

SUSTAINABILITY REPORT 2023



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LETTER TO STAKEHOLDERS

Dear Stakeholders,

this document is the Sabelli Group's second Sustainability Report and aims to build upon the process of internal awareness and external disclosure of sustainability topics that began in 2021.

There are two significant pieces of information to report on for 2023. One refers to the gender equality certification (UNIPDR 125:2022) obtained, reflecting the virtuous commitment pursued to recognise equal rights and opportunities for all male and female workers regardless of gender. The promotion of inclusivity and gender equality has always been one of our priority objectives, which we pursue within the broader concept of sustainability, and also promote within the context of social responsibility.

The other refers to "Il buono del bianco", [the goodness of white], a broad and virtuous project promoting the Italian dairy chain from the perspective of constant improvement and innovation. With "buono del bianco", the Company has introduced a remuneration system for milk suppliers, based on the implementation of the requirements set by the Filiera Sabelli technical rules. The new aspect sees the organoleptic characteristics and food security of milk in the rules being complemented by parameters referring to innovative features relating to sustainability: enhancing the animal's well-being, the commitment to environmental sustainability and energy efficiency, traceability of the milk and the incentive of a generational change among farmers.

Bestowing a central role upon people, traditions and craftsmanship, words that distinguish the businesses of the Sabelli Group, also means taking responsibility for giving something back to the places where we operate and inhabit, especially in terms of respect and transparency. An ongoing commitment to ESG sustainability reporting is one way of conveying this awareness and desire to keep improving to our territory, in combination with a forward-looking approach that signals new developments and solutions, improvements, and sustainable innovations.

At Sabelli, this awareness translates into the primary value attributed to people, the selection of quality raw materials, and the commitment to design and adopt innovative technological solutions for a lower environmental impact.



Choosing a “sustainable” approach is never easy nor does it produce immediate results, but it is a responsible and necessary decision in a changing global context where each player must do whatever they can to contribute. At Sabelli, we believe that we have chosen the right path and that, over time, we will reap its benefits.

Managing Directors

Angelo and Simone,

Successors of Archimede Sabelli



MASTRO ARCHIMEDE
Sabelli
1921
NODINI
fior di latte • intrecciati a mano
100% LATTE ITALIANO
CON FERMENTI LATTICI
A. Saliti
100
BONTÀ





NOTE ON METHODOLOGY

This document is the Sabelli Group's third Sustainability Report and strives to create a transparent communication of the sustainability strategies of the Group (also referred to as "Sabelli" or the "Group" in this document), in relation to environmental, social and governance performance for financial year 2023 (1 January 2023 to 31 December 2023).

The scope of data and economic information is the same as the Sabelli Consolidated Financial Statements as at 31 December 2023. The environmental and social data and information include the plants of the Sabelli Group in Ascoli Piceno (AP), of Trevisanalat in Resana (TV), of Ekolat in Vipava (Slovenia) and of Val d'Aveto in Rezzoaglio (GE), the latter already included as of 2022 for the sake of completeness and greater consideration of the full scope of the Group. Data relating to previous periods (2021 and 2022) are shown in the Sustainability Report for comparative purposes, to allow for an assessment of performance over time. For comparison purposes, the 2021 data in the current Sustainability Report also include the Val D'Aveto plant, which was not present in the 2021 reporting scope, but is included as of 2022. In order to ensure the reliability of the data, use of estimates has been limited as much as possible and, where present, is appropriately indicated and based on the best methodologies available.

The annual Sustainability Report has been prepared according to the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) in line with the level of GRI-referenced application, with reference to the 2021 update, as indicated in the "GRI Content Index" table. In particular, the reported contents were selected on the basis of the results of a materiality analysis carried out in 2021 and updated in 2023, with a specific focus on the analysis of the impacts on the economy, the environment and people, including human rights, generated by the Sabelli Group by its activities. This made it possible to identify the material aspects for the Sabelli Group and its stakeholders, as described in the "Stakeholder identification and materiality analysis" section of this document.

Please note that in 2023 there were no significant changes to the Group's size, ownership structure or supply chain.

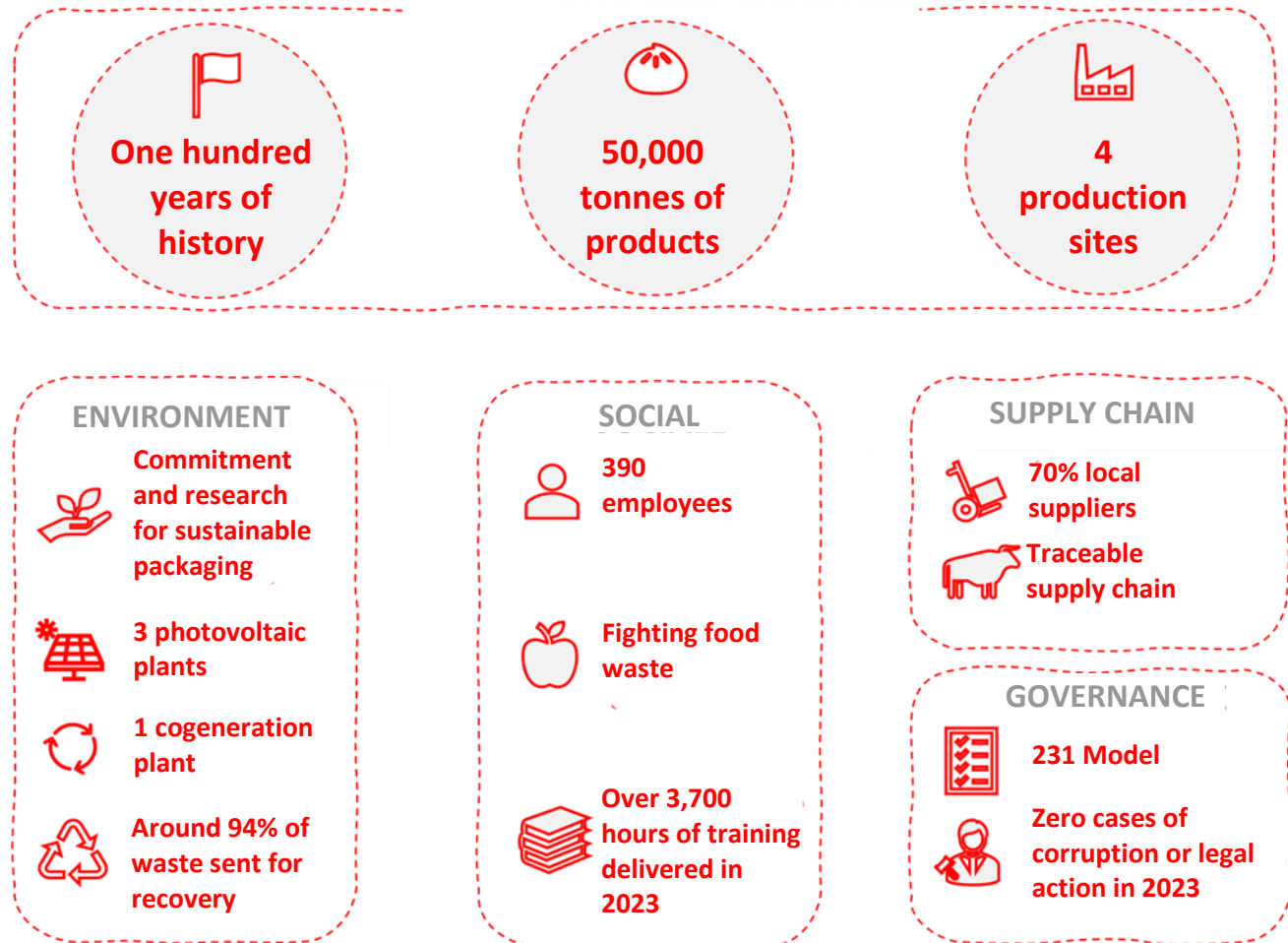
For further information and suggestions regarding the Sabelli Sustainability Report, please contact the Group at the contact details found at the website www.sabelli.it. This document is also available on the Sabelli website: www.sabelligroup.it.





2023 HIGHLIGHTS¹

THE SABELLI GROUP IN NUMBERS

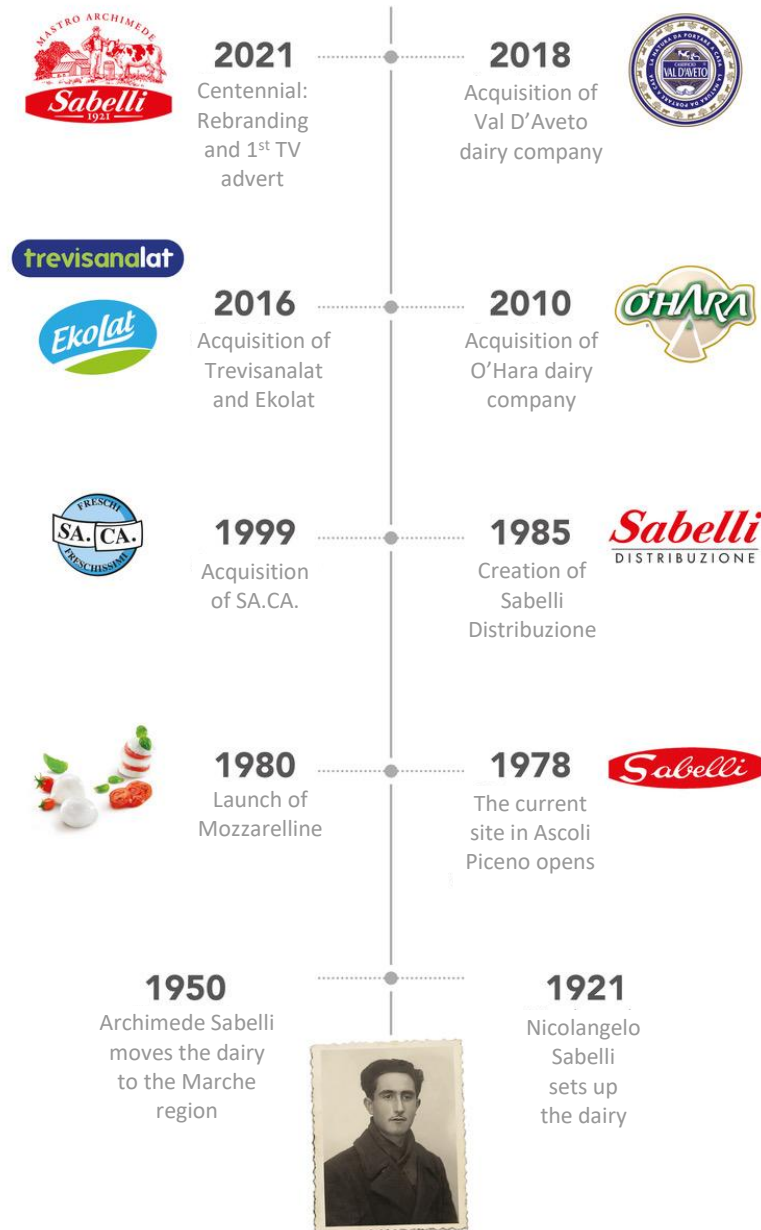


¹ Some of the highlights below contain information pertaining to an individual Group company rather than the Sabelli Group as a whole.



1. THE SABELLI GROUP

The Group as it exists today, began with the Sabelli site in Ascoli, a business established by Nicolangelo Sabelli in 1921. Initially a small workshop in Bojano, in the Molise back country, when Archimede succeeded his father in 1967 the company put down roots in Ascoli Piceno. The bond created with the territory has become a fundamental element for Sabelli.





The continuous growth did not, however, lead to a loss of family values, which remain a distinguishing feature alongside dialogue and relationships with the people, workers and farmers who have always characterised the Group’s identity. Its nature as a business that both supports and is supported by people has remained steady over time, allowing Sabelli to become a leading player in the Italian dairy scene, through the production of stretched-curd cheese such as mozzarella, burrata and straciatella, ricotta, and fresh cheese, scamorza, caciotta and other dairy products.

In fact, Sabelli is currently no longer just the historic plant in Ascoli Piceno, but a Group with other two plants active in the production of stretched-curd cheese in Resana (TV) and Vipava (Slovenia), and another dedicated to the production of yoghurt and fresh and aged cheeses in Rezzoaglio (GE).





The Sabelli Group mainly has business relationships in Europe, as well as some non-European countries².

1.1. VALUES AND THE SABELLI GROUP BRAND

The concept of the Sabelli brand's identity is found in the Group's DNA. Tradition, Genuineness, Innovation, Quality, and Authenticity are cornerstones and distinctive traits of the Group and its people.

These values constitute the identity of the Sabelli brand, and are reflected in the desire to make its products popular in consumers' homes according to principles of tradition, craftsmanship and pride. The Group's strong link with the territory has allowed it to carve out a leadership role in its sector, consolidating a special relationship with people including thanks to immediate brand awareness that relies on the quality of its products.

In 2021, the year that marked one hundred years of Sabelli, the brand was relaunched, redefining its identity and communication priorities, and conveying a new concept through communication channels such as TV adverts and brand new packaging. Once again in 2023, the Group continued to operate along the same lines as the year of its centenary, with a more decisive use of the digital channel, opting for social media and choosing content creators as Sabelli brand ambassadors.

In 2021, the television campaign "Sa di bianco, sa di buono" was launched – still present in communication – to mark the centennial of Sabelli. It was the first TV advert in the Group's history to create a conceptual territory that conveyed the true essence of Sabelli, with a unique register compared to that of its main competitors. The chosen style was country chic, with warm and colourful features that were also clean and curated. Like the product packaging, the style mainly used Sabelli colours: white for milk, the raw material used by the Group, to make it meaningful, and a bold and energetic red, an unusual colour for a dairy company, but one which gives the Sabelli packaging a strong and clear recognition.

Val d'Aveto has been part of the Sabelli Group brands since 2018. The brand takes its name from the dairy with the same name, created in 1991 with the aim of relaunching the production of "San Ste" cheese, a traditional cheese from Liguria, before creating the first strained yoghurt, a process that removes the whey to achieve a product with a thick and creamy consistency.

² Specifically, the European markets served by the Group are: Bulgaria, Germany, Spain, United Kingdom, Ukraine, Portugal, Romania, Czech Republic, Croatia, Austria, Poland, Greece, Slovenia, Switzerland, Sweden, Belgium, Ireland, France and Lithuania. Outside Europe, the Group serves the markets of Korea, Hong Kong and Japan.



Over time, the strained yoghurt has become the brand's leading product. It stands out among its market competitors thanks to its refined and clean image, which perfectly reflects the essence of the product, and has the following specific characteristics:

- It is simple, with no unnecessary complications in its recipe or appearance. The packaging is clean, built around the centrality of its logo, and uses a linear font and reassuring blue colour.
- It is refined in form and substance thanks to the choice of classic yet recognisable flavours.
- It is satisfying: high quality standards elevate the different varieties to market reference status, becoming more of a dessert than a yoghurt.
- Like the Sabelli brand, the Val d'Aveto brand is also founded on the values of territory, tradition and authenticity, building a concept and value space that is common to both Group Brands.

Like the Sabelli brand, the Val d'Aveto brand is also founded on the values of territory, tradition and authenticity, building a concept and value space that is common to both Group Brands.

1.2. THE GROUP'S SUSTAINABILITY JOURNEY

The agri-food world plays a fundamental role in promoting a series of sustainable initiatives that can bring about truly significant and innovative change. Consumers are increasingly mindful of what they eat and the impact that making a product has on the environment, in terms of raw materials, production processes, and the "end of life" of the product, with reference to the disposal of packaging and the cycle of food waste. Businesses that are responsive to these changing needs and awarenesses must be prepared and innovate their processes along the entire supply chain. They must also equip themselves with certifications that have now become essential for competing in an increasingly dynamic market.

The international regulatory context is also constantly evolving, and revolving, around the Sustainable Development Goals of the United Nations launched in 2015. There is a particular focus on the goals to reduce poverty and world hunger and to promote responsible consumption and production. These issues call for strong action by the agri-food sector in the fight against waste and in the commitment to ensure that everyone has access to a healthy and well-rounded diet, while eliminating malnutrition and food inequality.

Mindful of the growing centrality and importance of sustainability, in 2021 the Sabelli Group embarked on a journey to adopt measures and strategies that would make a tangible contribution to reducing the impact generated. The process began with the Sustainability Report, now in its third edition, which aims to focus on what the Group already does and what it intends to implement in the near future.

The Group started by identifying Sabelli stakeholders, the parties that are most involved in the Group’s work and directly or indirectly impacted by its operations. Then followed a materiality analysis, which enabled the Group to define issues that were considered a priority for its stakeholders.

With a view to continuous improvement and the constant search for innovative solutions with a lower environmental impact in line with consumer requirements, the Group continuously studies and monitors more sustainable alternatives for products as well as packaging. One example is the transition from polystyrene to polypropylene in off-the-shelf and service counter circular tubs for burrata and stracciatella cheeses. The result is a recyclable mono-material rather than a mixed composition product. Another step on the road to sustainability was marked in 2023 with the Certification obtained for the technical rules in the Sabelli supply chain that will be dealt with in more detail in paragraph 3.3.

Stakeholder identification and materiality analysis

The stakeholder identification process aims to map the various category stakeholders with an influence on the Group or on which Sabelli has an influence through its activities or strategic choices, so that at a later stage, the issues with a direct or indirect impact on them can be defined.

On the basis of prior benchmarking of its main peers in the agri-food sector, Sabelli’s top management team confirmed the Group stakeholders for 2023 that had been identified in the first Sustainability Report 2021, and included in the 2023 edition as Group stakeholders.

Following confirmation of the parties or categories of parties most involved in the Group’s work, Sabelli’s material sustainability topics were brought into focus. These are areas that reflect the significant



environmental, social and economic impacts for the Group or those that are able to influence its stakeholders in terms of decisions and assessments. In this sense, the same approach that was used for the previous two reports will continue, with a particular focus, however, on the analysis of the impacts of each material topic. The result of this new methodological approach, a consequence of the 2021 update to the GRI Standards, is the following list of material topics in order of priority and grouped by ESG macro-area:



1	Social	Product quality and safety
2	Social	Occupational health and safety
3	Environmental	Waste management and water consumption
4	Social	Research, innovation, and sustainable packaging
5	Social	Responsible supply chain management
6	Social	Customer satisfaction
7	Economic	Business ethics, compliance, and risk management
8	Social	Employee training and development
9	Social	Animal welfare
10	Social	Human resources management
11	Economic	Brand identity
12	Social	Employee attraction, retention and well-being
13	Social	Food waste
14	Environmental	Management of energy consumption and atmospheric emissions
15	Social	Traceability of raw materials
16	Economic	Economic performance

Given the sector in which the Group operates, of all the issues identified through the above materiality matrix, those of particular interest are those related to product quality and safety, the supply chain, and environmental protection, as well as the health and safety of its people. Furthermore, in promoting a clearer and more transparent approach, the Sabelli Group has decided to include *economic performance* in the priority list of material topics for the 2023 report.

With reference to the product area, customer satisfaction and the aspects of quality and safety are of particular importance to Sabelli. Making products that respect the highest quality standards and meet the main safety regulations in force is a priority, as is offering good and controlled products to its customers. This is also possible through the relationship established over time with its customers, by building a strong brand that is able to relate to and communicate with consumers.

Sabelli's commitment to producing safe and high-quality products is the result of a careful supplier selection process, using standards and procedures that allow it to apply uniform criteria when choosing raw materials, ensuring greater control over the traceability of raw materials, which, in the dairy sector, are of fundamental importance.

In terms of the environment, the Sabelli Group believes it is important to lower energy consumption and thus reduce the emissions generated by its production activities, as well as adopt a sustainable approach to food waste management and more environmentally friendly packaging.



As such, the Group is very active in the search for increasingly innovative solutions to introduce more sustainable forms of packaging.

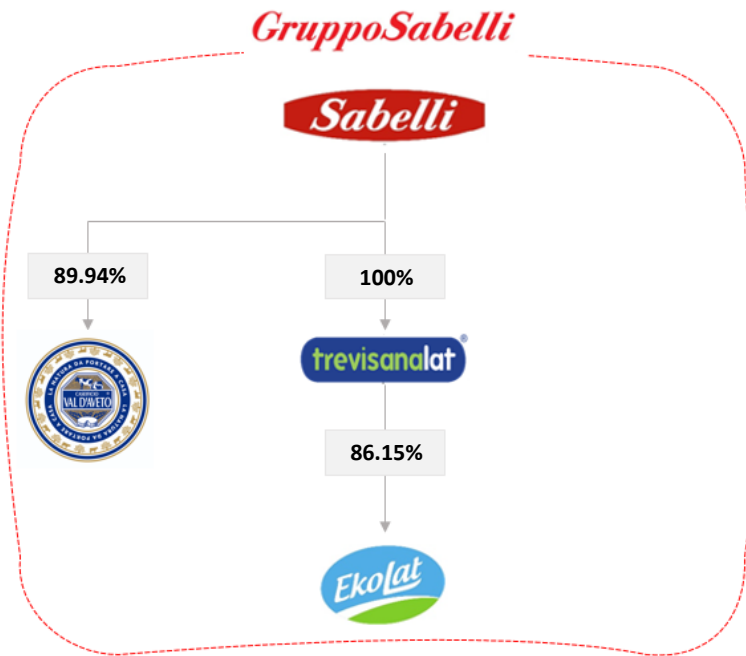
Sabelli
1921
di bianco. Sa



2. GROUP GOVERNANCE

The Sabelli Group’s governance structure guarantees effective and efficient management and timely control over all activities conducted at company level, with the aim of creating value for every stakeholder.

The four companies maintain their own autonomous governance structure, despite the parent company, based in Ascoli Piceno, exercising control and direction over the other three companies. The Sabelli Group’s corporate structure is shown below.



The parent company’s organisational structure includes a Board of Directors of seven people, chaired by the Legal Representative. There are two Chief Executive Officers, one in charge of Sales and Marketing – thus responsible for the entire Sales Area in Italy and Overseas – and the other in charge of HR, Procurement, Administration, Information Systems, Supply Chain, and Quality.

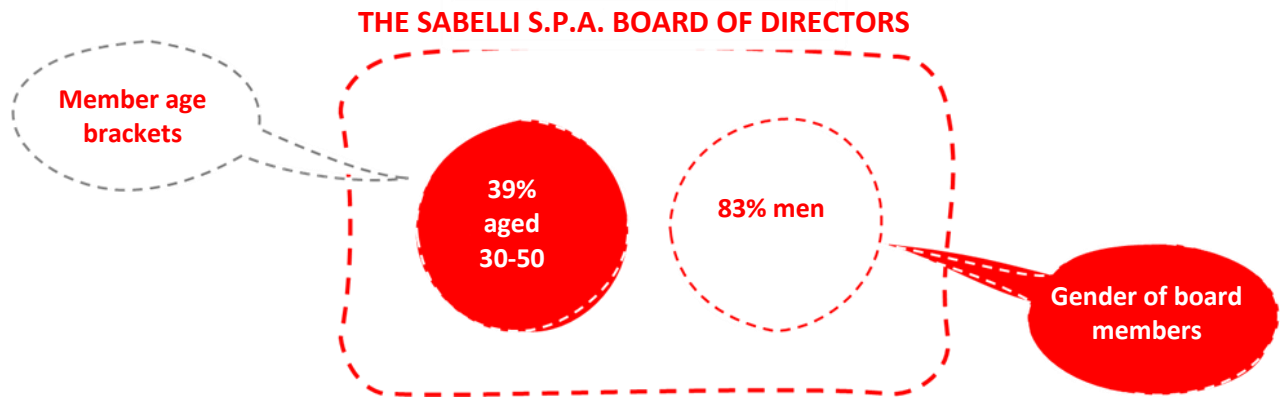
Sabelli is a member of Confindustria Ascoli Piceno.



Composition of the Board of Directors of Sabelli S.p.A. as at 31 December 2023

Gioconda Sabelli	<i>Vice-President</i>
Mariagrazia Sabelli	<i>President</i>
Simone Mariani	<i>Chief Executive Officer</i>
Angelo Davide Galeati	<i>Chief Executive Officer</i>
Ermano Galeati	<i>Director</i>
Marcello Mariani	<i>Director</i>
Pantaleone Contartese	<i>Director</i>

The Board of Directors consists of two women and five men. Three directors are aged 30-50 and four directors are aged over 50; there are no directors under the age of 30.



2.1. COMPLIANCE AND RISK MANAGEMENT

In order to protect the Group from penalties and to develop its reputation, Sabelli pays close attention to quality and safety, and the potential risks. In the spirit of continuous improvement and in compliance with the law, the risk assessment document is constantly updated and its full application guaranteed. At both Sabelli and Trevisanalat, the workers’ safety representatives took active part in the risk assessment, before adequate training was then delivered to personnel.

The risk management approach of the Sabelli Group companies is based on a periodic analysis of its processes, in particular those relating to food safety, with accurate controls for each process. Specifically, efforts are made to promote communication with all stakeholders, such as suppliers, customers, consumers, entities and supervisory boards. In addition, workers are ensured that the activities respect safe and ethical labour practices: the work environment, machinery, equipment, products and substances used are compliant with legal requirements and are maintained in an efficient state of use.

THE 231 MODEL

With reference to the legal measures used by the Sabelli Group, the Trevisanalat plant applies the model set out by Italian Legislative Decree 231/2001 on the responsibility of entities and legal persons. Personnel have been adequately trained in this topic. This tool is considered fundamental for raising the awareness of those who represent and act on behalf of the Group, so that they follow fair and correct conduct their work, with the aim of preventing illegal situations.

With regard to the Group's internal control activities, the Food Quality and Safety Manager, together with an external consultancy firm, prepares the Internal Audit Plan on basis of the Group's BRC, IFS, and ISO 14001 certifications. The business areas involved are Management, Human Resources, New Product Development and Production, Sales, Procurement and Logistics, Food Quality and Safety Management, and Environment and Energy Management.

2.1 BUSINESS ETHICS

The Sabelli Group's business is managed according to the values of ethics and transparency, which go hand in hand with the quality of its products. The Group believes that only an approach of integrity and respect towards people will guarantee growth prospects and build a positive image and reputation among its stakeholders.

At the Ascoli Piceno site, during recruitment, all new employees are given a copy of the internal regulations in order to standardise personnel conduct across the company, both on and off site. The document offers guidance on workstation management, the proper conduct to be adopted with colleagues and the company management team, the management of company vehicles, illness, injuries, absences, leave, and all matters related to the correct performance of business activities. A document containing a code of conduct that must be upheld by personnel in the workplace is also delivered. It also outlines appropriate individual personal hygiene and clothing.



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

The Resana production site has its own Code of Ethics that outlines the commitments and responsibilities of the company and its stakeholders when conducting all business activities. All activities carried out by Trevisanalat in pursuit of its mission must be in accordance with the following general principles:

- Compliance with the law, which is subject to constant control by the supervisory board, and the respective training activities;
- Professional ethics;
- Consistency and verifiability;
- Social responsibility and attention to the environment.

Sabelli's commitment to promoting a model based on ethics and integrity in every choice and daily action is also demonstrated by the absence, in 2023, of any confirmed cases of corruption, legal actions due to anti-competitive behaviour, antitrust and monopolistic policies, and significant non-compliance with laws and regulations.

2.2 GENERATED ECONOMIC VALUE

Having a positive impact on its reference context is crucial to Sabelli, which has always placed its strong links with the territory and community at the heart of its operations. This objective also encompasses the creation and distribution of economic value, which is fundamental to creating a thriving context, thus contributing to local development.

In 2023, Sabelli generated economic value for **€146,742,293**, increasing by around 8% on 2022. The table below shows the reclassification of Sabelli's income statement for 2023, with details on the distribution of economic value generated directly, denoted in thousands of euro.

	2022	2023
Economic value generated directly	135,510	146,742
Distributed economic value	129,849	133,444
Remuneration to suppliers	115,189	113,222
Remuneration to personnel	13,221	15,541
Remuneration to capital lenders	393	714
Remuneration to the Public Administration	1,047	3,953
Retained economic value (calculated as the difference between the generated economic value and the distributed economic value)	5,660	13,298

GRI 201-1: Economic value generated directly and distributed

The table shows the distribution of the value generated to suppliers, stakeholders, collaborators and employees, as well Sabelli investors, the Public Administration and community, net of the retained economic value and any devaluations, amortisations and depreciations.

Specifically, in 2023, the **distributed economic value** across these categories amounted to **€133,444,198**, equalling approximately **90% of the generated economic value**. Corresponding to the business activities characterising Sabelli, the category with the highest distribution of value was **suppliers**, which received **77%** of the total distributed value. The generated economic value directed at remuneration to capital lenders recorded a significant increase compared to the previous reporting year (+81%).





3. RESPONSIBILITY OF OUR PRODUCTS

The search for even higher levels of food quality and safety remains a priority for the Group, so as to be able to respond openly to requests from the market and to satisfy all requirements relating to the products and services provided. The manual skill involved in making the product, along with intuition, observation and the sensation deriving from contact with it were always an unwavering priority for Archimede Sabelli. Despite the innovative machinery that allowed the site to grow over time, these key features have never disappeared. This is also why products at the Sabelli Group's sites are mainly made with milk from local suppliers³, with the addition of milk enzymes to enhance the flavour and restore unique organoleptic properties to the product that are true to traditional methods of the past. This is how Sabelli products offer end consumers an authentic, rich taste typical of traditional mozzarella.

The materials used to produce or package the products can be divided into raw materials for production (such as milk, selected milk enzymes, cream, food grade salt), associated process materials (such as detergents, coagulants and lubricants), semi-finished products or components, and packaging materials (such as plastic and cartons). By aggregating these four categories, and noting that for a dairy Group, the highest quantity of materials used to produce or package the products are the raw materials, in 2023, round 98% of the total materials used were renewable, increasing significantly from the 90% recorded in 2022, with the remainder considered to be non-renewable.

3.1 OUR INNOVATIVE SPIRIT

The Sabelli Group is a consolidated company with a constant eye on improvement and the future. Its plants adopt exclusive technology and excellent production techniques, with constant attention to the quality of the products that ranges from the choice of raw materials to investments in technological innovation.

Sabelli bases its production activity on two fundamental pillars: on the one hand, the spirit of innovation, on the other, the intention to preserve the eternal tradition and craftsmanship of its products. Research and development at Sabelli rely on an internal chemical/physical and microbiological laboratory, as well as ongoing collaboration with academia, alongside which it carries out product and process innovation projects. Relations with universities, external laboratories and suppliers play a key role in the product and packaging innovation process.

³ A local supplier is an organisation or person who supplies a product or service to the organisation and is based in the same geographic market. In this Report, "local" means a supplier operating in the same country as the company; for the Ascoli, Resana and Rezzoaglio plants, a local supplier is one based in Italy, while for the Vipava site, in Slovenia. The milk used at the Ascoli Piceno plant is 100% Italian with the exception of some production lines which in certain periods of the year also use a small quantity of milk from the EU. The plant in Resana uses over 80% Italian milk, while the milk used by the dairy in Rezzoaglio is 100% Italian. The Vipava production site is 95% supplied by Slovenian companies, and 5% by Hungarian suppliers and other EU countries.



Once again in 2023, referring to the packaging sector, the site continued with the introduction of packaging machines to its Burrata Department, that could “close” the top of the burrata, without the need for ties made of plastic. This innovation makes it possible to significantly reduce the quantity of plastic waste generated upstream of the production process, with consequent benefits for the environment.

The demand for innovation and research is internal as well as external in origin. Internally, requests come from the production sector, the quality area, or directly from Management. In this case, requirements might be represented by the desire to improve the production process, for example in terms of yield, functionality, production efficiency, reducing the risks associated with production phases, and reduction of waste. Externally, input can be a result of a request from customers and/or consumers, or the result of a market analysis and the Group’s continuous research and contact activities with its consumers and customers, aware of the importance of noting the most important industry trends.

RESEARCH AND DEVELOPMENT: OUR JOURNEY

In 2021, the Sabelli Group’s commitment to innovation led to the implementation of automated and technologically advanced systems to smoke products traditionally, with wood chips and beech, including cheese and burrata.

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

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



On the matter of waste related to packaging materials, Sabelli conducts checks on the efficiency of the production and packaging lines. Thanks to plant investments and the ongoing training of operating personnel, in recent years it has been possible to develop operations to reduce off-cuts and waste during the alignment of film reels and product packaging. In particular, as a result of monitoring of the waste produced during the automatic insertion of mozzarella packets into larger packs, the packs were made longer in 2021 to facilitate the insertion of the packets and consequently reduce the plastic waste generated (packaging remodelling to improve machinability and optimise the use of such packaging).

In recent years, the research and development team also adapted the graphics on all Sabelli product packaging films for use in the packaging machines. On the one hand, this allowed for better performance and facilitated the work of the machinist; on the other, it reduced the film waste created during alignment of the reel in the machine and definition of the operating parameters.

3.2 FOOD QUALITY AND SAFETY

The aim to offer the highest quality products and services, responding as closely and as quickly as possible to customers' needs, is a key part of Sabelli's corporate mission. The Group has always been committed to building relationships of trust with its customers based on experience and the possibility of mutual satisfaction on the market. This is the reason behind the compliance assessments of its products and processes with international food safety and quality standards, which often include audits by independent parties.

SABELLI ASSURES ITS CUSTOMERS THAT ITS PRODUCTS COMPLY WITH EXISTING LEGISLATION AND SPECIFIC REQUIREMENTS THROUGH:

1. the assessment of its suppliers of raw materials, packaging and services with an impact on the quality and safety of finished products;
2. the correct storage of the materials and raw materials purchased;
3. the control of the release into the production cycle exclusively of products that meet legal, quality and food safety requirements;
4. the reporting of non-conformities upon receipt and initiation with its personnel of a timely resolution with a view to continuous improvement;
5. continuous checks on raw materials, semi-manufactured and finished products carried out by external accredited laboratories as well as its own internal laboratory. These checks allow the food quality and safety manager to confirm the suitability for sale of the products made each day by the Sabelli dairy.

In 2022, the Sabelli Group had no reports of cases of non-compliance with product health and safety regulations that would have resulted in the payment of a fine and/or a penalty.

With regard to incidents of non-compliance with product health and safety regulations resulting in a warning or limitation or recommendation at Group level, Sabelli reported a **lower number in 2023 compared to 2022**, with a total of 22 cases against the 28 in 2022.

On the other hand, with reference to incidents of non-compliance with internal voluntary codes regarding the health and safety of products and services, **37 cases were recorded in total in 2023**. Of these cases, 23 referred to the internal non-compliance of products, and 14 to procurement non-compliance. The Sabelli Group manages and resolves these cases in accordance with the “PDCA” model for continuous improvement.

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

These actions allow the Group to adapt the frequency of analyses to the critical aspects that emerge and focus its attention and resources more effectively. In particular, checks are carried out when the raw materials enter the production plant and, upon receipt of the goods, quantitative and qualitative tests are carried out.

All analyses of compliance on incoming raw materials, both food and packaging, follow well-defined audit plans based on procedures that envisage risk analysis and follow the procedures set out in the HACCP manual, which aims to ensure the health of food from the perspective of prevention. To this end, Sabelli carries out numerous chemical and microbiological analyses each year, using laboratories at the Group’s sites as well as external laboratories accredited by and affiliated with the Sabelli Group.

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



The Ascoli site is also ISO 14001 certified, and has undertaken the process to obtain UNI EN ISO 22000:2018 certification by 2024. The Trevisanalat site has had a Quality Department since 2006, and has been UNI EN ISO 22000:2018 certified since 2007, a standard designed to harmonise global requirements for food safety management for businesses within the food supply chain, by combining the fundamental characteristics of ISO 9001 and HACCP to provide an effective framework for the development, implementation, monitoring and continuous improvement of a documented food safety management system in the context of the organisation’s overall business risks. Other certifications at the Resana site include IFS and BRC, in their eighth and ninth update respectively. The Ekolat site in Slovenia is also IFS certified. The Val D’Aveto dairy does not have BRC/IFS certifications but follows their guidelines in the process of applying the HACCP system.

The Sabelli Group’s company policy on food product safety is underpinned by the systematic and continuous prevention of the onset of critical and emergency situations for food product safety caused by internal factors and, as far as possible, external factors. As part of crisis management, the company adopts a specific procedure that allows for the management of non-conformities in the production, distribution and sales process, in particular the management of “health crises” resulting from non-compliance in the area of food safety, “product” quality or “performance” quality.

This procedure also governs non-conformities that could give rise to product recalls intended to ensure the health of consumers, as the subjects of food safety risk, but also to safeguard the company’s reputation and performance. There is a tangible commitment to reduce and eliminate where possible the risks resulting from potential critical situations that could occur through a careful and rigorous handling of complaints and other types of reports or alerts. The number of complaints is monitored using a dedicated system that collects incidents of non-compliance of



product quality reported by customers as well as end consumers. In 2021, the Sabelli quality office and Management team implemented a new software for the management of complaints and non-conformities. This software contains forms to manage and store complaints and non-conformities, which can be inserted directly by the Sabelli commercial department, increasing the capacity of the quality system to detect all complaints that were previously handled directly by Sabelli collaborators and that somehow could not be properly documented, thus underestimating the data.

3.3 SABELLI PRODUCTS: QUALITY AND SAFETY

IN RECENT YEARS, THE SABELLI GROUP HAS UNDERTAKEN A NUMBER OF INITIATIVES TO ENSURE BETTER QUALITY AND SAFETY FOR ITS PRODUCTS, INCLUDING:

1. The implementation of next-generation laboratory instruments to perform chemical/physical and microbiological analyses with even higher analytical precision;
2. Continuous training of internal laboratory and specialised quality assurance personnel;
3. Compliance with the internal self-inspection plan and the one performed by accredited external laboratories, which ensure customers compliance with quality standards that are reflected in the choice of raw materials used, in the control of processing intermediates, and in the finished products. This ensures that all products sold reflect the highest standards of food quality and safety;
4. The ongoing specialisation of the operators who work and make Sabelli products every day, through specific training programmes on awareness and the importance of the concept of food quality and a culture of food safety. Sabelli makes continuous investments in employees who work in direct contact with the raw materials that will become the Group's finished products.



For a business that is mindful of quality and food safety, animal welfare is one of the key parameters when selecting the assignor and in the decision to continue the supply relationship over time.

Assessing animal welfare means not only analysing the state of affairs, but the willingness of the farm owner to take on the process of adapting to new regulations or provisions, according to a continuous improvement approach. From this perspective, auditing is not only a tool for control and assessment, but a means of sharing with the farmers a constructive critical improvement process, by indicating which areas need to be worked on.

Ensuring better animal welfare not only means guaranteeing better animal health, and thus a higher quality of the milk, but results in less use of pharmaceuticals and less impact on biodiversity.

Focus Box – THE “BUONO DEL BIANCO”

A significant production chain project "**il Buono del Bianco**" [the goodness of white] was launched at the Sabelli Ascoli site in 2023, and is currently running, involving all milk-producing cattle farms in the collection area of the four Central Italian Regions (Marche, Abruzzo, Umbria and Lazio), with the following characteristics:

- Animal welfare and food biosecurity: animal welfare with a consequent reduction in the use of antibiotics and biosecurity in cattle, essential to reduce or eliminate the risk of the introduction, development and spread of diseases in the livestock;
- Environmental sustainability and circular economy: aspects of environmental sustainability focusing specifically not only on energy aspects, but also the protection of the soil following the recovery and energy valorisation of waste produced by the cattle;
- Generational shift, 4.0 Agricultural Technological Innovation: aspects of investments in technology made in the area of milking and selective feeding, which promote a generational shift not only protecting the history of the farm, but also the territory.

The objectives of the project include defining the minimum requirements, the gaps in growth and rules that the cowsheds supplying Sabelli with milk on a daily basis must adhere to for the production of dairy products. The code of requirements was assessed by the independent body RINA AGROQ, recognised for its expertise in the certification of sector standards.



The production chain project involved in the “Filiere Sabelli” rules seeks to go beyond food safety requirements and product quality, further recognising the farmers that focus on the aspects mentioned above. They represent a broad and virtuous project to valorise the Italian dairy production chain in the pursuit of environmental, economic and social sustainability, from the perspective of continuous improvement.

Sabelli adds prestige to the milk delivered, based on the implementation level of the “Filiere Sabelli” requirements.

The production chain applies a control plan, specifying the stages in the milk-producing cattle process for farmers supplying Sabelli. In this respect, Sabelli makes use of professional external veterinary consultants in the different regions where the farms are located. The methodology and time frames for supervision and reaching the predetermined production targets are formalised in specific contracts. All livestock is verified internally by the person identified by the Sabelli -Chief Veterinarian, with an audit conducted at the farm once a year, based on the requirements specified in the check list.

At Group level, there is a commitment and ongoing collaboration with universities, research institutes, and industry partners to increase the use of the best up-to-date knowledge of science, ethics and animal health and welfare legislation. This is done in parallel with the awareness and encouragement activities for farmers to increase animal welfare levels. A system is being designed at Group level, the introduction of which would make it possible to monitor compliance of farmers with high standards, with particular reference to the pharmaceuticals and foods chosen for animals.

Another aspect studied closely by Sabelli is food waste: according to FAO data, 1.6 billion tonnes of food is wasted each year, amounting to around one third of total production for human consumption. In particular, in Italy every year 10 to 20 million tonnes of food go to waste, amounting to over 2,000 billion euros of wasted resources. This negative figure reflects the unsustainability of production and consumption models, which still characterises the agri-food supply chain today. In this sense, Sabelli has launched several collaborations with research bodies and specialised companies to find innovative solutions to food waste in the dairy sector. As it stands, expired products are disposed of, as required by Regulation (EC) No 1069/2009 of the European Parliament and of the Council⁴, within subcategory three⁵ then reused for pet food.

⁴ Laying down health rules as regards animal by-products and derived products not intended for human consumption and repealing Regulation (EC) No 1774/2002 (Animal by-products Regulation)

⁵ All animal by-products no longer intended for human consumption for commercial reasons or due to problems of manufacturing or packaging defects or because they are expired.

THE GROUP'S COMMITMENT TO THE COMMUNITY

At certain times of the year, such as Christmas, in order to combat food waste, the Ascoli site donates cheese or mozzarella in packets to the Zarepta association of Ascoli Piceno, which provides hot meals every day to those in need.

Moreover, to encourage and support social cooperatives in the Ascoli territory, the site in the Marche region decided to outsource some production, such as the ties used to close scamorza. In this case, the production activity is entrusted to the social cooperative Tipori Verso, created in response to the social and employment inclusion needs of disadvantaged people after leaving compulsory education, in the field of bookbinding, paper products, and assembly.

For Sabelli, product quality represents a commitment and a responsibility towards consumers; therefore, particular attention is paid to the entire production process, which involves a careful selection of ingredients alongside innovation and tradition in order to offer a range of products that match the tastes and habits of purchasers, for optimal customer satisfaction. Customer satisfaction has always been at the heart of Sabelli's company strategy.

Questionnaires were used in the past to assess customer satisfaction, whereas since 2022, this system has been replaced by an annual Management review, the biennial management analysis and its quarterly monitoring through which any complaints or concerns are identified, thus making it possible to introduce indirect measures to ensure the satisfaction of Sabelli customers. This is supported by general dialogue with customers, carried out through quantitative research to assess the level of appreciation for Sabelli products, as well as how well the brand is known and how it is viewed by consumers.

The Sabelli Group's commitment to its customers and consumers means not only guaranteeing safe and quality products, but offering transparency. With this aim, starting in 2021 Sabelli has been focused on the following initiatives:

- The graphic restyling of all Sabelli products, including revisiting the labelling of the packaging used for its products. This graphic change means that all the mandatory and voluntary information that must be conveyed to and received by the customer is clearer and less misleading for consumers;
- A strong focus on the compliance of its labels with legal requirements and requirements for packaging information to be correct, through a continuous verification of legal information, also supported by the use of internal specific checklists to assess the compliance of all this information;



- Attention to effective consumer communication through its packaging, in reference to the inclusion of information on proper disposal of product packaging. As a leading Group in the dairy sector, Sabelli is responsible for paying significant attention to compliance with recycling and environmental policies.





4. THE SUSTAINABLE SUPPLY CHAIN

A sustainable and traceable supply chain is a priority for the Sabelli Group, since ethics and transparency can promote business, helping to disseminate an image of reliability, fairness and transparency of the activities implemented in pursuit of its objectives. For all these reasons, Sabelli has a Quality and Food Safety Management System and an Integrated Environment and Energy Management System. These systems allow for compliance with requirements, the control of the risks associated with the food safety of its products, and the reduction of the main environmental impacts along the supply chain, ensuring:

- Accurate control of production phases, products and processes, with the aim of ensuring effectiveness and efficiency;
- The choice of quality and qualified suppliers through careful selection, the monitoring of their performance and the adoption of sustainability criteria in the purchase of goods and services;
- The same transparency regarding environmental and energy management to all stakeholders, supervisory bodies, and local institutions;
- Proactive, transparent and appropriate systems management programmes and processes for policy requirements, aimed at the continuous improvement of its performance;
- Assessment of the impacts of its activities on the environment and the implementation of reduction measures through sustainable development initiatives that optimise the use of natural resources and limit consumption.

The ways in which Sabelli searches for and defines its suppliers refer to a series of KPIs (supplier assessment criteria) as follows:



1. **Quality** of features (material, size, design, durability), quality of production (line and manufacturing techniques), quality and continuous improvement systems
2. **Delivery times** to ensure a limited warehouse of stock
3. **Historical performance** in financial, economic, social, and organisational terms
4. **Guarantees in case of disputes** to allow the Group to receive new products at lightning speed should shipments be disputed
5. **Production capacity** that meets the product requirements of Sabelli
6. Competitive **price**
7. **Technology** and ability to acquire and propose technical and innovative solutions for production, research and development, and procurement improvement
8. Continuous **communication** on order status
9. **Trust** between suppliers and customers
10. **Reputation and market positioning** of the chosen supplier
11. **Supplier profile** in terms of reputation, past performance, and other products
12. **Supplier sustainability** in terms of impacts generated on society. Economy and environment

With reference to the supply chain, in 2023, the Sabelli Group spent over €180 million, which was essentially in line with the expenditure for 2022. Around 70% was spent with local suppliers⁶, increasing slightly on the 2022 figure.

Proportion of spending with local suppliers (GRI 204-1)								
2021			2022			2023		
Spending [€]	Total annual spending [€]	Percentage of local spending	Spending [€]	Total annual spending [€]	Percentage of local spending	Spending [€]	Total annual spending [€]	Percentage of local spending
84,039,082.72	120,883,437.66	69.5%	120,510,973.06	186,538,739.36	64.6%	128,054,227.05	184,116,213.44	69.6%

Periodic assessments

Supplier monitoring and assessment take place according to a series of periodic steps, as described below.

Each quarter, an analysis is carried out on the turnover of each individual supplier with reference to the quantity of goods ordered. This analysis measures indicators such as the punctuality of deliveries, quality reliability, the status of disputes, and other unique aspects of the supplier. Each year, during the management review, the performance of the suppliers that were registered in

⁶ For the Ascoli, Resana and Rezzoaglio plants, the local supplier is based in Italy, while for the Vipava site, in Slovenia.



that year is assessed, and non-compliance and reports related to a supplier and the products or services provided by it are evaluated. This monitoring method allows Management to decide whether to confirm, or in extreme cases replace, the supplier being assessed.

Focus Box – Supplier assessment

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

- a sample analysis to be carried out in acceptance or directly during service provision;
- traceability tests (mandatory for suppliers not certified BRC and/or IFS and/or FSSC22000 that provide raw materials, semi-manufactured goods, finished products, primary packaging);
- provision of evidence;
- products supplied by other companies;
- audits at supplier premises (mandatory for “High” critical suppliers).

In addition, all information and documentation are forwarded to the Food Quality and Safety Manager, or to the head of the function involved who requested the activation of the new supplier, who will assess the supplier’s ability to provide products/services that meet Sabelli’s requirements. In the event of a positive assessment, all the above information will be reported in the Supplier Database. In the event of a negative assessment of the supplier by the Food Quality and Safety Manager or other function managers, the Procurement Manager is contacted, who will search for another supplier of that product/service.

During the Annual Management Review, the Group re-evaluates and renews qualified suppliers on the basis of their ability to provide products/services that meet Sabelli’s requirements, by examining their performance and checking that there are no situations that would rule out their use.

The Group also ensures, by means of checks upon receipt, that the materials and ingredients intended to become part of the finished products (including packaging) cannot be used in subsequent production activities (production, storage, shipping) without establishing in advance that the requirements specified for procurement have been met.

In order to ensure that the products and services purchased meet the specified requirements for supplies and are available within the scheduled time frames, procurement process activities include:

- research, acceptability assessment and revaluation of suppliers;
- audit of purchasing data;
- possible verification of products at suppliers and product checks upon receipt.

The type and extent of the audit carried out on suppliers, products and services purchased depend on their influence on food safety, on subsequent product manufacturing activities, and on the quality of the products and the service. A specific procedure has been adopted that



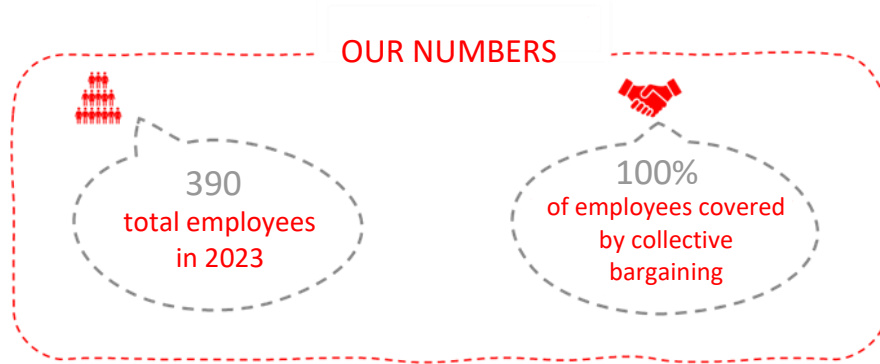
indicates the criteria used for the first supplier assessment. The capacity of a supplier is established:

- with a “preventive” assessment, which aims to estimate the supplier’s ability to achieve the performance required by Sabelli;
- with a “final” assessment, based on the supplier’s performance.

Particular attention is paid in the supplier assessment to the food safety risk analysis, in relation to products and supplier.



5. OUR PEOPLE



The development and growth of Sabelli, which over time has become an established and recognisable industrial group, is connected to its people, who are the cornerstone of a business founded on family values, a sense of responsibility, and attention to the surrounding territory. The original artisanal spirit has been kept intact thanks to the contribution of every person who produces fresh, genuine and quality products every day with care, precision and passion.

5.1. EMPLOYEES OF THE SABELLI GROUP

As at 31 December 2023, the Sabelli Group, with reference to the three production plants dedicated to stretched-curd processing, namely Ascoli Piceno, Resana (TV) and Vipava (SLO), and to the plant for fresh cheese and yoghurt in Rezzoaglio (GE), has a workforce of 390 people⁷.

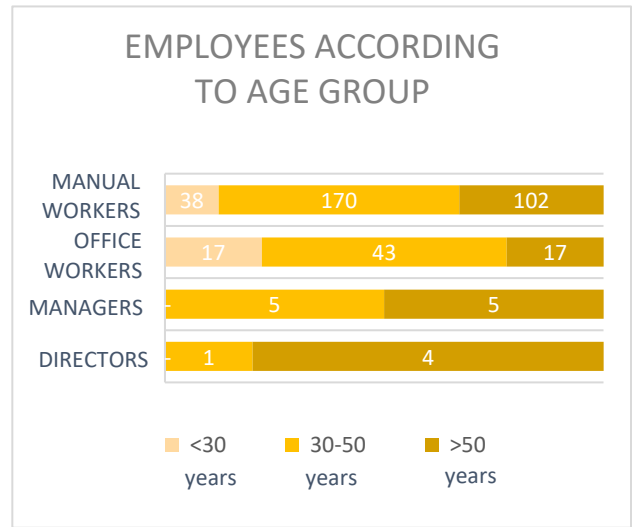
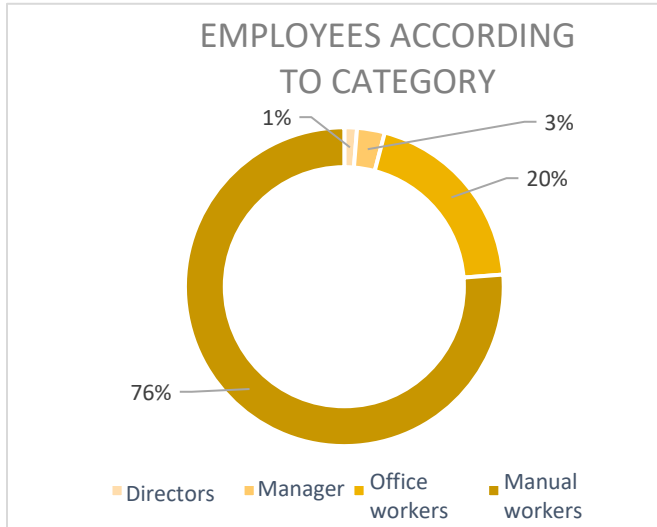
Each plant has its own Director, who, through some collaborators, coordinates, manages and organises all aspects related to people, plans and defines weekly shifts for operators, before reporting to the Owners on any critical issues or reports to be resolved. Sabelli introduced the role of Shift Leader from 2022, who plays a coordinating role between the Departments and the Plant Director.

Of the total employees, a large portion is represented by manual workers (76%), dedicated to the various processing and transformation stages of the raw material, while a lower percentage is represented by office staff, such as officer workers (20%), managers, and directors.

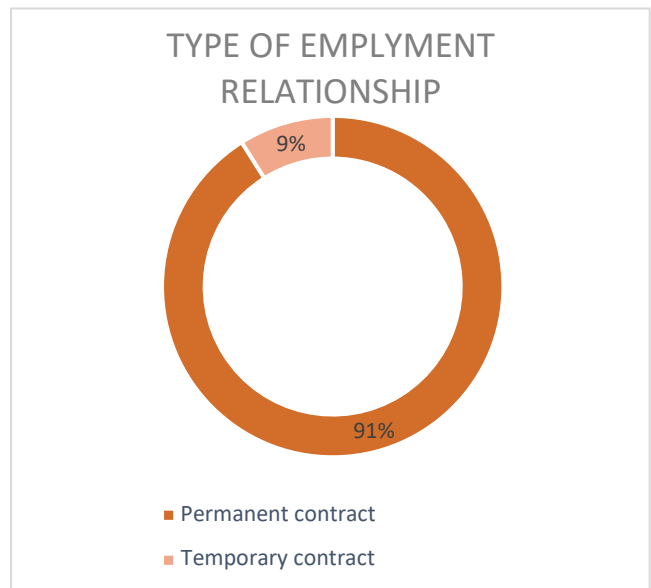
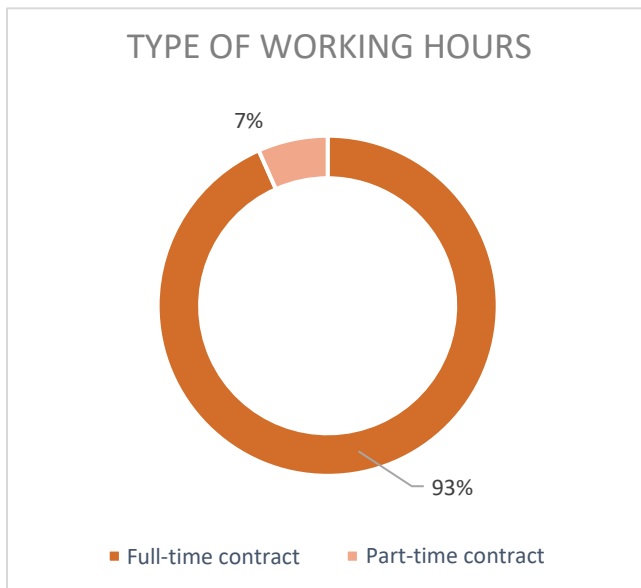
⁷ At certain times of the year, the Group also makes use of workers who are not employed but are provided by temporary agencies, or involved in internships. These workers are not counted as employees and for the year 2023 there are a total of 87, of which 84 temporary and 3 interns, all operating at the Group’s two Italian plants.



Employees are made up to a large extent of people between the ages of 30 and 50 (54%), while a smaller percentage is aged under 30 and over 50.



Of the total employees, 100% are covered by collective bargaining, and 91% are on permanent contracts, whereas 93% of employees have a full-time contract.





5.2. RECRUITING AND ONBOARDING

The Sabelli Group has been able to grow considerably over the years through a careful selection of the people who join the business. In this regard, the Group's staff component increased by 12% compared to 2022, going from 348 units to 390 in 2023.

In order to contribute to an ever-expanding development, the Group constantly seeks out talent with energy and seriousness, a sense of responsibility and reliability, who are motivated and proactive. To this end, relations with training agencies, employment offices, schools, and universities are fundamental and decisive for attracting new resources in line with business principles and with the necessary skills to remain competitive in the dairy business.

The topic of employer branding, which is increasingly more relevant, is therefore reflected in the activation of additional collaborations with training agencies to raise awareness and appreciation of the Group's business, job opportunities, and possibilities for professional growth.

Partnerships with academic institutions include the University of Teramo, the Polytechnic University of Marche, the University of Camerino and the University of Padua. In this regard, the HR team at the Sabelli Group resumed its participation in career days organised by the faculties of greater interest to our core business over recent years. Participation in the University of Padua and Camerino Career Days continued in 2023, providing an opportunity for students to get to know the Group and for us to meet interested candidates. This opportunity resulted in a new resource joining Trevisanalat. Other forms of collaboration in place are institutes dedicated to the specific subject of food quality and safety – such as the CTQ Institute in Poggibonsi – or other post-graduate training institutions.

Over the years, all the Group companies have activated and consolidated a series of collaborations with schools, universities, and post-graduate schools. Sabelli and Trevisanalat collaborate with technical and scientific institutes by launching work-based learning projects and curricular internships in production or the analysis laboratory, to intercept potential talent even before the high school diploma or degree.

Once the profiles of interest to the Group have been intercepted, the recruitment process involves individual interviews, initially with Human Resources, followed by a technical interview with the representative from the function for which the person is being recruited. For some professional figures, a further interview is held directly with the Owners (Chief Executive Officer).



With specific regard to the Val D'Aveto dairy, it has fewer attraction or retention strategies than the other plants for two reasons: firstly, the size of the dairy, a small plant that employs almost exclusively people from the local area and, secondly, the plant's location in the Ligurian Apennines, in the middle of unspoiled nature and the essence of tradition. A unique and evocative landscape that is not easy to reach from the perspective of logistics.

Nevertheless, should it need personnel, the plant has had active contact with the Chiavari employment service, and from 2022, began collaborating with the University of Pisa, specifically with the Department of Agricultural, Food and Agro-Environmental Sciences, which made it possible to launch a curricular internship for a student in Quality Control and Food Safety.

5.3. PERSONNEL DEVELOPMENT, TRAINING AND WELL-BEING

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

With a view to personnel development, in 2022 Sabelli launched a training course targeted at several plant figures including Shift Leaders, Department Managers and Deputy Department Managers, with the aim of consolidating the concept of the role and responsibilities, together with the importance of communication and collaboration. Continuing into 2023, the plant at Trevisanalat, organised a training course for Shift Leaders, in consultation with the Plant Director, aimed at Department Heads to reflect on awareness of the role, promote teamwork and improve communications.

At Trevisanalat, the "Fondimpresa" Plan presented in late 2022 included numerous courses related to transversal skills development for workers and several plant figures. This continued into 2023: workers, employees and production operators undertook courses on a number of technical and transversal subjects.

In 2023, employees received 3,734 hours of training, with an average of 9 hours per person.

With reference to workforce development, the Sabelli Group does not currently have an organic and structured system for evaluating company performance. However, the Group has undertaken a steady expansion in recent years, and is studying the introduction of tools and ways to monitor employee performance with the goal of improving it.

During 2023, Sabelli Shift Leaders and Department Heads were asked to compile an assessment on new hires, an initial step towards launching a monitoring and development process for all personnel.

SABELLI WELFARE

To date, the Sabelli Group does not have a structured welfare system, though the introduction of one is being studied in collaboration with the trade unions.

However, there is no lack of initiatives to meet the needs of workers in this regard. At the Ascoli site, a number of policies has been implemented to encourage employee motivation and sense of belonging, such as:

- the provision of a 300-euro contribution for every newborn, in order to promote the birth rate, and the allocation of the same sum for each marriage involving a company employee;
- the provision of flexible working hours for working mothers during the first 24 months from the birth of their child;
- the provision for all workers in the workforce, including those provided by temporary agencies, of a company room equipped with canteen service. Meals can be purchased in the store located inside the factory. For these purchases, the company contributes €5.00 per worker, including those provided by temporary agencies. In addition to these “ordinary” measures introduced for its people, some “extraordinary” ones were introduced. In 2020, in the middle of the pandemic, in order to demonstrate proximity to its employees, bonuses were given for commitment and dedication shown at a tragic and complicated time, for a total of €150,000. In addition, in 2021, the centennial, the Owners decided to distribute to all employees at the Ascoli Piceno plant petrol vouchers worth €500 each;
- at Christmas time in 2023, the Owners decided to offer fuel vouchers to all employees at the Ascoli and Resana sites;
- to ensure the well-being of collaborators, several alignment steps were planned, such as sharing all company communications through an app (for Sabelli, Trevisanalat and Val D’Aveto), or the communication of the following week’s shifts every Thursday to allow people to organise their personal and family commitments.

5.4. HEALTH AND SAFETY OF PERSONNEL

The protection of the occupational health and safety of its workers is a priority for the Sabelli Group. For this reason, it is considered essential to develop adequate awareness, among employees, on the risks that may arise in the workplace, and what behaviours and actions should be taken to maintain a safe and healthy working environment.

The Group uses a Risk Assessment Document (DVR), the result of a joint assessment by the Employer, the Occupational Health and Safety Officer, and the company physician, following consultation with the Workers’ Safety Representatives. The DVR is reworked during changes to the production process or organisation of work that are significant for worker health and safety,



or in relation to how technology develops, prevention and protection, or following significant incidents or where the results of health monitoring show that it is necessary.

The identification and assessment of hazards and risks to worker health and safety are carried out by the Employer, the Occupational Health and Safety Officer, the company physician, the supervisors, and the workers themselves within the scope of the activities carried out by each role, following consultation with the Workers' Safety Representatives, in accordance with Article 17 of Legislative Decree. 81/08. In particular, the following are considered:

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

Control activities are reflected in periodic inspections of workplaces by competent persons, analyses of reports received from workers, and by verifying that the indications arising from periodic meetings are followed up where appropriate. At the site in Ascoli workers are able to report the hazards found in the workplace, and near-misses, using a specific form (M-AP-MAN.01.0). In order to avoid any repercussions, the reports are examined anonymously after being collected from a dedicated mailbox.

The topic of occupational health and safety is the subject of mandatory training, as envisaged by Italian Legislative Decree 81/2008, for all categories of workers, regardless of their role. A general training session lasting four hours is envisaged for all roles, which details with the concepts of risk and damage, prevention and protection, organisation of business prevention, rights, duties and sanctions for various figures. It outlines the supervisory, control and assistance bodies. Specific training is provided differentiated by the various roles and with a focus on the risks and dangers associated with the tasks of each role.

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

Furthermore, the occupational health and safety management system of Trevisanalat has been certified according to UNI ISO 45001 since 2022.



With reference to work-related injuries recorded at Group level, there were 12 work-related injuries in 2023, with all of these occurring at the Ascoli Piceno plant. No injuries resulted in fatal or serious consequences. The figure only involves the Ascoli Piceno plant, whereas the plants at Resana (TV) and Vipava (SLO) recorded no accidents compared to 2022.

5.5. DIVERSITY AND EQUAL OPPORTUNITY

The aim of the Sabelli Group is to create a balanced and inclusive workplace where employees can express their distinctive traits and skills in a peaceful environment. The Group pays particular attention to gender, ethnic, religious and social diversity, as well as disabilities, issues that denote a particular sensitivity and are of primary importance for Sabelli, which considers respect for other people as a way to carry forward the Group's values, starting with family spirit, sense of responsibility, and loyalty.

The Group does not place any restriction on access to employment linked to gender, religion and nationality or ethnicity, and in the recruitment process takes care to provide work and wellness tools for all. Anonymous questionnaires are a useful tool for establishing an inclusive climate, as they allow people to express their needs or suggestions for improvements.

The Sabelli Group is also aware of issues such as the inclusion of foreign nationals to allow for integration into Italian society and work learning. As a matter of fact, the Group believes that the development of practical and work skills is an example of a useful and effective tool, and for this reason Sabelli pays strong attention to related opportunities that arise, participating in them where possible.

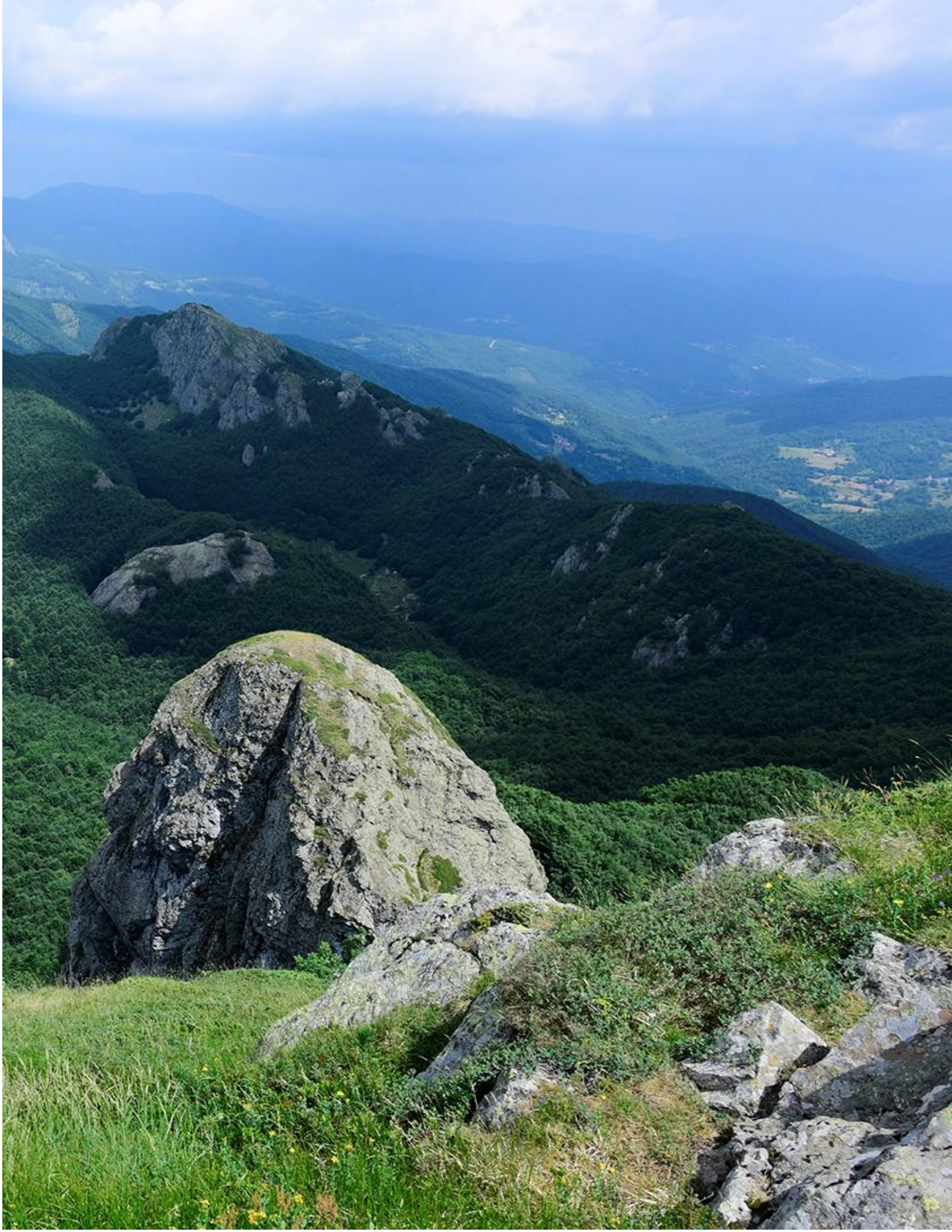
In 2023, no cases of discrimination on the basis of race, skin colour, gender, religion, political beliefs, nationality, social background, or any other kind of discrimination were recorded at any of the Group's plants.

Sabelli spa received important recognition in 2023 with the Gender Equality Certification (**UNI PdR 125:2022**). The company intends continuing to enhance diversities in the roles operating within the organisation and maintaining processes that can develop female empowerment in business activities. The company will develop tangible action, which besides complying with the requirements/indicators set by the rules, is appreciated by the women in the organisation, who are the main parties involved in the results that the management system produces. From this perspective, Management promotes communication (including marketing and advertising) that is based on neutral language, aimed at pursuing gender equality, enhancing diversity and supporting female empowerment.



Sabelli has appointed a specific **STEERING COMMITTEE** (S. Mariani, G. Straccia, A. Alesi) tasked with:

- Interpreting, recording and managing the context aspects on an ongoing basis, which could influence the pursuit of gender equality, defining an appropriate strategic plan;
- Maintaining and implementing a management system;
- Preventing, detecting and resolving any non-compliant situation (such as reports of harassment or abuse);
- Systematically monitoring and improving management system performance.



6. COMMITMENT TO THE ENVIRONMENT



Environmental protection is a challenge that involves all players in society, starting from the economic parties that operate in and have an influence over the ecosystem. In this sense, the food industry plays a fundamental role, considering its growing impact on the environment, and increasing consumer awareness of the issue.

Globally, the food sector is responsible for around 26% of CO₂ emissions⁸ and it is estimated that by 2050, emissions from the agricultural sector and farms will increase by 30-40%. These data highlight the need to explicitly include limiting emissions from the food sector in the objectives and in national mitigation plans, as an essential strategy for achieving the objectives of the Paris Agreement.

At the behest of the management team and in compliance with national and international regulatory developments, the Sabelli Group pays particular attention to the environmental impacts generated by its activity. In demonstration of this, the site in Ascoli is certified according to ISO 14001:2015 on environmental management. This means that the company assesses, controls and, where possible, reduces to a minimum or prevents the environmental impact of its processes and products, while also respecting all environmental regulations. This standard entails

⁸ Source: IPCC, Climate Change and Land (5.4 Impacts of food systems on climate change).

the requirement to perform an environmental and energy analysis of the processes, in order to identify the environmental impacts and energy usage that characterise the business activity, considering normal conditions as well as any exceptional or emergency situations. This environmental and energy analysis is fundamental for implementing measures intended to reduce the environmental impact and to improve energy efficiency within the Sabelli Group. The Sabelli Group's commitment to reducing the environmental impact of its production activities, in addition to the adoption of an ISO 14001 compliant system, is also reflected in the following measures:

1. Choice of low-impact packaging, preferring more sustainable packaging, in order to reduce the consumption of materials;
2. Energy efficiency and water saving measures;
3. Promoting proper waste management, thanks to recycling and efficient disposal policies;
4. A sustainable approach to logistics through a centralisation system, close to the production plant at the Ascoli site, of a product cold store with consequent limitation on transport activities.

Focus Box – Sabelli's environment and energy management system

As previously mentioned, the Ascoli site set up an environment and energy management system to ensure maximum commitment to environmental protection and energy saving. The necessary documentation was therefore prepared and the activities that allow for compliance with the requirements of UNI EN ISO 14001:2015 were carried out.

The environment and energy management system documentation certifies that:

- the environmental and energy activities are planned and kept under control;
- the personnel involved in relevant activities from an environmental and energy perspective are adequately qualified and trained;
- the responsibilities for the management of environmental and energy aspects are clearly defined.

As a first step in the implementation of the Integrated Management System, Sabelli carried out an "Environmental and Energy Analysis" of its processes. As part of this analysis, the environmental aspects and energy usage characteristic of the company activities were identified and the impacts and initial consumption were assessed.

The Environment Manager, with the support of all company managers, periodically performs the aforementioned analysis and assesses the possible impacts and consumption using a specific procedure defined as "Identification of environmental aspects and assessment of their impacts". The assessment method consists of assigning a numerical value to each possible aspect/impact and use/consumption according to an algorithm that takes into account the weights attributed to various factors such as the relevance of the impact, its severity rather than the damage that the impact would cause to the company's image.

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

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

The Environment Manager agrees with the company managers on which actions allow for adjustment to any new binding provisions. The framework of applicable legislation is an integral part of the Environmental and Energy Analysis since it is fundamental for assessing environmental impacts and energy consumption. Before being assigned to new duties, personnel are properly trained and take courses on the correct application of the procedures and instructions. Planning of environmental and energy management system training is carried out and formalised during the System Review through a specific training programme. In particular, the responsibility for coordinating training on topics related to the Integrated Environment and Energy Management System falls to the Environment Manager and the Energy Manager, who carry out and record the training and coaching activities.

6.1. ENERGY CONSUMPTION, EMISSIONS AND CLIMATE CHANGE

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

The production site in Ascoli uses natural gas to power the steam boilers used for industrial purposes, for stretching, washes, heating up water and the whey concentration, while the remaining component is used to power the site's cogenerator. In addition to natural gas, the Ascoli plant uses electricity, which is partly purchased from the grid, and partly self-generated through a cogeneration plant and a photovoltaic system. The cogeneration plant has 400 kW of power, and all the electricity it generates is consumed by the company, while the photovoltaic system is formed by three sections (since it was built over time) and has 477 kWp of power. Again, in this case, the self-generated electricity is fully consumed, with a minimal quantity sold to the grid. In 2022, the site in Ascoli began the construction of a new photovoltaic system with a power of 486 kWp, thus doubling its photovoltaic power; works completion and commissioning are scheduled for 2024. This strategy to self-generate energy reflects the Sabelli Group's commitment to greater sustainability and the adoption of renewable energy sources to reduce the environmental impact of its production activities.

The Ascoli site has a photovoltaic system that supplies two charging stations in the vicinity of the company store, one of which is reserved for customers to recharge their electric vehicles.

The Resana plant uses natural gas to power the steam boilers required for production activities, as well as electricity. Of this, the majority is purchased, while a significant portion is self-generated and completely consumed thanks to the photovoltaic system at the plant, which has a power of around 127 kW. The site also has a second photovoltaic system with a power of around 211 kW, located at another building leased to another business unrelated to Trevisanalat. The energy self-generated by this second system is considered entirely fed into the grid, even if some is self-consumed by the tenant. Like the plant in Ascoli, the one in Resana also plans to expand its own quota of self-generated electricity with the installation of an additional photovoltaic system.

At the Slovenian site, almost all of the natural gas consumed is for the steam boilers used in production, while the remaining part is used for heating purposes. The electricity consumed is



purchased entirely from the grid and comes mostly from a non-renewable source, whereas 27% originates from renewable energy sources.

On the other hand, the Val D'Aveto site does not consume any natural gas for heating purposes, because it uses LPG in its place. There is also moderate diesel consumption, used to power proprietary industrial vehicles. The energy used by the Ligurian site is entirely purchased from the grid and comes from non-renewable sources.

An increase was noted in consumption at Group level in 2023, both in respect of electricity, and energy intensity, determined by the ratio between the total energy consumed within the organisation and the tonnes of finished product⁹.

With reference to the emissions generated, the direct and indirect emissions related to the production activities of the Sabelli Group were calculated. Specifically in 2023, direct Scope 1¹⁰ emissions were equal to 16,242 tCO₂ equivalent, while indirect Scope 2¹¹ emissions were equal to 5,030 tCO₂ equivalent according to the location-based approach and 7,232 tCO₂ equivalent according to the market-based approach.

Specifically, direct Scope 1 emissions include those generated by combustion and therefore relating to the use of natural gas, by LPG for heating and fuel that powers the vehicle fleet, as well as from the use of coolant gas. Specifically, emissions from coolant gas leaks came down in 2023 (-25%), continuing with the trend set in the previous reporting year.

The emissions intensity was also calculated, determined by the ratio of location-based Scope 1 and 2 emissions and tonnes of finished product, and by the ratio of market-based Scope 1 and 2 emissions and tonnes of finished product. The figure for emissions intensity (0.55) was in line with the results for previous years.

⁹ Data referring to consumption, energy requirements and energy intensity is available in the Appendix to this document.

¹⁰ GHG Scope 1 emissions are those from sources owned or controlled by an organisation.

¹¹ Scope 2 emissions include but are not limited to CO₂ emissions from electricity generation, heating, cooling and steam purchased or acquired and consumed by an organisation. Scope 2 emissions are expressed in tonnes of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂eq) as can be deduced from the technical literature of reference.

6.2. MANAGEMENT OF OTHER ENVIRONMENTAL IMPACTS

WATER RESOURCES

As a Group operating in the dairy sector, Sabelli is in significant contact with water. As a matter of fact, water is an essential resource for various uses, during production, maintenance, and washing of the equipment needed to make the finished product.

Located in an area of high-water stress – calculated using the Aqueduct Water Risk Atlas tool – the site in Ascoli draws water from the local water network and from two regularly authorised wells, equipped with litre counters. In particular, the water taken from the local water network is appropriately treated and used in the production process and in the packaging of products, while water taken from the wells is sanitised and used for technological use, specifically for automatic and manual washes, according to procedures and instructions provided in the quality management system.

Water is discharged into public sewers and flows into the purifier managed since 2022 by the consortium CIIP S.p.A. – Cicli Integrati Impianti Primari – who took over as water resource operator, also managing the sewerage network and treatment plant. The discharge can be divided, according to origin, into two categories: discharge from rainwater, and industrial/civil discharge, for which a regular AUA (Single Environmental Authorisation) is in place for the discharge of wastewater into public sewerage, which CIIP S.p.A. must verify by planning periodic analyses.

Currently, there is a single system for recording discharges that does not differentiate between discharge quotas by withdrawal source, nor does it exclude rainwater from the measurement. However, sewerage works are being carried out by CIIP S.p.A. and, once complete, they will allow for the separate discharge of rainwater from that of industrial water sent for purification. This step will allow for a more effective and efficient management of water resources and greater control over discharges of wastewater.

At the site in Resana, water is drawn from two authorised wells equipped with litre counters, which allows for a constant monitoring of water consumption. The water taken is then appropriately treated and used in the production process, as well as washes. The company has developed a specific work instruction for the identification and management of the water drawn from the wells.

Industrial and domestic wastewater is discharged into the public sewerage network and flows to the purification plant (with regular Single Environmental Authorisation).

At the Slovenian site, the entire water supply comes from the municipal network and is treated to be used in the production process, in the packaging of products, and for technological purposes. As for discharge, with the exception of rainwater (for which a separate collection and discharge



network is envisaged, which flows into the Vipava river), all water used is collected in the equalisation tank, before being treated and sent to the municipal purification plant.

At the site in Val D'Aveto, water is supplied by the public network. The water is used in processing, cleaning and sanitation. The water is discharged into the river with Single Environmental Authorisation. The company has its own chemical/physical purifier, and the purified water is discharged into the watercourse not far from the plant.

These approaches reflect the Sabelli Group's commitment to a responsible use of water resources, in terms of both withdrawal and discharge management, contributing to the sustainability of the production activities and the protection of the environment.

Water withdrawals at Group level in 2023, totalled 678 megalitres of water withdrawn, compared to 634 megalitres in 2022, the year when a significant drop was recorded on 2021 (-12%), thanks to processes becoming more efficient and greater attention being paid to water waste.

WASTE

Waste management plays a fundamental role in the Group's sustainable performance. Although Sabelli does not have a single model for waste management and disposal, it undertakes to active reduce its quantity and promotes greater environmental awareness among its employees through awareness initiatives. The Group's waste management guidelines follow a hierarchy that prioritises the limitation of waste generation, followed, where possible, by the reuse and recycling of waste material. In cases where these options are not feasible, disposal with energy recovery is preferred.

The main waste produced by the Sabelli Group includes paper and cardboard packaging, mono-material and composite plastic, production residues, waste oil, and waste from workshop activities. For the three Italian plants, organic residue (i.e. whey) from production activities are not considered waste but are reused as by-products for other purposes, such as for animal feed or sold to third parties for processing into animal feed.

During 2023, the four Sabelli Group sites produced around 1,660 tons of waste, of which 1,563 tons were recovered, increasing significantly on the previous figure recorded in 2022 (+10%). The majority of this waste is classified as non-hazardous. Moreover, of the total waste produced in 2023, nearly 94% was sent for recovery, while the remainder was sent to landfill.

The waste arising from production and maintenance activities, such as waste oil, iron/steel, and expired foodstuffs, is sent to authorised parties following preventive temporary storage. The operations related to these types of waste are recorded using forms, loading/unloading records, and MUD (Environmental Declaration Forms). Waste pallets follow the correct management



envisaged by regulations in force for waste. Workshop waste (e.g. packaging contaminated by hazardous substances) follows the correct management envisaged by the regulations in force.

In addition, with regard to the site in Ascoli, waste treated as urban waste, such as plastic and paper resulting from office activities, alongside organic waste from the store and canteen, are sent to the public collection service following preventive temporary storage. The Slovenian site outsources the disposal of differentiated waste to specialised companies authorised by the responsible Slovenian ministry.

With a view to reducing waste generated, Sabelli's commitment also concerns the choice of packaging, for example in the packaging design phase in terms of aesthetics, information on the label, and choice of material. The primary goal is to avoid choosing mixed packaging and to opt for materials for separate waste collection that are therefore easy to reuse and recycle. To this end, the company maintains continuous relations with packaging suppliers for the design of new packaging, especially new protective films, which are currently classified as mixed packaging.

This approach demonstrates the commitment of the Sabelli Group towards responsible waste management, in order to minimise the environmental impact, make the most of opportunities to reuse and recycle and, in this way, promote greater sustainability of its operations.

6.3. SUSTAINABLE PACKAGING

The Sabelli Group is driven by the spirit of innovation and continuous research, with the aim of improving the performance of its products and production processes. The Group has a dedicated Research and Development (R&D) Department that constantly works on developing innovative solutions and researching packaging that is increasingly in line with consumer demands and with the need to minimise environmental impacts, including in compliance with the latest trends and European and international regulations. From this perspective, research and development began in 2020 intended to achieve key objectives, such as:

- the reduction of the plastic used in the packaging of products, through downsizing and reduction of film and/or container thickness;
- the increase in the percentage of recyclable plastic used in product packaging;
- the efficiency of packaging lines, with reduction of packaging material waste within the production area, by configuring the packaging machines, training and raising the awareness of personnel, as well as investments at plant level;
- the use of cardboard for secondary packaging in recycled and/or recyclable FSC material, with consequent reduction of the amount of virgin material used;
- the redesign of lighter packaging (trays, cardboard boxes, etc.) and/or reduced sizes, compatible with the functionality and logistics in the dairy;



- the elimination (and/or replacement with alternative materials) of accessory components of packaging that do not play a necessary role at functional level (e.g. plastic lids; plastic ties, etc.);
- the transition to mono-material plastic packaging, which, compared to the mixed plastic currently in use for the packaging of Sabelli products, can be sent for recycling;
- the elimination of the aluminium closure clip of an entire packaging line of mozzarella.

These initiatives demonstrate Sabelli's commitment to pursuing a sustainable management of packaging and the materials used, with the aim of reducing the environmental impact and adopting even more environmentally sustainable practices in the dairy industry.

The company policy pursues the objectives of reducing environmental impact and increasing sustainability in the coming years. Between 2023 and 2024, Sabelli aims to achieve two main objectives: the substantial reduction in the weight of most packaging, and the transition from composite to mono-material plastic packs. With a view to continuous improvement in terms of environmental sustainability, the tests launched in 2020/2021 were also continued, analysed and expanded in the following years. Of particular interest is also the possibility to evaluate the use of alternative materials compatible with the type of products that Sabelli makes. In this regard, in the coming years, the intention is to intensify research and innovation activities, by involving current and potential new suppliers.

The specific actions taken to monitor and verify the effectiveness of the initiatives described thus far involve:

- Preliminary tests conducted on the packaging line, for the assessment of machinability performance and safety of the packaging to be assessed. In the event of a positive outcome, follow-up tests are also conducted on an industrial scale;
- Conducting shelf-life studies in collaboration with personnel from the internal laboratory of the Sabelli dairy, based on the assessment of chemical/physical, organoleptic and microbiological parameters of the products in parallel with the tests conducted on the packaging machine;
- Assessment of the characteristics of the alternative materials proposed by the packaging suppliers, by analysing the information contained in the technical and compliance data sheets of the packaging;
- Assessment of the difference in thickness of innovative materials compared to those currently in use for the packaging of Sabelli products, through the analysis of information contained in the technical data sheets provided by packaging manufacturers;



- Assessment of the real reduction of plastic used in production, following the elimination of unnecessary packaging components (e.g. ties for closing burrata; double casing for burrata contained in a leaf, etc.).

SABELLI'S COMMITMENT TO SUPPLIERS

The Group also works with its suppliers to reduce the environmental impact of packaging. As a matter of fact, collaborations are currently in place aimed at achieving this goal.

In particular, suppliers are asked to propose innovative solutions that reduce the impact of packaging in terms of environmental pollution, while ensuring good performances of terms of product safety that matches or exceed the current performance. Moreover, Sabelli intends to adopt a selection, assessment and research policy for packaging suppliers based increasingly on their ability to offer valid alternatives to current solutions, with a focus on sustainability and respect for the environment.

In this sector, in addition to the aspect related to reducing the environmental impact, compliance with the requirements of conformity and functionality of the packaging material in contact with foodstuffs is fundamental; the packaging must ensure that the packaged product retains its integrity and health until the end of its commercial life. Dairy products present particular complications for the use of recycled plastics or alternative materials, since they must ensure the safety, preservation and quality of the foodstuffs.

To date, Sabelli is committed to analysing and testing the most innovative solutions in this field, with particular reference to the development of new mono-material packaging, to reduce its weight (by redesigning the packaging or developing intrinsically lighter materials), to use alternatives to plastic or (where possible) recycled plastics. This is all combined with redesign efforts to encourage downstream recycling by the end consumer.



MASTRO ARCONI
Sabelli
RICOTTA
di affioramento
SOLO LATTE ITALIANO

Fresh chives in a glass bowl.

Three brown eggs in a wooden egg holder.

A white oval plate containing several yellow ricotta dumplings.

A black baking tray with several yellow ricotta dumplings.

A small white bowl containing a white substance, likely salt or sugar.

A round green plate with several yellow ricotta dumplings, some topped with a white filling and a brown garnish.

APPENDIX

GRI 2-7 Employees by employment contract and gender									
Type of contract	as at 31 December 2021			as at 31 December 2022			as at 31 December 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
ITALY									
Temporary	15	8	23	8	3	11	4	10	14
Permanent	202	105	307	203	96	299	222	111	333
Zero-hours	0	0	0	0	0	0	0	0	0
Total - Italy	217	113	330	211	99	310	226	121	347
SLOVENIA									
Temporary	0	5	5	1	4	5	7	13	20
Permanent	17	14	31	19	14	33	11	12	23
Zero-hours	0	0	0	0	0	0	0	0	0
Total - Slovenia	17	19	36	20	18	38	18	25	43
TOTAL	234	132	366	231	117	348	244	146	390

GRI 2-7 Employees by job type and gender									
FT/PT	as at 31 December 2021			as at 31 December 2022			as at 31 December 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
ITALY									
Full-time	213	93	306	207	81	288	222	104	326
Part-time	4	20	24	4	18	22	4	17	21
Zero-hours	0	0	0	0	0	0	0	0	0
Total - Italy	217	113	330	211	99	310	226	121	347
SLOVENIA									
Full-time	17	19	36	20	18	38	18	20	38
Part-time	0	0	0	0	0	0	0	5	5
Zero-hours	0	0	0	0	0	0	0	0	0
Total - Slovenia	17	19	36	20	18	38	18	25	43
TOTAL	234	132	366	231	117	348	244	146	390

GRI 2-8 Workers who are not employees									
External workers	as at 31 December 2021			as at 31 December 2022			as at 31 December 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
ITALY									
Interns	0	3	3	1	1	2	0	3	3
Temporary agency workers	36	26	62	51	38	89	41	43	84
Total - Italy	36	29	65	52	39	91	41	46	87
SLOVENIA									
Interns	0	0	0	0	0	0	0	0	0
Temporary agency workers	0	0	0	0	0	0	0	0	0
Total - Slovenia	0	0	0	0	0	0	0	0	0
TOTAL	36	29	65	52	39	91	41	46	87

GRI 2-30 Collective bargaining agreements			
Number of employees	2021	2022	2023
Total employees	366	348	390
Number of employees covered by collective bargaining agreements	366	348	390
Percentage	100%	100%	100%

GRI 403-9 Work-related injuries			
Rate of work-related injuries	2021	2022	2023
Number of fatalities	0	0	0
Number of high-consequence injuries ¹²	0	0	0
Number of recordable injuries ¹³	13	7	12
Rate of recordable injuries ¹⁴	3.55	2.10	3.82
Number of hours worked	2021	2022	2023
Hours worked	732,619	666,871	628,509

¹² Includes injuries leading to death or harm from which the worker cannot recover, does not recover or realistically will not recover the state of health prior to the injury within six months.

¹³ The figure for the number of recordable injuries relates to the following cases: death, days of absence from work, limitation of work tasks or transfer to another job, medical care beyond first aid or unconsciousness, major injury or disease diagnosed by a doctor or other authorised health professional, even if it is not the cause of death, days of absence from work, limitation of work tasks or transfer to another job, medical care beyond first aid or unconsciousness. Includes injuries as a result of commuting incidents only where the transport has been arranged by the company.

¹⁴ Rate of recordable injuries: this represents the ratio between the total number of recordable work-related injuries and the total hours worked in the same period, multiplied by 200,000.



GRI 404-1 Average hours of training per year per employee						
number of hours	2021					
	Hours - Men	Average hours/men	Hours - Women	Average hours/women	Total hours	Average hours
Directors	477	119	0	-	477	119
Managers	671	96	414	104	1,085	99
Office workers	2,861	65	762	23	3,623	47
Manual workers	2,862	16	1,618	17	4,480	16
Total	6,871	29	2,794	21	9,665	26
number of hours	2022					
	Hours - Men	Average hours/men	Hours - Women	Average hours/women	Total hours	Average hours
Directors	110	37	0	-	110	37
Managers	0	0	120	60	120	17
Office workers	567	21	490	29	1,057	24
Manual workers	1,151	13	761	12	1,912	12
Total	1,828	15	1,371	17	3,199	15
Number of hours	2023					
	Hours - Men	Average hours/men	Hours - Women	Average hours/women	Total hours	Average hours
Directors	118	30	0	-	118	24
Managers	5	1	5	3	10	1
Office workers	465	10	361	12	826	11
Manual workers	2,353	13	427	4	2,780	9
Total	2,941	12	793	5	3,734	10

GRI 405-1 Diversity of governance bodies and employees ¹⁵												
Diversity of governance bodies by gender and age group												
Number of people	as at 31 December 2021				as at 31 December 2022				as at 31 December 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Men	0	8	7	15	0	8	7	15	0	6	9	15
Women	0	1	2	3	0	1	2	3	0	1	2	3
Total	0	9	9	18	0	9	9	18	0	7	11	18

GRI 405-1 Diversity of governance bodies and employees (percentages)												
Diversity of governance bodies by gender and age group												
Number of people	as at 31 December 2021				as at 31 December 2022				as at 31 December 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Men	0%	53%	47%	83%	0%	53%	47%	83%	0%	40%	60%	83%
Women	0%	33%	67%	17%	0%	33%	67%	17%	0%	33%	67%	17%
Total	0%	50%	50%	100%	0%	50%	50%	100%	0%	39%	61%	100%

¹⁵ The Group's governance bodies include the Boards of Directors of Sabelli, Trevisanalat, and Val d'Aveto, and the Managing Director of Ekolat.



GRI 405-1 Diversity of governance bodies and employees									
Total number of employees by category and gender									
Number of people	as at 31 December 2021			as at 31 December 2022			as at 31 December 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	4	0	4	4	0	4	4	1	5
Managers	7	4	11	9	4	13	9	2	11
Office workers	44	33	77	47	27	74	45	31	76
Manual workers	179	95	274	171	86	257	186	112	298
Total	234	132	366	231	117	348	244	146	390

Total number of employees by category and age group												
Number of people	as at 31 December 2021				as at 31 December 2022				as at 31 December 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Directors	0	2	2	4	0	2	2	4	0	1	4	5
Managers	0	7	4	11	0	9	4	13	0	6	5	11
Office workers	11	47	19	77	13	44	17	74	17	43	17	77
Manual workers	44	157	73	274	34	153	70	257	37	162	98	297
Total	55	213	98	366	47	208	93	348	54	212	124	390

GRI 405-1 Diversity of governance bodies and employees									
Total number of employees by category and gender									
Number of people	as at 31 December 2021			as at 31 December 2022			as at 31 December 2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	100%	0%	1%	100%	0%	1%	80%	20%	1%
Managers	64%	36%	3%	69%	31%	4%	82%	18%	3%
Office workers	57%	43%	21%	64%	36%	21%	59%	41%	20%
Manual workers	65%	35%	75%	67%	33%	74%	62%	38%	76%
Total	64%	36%	100%	67%	33%	100%	63%	37%	100%

Total number of employees by category and age group												
Number of people	as at 31 December 2021				as at 31 December 2022				as at 31 December 2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Directors	0%	50%	50%	100%	0%	50%	50%	100%	0%	20%	80%	1%
Managers	0%	64%	36%	3%	0%	69%	31%	4%	0%	55%	45%	3%
Office workers	14%	61%	25%	21%	18%	59%	23%	21%	22%	56%	22%	20%
Manual workers	16%	57%	27%	75%	13%	60%	27%	74%	12%	55%	33%	76%
Total	15%	58%	27%	100%	13%	60%	27%	100%	14%	54%	32%	100.0 %

GRI 405-1 (Number of people belonging to protected categories)									
Number of people	as at 31 December 2021			as at 31 December 2022			as at 31 December 2023		
	Protected categories	Disability	Total	Protected categories	Disability	Total	Protected categories	Disability	Total
Directors	0	0	0	0	0	0	0	0	0
Managers	0	0	0	0	0	0	0	0	0
Office workers	0	0	0	0	0	0	0	0	0
Manual workers	2	18	20	1	18	19	0	23	0
Total	2	18	20	1	18	10	0	23	0

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			
Number of incidents	2021	2022	2023
Incidents of non-compliance with regulations resulting in a fine or penalty	0	1	0
Incidents of non-compliance with regulations resulting in a warning	17	28	22
Incidents of non-compliance with voluntary codes	25	24	37
Total	42	53	59

GRI 301-1 Materials used by weight or volume			
Materials used (tonnes)	2021	2022	2023
Raw materials for production	174,005	185,058	201,881
<i>of which renewable</i>	173,137	184,118	200,857
<i>of which not renewable</i>	868	941	1,024
Associated process materials	1,139	1,139	1,222
<i>of which renewable</i>	124	127	117
<i>of which not renewable</i>	1,016	1,012	1,105
Semi-manufactured goods or parts	6,203	7,997	7,764
<i>of which renewable</i>	6,109	7,898	7,672
<i>of which not renewable</i>	93	100	92
Materials for packaging purposes	5,493	5,884	6,513
<i>of which renewable</i>	3,393	3,619	4,096
<i>of which not renewable</i>	2,099	2,265	2,417
Total	186,840	200,079	217,380
<i>of which renewable</i>	182,764	195,761	212,742
<i>of which not renewable</i>	4,076	4,318	4,638

Total energy consumption within the organisation ¹⁶ (GRI 302-1)							
Fuel type	Unit of measurement	From 1 January to 31 December 2021		From 1 January to 31 December 2022		From 1 January to 31 December 2023	
		Total	Total GJ	Total	Total GJ	Total	Total GJ
Heating							
Natural gas	cubic metres	4,674,317	185,226	4,328,852	172,130	4,440,096	178,022
LPG	litres	114,537	2,990	106,474	2,782	114,919	3,003
Electricity							
Total purchased	KWh	13,987,105	50,354	15,163,550	54,589	16,266,318	58,559
<i>of which from renewable sources</i>	KWh	-	-	-	-	493,647	1,777

¹⁶ The conversion factors published by DEFRA (UK Government – GHG Conversion Factors for Company Reporting) for 2021, 2022, and 2023 were used to calculate the energy consumption.



Total self-generated from renewable sources		2,127,504	7,659	1,819,261	6,549	1,466,022	5,278
<i>from solar</i>	KWh	776,357	2,795	761,419	2,741	528,046	1,900.9656
<i>from cogeneration</i>	KWh	1,351,147	4,864	1,057,842	3,808	936,244	3,370
<i>of which consumed</i>	KWh	1,941,819	6,991	1,656,052	5,962	1,464,290	5,271
<i>of which sold to the grid</i>	KWh	185,685	668	163,209	588	1,732	6.2
TOTAL ELECTRICITY CONSUMPTION (PURCHASED + SELF-GENERATED AND CONSUMED)	KWh	15,928,924	57,344	16,819,602	60,551	17,730,608	63,830

Consumption and numbers of company fleet (GRI 302-1) ¹⁷							
Company fleet	Unit of measurement	From 1 January to 31 December 2021		From 1 January to 31 December 2022		From 1 January to 31 December 2023	
		Total	Total GJ	Total	Total GJ	Total	Total GJ
Diesel	litres	29,965	1,144	33,047	1,262	38,016	1,450
Vehicles	no.	16	n/a	16	n/a	20	n/a
Electric	KWh	0	-	0	-	0	-
Vehicles	no.	1	n/a	1	n/a	0	n/a

Energy intensity (GRI 302-3)				
Energy intensity	Unit of measurement	2021	2022	2023
Finished products	tonnes of finished product	37,784	42,771	42,317
Energy consumed within the organisation	Gj	247,400	236,987	246,597
Energy intensity	GJ/tonnes of finished product	6.55	5.54	5.83

GRI 303-3 Water withdrawal						
Water withdrawal by source (megalitres)	2021 (from 1 January to 31 December)		2022 (from 1 January to 31 December)		2023 (from 1 January to 31 December)	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	0.22	0	0.22	0	0	0
Freshwater (≤1,000 mg/l of total dissolved solids)	0.22	0	0.22	0	0	0
Other water (>1,000 mg/l total dissolved solids)	0	0	0	0	0	0
Groundwater (total)	440	146	386	138	393	171
Freshwater (≤1,000 mg/l of total dissolved solids)	294	0	248	0	222	0
Other water (>1,000 mg/l total dissolved solids)	146	146	138	138	171	171
Third-party water (total)	280	166	248	158	285	202

¹⁷ The data refers exclusively to the Ascoli and Resana plants since they are the only ones with a company fleet.



Freshwater ($\leq 1,000$ mg/l of total dissolved solids)	280	166	248	158	285	202
Other water ($> 1,000$ mg/l total dissolved solids)	0	0	0	0	0	0
Total water withdrawal	721	312	634	296	678	373

GRI 303-4 Water discharge						
Water discharge by source (megalitres)	2021 (from 1 January to 31 December)		2022 (from 1 January to 31 December)		2023 (from 1 January to 31 December)	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	0.2	0	0.2	0	0.2	0
Freshwater ($\leq 1,000$ mg/l of total dissolved solids)	0	0	0	0	0	0
Other water ($> 1,000$ mg/l total dissolved solids)	0.2	0	0.2	0	0.2	0
Groundwater (total)	235.4	0	233.4	0	208.2	0
Freshwater ($\leq 1,000$ mg/l of total dissolved solids)	235.4	0	233.4	0	208.2	0
Other water ($> 1,000$ mg/l total dissolved solids)	0	0	0	0	0	0
Third-party water (total)	378	264	345	255	349	266
Freshwater ($\leq 1,000$ mg/l of total dissolved solids)	378	264	345	255	349	266
Other water ($> 1,000$ mg/l total dissolved solids)	0	0	0	0	0	0
Total water withdrawal	613.6	264	578.6	255	557.4	266

Direct (Scope 1) and energy indirect (Scope 2) GHG emissions from energy consumption (GRI 305-1 and 2)				
GHG Emissions Scope 1 (tCO ₂ eq) and Scope 2 ¹⁸ (tCO ₂ eq)		2021 (from 1 January to 31 December)	2022 (from 1 January to 31 December)	2023 (from 1 January to 31 December)
Scope 1 [tCO ₂ eq]	Direct emissions from combustion	9,762	8,994	13,391
	Emissions from coolant gas leaks	5,322	4,181	2,852
	Total Scope 1	15,048	13,174	16,242
Scope 2 [tCO ₂]	Location-based	4,321	4,682	5,030
	Market-based	6,179	7,185	7,232
Total	Scope I and Scope II (location-based)	19,369	17,856	21,272
	Scope I and Scope II (market-based)	21,227	20,359	23,474

Intensity of greenhouse gas emissions (Scope 1 + Scope 2 location-based) (GRI 305-4)				
GHG emissions intensity	Unit of measurement	2021	2022	2023
<i>Finished products</i>	Number of products produced in tonnes	37,784	42,771	42,317
Emissions (Scope 1 + Scope 2 location-based)	tCO ₂ eq	19,369	17,856	21,272

¹⁸ Scope 2 emissions are expressed in tons of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂eq) as can be deduced from the technical literature of reference.



GHG emissions intensity	tCO ₂ eq/Number of products produced in tonnes	0.51	0.42	0.50
Greenhouse gas emissions intensity (Scope 1 + Scope 2 market-based)				
GHG emissions intensity	<i>Unit of measurement</i>	2021	2022	2023
<i>Finished products</i>	Number of products produced in tonnes	37,784	42,771	42,317
Emissions (Scope 1 + Scope 2 market-based)	tCO ₂ eq	21,227	20,359	23,474
GHG emissions intensity	tCO ₂ eq/Number of products produced in tonnes	0.56	0.48	0.55

GRI 306-3 Waste generated			
Type of waste (tonnes)	2021	2022	2023
MIXED MATERIALS PACKAGING	293	277	318
of which to disposal (D)	1.9	0	0
of which recovered (R)	291.1	277.5	318
of which hazardous	0	0	0
PAPER - CARDBOARD	219	222	252
of which to disposal (D)	0	0	0
of which recovered (R)	219	222	252
of which hazardous	0	0	0
PLASTIC PACKAGING	167	177	214
of which to disposal (D)	0	0	0
of which recovered (R)	167	177	214
of which hazardous	0	0	0
IRON SCRAP (iron - steel)	53	8	18
of which to disposal (D)	0	0	0
of which recovered (R)	53	8	18
of which hazardous	0	0	0
SEPTIC TANK SLUDGE	911	752	750
of which to disposal (D)	40	41	23
of which recovered (R)	871	712	728
of which hazardous	0	0	0
SLUDGE PRODUCED BY OTHER TREATMENT OF INDUSTRIAL WASTEWATER	68	130	72
of which to disposal (D)	68	130	72
of which recovered (R)	0	0	0
of which hazardous	0	0	0
WOODEN PACKAGING	17	12	28
of which to disposal (D)	0	0	0
of which recovered (R)	17	12	28
of which hazardous	0	0	0
Other (non-hazardous)	5	8	43
of which to disposal (D)	1	1	0
of which recovered (R)	4	7	43
of which hazardous	0	0	0



Other (hazardous)	1	1	1
of which to disposal (D)	1	1	1
of which recovered (R)	0	0	0
of which hazardous	1	1	0
Total waste produced	1,735	1,587	1,660
of which to disposal (D)	113	172	97
of which recovered (R)	1,622	1,414	1,563
of which hazardous	1	1	1
% waste recovered of total	94%	89%	94%
% hazardous waste of total	0%	0%	0%



GRI CONTENT INDEX

Declaration on use	The Sabelli Group has reported the information contained in this GRI Content Index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1 - Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
General disclosures		
GRI 2 - General Disclosures 2021	2-1 Organizational details	7; 9-11
	2-2 Entities included in the organization’s sustainability reporting	7
	2-3 Reporting period, frequency and contact point	7
	2-4 Restatements of information	No restatements were made by the organisation on the figures in the 2022 Report
	2-5 External assurance	XX
	2-6 Activities, value chain and other business relationships	10-13; 35-38
	2-7 Employees	40-41; 60
	2-8 Workers who are not employees	40; 61
	2-9 Governance structure and composition	18-19
	2-22 Statement on sustainable development strategy	4-5
	2-27 Compliance with laws and regulations	21
	2-28 Membership associations	18
	2-29 Approach to stakeholder engagement	14-16
2-30 Collective bargaining agreements	40-41; 61	
Material Topics		
GRI 3 - Material Topics 2021	3-1 Process to determine material topics	14-16
	3-2 List of material topics	15
<i>Economic series</i>		
Economic performance		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 21-22
GRI 201 Economic performance – 2016	201-1 Economic value generated directly and distributed	21-22
Responsible supply chain management		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 35-38



GRI 204 – Procurement practices	204-1 Proportion of spending on local suppliers	36
Business ethics, compliance, and risk management		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16, 19-21
GRI 205 - Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	21
GRI 206 - Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	21
<i>Environmental series</i>		
Research, innovation, and sustainable packaging		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 55-58
GRI 301 - Materials	301-1 Materials used by weight or volume	64
Management of energy consumption and atmospheric emissions		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 49-52
GRI 302 - Energy 2016	302-1 Energy consumption within the organization	51-52; 64-65
	302-3 Energy intensity	65
GRI 305 - Emissions 2016	305-1 Direct (Scope 1) GHG emissions	51-52; 66-67
	305-2 Energy indirect (Scope 2) GHG emissions	51-52; 66-67
	305-4 GHG emissions intensity	66-67
Waste management and water consumption		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 49-50; 53-55
GRI 303 - Water and Effluents 2018	303-1 Interactions with water as a shared resource	53-54
	303-2 Management of water discharge-related impacts	53-54
	303-3 Water withdrawal	65
	303-4 Water discharge	66
GRI 306 - Waste 2020	306-1 Waste generation and significant waste-related impacts	54-55
	306-2 Management of significant waste-related impacts	54-55
	306-3 Waste generated	67-68
<i>Social series</i>		
Occupational health and safety		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 45-46
GRI 403 – Occupational Health and Safety	403-1 Occupational health and safety management system	45-46
	403-2 Hazard identification, risk assessment, and incident investigation	45-46
	403-3 Occupational health services	45-46
	403-4 Worker participation, consultation, and communication on occupational health and safety	45-46



	403-5 Worker training on occupational health and safety	45-46
	403-6 Promotion of worker health	45-46
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45-46
	403-9 Work-related injuries	46; 61
Employee training and development		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 43-44
GRI 404 – Training and Education	404-1 Average hours of training per year per employee	43; 62
Human resources management		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 40-43; 46-47
GRI 405 - Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	62-64
GRI 406 - Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	47
Product quality and safety		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 24-33
GRI 416 - Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	27-29
Material topics without associated GRI		
Employee attraction, retention and well-being		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 42-44
Brand identity		
GRI 3 - Material Topics 2021	3-3 Management of material topics	10-13; 14-16
Customer satisfaction		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 31-33
Food waste		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 31-32
Animal welfare		
GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 30-31
Traceability of raw materials		



GRI 3 - Material Topics 2021	3-3 Management of material topics	14-16; 35-38
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TABLE OF RECONCILIATION WITH GRI STANDARDS

Material topics	GRI Standard topic	Area	Impact		Scope of impact	Company involvement
			Positive	Negative		
Business ethics, compliance, and risk management	Anti-corruption (205); Anti-competitive behaviour (206)	Economic	Ethical business management and compliance with legislation and regulations		Sabelli Group	Caused by the Sabelli Group
Brand identity	-	Economic	Focus on territory and local community		Sabelli Group	Caused by the Sabelli Group and to which the Group contributes
Product quality and safety	Customer Health and Safety (416)	Social	Product quality and safety		Sabelli Group	Caused by the Sabelli Group and to which the Group contributes
Customer satisfaction	-	Social	Customer engagement		Sabelli Group	Caused by the Sabelli Group and to which the Group contributes
Research, innovation, and sustainable packaging	Materials (301)	Social	Creation of shared value		Sabelli Group	Caused by the Sabelli Group
Animal welfare	-	Social	Attention to animal welfare		Sabelli Group	Caused by the Sabelli Group and to which the Group contributes
Employee training and development	Training (404)	Social	Active development of employee skills		Employees of the Sabelli Group	Caused by the Sabelli Group
Occupational health and safety	Occupational health and safety (403)	Social		Work-related injuries	Employees of the Sabelli Group	Caused by the Sabelli Group
Human resources management	Diversity and equal opportunity (405); Non-discrimination (406)	Social		Fair and inclusive work environment	Employees of the Sabelli Group	Caused by the Sabelli Group
Employee attraction, retention and well-being	-	Social	Creation of jobs; Contribution to the work-life balance of employees		Employees of the Sabelli Group	Caused by the Sabelli Group
Responsible supply chain management	Procurement practices (204)	Social		Responsible supply chain management	Sabelli Group	Caused by the Sabelli Group and directly connected through a business relationship
Traceability of raw materials	-	Social	Promotion of local suppliers	Impact on biodiversity	Sabelli Group	Caused by the Sabelli Group and directly connected through a business relationship
Food waste	-	Environmental		Food waste	Sabelli Group	Caused by the Sabelli Group and to which the Group contributes



Management of energy consumption and atmospheric emissions	Energy (302); Emissions (305)	Environmental		Contribution to the generation of climate-altering emissions	Sabelli Group and energy providers	Caused by the Sabelli Group and to which the Group contributes
Waste management and water consumption	Water and Effluents (303); Waste (306)	Environmental		Waste management in the production process; Water withdrawal; Generation of wastewater due to the production process	Sabelli Group	Caused by the Sabelli Group and to which the Group contributes
Economic performance	Value generated and distributed (201)	Economic	Creation of economic value		Sabelli Group	Caused by the Sabelli Group



Sabelli Group

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