality matrix identifies and names key sustainability policies and places them in order of importance, cross-referencing relevance to the company and stakeholders;
- the following table provides a more detailed description of policy intentions, achievements in the 2022 financial year, and targets for the next reporting period.

The general structure of the materiality analysis is the same as the one used in the last version of the Sustainability Report, updated based on activities in 2022 in terms of the targets for the current year. It has already been stated above that a more in-depth review will accompany the discussions on the new Business Plan.

Some clarifications are now necessary to take into account the changes to the GRI standard, with particular regard to the materiality matrix.



In recent years, a materiality matrix has been the most effective tool to demonstrate an organisation's sustainability strategy, namely how the company's interests are aligned with those of stakeholders.

The company's interest in a specific policy (project, activity) is indicated on the horizontal axis. The vertical axis shows the interest of the stakeholders.

The upper right quadrant is called the "materiality quadrant", the point where the company's highest expectations meet those of the stakeholders. This is therefore the area where the possibility of producing shared value is greatest.

However, some important issues must be taken into account, in part concerning the development of sustainability policies and their relationship with the Business Plan, and in part referring to the changes in the applicable rules, and thus:

- 1 the need to provide continuity and consistency in the description of the company's activities, and thus to describe the results for the reporting period and relating to the commitments made at the time,
- 2 the existence and revision of the Sustainability Plan clarifying certain themes, introducing new ones and restructuring existing ones.
3. the now imminent need to link the Sustainability Plan to the new Business Plan, which, as mentioned above, will be drafted and discussed starting no earlier than autumn-winter 2023;
4. the changes in the GRI standard, which introduced the concepts of value chain, impacts and risks as key aspects of the descriptions, and which therefore envisages a new and different methodology for describing policies.

This means that, probably, from the development of the themes introduced in this document – and in particular from the description of impacts and the identification of related risks – we can also expect a change in the materiality matrix, both with regard to its content and even with regard to its form or usefulness in the identification and clarification of Fruttagel's sustainability policies.

Sustainability policies

	Relevant area	Theme	Description
Corporate governance and development	1. Mapping of risks, impacts and due diligence	Description and assessment of risks, evaluation of impacts and interactions with key stakeholders	Broad identification of risks and impacts. Actions: Mitigation and/or elimination plan (2023).
	2. Competitiveness and culture of sustainability	Competitiveness and sustainability in investment and management choices	Energy and water efficiency and utilisation of waste with a view to the circular economy. Qualification in production, also with a view to greater sustainability.
	3. Commercial policies and culture of sustainability	Improved positioning and economic sustainability; action on demand to contribute to its characterisation with a view to sustainability and consumerism	The preferences of customers and consumers match those of Fruttigel in terms of greater product sustainability, which concerns the processed product, the packaging, and in general the guarantee of a high standard of quality.
Healthy, sustainable consumption	4. Sector qualification	Improved performance of ARM growers to produce increased value and a greater contribution of the entire supply chain to sustainability	Fruttigel's growth prospects depend on two factors concerning growers: aggregation and specialisation, with a view to sustainability. On the horizon: a cohesive group, specialising in ARM for industrial processing.
	5. Development of AlmaverdeBio Ambiente (ABA)	Development of the brand as the first demonstration of the sustainability and strategic relevance of organic production	The brand and its development represent the first indication of the development of organic production and Fruttigel's commitment to this sector. The issue is closely linked to the qualification of the growers in this sense.
	6. Innovation of products and processes	Adaptation of products and processes in line with growth objectives and the vision of sustainability; consistent commercial and communication initiatives	The ability to continue innovating products and processes is an essential part of Fruttigel's development. This must be accompanied by specific, qualified communication activities.
Work and people	7. Culture of sustainability	Sustainability - in all its meanings - as a shared focus for employees at all levels	The overall sustainability of the company depends on awareness at all levels of the new and necessary logical and professional framework related to sustainability and business ethics.
	8. Training	Professional awareness and social ethics. Digitisation and digitalisation as a necessary cultural and competitive environment	Staff training has always been a core focus for Fruttigel, as a driver for a continuous improvement in skills. This now becomes even more indispensable in relation to future digitisation and digitalisation needs.
	9. Diversity, differences, equal opportunities	Need for updating/adaptation in line with social and regulatory requirements	The issue of equal opportunities is considered an essential factor in sustainability policies and derives from the company's traditional sensitivity to gender issues and differences, typical of the cooperative tradition.
	10. Corporate welfare	Application and development of Fruttigel's policies on this issue	Corporate welfare at Fruttigel, established through a trade union agreement in 2018, is seen as an essential tool for further commitment to the company and for improving people's lives.
Environment	11. Environment: a.emissions and wastes b.energy c.water	Improvement in Fruttigel's environmental balance sheet by setting and monitoring specific reduction targets for the indicators mentioned	The focus on environmental sustainability is now the most essential factor in Fruttigel's strategy, fully integrated into its business plan and sustainability report.

Target	SDGs and Target
<p>Carry out a thorough assessment of the elements influencing sustainability. Ensure compliance with regulatory and disciplinary developments (from an ESG perspective).</p>	  <p>2.4 13.1</p>
<p>Reduce CO₂ emissions; concentration of treated volumes with lower energy consumption. Eliminate PET, increase volumes, reduce energy use.</p>	   <p>2.4 8.2/8.8 12.2</p>
<p>For 2023 and 2024, carry out and consolidate:</p> <ul style="list-style-type: none"> • moving away from plastic (PET) and film in packaging • development of products without added sugar • fully aseptic production operations 	  <p>3.9 2.4</p>
<p>Stabilise and increase organic production and the ethical quality of the supply chain ("quality businesses"). Promote a greater (and more efficient) degree of aggregation among growers, from an organisational point of view and through cooperation with Legacoop.</p>	   <p>6.3 8.4 2.4</p>
<p>Increase the volumes handled, with an increase planned for the three-year period 2022-24. Gradually adopt a communication strategy over the years designed to promote the sector.</p>	 <p>3.9</p>
<p>Increase the quality and profitability of products and formulations by involving more players in the supply chain. Implement the development of products without added sugar. Cooperate with the university and scientific research world.</p>	 <p>8.2</p>
<p>In 2023, implement the excellent results already achieved with the creation of a group of "ambassadors", on the dissemination and knowledge of the new Code of Ethics.</p>	 <p>8.3/8.5</p>
<p>Reward and capitalise on people's work, improving skills, commitment and internal climate. Manage Industry 4.0 investment projects.</p>	 <p>8.2/8.8</p>
<p>Plan major policies in order to reach the level envisaged by the legal provisions and regulatory guidelines on issues of differences and equal opportunities, linking this to the nature and character of the company.</p>	  <p>8.5/8.8 5.5</p>
<p>Further implement knowledge and use of the corporate welfare system.</p>	 <p>8.3/8.5</p>
<p>Improve the company's carbon footprint in the areas indicated. Reduce energy consumption through specific investment choices and water consumption by implementing water recovery.</p>	    <p>7.2/7.3 13.1 6.3 8.4</p>

1.

Mapping of risks

What we said

This topic was introduced in the previous report, as a fundamentally important topic through which to consider, deal with and address the risks, impacts and actions necessary to manage the consequences of the economic, social and environmental changes we have witnessed and are witnessing in recent years.

The reasons are also closely linked to the changes in regulations and legal provisions, which require that companies demonstrate a greater level of “social and environmental awareness”. In this case, this means not only aspects relating to “rights” or the natural environment and its protection, but also the system of relationships that the company must manage in all contexts (economic, social and environmental).

The general objective is therefore to carry out an analysis, namely *a description and assessment of risks as an alignment with due diligence activities, and thus the need for explicit knowledge and assessment of relationships with local contexts and stakeholders.*

This commitment was independent of the provisions of the GRI 2021 standard, which, however, made the handling of these issues more important and more urgent.

What we have done

Fruttigel’s management addressed the issue in a series of meetings and has structured the process as follows:

1. an initial general assessment of the need to identify and classify risks,
2. a description of the value chain,
3. an initial identification of impacts and risks.

The important analysis work resulting from this process is detailed in full in the opening chapter of Section Three of this Report, entitled “The Sustainability Plan: stakeholders, value chain, impacts and risks”, to which reference should be made.

At this stage, impacts and risks have not yet been analytically subdivided between ERM (Enterprise Risk Management) and ESG (Environmental Social Governance) risks, which are all identifiable in the classification described in the chapter mentioned above, where necessary in terms of the obvious correlation between them.

What we are committing to do

The next step, to be completed in 2023, will be the explanation/further clarification of the policies related to the analysis carried out (certain sections and aspects of which are nevertheless dealt with in the analysis sheets or areas that follow in this third section of the Report).

Lastly, in 2024, the method will need to be brought up to speed and Fruttigel must move on to managing the process, monitoring and planning aspects that enable regular adaptation of the Risk Plan. This also considers the regulatory requirements that can be expected.

2. Competitiveness and culture of sustainability

What we said

As already mentioned in the previous Sustainability Report, Fruttigel intends in this context to express the relationship existing between the objectives of increasing productivity/competitiveness and the concept of sustainability, understood as a cultural approach intended to combine the economic benefits of investment choices with environmental and social benefits.

The content of these relationships, which is also the macro-objective of the strategic plan, has been expressed through three main objectives:

- greater autonomy and competitiveness in the processing and logistical management of frozen vegetables (above all the construction of the new automated warehouse);
- improvement in the productivity of the entire hot processing department and increase in processing capacity for plant-based beverages (complete overhaul of the large-size Tetra department, new pasteurisation plant, decommissioning of the PET department);
- increase in organic products, production efficiency, and energy, water and waste management efficiency, with maximum achievable integration of environmental and social sustainability issues.

What we have done

The business and investment plan for 2021-2023 has therefore been developed based on these objectives and commitments, quantifying economic and environmental benefits, which has led to the achievement of the objectives highlighted in yellow:

Principal actions	Economic benefits generated each year	Type of benefits generated	Quantity of environ. benefits
Relamping Alfonsine site	€100,000	Energy reduction; better visibility	- 270 tonnes of CO ₂
Steam generators	€200,000 + ETS exit (€900,000 in 2021)	Reduction in methane	- 1,200 tonnes of CO ₂
New WMS/internal logistics restructuring using RTLS technology	€200,000	Greater efficiency and drastic reduction in errors – increased workplace safety	Shorter routes for forklifts
Oxygen diffusers in purification plant tanks	€100,000 + improvement in plant management	Energy reduction	- 150 tonnes of CO ₂
Decommissioning of PET department and modernisation of Tetra departments	Increased productivity and margins	Energy reduction/Cert. B Reduced impact of plastic use	- 123 tonnes of CO ₂
New frozen food warehouse	€1,000,000	Energy reduction Fewer shuttle operations	- 480 tonnes of CO ₂
Potable water and microfiltration plant	To be quantified	Reduced use of potable water Increased purification recovery	To be quantified
Harvesting machine	€120,000	Reduced fuel use (+ quality prod.)	- 16 tonnes of CO ₂

In the following commitments, the reasons why the objectives highlighted in red have not been completed or achieved are described.

What we are committing to do

The commitments for the current year are driven by the reasons why certain important objectives identified in the previous report could not be achieved.

First, it is clear that a common denominator underpinning the fact that it has not been possible to proceed with the construction of a potable water and microfiltration plant and the construction of the new automated warehouse can be found in the need to consider the context created in 2022 and the economic and financial risks indirectly generated by the conflict in Ukraine. This has led Fruttigel to rationalise or not proceed with certain investments. Moreover, in the case of the automated warehouse, this has not yet fully completed the authorisation process.

These investments, along with further action and a specific focus on energy saving and water consumption, remain the main commitments for the current financial year.

The business and investment plan for the next three years has therefore been developed based on these objectives and commitments, quantifying economic and environmental benefits as follows:

3. *Commercial policies and culture of sustainability*

What we said

As mentioned in the Marketing section of this Sustainability Report, the 2022 year was characterised by the continued presence in the first quarter of uncertainties and negative cost and market effects related to the pandemic, which were then exacerbated by the deflagrating effects of the war in Ukraine. This has brought devastating effects for the economy, significantly affecting the procurement of foreign and consequently Italian raw materials and increasing energy and other costs to unsustainable levels. There was also a severe climate crisis in Italy in 2022 (spring/summer drought), which severely affected the procurement of raw materials sourced from Italy.

What we have done

Because of all of the phenomena described above (scarcity of raw materials and corresponding price increase, increase in energy and packaging costs), the commercial policies applied by Fruttigel in 2022 saw a necessary revision of price lists and inflationary requests to all our customers across all the product categories we handle, without which the financial year would have closed with a significant loss for the company.

With regard to exports, the improved focus on directing efforts and resources towards more qualitative target countries/channels, which was implemented in 2021, led in 2022 to an expansion of the customer portfolio and an increase in the number of articles sold. In these activities, we paid careful attention to environmental aspects and to responding to and anticipating market demands, and we decided to choose packaging types for our products that have less impact on the environment.

For beverages and tomato derivatives, we primarily use TetraPak® packaging, which is made on average of 70% by weight of paper, a renewable, certified and recyclable raw material. Organic frozen vegetables and soups intended for end consumers are packaged in compostable bags certified OK Compost according to UNI EN 13432:2002 by TÜV Austria, made of bioplastic that can be disposed of in organic waste collections.

What we are committing to do

Sustainable product and packaging qualification:

- further development of fruit and plant-based beverages without added sugars;
- decommissioning of the PET packaging line by 2023, resulting in increased use of TetraPak paper-based packaging;
- further implementation of the use of compostable films for frozen products.

Foreign development

- development of a presence primarily in the North American, European, Japanese, Korean and Australian markets;
- identification of commercial offerings operating on markets that seek out and reward Italian products and guaranteed-quality organic products;
- promotion of “Fruttigel brands” abroad, starting with the AlmaverdeBio brand.

4. Sector qualification

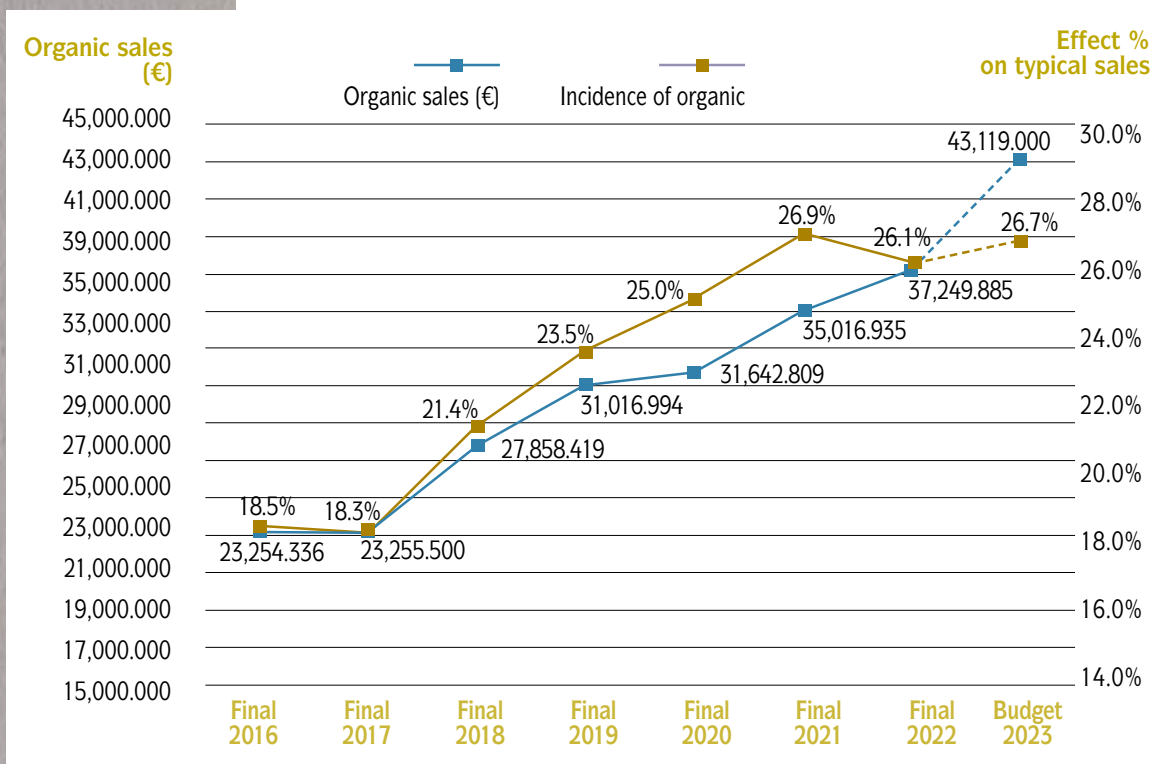
What we said

As noted in the previous report, the aspects used to assess the qualification of the supply chain in recent years have concerned three main aspects:

- the development of organic production, where Fruttigel has been a leader for some years;
- the ethical qualification of ARM growers (through the Quality Agricultural Work Network as recognition of ethical standards);
- the rewarding of growers and an increase in the value of the relationship (leading to increased and more stable profitability in the medium to long term, fostering a greater degree of aggregation and specialisation).

What we have done

In terms of organic production, the following graph illustrates the performance of sales of organic products in the financial years from 2018 to 2022, and budget forecasts for 2023, and the corresponding impact on Fruttigel's total typical sales.



It should be emphasised that the 2022 financial year was characterised by a decrease in the proportion of organic turnover as a percentage of total turnover, even though there was an absolute increase in organic turnover compared to the previous year, again as a result of the significant inflationary dynamics. This is explained by a contraction in volumes compared to the 2021 financial year, caused by the reduced availability of raw material due to the drought conditions and, in turn, by list price increases generated by the extraordinary increases in the cost of energy and also of the raw material itself, which led to a contraction in sales volumes.

4. Sector qualification

For 2023, on the other hand, assuming that volumes remain stable compared to 2022, what emerges is an upturn in both parameters, namely both the proportion of organic turnover in overall turnover and absolute growth.

The ethical qualification of growers, monitored through inclusion in the Quality Agricultural Work Network, was first introduced in the 2020 report to monitor respect for human rights and working conditions throughout the supply chain.

The Network (Law No 116 of 11 August 2014) was set up within the Italian social security agency INPS to select agricultural companies and other organisations indicated by the applicable legislation that, on presentation of an appropriate application, stand out because of their compliance with the requirements for employment and social legislation.

At the end of 2022, Fruttigel therefore monitored the number of grower producers (both members and non-members of the company that have actually delivered product) enrolled in the Quality Agricultural Work Network, verifying achievement of the targets stated for the previous year (already steadily improving from the 2020 financial year) and setting new targets as described in the following paragraph.

Although they are still objectives sought by Fruttigel and its agricultural partners, rewarding growers and increasing the value of the relationship were certainly not favoured by the economic and market conditions that existed in the second half of 2021 onward and still continue to this day.

The exponential increase in costs that has affected the entire supply chain has led some producers to opt for certain/immediate benefits from more profitable crops, which unfortunately are products that are not of interest to Fruttigel. At the same time, demands for an increase in agricultural raw materials, which Fruttigel did not always support or otherwise absorb, resulted in less raw material being available.

What we are committing to do

The current context, characterised by the factors described above and the continuing uncertainties about the availability of raw materials (also linked to climate problems), cost trends, product prices and consumption itself, obviously makes it difficult to identify realistic development objectives.

Nevertheless, Fruttigel must safeguard its organic production, which has performed satisfactorily in terms of value (from which the entire supply chain has benefited) but must also be at least consolidated in terms of volume.

The first objective for organic production is therefore definitely to meet the overall 2023 budget forecasts.

The following table shows the specific quantity and sales targets for the 2023 year for the main product types. The most significant reduction will affect the volumes of organic fruit.

This reduction can be attributed to residual quantities from the 2022 crop and the reduction in requirements that is affecting the various types of juices and fruit-based beverages.

4. Sector qualification

Organic product	Sown quantity 2020 (Ha or t)	Sown quantity 2021 (Ha or t)	Sown quantity 2022 (Ha or t)	Budget 2023 Sowing (Ha or t)
Peas	931.83 Ha	650 Ha	586 Ha	475 Ha
Green beans	180.70 Ha	145 Ha	196 Ha	185 Ha
Leafy vegetables (spinach, chard)	141 Ha	142 Ha	200 Ha	150 Ha
Borlotti beans	69.60 Ha	72 Ha	29 Ha	50 Ha
Fruit	2,488 t	1,680 t	2,250 t	1,140 t
Tomatoes	17,700 t	15,925 t	16,658 t	16,000 t

Note: Ha = hectares / t = tonnes

In relation to ethical qualification and issues relating to respect for rights and working conditions along the ARM supply chain, Fruttigel's primary objective and commitment is still to increase the number of grower producers enrolled in the Quality Agricultural Work Network, assessing the results achieved at the end of the year and, where possible, the reasons that could have made enrolment in the Network impossible (given the specific nature of the requirements for enrolment and the fact that a failure to meet those requirements is not necessarily an indicator of "ethical" shortcomings). Below we have provided the data concerning the total quantity of products supplied to the Fruttigel plants in Alfonsine and Larino (from both member producers and producers of purchased goods), broken down by the number of producers registered with the QAWN and the tonnage of products attributable to those producers.

QAWN-registered growers	2020		2021		Target 2022 vs 2021	2022		Target 2023 vs 2022
	Number	Tonnes	Number	Tonnes		Number	Tonnes	
NORTHERN area								
A. All producers	363	79,355	387	81,167	1 + 10% number of QAWN- registered	305	72,090	Growth of QAWN- registered
B. QAWN-registered producers	68	32,945	78	38,797		82	37,283	
C. Percentage B of A	19%	42%	20%	48%	2 + 10% tonnes from QAWN- registered	27%	51%	Growth of tonnes from QAWN- registered
SOUTHERN area								
A. All producers	119	25,513	160	21,804	1 + 10% number of QAWN- registered	151	23,274	Growth of QAWN- registered
B. QAWN-registered producers	16	2,388	36	5,401		36	5,075	
C. Percentage B of A	13%	11%	22%	25%	2 + 10% tonnes from QAWN- registered	24%	22%	Growth of tonnes from QAWN- registered

4. *Sector qualification*

Outcomes for 2022 targets

The targets for percentage growth in the number of QAWN-registered growers and quantity in tonnes, identified for 2022 compared to 2021, have not been fully met.

In the North, however, there is growth/improvement, taking into account the lower total number of tonnes processed, the number of registered growers and the percentages for both parameters.

In the South, on the other hand, for the same number of QAWN-registered growers (compared to a lower total number of producers), there is an improvement in the percentage value for this parameter. However, the value for tonnes delivered by QAWN-registered growers worsened.

5. *Development of AlmaverdeBio Ambiente (ABA)*

A readiness to invest in the development of AlmaverdeBio branded products has been a core feature of the three-year business plan as an objective closely related to the development of all aspects of the organic production sector, including in terms of communication, and to the need to maximise our business characteristics, our history (cooperative company, grower members, organic production in existence for a very long time, etc.) and the differences in focus on specific issues such as environmental sustainability, with respect to the market and the competition.

The first step in this direction was the acquisition of a controlling interest in the company AlmaverdeBio Ambiente, with which (despite some management difficulties inherited from the previous management) a start was made on developing the ambient range of branded products and specific marketing (both independently by Fruttage, and in cooperation with the AlmaverdeBio Consortium), as well as strengthening the direct and indirect sales structure.

What we have done

However, this investment did not produce the desired effects. After a few years in which Fruttage's management certainly improved ABA's profit and loss account and organisation, the financial results, which were in any case negative in years when the economic situation was anything but favourable, made it impossible for the independent structure to continue.

Therefore, in November 2022, ABA was incorporated into Fruttage, which will now directly manage the development of the branded products previously managed by ABA.

From 1 January 2023, the AlmaverdeBio product offer from Fruttage therefore consists of the production and marketing of the original AlmaverdeBio branded products (frozen vegetables, plant-based beverages, tomato derivatives, fruit beverages and juices) and also the distribution of products under the brands of the merged company (sauces and pestos, olives, tinned pulses, pasta, honey, vinegars, coffee, fruit jams, fruit-based carbonated drinks and iced tea).

What we are committing to do

Notwithstanding the above, commitments to the development of AlmaverdeBio-branded products, both ambient and frozen, produced by Fruttage will continue to be implemented, where applicable through the strengthening of the dedicated commercial structure.

The decisions made in relation to the 2023 range confirm this. These include:

- commercial launch in May 2023 of the line of beverages without added sugar made with 70% fruit/fruit and vegetables packaged in 200 ml glass bottles;
- commercial launch in October 2023 of a new frozen vegetable product.

The sales trend, as shown in the table below, declined slightly in volume but benefited from a significant increase in list prices, thus experiencing growth compared to the previous year.

5. Development of AlmaverdeBio Ambiente (ABA)

The goal for the current year is to meet budget forecasts, consolidating volumes and implementing overall growth in turnover.

AlmaverdeBio	Invoicing 2021	Invoicing 2022	Invoicing Budget 2023
Fruit juices/beverages	949,000	1,493,000	1,548,000
Plant-based beverages	52,000	16,000	17,000
Tomatoes	287,000	264,000	339,000
Frozen foods	4,828,000	6,559,000	7,170,000
Totals	6,116,000	8,332,000	9,074,000

Note: the turnover quoted does not include the value of former ABA products sold, amounting to approximately €390,000 for 2022 and forecast at €230,000 for 2023.

6. *Innovation: products and processes*

What we said

Innovation at Fruttage takes the form of projects that combine internal product and process skills with the ability to approach customers as a proactive counterpart able to innovate (thus also raising the company's external visibility), tapping into new market trends and therefore new consumer needs, with high added-value or increasingly "gourmet" solutions.

The speed and effectiveness of these projects is clearly greater when Fruttage can directly reach the consumer (B2C) or user (B2B) through its own brands.

However, we believe that the same scale can also be achieved when innovation is conveyed through private label customers, although a true, responsible and constructive partnership relationship is needed for this to happen.

What we have done

The main projects implemented and concluded concerning both product and process innovation are:

- expansion of the AlmaverdeBio frozen range: with new product launches for both the Food Service and Retail channels;
- activation and completion on the main analyses and optimisation of the extraction process for the principal legumes and cereals for the in-house production of semi-finished products to be used in plant-based beverages;
- insourcing of the production chain for new, wedge and diced potatoes, to increase market competitiveness;
- insourcing of production chains for broccoli, cauliflower and vegetables with high added-value;
- development of fruit beverages and nectars, aimed at both adults and children, with either reduced sugar or no added sugar, according to the recommendations for proper, healthy nutrition;
- development of compostable packaging films for frozen products: already adopted by several customers.

What we are committing to do

The commitments for the coming years – in line with the current difficulties for customers in accelerating the development of new products – revolve around Fruttage's ability to design and create modern, functional high-quality products, implementing cooperative projects with universities and research institutions but staying focused at all times on the issues of nutritional well-being and environmental and social sustainability.

The company's main quality objectives are therefore the following:

- further implement the development of products with no added sugar, zero sugar (in the plant-based beverage segment), and enriched with functional ingredients (for example, protein drinks, vitamin drinks, salt drinks, etc.);

6. *Innovation: products and processes*

- build stable forms of cooperation with the university and scientific research world;
- continue “circular economy” projects dedicated to the recovery of production waste/by-products. In this respect, some projects already in progress deserve special mention:
 - project with the Rimini Technology Centre (Pharmacy Department) and the company Valpharma, concerning the characterisation of certain by-products to assess opportunities for extraction of p.a. nobili for use in the nutraceuticals and cosmetics;
 - project in cooperation with the Department of Civil, Chemical, Environmental and Materials Engineering at the University of Bologna on the use of by-products to obtain plastic polymers (PLA, PHA, PEF etc.) with which to produce compostable or biodegradable material;
 - research project on the production of functional flours for human nutrition;
 - project to develop functional products for animal nutrition;
 - project in cooperation with a biotech company to produce plant biostimulants.

7. Culture of sustainability

In order to ensure greater growth in the culture and knowledge of sustainability issues, the plan envisages acting at all levels of the organisation, starting with a particular focus on workers and then touching on other levels, such as the governance structure, growers and other suppliers.

In particular, the commitment has been and will be aimed primarily at workers, and then, based on an evaluation of results and opportunities, may be extended to other individuals. It should be noted that the judgement on the sensitivity of the management team (Management and Executive Committee) with regard to this issue is good, while it is at middle management level that efforts should be concentrated, as has indeed been done between 2022 and early 2023.

What we said

For some years now, the theme of belonging has been one of the main elements of Fruttage's employment policies. The aim was and is to strengthen a cooperative working culture and generate a greater sense of attachment to the company, supported by corporate well-being and consequently greater efficiency of the entire company.

With this in mind, the instruments and initiatives put in place in recent years have been the following:

- the Membership Charter, which establishes a series of ethical, virtuous and sustainable behaviours that should guide employees' actions;
- revision and dissemination of the Fruttage Code of Ethics, taking into account the new policies on social responsibility towards stakeholders and the changed attitudes resulting from those policies. Specific policies to ensure dissemination and involvement have been put in place, especially for this second instrument.

What we have done

As far as the Membership Charter is concerned, the activities in 2022 and the corresponding results from the audits can be summarised as follows: The number of breaches recorded was 34 in 29 checks carried out, and therefore a ratio of 1.17 breaches detected for every check completed.

Year	Number of checks	Number of breaches	Contents breaches/checks
2019	34	45	1.32
2020	39	69	1.76
2021	25	43	1.72
2022	29	34	1.17

With regard to the Code of ethics, for 2022 the plan envisaged the commitment to ensuring the widespread dissemination and understanding of the Code, both for Fruttage employees and for external associates and other stakeholders, after a period of inactivity following the pandemic. The goal was definitely achieved, and with great enthusiasm!

7. *Culture of sustainability*

**Dates of dissemination
of the Code**
(late 2022-early 2023)

Meetings
8
each of **2**
hours

**People
involved**
48
including **10**
ambassadors

**Hours of
training**
768

The activities carried out (discussed and agreed upon with Management and carried out with the cooperation of the Ethics Committee) involved the following steps:

1. identification and mobilisation of a group of managers and employees at the Alfonsine and Larino sites: the aim was to form an initial team of “ambassadors”, namely personnel capable of understanding, interpreting and disseminating the contents of the Code;
2. implementation of a specific training activity that took place in two sessions, the first with general content on ethics and the function of the Code and the second with a testimonial from another company (Gaëlle Ridolfi, Hera SpA);
3. between one meeting and the next, the participants dealt with a case involving an “ethical dilemma”, thus putting themselves in the position of the Committee assigned the task of overseeing the implementation of the Code;
4. at the end of that phase, the participants contributed to the revision of the Code of Ethics, which must be reviewed and, if necessary, updated every three years. The new version of the Code was then approved by the Board of Directors on 19 December 2022;
5. subsequently, the “ambassadors” thus trained were engaged in a further dissemination activity. Working in pairs, they engaged other workers, with the following final outcome: a total of some thirty participants involved, an overall very positive assessment of the initiative, and the identification of several points requiring attention to be passed on to Management.

The end result exceeded the expectations that had driven the initiative. Issues of considerable interest emerged from the participants’ comments, as the dialogue went beyond the specific issues related to the implementation of the Code to cover the organisational and relational dimensions of working life. In the way it was implemented, the initiative thus took on the character of stakeholder engagement concerning an area of huge importance for a labour-intensive industry. The findings were reported to the Personnel Department and from there to the direct contact persons.

Finally, with regard to the functioning of the Ethics Committee, mention should be made of its commitment, especially concerning the post-review dissemination activities for the document. The activities were reported to the Board by the Chair of the Committee.

What we are committing to do

For the Membership Charter, the commitment for 2023 is to continue the checks and the work of sharing and listening and of implementing any resulting activities. With regard to the new Code of Ethics:

- the continuation of training activities aimed at the establishment of a group of “ambassadors”, namely managers and supervisors who can act as effective transmitters of the content of the Code, continuing the positive experience of 2022.
- a more general action, focused on the entire target group (employees and associates) concerning how the Code should be used, based also on the 2022-23 results.

8. Training

What we said

This area, and in particular the training of and provision of information for employees, is even more the key to strengthening the sense of belonging to the company, a theme that must be revived and implemented (where necessary using the tools represented by the Membership Charter and the dissemination of the Code of Ethics) after the severe constraints experienced in 2020/2021 because of the Covid-19 emergency.

Growth of knowledge and skills, actions on integration between company functions and between the Alfonsine and Larino plants and actions to raise awareness of the impact of an employee's work on that of others have always been considered by Frutttagel as some of the most valuable aspects for improving the corporate climate and consequently business performance. In fact, these aspects will become the essential element with which to best manage how we handle the near future.

Lastly, the ability to assess and where necessary anticipate future needs for skills and knowledge is becoming increasingly important, given the organisational, technological and digital changes in prospect in an Industry 4.0 world, which are already under way and are set to grow further. There is a need to limit the impacts that social changes (post Covid-19 and crises induced by the Ukrainian conflict) are causing in terms of difficulties in finding (and in some cases retaining) a workforce willing to enter a complex organisation such as Frutttagel on a permanent basis.

What we have done

In 2022, the following actions were taken in the areas described above:

- participation, in cooperation with Impronta Etica and CSR Europe, in the "Upskill 4 Future" project intended specifically to address the issue of changes that are affecting the labour market, the new roles and skills required by companies (and how these aspects are being managed), and the risk of certain profiles leaving the labour market;
- project to increase efficiency and train operators in TetraPak packaging departments;
- managerial training: cycle of internal seminars on current issues or topics related to Frutttagel's strategic interests. Qualification of company managers through participation in the MIC (master's degree in management of cooperative companies);
- four issues of *Noi di Frutttagel*, the in-house magazine published each quarter;
- two events for all personnel (one at Alfonsine and one at Larino), providing information on company performance, the sustainability report and the Membership Charter;
- sharing of specific induction training sessions for new recruits on the contents of the Membership Charter, occupational safety, food hygiene and use of resources;
- specific training sessions on the dissemination of the new Code of Ethics and on sustainability;

8. Training

What we are committing to do

FruttageL will continue with the actions commenced, hoping that the chances of achieving the following objectives will have improved:

- two periodic initiatives intended for all employees, covering FruttageL's activities and results, the choices made, the company's vision, and the critical issues to be managed;
- resumption of the traditional four issues of the in-house magazine *Noi di FruttageL*;
- convening of a Management Meeting at least once a month and of the Executive Committee at least every two months;
- continuity in training activities for intermediate functions with greater responsibilities and with a specific focus on the issue of knowledge of the organisation and of the correct exercise of responsibilities;
- dissemination and awareness of the new code of ethics, through the creation of an extended group of "ambassadors" who can transmit its knowledge and contents.

9. *Diversity, differences, equal opportunities*

Among the key aspects of the standard (in this case, GRI 2016) and the Corporate Sustainability Reporting Directive (CSRD) are those concerning diversity and equal opportunities, with particular reference to gender.

As is clear from the information on personnel policies in Section Two, Fruttigel is a company profoundly characterised by the presence of women, although this has not so far led to significant policy specialisations, if we exclude those relating to welfare.

It should also be noted that issues of differences do not only concern the employment component, but other fundamental aspects of corporate behaviour, such as governance and relationships up and down the value chain, must also be observed when examining equal opportunities.

In the last edition of the Sustainability Report, two objectives were stated, one to consider regulatory developments and the other to “provide a formal framework for the company’s traditional sensitivity to gender and difference issues, typical of the cooperative tradition”. We should acknowledge immediately that there were no specific steps forward in 2022, despite the significant involvement of women in the activities concerning “Welfare” and “Culture of Sustainability”. Please refer to the specific sheets for relevant information. The following commitments must therefore be reiterated:

What we are committing to do

- **By 2023:** determine Fruttigel’s criteria and objectives on difference and equal opportunities policies, with particular reference to the provisions of the Governance Code with regard to the more institutional and corporate governance-related aspects.
- **By 2024:** reach the level envisaged by the legal provisions and regulatory guidelines on difference and equal opportunities policies, linking this to the nature and character of the company, with possible consideration of the creation of a diversity manager role (or similar position/function).

10. Corporate welfare

What we said

The corporate welfare system established in 2018 as part of the supplementary contract signed with the trade unions has become the main feature of labour policies and employment contract management at Fruttigel, improving the sense of belonging to the company and the income level of employees by containing costs and increasing organisational and productive efficiency.

What we have done

The main measures that characterise welfare at Fruttigel are as follows:

- a fixed sum of €82, to reimburse expenses incurred for welfare purposes (health, social and welfare), as an addition and **not an alternative** to the performance bonus;
- convertibility of the performance bonus to corporate welfare payments, at the discretion of the employees;
- an 8% increase paid by the company in remuneration for female workers on optional maternity leave, for the entire duration;
- recognition for personnel under temporary employment contracts (who are otherwise not covered by the regulations and national collective labour agreement) of specific paid leave in case of marriage leave (five days), for mourning (four days) and for study reasons;
- flexibility in managing working hours and lunch breaks for working mothers on day shifts;
- supplementary health care (in addition to the provisions of the national collective labour agreement) for managers;
- agreements with health facilities in the Molise and Ravenna areas at which employees can benefit from health services at very favourable prices and take advantage of Fruttigel's direct payment to the facility.

With regard to the two quantitative targets for the measures (namely employees who took advantage of the fixed sum of €82 and employees who chose to convert the performance bonus into welfare cover), a temporary change was made in 2022, valid only for that year. Since the parameters for disbursing the bonus were not met, Fruttigel, in agreement with the trade unions, nevertheless decided to pay all employees a fuel voucher worth an average of €70 in lieu of the bonus. The target for the number of employees who converted the bonus to welfare cover cannot therefore be measured.

Concerning the target associated with the percentage of eligible employees who have benefited from the sum usable as a refund (€82) of expenses incurred for welfare, the results are as follows:

- **35%** (percentage for 2021);
- **36%** (percentage for 2022) compared to the target percentage of 50%.

This target, therefore, although an improvement on the previous year, was not achieved.

What we are committing to do

The commitment for 2023 is to further improve the structure, usability and understanding of the corporate welfare system.

10. *Corporate welfare*

Specific goals:

- implementation of free consultations for employees on nutritional and food health issues;
- achievement of a level of 50% for the number of employees who benefit from the amount that can be used as a refund of expenses incurred for welfare services (€82);
- achievement of a level of 40% for the number of employees who choose to convert the performance bonus into a reimbursement of expenses incurred for welfare services.

11.

Environment

a. emissions and wastes

b. energy

c. water

What we said

Environmental sustainability is an integral part of Fruttage's Mission and the issues, concerns, investments and related reporting have always been present in the company's social and sustainability reports.

Providing detailed information about all aspects (investments, energy, research and innovation) of Fruttage's continued focus on ensuring sustainable production, consumption and investment patterns is therefore a priority, as demonstrated by the wealth of data provided in the Environmental Report chapter in the second part of this report.

What we have done

Within the 2021/2023 Business Plan, the focus on environmental sustainability has taken the form of a range of operational and investment projects already completed in recent years. Below are the results achieved as a result of the main investments.

	Water and local area	Atmospheric emissions	Energy use	Reduction of plastics
Corporate purification system and new investments 2020/2021 New oxygen diffusion system	2022 Water recovery 122,250 m ³ ; groundwater pumping 492,000 m ³ (authorised uptake 750,000 m ³) containment of the subsidence that the Alfonsine area is prone to	Fewer total emissions of 149.4 tonnes of CO ₂ resulting from reduced energy use	For the new diffusers, reduced energy use for wastewater treatment equal to 260 MWh	
Cogeneration plant		Fewer emissions	Maximised energy efficiency	
Relamping for Larino and Alfonsine plants (2020/2021)		Fewer total emissions 277 tonnes of CO ₂ resulting from reduced energy use	Replacement of all light fixtures with LED technology Reduced energy consumption equal to 1,005 MWh and better illumination	
Meters for electrical and thermal measurements			Metering of specific consumption Development of plans for increased energy efficiency in departments	
Compostable pack				Biodegradable bag for frozen products, UNI EN 13432-certified, made of fully compostable material
New Tetra Crystal® 200 ml line/format 1 line in 2020 1 line in 2021	Format designed 86% using vegetable sources, 7% reduction in the surface area of the pack	Fewer CO ₂ emissions, equal to 14% compared to previous pack		Greater use of paper and reduced presence of plastic and aluminium
New steam generators		Fewer CO ₂ emissions equal to around 1,200 tonnes	Reduced energy consumption and greater efficiency	
Decommissioning of PET department and modernisation of Tetra departments		Energy reduction – 123 tonnes of CO ₂ emitted	Improved efficiency and productivity	Reduced impact of plastic use

11.

Environment

- a. emissions and wastes
- b. energy
- c. water



In recent years a further specific focus on environmental sustainability issues has been added, namely the circular economy.

Fruttigel is cooperating on important projects, which are being implemented as described in detail in area 6 above, “*Innovation: products and processes*”. Other opportunities in the area of management and reuse of certain waste categories are being explored with specialised partners.

Under the Hera Business Solution Protocol, the Hera Group produced the *3rd Circular Economy Report* in 2022 concerning management of wastes and the purification plant.

Circular Economy Report – Hera Group

(comparison first year of management and activation of actions for 2019)

13.4 kg

Non-hazardous wastes managed for each tonne of product
100% recovered

12%

Water recovered

1,200 tonnes of CO₂

Greenhouse gas emissions avoided for wastes diverted from landfill

-58%

Energy consumed per m² of wastewater treated compared to 2019

Zeroing of the quantity of oxygen consumed per m² of wastewater treated

428 tonnes of CO₂

Greenhouse gas emissions avoided through energy efficiency actions compared to 2019

What we are committing to do

The commitments regarding environmental sustainability, circular economy projects and efficiency gains from such projects (energy consumption, water, steam utilisation, waste management), which we are committed to evaluating and implementing, are highlighted in the table below, in which we have also indicated the associated timing or degree of completion (as well as the benefits generated).

Commitments	Benefits generated	Timing/ Completion status
New WMS/internal logistics restructuring using RTLS technology	Greater efficiency and drastic reduction in errors – better workplace safety and shorter routes for forklifts	To be completed by end 2023
New frozen food warehouse	Energy reduction – 480 tonnes of CO ₂ emitted Fewer shuttle operations (– 130,000 km)	In stand by
Potable water and microfiltration plant	Reduced use of potable water Increased purification recovery	To be completed by end 2023
Harvesting machine	Reduced fuel use (+ quality prod.) – 16 tonnes of CO ₂ emitted	To be completed by end 2024
Projects to reuse vegetable by-products or processing waste – waste management	Reduction in quantities currently managed as wastes	Currently being assessed

11. Environment

a. emissions and wastes
b. energy
c. water

Lastly, the following table assesses the achievement by the Alfonsine site of the quantitative targets set in the previous report and highlights the new environmental sustainability targets for 2023.

Areas – indicators	Description	Data for 2021	Target 2022	Data for 2022	Target 2023
Energy efficiency	Reduction in total consumption in tonnes of finished product rate kWh/t finished product	kWh consumed 35,118,294 – tonnes of finished product: 219,267 Rate 160	Reduction vs 2021: 3% NO	kWh consumed 34,727,158 – tonnes of finished product: 191,148 Rate 160	Reduction vs 2022: 3%
Emissions of CO ₂	GHG Protocol: Scope 1 and 2; Scope 3 on harvesting machines	Tonnes of CO ₂ 23,965	Reduction vs 2021: NO	Tonnes of CO ₂ 23,984	Improved ratio rate
		Rate of tonnes of CO ₂ /tonne of finished product: Alfonsine 0.11	Improved ratio rate NO	Rate of tonnes of CO ₂ /tonne of finished product: Alfonsine 0.12	
Water efficiency	Reduction in water consumption per tonne of finished product: rate m ² /t	Consumption: 1,465,227 m ² Tonnes of finished product: 219,267 Ratio: 6.68	Reduction vs 2021 in ratio: 4% NO	Consumption: 1,552,225 m ² . Tonnes of finished product: 191,148 Ratio: 8.1	Reduction vs 2022 in ratio: 2%
	Increase in quantity recovered by treatment system	M ² recovered by the treatment system: 165,066	Increase in m ² recovered: + 10% NO	M ² recovered by the treatment system: 122,254	Increase in m ² recovered: + 15%
Waste management	Reduction in ratio between total non-hazardous wastes and tonnes of finished product	Wastes produced: 9,252 Tonnes of finished product: 219,267 Ratio: 0.042	Reduction vs 2021 in ratio: 5% NO	Wastes produced: 8,927 Tonnes of finished product: 191,147 Ratio: 0.046	Reduction vs 2022 in ratio: 4%

As can be seen from the figures, the results concerning the 2022 vs. 2021 targets were certainly not satisfactory. However, the failure to achieve the targets can be explained by a few specific factors. The reduction in the quantities in tonnes of finished products (due to drought problems and a slight drop in consumption in general), which significantly affected the figures, was not matched by a corresponding reduction in energy consumption (and in the quantities of CO₂ generated). This can be explained by the complexity of managing plants and production lines, which lose efficiency in the face of production discontinuity, declining yields, etc.

With regard to consumption, in addition to the abovementioned factor, there is a major problem with a broken drinking water pipeline, discovered in 2022, which has caused a significant amount of wastage.

However, positive factors to be appreciated are the reduction in water consumption from groundwater (down from 511,000 m² to 429,400 m²) and, on the waste front, the significant reduction in hazardous waste (down from 52.8 tonnes to 16 tonnes).

ISO 26000 Approval



Attestato di valutazione della governance in ambito di Responsabilità Sociale

Su richiesta della Presidenza e della Direzione di FRUTTAGEL S.C.P.A. Bureau Veritas Italia è stata chiamata ad effettuare, nella sua qualità di Ente di Terza Parte indipendente, una valutazione della governance della Responsabilità Sociale di FRUTTAGEL S.C.P.A. ai sensi dei principi e dei contenuti della norma ISO 26000.

La valutazione (assurance) ha avuto luogo a fronte dall'autovalutazione effettuata da FRUTTAGEL S.C.P.A. rispetto a quanto definito dallo standard. Nel mese di Aprile 2023, sono state condotte attività di verifica, al termine delle quali, Bureau Veritas ha prodotto la presente attestazione, frutto di una valutazione indipendente.

Bureau Veritas applica al proprio interno un Codice Etico e riteniamo che non sussista alcun conflitto di interessi tra i membri del gruppo di valutazione e FRUTTAGEL S.C.P.A.

Parere di Bureau Veritas Italia

A fronte delle verifiche effettuate, Bureau Veritas Italia dichiara che FRUTTAGEL S.C.P.A. ha un sistema di Policy, Procedure e comportamenti tali da consentire la governance dei temi di Responsabilità Sociale, come individuati dalla ISO 26000, anche tenendo conto delle aspettative degli Stakeholder. L'azienda prevede specifici obiettivi di responsabilità sociale nel piano strategico ed applica costanti azioni di miglioramento sui temi di interesse, coinvolgendo stakeholders interni ed esterni. La Direzione ed il personale risultano fortemente coinvolti sugli argomenti contribuendo fattivamente allo sviluppo delle tematiche CSR. Punto di forza è il Bilancio di Sostenibilità, documento che illustra obiettivi, azioni e tendenze applicate dall'azienda per garantire governance e prassi gestionali allineati al piano strategico, nonché per rendicontare appieno andamenti e risultati di quanto svolto per poter programmare con concretezza gli sviluppi futuri. Dallo stesso Bilancio traspare il forte impegno sui temi della Sostenibilità, in particolare sulle tematiche ambientali, oltre alle svariate attività e progetti attivati sulla Responsabilità Sociale.

Obiettivo della valutazione

L'attività di Bureau Veritas Italia ha avuto per obiettivo la valutazione della governance della CSR di FRUTTAGEL S.C.P.A.. Nello specifico, la valutazione di Terza parte è stata volta a determinare se e in che misura i temi della ISO 26000 siano governati con un sistema di Policy, Responsabilità, Procedure e Monitoraggi tali da assicurare l'ascolto degli stakeholder e la concreta attuazione degli obiettivi prefissati tenendo conto anche delle loro aspettative.

Scopo della valutazione

La valutazione indipendente si riferisce all'Organizzazione nel suo complesso. Il perimetro ha coinciso con quello del sistema di gestione integrato. La valutazione è stata realizzata tramite attività di verifica in remoto e ha compreso: il riesame di documenti aziendali di politica, mission, valori, direzione strategica, nonché dei sistemi di gestione applicati; l'approfondimento del percorso di definizione dei temi materiali e del piano strategico dell'azienda; interviste alle funzioni aziendali direttamente coinvolte nella gestione dei temi fondamentali della responsabilità sociale; dati e informazioni contenuti nel Report di Sostenibilità 2021 e nella bozza di Report di Sostenibilità 2022.

Metodologia di valutazione

La valutazione di Bureau Veritas Italia è stata allineata ai temi fondamentali (core subject) dello standard ISO 26000:

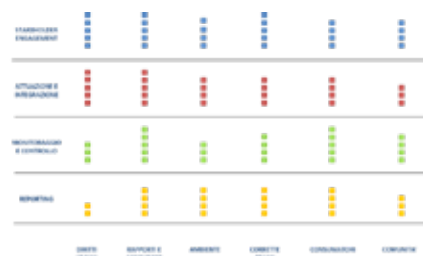
- Diritti Umani
- Rapporti e Condizioni di Lavoro
- Ambiente
- Corrette Prassi Gestionali
- Aspetti specifici relativi ai Consumatori
- Coinvolgimento e Sviluppo della Comunità
- Governance

La valutazione è stata condotta applicando i seguenti criteri:

- **STAKEHOLDER ENGAGEMENT:** Come vengono coinvolte le parti interessate su questi temi? Come sono incorporate le aspettative degli stakeholder all'interno dei processi decisionali?
- **ATTUAZIONE E INTEGRAZIONE:** Quali sono le politiche e/o procedure che regolano questi temi? C'è evidenza di integrazione di aspetti di CSR all'interno dei processi?
- **MONITORAGGIO E CONTROLLO:** Come viene monitorata l'attuazione di questi temi?
- **REPORTING:** Quali forme di rendicontazione sono in essere? Quali KPI? Il reporting è limitato all'interno o è accessibile agli stakeholder?

Risultati

Nel grafico che segue è riportata una rappresentazione qualitativa dei risultati di valutazione sui temi fondamentali ISO 26000 rispetto ai criteri utilizzati, da un livello minimo 1 (assenza di gestione) ad un massimo di 5 (best in class). Il tema fondamentale della Governance è stato analizzato sulla base della UNI/PdR 18:2016, l'esito della valutazione è quello di un'organizzazione "conforme e impegnata all'eccellenza".



Milano, 27 Aprile 2023
Giorgio Lanzafame – Local Technical Manager

Move Forward with Confidence



GRI Assurance Statement



Assurance Statement addressed to Fruttagel S.C.p.A stakeholders

1. INTRODUCTION

Fruttagel S.C.p.A has commissioned Bureau Veritas Italia S.p.A. ("Bureau Veritas") an independent assurance of its 2022 Sustainability Report ("Report"), for the purpose of providing findings over:

- the accuracy and quality of published information concerning its sustainability performance;
- the correct application of the reporting principles of the Global Reporting Initiative according to the level of application "with reference" to the GRI Standards as per GRI Universal Standards 2021.

2. RESPONSIBILITY, METHODOLOGY AND LIMITATIONS

Fruttagel S.C.p.A alone had the responsibility of collecting, analyzing, collating and presenting information and data included in its Report. Bureau Veritas responsibility has been to perform an independent assurance against defined objectives and to reach the conclusions reported in this Statement.

The assurance performed has been a Limited Assurance in accordance to the ISAE 3000 standard, through sample application of audit techniques, including:

- review of Fruttagel S.C.p.A's policy, mission, values, commitments;
- review of records, data, procedures and information-gathering systems;
- interviews to members of the working group responsible for drafting the Report;
- interviews to company representatives from various functions and levels, including top management;
- overall verification of information and general content of the 2022 Sustainability Report.

The assurance activities have been performed out remotely whit the company's site in via Nullo Baldini n° 26. 48011 Alfonsine (RA) Italy and we believe we have obtained sufficient and adequate evidence to support our conclusions.

The assurance has covered the whole 2022 Sustainability Report, with the following limitations: for economic and financial information, Bureau Veritas only verified their consistency with the company's annual reports and accounts; for the activities carried out outside the reference period (1 January 2022 - 31 December 2022) and for the statements of policy, intent and objective, we limited ourselves to verifying their consistency with the reference methodological assumptions.



3. CONCLUSIONS

Following the assurance activities described above, nothing has come to our attention to indicate that information and data in the Report are inaccurate, incorrect or unreliable. In our opinion, the Report provides a trustworthy representation of Fruttigel S.C.p.A activities conducted by during the year 2022 and of main results achieved. Information is reported generally in a clear, comprehensible and balanced manner, comparability, completeness, context of sustainability and verifiability in those exceptional cases where data and indicators could not be collected and analyzed with absolute precision, this has been reported in a transparent manner.

We also confirm that the Report complies with GRI requirements for an “With Reference” Application Level and that our assurance activities also met the GRI requirements for external assurance.

In its Report, Fruttigel S.C.p.A has included a materiality matrix in which clearly explains the issues identified and considered relevant following a process for identifying the risks and the main impacts which is currently being finalised. For the future, Fruttigel S.C.p.A is recommended to actively involve external stakeholders in the assessment of relevant issues, as already planned.

4. DECLARATION OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is a global organization specialized in independent assurance, inspection and certification activities, with over 190 years history, 82.000 employees and an annual turnover of more than 5,6 billion euro in 2022.

Bureau Veritas applies internally a Code of Ethics and we believe there were no conflicts of interest between members of the assurance team and Fruttigel S.C.p.A at the time of the assurance.

Bureau Veritas Italia S.p.A.

Milan, 17th May 2023

A handwritten signature in black ink, appearing to read 'Giorgio Lanzafame'.

Giorgio Lanzafame

Local Technical Manager

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