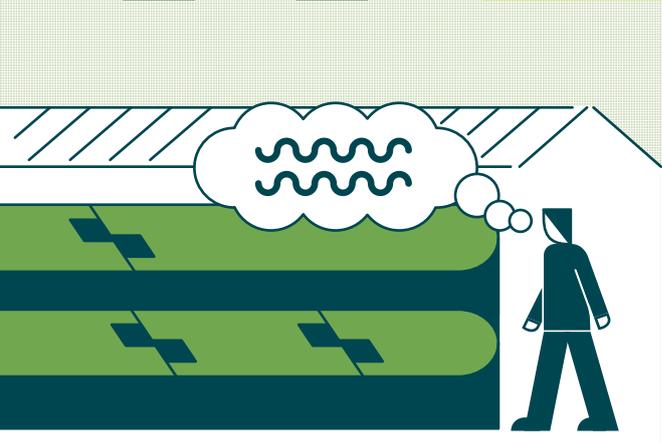
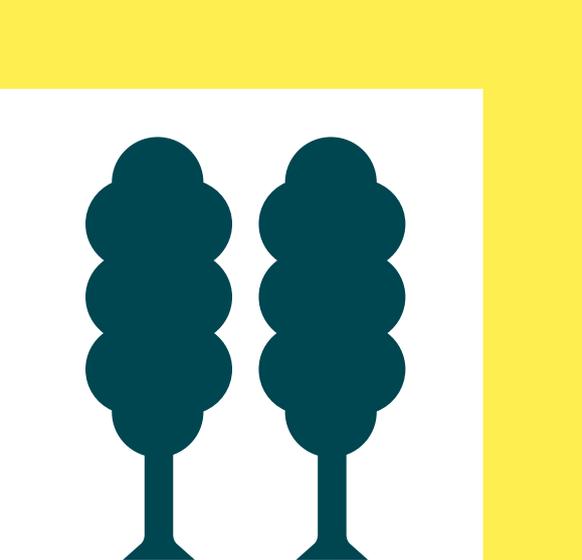


2023 Sustainability Management Report



The Sustainability Management Report is the document through which the Andriani Group discloses both the economic and financial information required by Article 2428 of the Italian Civil Code and the information on the Group's sustainability performance (environmental and social sustainability, the fight against corruption, and respect for human rights), along with the disclosure on its commitment and results achieved in terms of the SDGs and actions for the common benefit.

Information on the reporting methodology and the multidisciplinary team that prepared it can be found on pages 8, 9 and 10 of this report.

The ESG information was subject to voluntary performance measurement in relation to the reference industry according to the proprietary methodology of Cerved Rating Agency S.p.A, a company subject to the management and coordination of Cerved Group S.p.A.

The ESG Rating prepared on the Andriani Group's 2023 data highlighted the following evaluation:

SECTOR
Industrials

INDUSTRY
AGRI-FOOD &
BEVERAGE

SUB-INDUSTRY
AGRICULTURAL
PRODUCTS & FOOD

COUNTRY
Italy

ESGe RATING



ESGe RISK MANAGEMENT
CAPABILITY



ESGe SCORE



ESGe RATING CATEGORIES AND SCORING SCALE





ANDRIANI
Leading the Food Transition

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Disclosure required by
Art. 2428 of the Italian
Civil Code



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Letter to the stakeholders

2-22



Dear Stakeholders,

With great pleasure, I offer you the latest version of our Sustainability Management Report.

We implemented the double materiality approach this year in an effort to more accurately evaluate the effects on our stakeholders and our financial performance, demonstrating the complete integration of ESG with business goals and outcomes.

In anticipation of the legal requirements beginning in 2025, we have presented our value chain and the associated effects on it in a more transparent and unambiguous manner.

These impacts are, in our opinion, a strategic driver, a representation of value and intangible capital, on which Andriani has always focused and plans to concentrate even more, providing the Benefit Society's legal structure with more resources, expertise, and understanding.

We firmly believe that the pursuit of our new corporate purpose, *"We improve the health and well-being of people, society, and the planet through food innovation,"* requires the dimensional growth and "sustainable" economic development process that we are pursuing through competitive levers of internationalisation, innovation, and managerialization. We wish to translate this purpose in terms of value generated, assessing how our operations impact people's health and well-being through our commitment, products, and value chain.

As you read through the report, you will notice that our Group is placing great emphasis on adopting a "regenerative" approach to business. We are doing this by investing in co-evolution projects with third parties and encouraging participatory collaboration, with the dual goals of reducing our environmental impact and promoting stakeholder engagement.

Since the beginning of our transition towards more sustainable development, the 10 Principles of the United Nations Global Compact and the 17 Goals of the 2030 Agenda with a focus on human rights, labour, the environment, and anti-corruption, have served as our inspiration.

We then add our 5 areas of impact: Production chain, People's health and well-being, Enhancing the area, Climate change and circular economy, Value of the people and group identity, to which we are committed, more than ever to helping to achieve widespread prosperity. These topics are carefully described in the document that this year, for the first time, includes the financial and sustainability information for Nove Alpi, a company that broadens our scope of innovation in the food sector.

Furthermore, as a Benefit Corporation and B Corps, we are increasingly convinced of the need to pursue positive impacts in order to create business value. As such, we interpret and witness a new business reality that prioritises relationships between people, the environment, and society in order to promote shared well-being.

We are acutely conscious of our responsibilities, especially in light of the Group's current significant growth and development, which is being aided by the partnership with NUO that was established in 2022 and is being guided by a new five-year Industrial Development Plan and a new Strategic Sustainability Plan.

In 2023, our turnover surpassed 100 million euros and we are planning to inaugurate a new 6,000 square metre production facility in Canada. Our goal is to set the standard for healthy food globally by promoting both new sustainable food models and the well-established sustainability values that we uphold internationally.

I therefore encourage you to read the Report in order to learn more about our accomplishments, the obstacles we have overcome, and our long-term objectives.

We value your input and feedback as we believe that working together with our stakeholders is essential for building a better future for everyone.

Thanks for your continued support and trust.

Michele Andriani
Chairperson of the Board of Directors and CEO

Note on methodology

2-2 2-3  ESG

LEGEND

-  External web link
-  Internal document link
-  **CC2428**
Disclosure required by Art. 2428 of the Italian Civil Code
-  **ESG**
Sustainability Disclosure

-   GRI
-  ESRS
-  BIA
-  SASB

The Consolidated Sustainability Management Report 2023 provides a content structure that covers the overall dynamics of the entire reporting scope for the Andriani Group (hereinafter referred to as "Andriani Group" or "the Group") as well as the economic and financial reporting mandated by Article 2428 of the Civil Code for sustainability performance reporting.

This document thus serves as the Management Report to the Consolidated Financial Statements of the Andriani Group and as such conveys the economic and financial data of Andriani S.p.A. in addition to the companies that are directly under its control, along with the associated ESG data more specifically pertaining to governance and risks, environmental and social sustainability, the fight against corruption and the respect for human rights, as well as disclosure of the commitment and outcomes attained in terms of common benefit, consistent with Andriani S.p.A.'s status as a benefit corporation.

Therefore, the degree of connectivity and, to some extent, integration between the financial and sustainability information as well as the Sustainability Report and the Impact Report are what makes this document unique. Although these two documents respond to currently different regulatory obligations, with the first being optional and the second mandatory, they both consistently address corporate stakeholder expectations regarding information about contributions to sustainable development.

The document complies with the requirements of the Corporate Sustainability Reporting Directive (also known as the "CSRD"), ahead of schedule, regarding the inclusion of sustainability data in management reports for large European companies that will be subject to mandatory application under the directive starting in the 2025 fiscal year.

Although it is a single document, this report contains the information that is required by Article 2428 of the Italian Civil Code in its various sections, as indicated in the infographic  **CC2428** it also provides optional sustainability information that is also indicated in the infographic  **ESG**.

The 2023 Consolidated Sustainability Management Report includes references to different international standards (GRI, BIA, SASB) to which the European Sustainability Reporting Standards (ESRS) are added this year. Andriani has chosen to test these European standards for sustainability reporting in application of the principle of double materiality and interoperability between GRI and ESRS.

The guidelines on Sustainable Development Goals Disclosure (SDGD) Recommendations, which are the international reference framework for reporting performance on key SDGs, make up the set of methodological references for the 2023 Consolidated Management Report.

-   CSRD
-  GRI
-  ESRS
-  Double materiality
-  Interoperability between GRI and ESRS
-  Guidelines on the SDGD

Reporting scope

The reporting period coincides with FY2023 and the sustainability reporting scope coincides with that of the Andriani Group's Consolidated Financial Statements, i.e. it includes Andriani S.p.A. and its subsidiaries Terre Bradaniche S.r.l., ApuliaKundi S.r.l., Nove Alpi S.r.l., Casa Andriani S.r.l, Andriani Ltd and Andriani USA PBC. This scope presents, in different ways, information relating to environmental, social, personnel, human rights and anti-corruption issues, to better understand business performance, its results and, above all, the company's impact on these issues.

It should be noted that, in contrast to the 2022 Sustainability Report, the reporting scope for FY2023 has been expanded to include the subsidiary Nove Alpi S.r.l., a company acquired in 2022 and not covered by the reporting scope for the previous fiscal year.

While falling under the Group's purview, the subsidiaries Casa Andriani S.r.l., Andriani Ltd., and Andriani USA PBC are not pertinent for evaluating the business's impact with regard to ESG issues.

Reporting process and methods

Except in cases where it is not feasible, the data for the year under review is compared with that of the prior year in order to enable cross-year comparison of data and evaluate the effectiveness of the Andriani Group's operations.

The use of estimates has been limited, as far as possible, and if included, they are based on the best available methodologies and appropriately reported.

In order to provide a true representation of the company management and the impact of its business activities, the following have been provided:

- the sustainability reporting principles set forth in the most widely used international standards were applied;
- data and information on the context in which the Andriani Group operates were collected;
- the material topics were identified and reported, i.e., identified as relevant in light of the impact and financial materiality analysis ([page 11](#)).

The report, prepared using the customary "anticipatory" approach, complies with GRI Standard 2021 (*in accordance*) and presents the added value statement in line with the "GBS

[2013 Standard - Principles for Social Reporting](#)" created by the Reporting and Sustainability Group, in addition to the reclassification of the direct and generated economic value in accordance with [GRI 201-1](#).

The Andriani S.p.A. Benefit Corporation Board of Directors approved the Management Report on 29 February 2024. This document is actually a companion to the Group Consolidated Financial Statement that was presented at the Andriani S.p.A. holding company's shareholders' meeting on March 29, 2024.

The disclosure required by Article 2428 of the Italian Civil Code, and pursuant to Article 40 of Italian Legislative Decree 127/91, was audited by the independent auditors Deloitte & Touche S.p.A, as part of its opinion on the consistency of the Group's Consolidated Financial Statements, pursuant to Article 14, paragraph 2, letter e), of Italian Legislative Decree 39/10 ([page 131](#)). The ESG disclosure in this Report was subject to assurance (limited assurance engagement) by the same audit firm according to the criteria indicated by the [ISAE 3000 Revised standard](#).

The Sustainability Management Report is published yearly.



GRI 201-1



Standard GBS 2013



ISAE 3000 Revised

The following ESG references enrich the methodological part of the report:

- [GRI Content Index](#) - with details of the contents reported in compliance with the 2021 GRI Sustainability Reporting Standards and related informational omissions;
- [GRI-ESRS Interoperability Index](#) - published in draft version on 30 November 2023, which shows the link between the GRI and ESRS disclosures;
- [SASB Materiality MAP \(Food & Beverage Sector\)](#) - which details the reporting metrics required for the food processing sector;
- [10 principles of the Global Compact](#) - which Andriani drew from in preparing the Communication on Progress that coincides with this report;
- [Linking the SDGs and the GRI Standards](#) - in the new version amended in May 2022 that compares the contents of the GRI Content Index with the SDGs;

- [Complementary Use and Linkage of the GRI Standards and B Lab's B Impact Assessment](#)- February 2021 document relating the GRI Content Index to the B Impact Assessment;
- [AccountAbility 1000 - Stakeholder Engagement Standard](#) - process standard for involving stakeholders.

Attached are the 2 correlation tables between the GRI Content Index and the 17 SDGs of Agenda 2030 ([page 123](#)) and B Lab's BIA standard ([page 134](#)) as a tool for a better reading of the Report. These are supplemented by the SASB Content Index ([page 137](#)), which shows the connection between the data in this report and the sector metrics required by the SASB.

The team that collaborated in drafting this report

The 2023 Consolidated Sustainability Management Report was prepared by the Andriani S.p.A. Board of Directors and was drafted by qualified professionals inside and outside the Andriani Group. In particular, the interdisciplinary team that took part in the preparation of the Report involved the representatives of the corporate functions of Andriani S.p.A., Terre Bradaniche, ApuliaKundi and Nove Alpi S.r.l.: CSR & Sustainability, Administration, Accounting, Legal and Corporate Affairs, Marketing & Communication, Sales Account, Human Resources, Research and Development, Planning and Control, Procurement, Production Supply Chain, Quality, Logistics, General Affairs, Information Technology, Treasury, and Tax Affairs.

Engineer Filippo Capurso was the Head of the Work Group.

Editing and graphic layout was carried out by Interno15 S.r.l. (info@interno15.it).

The English translation of the text was carried out by EBL Italia (info@ebl-italia.it).

Comments and opinions on this report can be sent by email to csr@andrianispa.com.



GRI Content Index



GRI-ESRS



SASB Materiality MAP



10 Global Compact Principles



Linking SDGs and the GRI Standards



GRI Standards and BIA



AccountAbility 1000

Materiality analysis



3-1 3-2 ESG

The Andriani Group recognises the growing strategic function that materiality plays not only in the reporting process but also in corporate governance and management. As a result, it continues to pursue methodological rigour, dedicating commitment and resources to materiality analysis in accordance with the increased attention required by current global reporting standards and through an *early adoption* approach in view of future European reporting standards.

The outcome of this analysis is the culmination of a methodological approach that was largely shaped by the ongoing evolution of Andriani's sustainability context, which is influenced by variables such as:

- megatrends and global risks, starting with economic, social, and environmental ones and reaching technological and geopolitical ones;
- business internationalisation through operational growth processes;
- regulatory complexity resulting from the Group's large status (at least according to the parameters of the new accounting directive introduced by the European legislature).

In this development path, which must take into account the risks and opportunities associated with sustainability, Andriani has implemented a double materiality process in accordance with the provisions of the CSRD, defining the material topics subject to reporting, i.e. connecting the outcomes of the inside-out approach of impact materiality with those of the outside-in approach of financial materiality.

The process, which was carried out during October and November 2023, involved the Andriani team not only in the analysis activity, but also in three specific meetings: the update on material topics, focus groups with suppliers, and dual materiality.

With regard to impact materiality, the Andriani team defined the material topics following the four steps provided by the GRI 3 standard:

- 1) understanding of the context of the organisation and the relevant sector;
- 2) identification of the effective and potential impacts;
- 3) assessment of the importance of those impacts;
- 4) prioritisation of the most significant ones to be reported.



New Accounting Directive



GRI 3

Framing

The first step involved the team in analysing a number of documents, among which, in addition to internal documents of high strategic value (regarding purpose, vision & mission, products, and brands), we report, for example, those from:

- international organisations including the WBCSD (World Business Council for Sustainable Development), the World Economic Forum, the Science Based Target Initiative, the WWF (World Wildlife Fund);
- European regulations, including, in addition to the previously mentioned CSRD, the CSDD (Corporate Sustainability Due Diligence), the European Regulation on "zero deforestation".

- sector international reporting standards, i.e., the GRI 13 Agriculture, Aquaculture, and Fishing Sectors, for voluntary adoption starting 1 January 2024;
- specialised media focusing on the ESGs and the food & beverage sector.

In order to update the topics and identify the list of related impacts for the materiality analysis, i.e., step 2, the team consulted the topic and sub-topic proposal published by EFRAG as part of the ESRS standards, as well as the related list of SFDR PAIs (Principal Adverse Impacts).



WBCSD



World Economic Forum



Science Based Target Initiative



WWF



CSDD



European Regulations



GRI 13 Agriculture Aquaculture and Fishing Sectors



ESG



Food & beverage



PAI

Following this analysis and an exercise to determine which concepts best fit the Andriani context, 16 overall topics were chosen and assigned to the corresponding 5 impact areas, as shown in the table below.

Table → The 16 overall topics and their corresponding 5 impact areas

Area of impact	Material topic	GRI aspect	Scope of impact	Type of impact	SDGs
Production chain and sustainable agriculture	1 Responsible supply chain management	Procurement practices	Andriani - subsidiaries - suppliers - business partners	By Andriani and its subsidiaries and directly connected through a business relationship	
	2 Biodiversity and ecosystems	Biodiversity	Andriani - subsidiaries	By Andriani and its subsidiaries	
Health and well-being	3 Digital transformation and innovation	Topic not present - specific standard	Andriani - subsidiaries	By Andriani and its subsidiaries	
	4 Product safety and traceability	Customer health and safety - Marketing and labelling	Andriani - subsidiaries	By Andriani and its subsidiaries	
	5 Consumer well-being	Customer health and safety	Andriani - subsidiaries	By Andriani and its subsidiaries	
Development and enhancement of the area	6 Inclusive and sustainable communities	Topic not present - specific standard	Andriani - subsidiaries	By Andriani and its subsidiaries	
Climate change and the circular economy	7 Energy management	Energy	Andriani - subsidiaries	By Andriani and its subsidiaries	
	8 Emissions	Emissions	Andriani - subsidiaries	By Andriani and its subsidiaries	
	9 Transition toward a circular economy	Water and water discharges - Materials - Water discharges and waste	Andriani - subsidiaries	By Andriani and its subsidiaries	
	10 Packaging sustainability and waste management	Marketing and labelling - materials	Andriani - subsidiaries	By Andriani and its subsidiaries	
Value of the people and Group identity	11 Governance, sustainable strategy, and Business Model	Anti-competitive behaviour - Socio-economic compliance - Customer privacy - Market presence - Public policy	Andriani - subsidiaries	By Andriani and its subsidiaries	
	12 Anti-corruption	Anti-corruption	Andriani - subsidiaries	By Andriani and its subsidiaries and directly connected through a business relationship	
	13 Diversity and development of human resources	Employment - Training and education - Diversity and equal opportunity	Andriani - subsidiaries	By Andriani and its subsidiaries	
	14 Health and well-being in the workplace	Health and safety at work	Andriani - subsidiaries - employees	By Andriani and its subsidiaries	
	15 Human rights and decent work	Non discrimination - Relationships between workers and management - Child Labour - Forced Labour	Andriani - subsidiaries	By Andriani and its subsidiaries and directly connected through a business relationship	
	16 Metrics and targets	Topic not present - specific standard	Andriani - subsidiaries	By Andriani and its subsidiaries	



EFRA
guidelines

Engagement

The FY2023 stakeholder engagement activity was conducted with a focus on increasing the level of awareness of those engaged. For this reason, the engagement process dedicated special attention to internal stakeholders as well as a subset of external stakeholders (suppliers), conducting an in-depth session on double materiality and analysing the relative impacts, and also basing this on the recently released [EFRA materiality guidelines](#).

The group of internal stakeholders engaged included two members of Andriani S.p.A.'s corporate governance, namely an independent director from the Board of Directors and a member of the Board of Statutory

Auditors, in addition to the members of the interdisciplinary team mentioned in the note on methodology.

In addition to engaging internal stakeholders, the Andriani team once again chose to corroborate its analysis by targeting a category of stakeholders considered to be of particular strategic importance, the suppliers. As described in the previous paragraph, 4 types of suppliers (raw materials, packaging, transportation, and services) were involved in the materiality process, asking them to prioritise the 16 topics.

Double materiality

For the [IMPACT MATERIALITY](#) the team involved was asked to judge the classification of the negative and positive impacts associated with each of the 16 topics and their significance based on two parameters:

- 1) **SEVERITY** evaluated based on 3 drivers:
 - scale, i.e., assigning a score from 1 (not very relevant) to 5 (very relevant);
 - scope, i.e., identifying the impact on which stakeholders and on which phases of the value chain;
 - irredeemability, i.e., evaluating based on its possible restoration degree (low/medium/high).
- 2) **PROBABILITY** evaluated based on 2 parameters:
 - effectiveness, i.e. if current;
 - potential, i.e., if short/medium/long-term.

For the [FINANCIAL MATERIALITY](#) the same team was asked to evaluate the impacts following the IRO (Impact, Risk, Opportunities) approach set forth in the new ESRS standards, that is defining the possible types of risks or opportunities associated to each one.

The risks or opportunities were defined by evaluating the following 4 aspects:

- scale, by assigning a score from 1 (not very relevant) to 5 (very relevant, assuming a threshold value of 4, i.e., assuming its impact on the financial statement can reach, in the short, medium, or long term, a monetary value at least equal to the performance materiality of the group's consolidated financial statements;
- probability, i.e. assigning as probable if above 50% or possible/remote if below 50%;
- time frame, i.e., assigning a short (within one year), medium (1-5 years), or long (over 5 years) time frame;
- impacted financial statement size (e.g., Capex, Opex, revenue, cash flow, cost of capital, equity).

16 topics were considered relevant to impact materiality and are highlighted in bold in the table below that details the four impacts that passed the double materiality assessment and that were therefore prioritised based not only on impact materiality (16 out of 20 impacts), but also on financial materiality (5 out of 20 impacts):

- intensive agricultural practices;
- evaluation and selection of suppliers based on economic, social, and environmental criteria;
- inadequate product quality, integrity, and/or food safety characteristics and failure to adopt quality and food safety standards;
- delay in the circularity of production processes.

These impacts are associated with three material topics and to three corresponding impact areas:

- Responsible supply chain management - Production chain and sustainable agriculture;
- Product safety and traceability - Health and well-being;
- Transition toward a circular economy - Climate change and circular economy.

The graphic compares the rating assigned to each impact in the single outside-in and inside-out perspective

AREA OF IMPACT	Production chain and sustainable agriculture			Development and enhancement of the area
MATERIAL TOPIC	Responsible supply chain management		Biodiversity and ecosystems	Inclusive and sustainable communities
IMPACT	intensive agricultural practices	Evaluation and selection of suppliers based on economic, social, and environmental criteria	Loss of biodiversity	Lack of stakeholder involvement in promoting widespread prosperity on the local level
EXTERNALITY	Negative	Positive	Negative	Negative
INSIDE-OUT	Cultivation techniques associated with soil degradation, high water consumption, and heavy use of inputs (machinery, fertilisers, and phytosanitary products)	Greater competitive advantage, regulatory compliance, and production efficiency throughout the supply chain	Loss of resilience to climate change. Loss of the structural and functional integrity of the ecosystems, resulting in a reduction in ecosystem services (e.g., pollination, carbon sequestration, water retention, etc.)	Lack of socio-economic development opportunities for the area
IMPACT MATERIALITY	EFFECTIVE OR POTENTIAL (short/medium/long term)			
	Effective	Potential (medium term)	Effective	Potential
	SCALE (from 1 to 5)			
	5	4	5	3
	SCOPE (Stakeholder)			
	Farmers and Suppliers (raw materials)	Suppliers (raw materials, logistics, and services)	Farmers, Suppliers (raw materials, logistics, and services), and Business Partners	Citizens, Local Communities, Institutions, Associations, and Civil Society
	SCOPE (Value chain)			
- Product research and innovation - Farmers and supply chain - Ethical and social procurement practices - Raw material handling - Food safety controls		- Farmers and supply chain - Ethical and social procurement practices - Logistics and sales	- Product research and innovation - Communication - Taste and well-being	
IRREDEEMABILITY (Low/medium/high)				
Medium	-	High	Medium	
OUTSIDE-IN	Risk of reduced agricultural yields in supply chains: implications in terms of higher procurement costs	Supply chain qualification and audit procedures, while improving performance from an ESG perspective, could result in needing to change strategic suppliers, potentially increasing procurement costs	Due to a decrease in ecosystem services, biodiversity loss and lead to soil depletion and lower yields, inevitably forcing short supply chain initiatives to be abandoned	The value chain and business ecosystem may be impacted by the lack of involvement of the local operator system.
FINANCIAL MATERIALITY	RISK/OPPORTUNITY			
	Risk	Risk	Risk	Risk
	FINANCIAL STATEMENT SIZE			
	Opex	Opex	Opex	Less Revenue, Opex
	SCALE (from 1 to 5)			
	4	4	1	1
	TIME FRAME (short, medium, long)			
Medium	Medium	Medium	Long	
PROBABILITY (remote/possible/probable)				
Probable	Probable	Probable	Remote	

AREA OF IMPACT	Health and well-being		
MATERIAL TOPIC	Digital transformation and innovation	Product safety and traceability	Consumer well-being
IMPACT	Process control along the various steps of the value chain	Inadequate product quality, integrity, and/or food safety characteristics. Failure to adopt food quality and safety standards	Production of foods that promote a positive approach to nutrition based on nutritional science and the Mediterranean diet
EXTERNALITY	Positive	Negative	Positive
INSIDE-OUT	Production efficiency, waste reduction, time and resource optimisation	Lack of customer satisfaction, consumer health risk, lack of compliance with current regulations	Protecting consumer health by offering healthy food as well as raising awareness and promoting a balanced lifestyle



IMPACT MATERIALITY	PROBABILITY	EFFECTIVE OR POTENTIAL (short/medium/long term)			
		Potential (short-term)	Potential (short-term)	Effective	
		SCALE (from 1 to 5)	3	5	5
	SEVERITY	SCOPE (Stakeholder)	All	Suppliers, Employees, Customers, Business Partners, Universities, and Research Institutions	Suppliers, Customers, and Business Partners
		SCOPE (Value chain)	- Product research and innovation - Production - Communication	- Product research and innovation - Farmers and supply chain	- Farmers and supply chain - Ethical and social procurement practices - Raw material handling - Food safety controls - Production - Quality control - Communication
		IRREDEEMABILITY (Low/medium/high)	-	Low	-

OUTSIDE-IN	Based on the investments planned over the next 5 years (business plan) regarding the digitisation of processes and activities, also with an ESG perspective, the Group expects financial benefits from streamlining management procedures.	Greater investments in raw material safety and traceability, above what is required by regulations, generate operating costs as well as economic benefits in terms of fewer returns, fewer product complains, and higher sales revenues	Consumer well-being initiatives could contributed to an expansion of target customers, with a plus in terms of product pricing
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FINANCIAL MATERIALITY	RISK/OPPORTUNITY	Opportunity	Opportunity	Opportunity
	FINANCIAL STATEMENT SIZE	Saving Opex, Capex	Revenue	Revenue
	SCALE (from 1 to 5)	5	4	2
	TIME FRAME (short, medium, long)	Medium	Short	Medium
	PROBABILITY (remote/possible/probable)	Probable	Probable	Probable

AREA OF IMPACT	Climate change and the circular economy			
MATERIAL TOPIC	Energy management	Emissions	Transition toward a circular economy	Packaging sustainability and waste management
IMPACT	Energy efficiency and self-production with reduced consumption and cost optimisation	Contribution to climate change due to greenhouse gas emissions	Delay in the circularity of production processes	Non-virtuous product and packaging design
EXTERNALITY	Positive	Negative	Negative	Negative
INSIDE-OUT	Improved energy and economic performance Increased energy autonomy	Lack of climate action: delays in the decarbonisation pathway, increased negative effects on health and the climate.	Failure to reduce waste (production inefficiency and worse economic performance) and failure to adopt reuse and recycle models and practices.	Poor distribution of eco-design skills and models resulting in waste production and unnecessary and non-circular packaging materials.



IMPACT MATERIALITY	PROBABILITY	EFFECTIVE OR POTENTIAL (short/medium/long term)			
		Potential (short-term)	Potential (medium term)	Effective	Effective
	SCALE (from 1 to 5)	5	5	4	5
	SCOPE (Stakeholder)	Environment, Suppliers, Business partners, Citizens, Local Communities, Institutions, Associations, and Civil Society	Environment, Suppliers, Business partners, Citizens, Local Communities, Institutions, Associations, and Civil Society	Environment, Suppliers, Business partners, Citizens, Local Communities, Institutions, Associations, and Civil Society	Environment, Suppliers, Employees, and Business partners
	SCOPE (Value chain)	- Farmers and supply chain - Ethical and social procurement practices - Production	- Farmers and supply chain - Ethical and social procurement practices - Raw material handling - Production - Logistics and sales	- Product research and innovation - Production	- Farmers and supply chain - Ethical and social procurement practices - Production
	IRREDEEMABILITY (Low/medium/high)	-	High	Medium	Low
OUTSIDE-IN	Energy supply difficulties due to crises and other external factors Reduced energy and financial performance (higher costs and budget difficulties). Increase exposure to market volatility	Delay in the decarbonisation pathway resulting in high costs and investments	Inefficient production cycle in terms of high incidence of by-products and production waste, with delays in the transition toward circular economy production processes. Risks of reduced sales margins.	Eco-design inefficiency resulting in the generation of waste that could lead to disposal costs.	



FINANCIAL MATERIALITY	RISK/OPPORTUNITY	RISK			
		Risk	Risk	Risk	Risk
	FINANCIAL STATEMENT SIZE	Opex, Capex			
		Opex, Capex	Opex, Capex	Opex	Opex
	SCALE (from 1 to 5)	2	2	5	1
	TIME FRAME (short, medium, long)	Short			
		Short	Medium	Short	Medium
PROBABILITY (remote/possible/probable)	Possible				
	Possible	Remote	Probable	Possible	

AREA OF IMPACT	Value of the people and Group identity			
MATERIAL TOPIC	Governance, sustainable strategy, and Business Model			Anti-corruption
IMPACT	Failure to define a business strategy aimed at the common benefit	Failure to implement a due diligence and impact management system and related risks and opportunities	Drafting and monitoring a sustainability plan	Exposure to penalties and reputational risk
EXTERNALITY	Negative	Negative	Positive	Negative
INSIDE-OUT	Using a business model that neglects the creation of shared value for stakeholders	Implementing a due diligence system and evaluating social and environmental impacts and their most significant risks throughout the value chain	Setting up ESG goals on schedule and fully integrating the financial aspect with the corresponding metrics	Incidents of corruption, bribery, and conflicts of interest with possible negative, reputational, and economic impacts on stakeholders



IMPACT MATERIALITY	PROBABILITY	EFFECTIVE OR POTENTIAL (short/medium/long term)				
		Effective	Potential (medium term)	Effective	Potential (short-term)	
		SCALE (from 1 to 5)	5	5	5	3
		SCOPE (Stakeholder)	Shareholders, Financiers, Governance Bodies, Employees, Citizens, Environment	Shareholders, Financiers, Employees, Citizens, Environment	Governance Bodies, Employees, Citizens, Environment	Governance Bodies, Shareholders
	SEVERITY	SCOPE (Value chain)	- Communication	All	- Communication	- Communication
		IRREDEEMABILITY (Low/medium/high)	Low	High	-	Medium

OUTSIDE-IN	Failure to define a strategy aimed at the common benefit resulting in compliance and reputational risks	Failure to establish a due diligence system protecting against environmental risks throughout the value chain that could lead to penalties as well as reputational damage	Setting up ESG goals on schedule by anticipating the financial impacts of projects	Exposure to corruption, conflicts of interest, and other incidents that could lead to penalties as well as reputational damage
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FINANCIAL MATERIALITY	RISK/OPPORTUNITY				
	Risk	Risk	Opportunity	Risk	
	FINANCIAL STATEMENT SIZE				
	Opex, Cost of Capital, Equity	Opex	Revenue, Capex	Opex, Cost of Capital, Equity	
	SCALE (from 1 to 5)	1	3	1	2
	TIME FRAME (short, medium, long)				
	Medium	Medium	Medium	Medium	
PROBABILITY (remote/possible/probable)					
Possible	Probable	Probable	Remote		

AREA OF IMPACT	Value of the people and Group identity				
MATERIAL TOPIC	Diversity and development of human resources		Health and well-being in the workplace	Human rights and decent work	Metrics and targets
IMPACT	Development of technical and soft skills through continuous training	Failure to take into account issues associated with discrimination, violence, and exclusion	Development of practices and programmes that promote safety in the workplace	Precarious working conditions that violate human rights and workers' dignity (forced labour, child labour, overtime, wages)	Presence of guidelines and indicators to be monitored
EXTERNALITY	Positive	Negative	Positive	Negative	Positive
INSIDE-OUT	Worker growth: development of new knowledge, skills, and abilities. Improved work performance	Absence of De&I policy development for equal opportunities with associated reputational risk.	Positive impact from increased occupational safety precautions.	Lack of due diligence of the supply chain: reputational risk. Harm to the dignity and safety of the workers.	Implementation of action plans based on objective criteria and measurable and monitorable targets.



IMPACT MATERIALITY	PROBABILITY	EFFECTIVE OR POTENTIAL (short/medium/long term)				
		Effective	Potential (medium term)	Effective	Potential (short-term)	Potential (short-term)
	SEVERITY	SCALE (from 1 to 5)				
		5	3	5	5	4
		SCOPE (Stakeholder)				
		Governance Bodies, Employees	Governance Bodies, Employees	Suppliers, Employees, Customers, Business Partners	Suppliers, Employees, Customers, Business Partners	Governance Bodies, Employees, Citizens, Environment
SCOPE (Value chain)						
- Production - Communication	- Production - Communication	- Production - Communication - Taste and well-being	- Farmers and supply chain - Ethical and social procurement practices - Production	All		
IRREDEEMABILITY (Low/medium/high)						
-	Low	-	High	-		

OUTSIDE-IN	Investments made to enhance the sustainability skills of the Group's human resources are likely to generate economic benefits.	Failure to define a D&I strategy leading to reputational and compliance risks	Development of health and safety programmes that mitigate related financial and reputational exposures	Failure to establish a due diligence system protecting against social risks throughout the value chain that could lead to reputational damage.	Introduction of metrics consistent with goals
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FINANCIAL MATERIALITY	RISK/OPPORTUNITY				
	Opportunity	Risk	Opportunity	Risk	Opportunity
	FINANCIAL STATEMENT SIZE				
	Revenue	Opex	Opex Savings	Opex	Opex Savings
	SCALE (from 1 to 5)				
	1	1	2	1	1
	TIME FRAME (short, medium, long)				
Long	Medium	Short	Short	Medium	
PROBABILITY (remote/possible/probable)					
Probable	Remote	Probable	Remote	Probable	

Impact	Impact materiality	Financial materiality	Material topic	SDGs
Intensive agricultural practices	4.5	2.5	Responsible supply chain management	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 15 LIFE ON LAND, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Evaluation and selection of suppliers based on economic, social, and environmental criteria	4.5	2.5		8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 15 LIFE ON LAND, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Loss of biodiversity	4.5	1.5	Biodiversity and ecosystems	15 LIFE ON LAND, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Process control along the various steps of the value chain	3.5	2.5	Digital transformation and innovation	3 GOOD HEALTH AND WELL-BEING, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Inadequate product quality, integrity, and/or food safety characteristics. Failure to adopt food quality and safety standards	4.5	2.5	Product safety and traceability	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Production of foods that promote a positive approach to nutrition based on nutritional science and the Mediterranean diet	4.5	2.5	Consumer well-being	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Lack of stakeholder involvement in promoting widespread prosperity on the local level	3.5	1.5	Inclusive and sustainable communities	8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR GROWTH
Energy efficiency and self-production with reduced consumption and cost optimisation	4.5	2.5	Energy management	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 13 CLIMATE ACTION
Contribution to climate change due to greenhouse gas emissions	4.5	2.5	Emissions	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 13 CLIMATE ACTION
Delay in the circularity of production processes	4.5	2.5	Transition toward a circular economy	6 CLEAN WATER AND SANITATION, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 15 LIFE ON LAND
Non-virtuous product and packaging design	4.5	1.5	Packaging sustainability and waste management	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 15 LIFE ON LAND
Failure to define a business strategy aimed at the common benefit	4.5	1.5	Governance, sustainable strategy, and Business Model	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Failure to implement a due diligence and impact management system and related risks and opportunities	4.5	3.5		8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Drafting and monitoring a sustainability plan	4.5	2.5		8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Exposure to penalties and reputational risk	3.5	2.5	Anti-corruption	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Development of technical and soft skills through continuous training	4.5	1.5	Diversity and development of human resources	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
Failure to take into account issues associated with discrimination, violence, and exclusion	3.5	1.5		4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
Development of practices and programmes that promote safety in the workplace	4.5	2.5	Health and well-being in the workplace	3 GOOD HEALTH AND WELL-BEING, 6 CLEAN WATER AND SANITATION, 8 DECENT WORK AND ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Precarious working conditions that violate human rights and workers' dignity (forced labour, child labour, overtime, wages)	4.5	1.5	Human rights and decent work	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Presence of guidelines and indicators to be monitored	4.5	1.5	Metrics and targets	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Score 5 4 3 2 1 0 1 2 3 4 5

For each of the four impacts considered to be relevant based on double materiality, the Andriani Group has implemented a management approach that is rendered in a system of policies, actions, and goals adhering to the "PAT Narrative" proposed in the Voluntary ESRS Exposure Draft for unlisted SMEs published in November 2023 by EFRAG (now under consultation).



Table → PAT

Area of impact	Material topic	Impact	Policies	Actions	Goals
Production chain and sustainable agriculture	Responsible supply chain management	Intensive agricultural practices	2024-28 Strategic Sustainability Plan BIA Assessment SDG Action Manager Communication on Progress	Use of Sedex platform for suppliers Co-evolution path with suppliers SAI Platform membership Experimental regenerative agriculture fields	Automation in the field Regenerative agriculture Foreign solidarity supply chains Biofertiliser
		Evaluation and selection of suppliers based on economic, social, and environmental criteria	Code of conduct Specification for the legume supply chain Supplier Register Protocol 231 Cerved Rating	Solidarity farming projects in Ethiopia and India Italy Global Compact network Round Table on Sustainable Procurement	Value chain co-evolution pathway Implement procurement from certified local suppliers
Health and well-being	Product safety and traceability	Inadequate product quality, integrity, and/or food safety characteristics. Failure to adopt food quality and safety standards	2024-28 Strategic Sustainability Plan BIA Assessment SDG Action Manager Communication on Progress Protocol 231 Product Sustainability Certification	Establishment of the Nutritional Observatory Spirulina project R&I on new pasta & bakery products Brand internationalisation	Shortening the distance with consumers through more active listening Raising awareness of the nutritional properties and benefits of what we offer
Climate change and the circular economy	Transition toward a circular economy	Delay in the circularity of production processes	2024-28 Strategic Sustainability Plan BIA Assessment SDG Action Manager Communication on Progress ISO 14001	Italy Global Compact Network Project on Climate Ambition Accelerator Value for Food Project Raising awareness with suppliers and communities for the use of biomethane energy	New Technology R&I New extruder dryer Compensation from projects in the area Water flow recovery Life cycle assessment R&I on materials with less environmental impact Minimising the environmental impact of internal transport (biomethane)

Focus

As part of a value chain evolution path that views materiality analysis as a critical phase, the company decided to continue the focused activities conducted by management with its suppliers in order to validate the efficacy of the materiality analysis conducted with Andriani's in-house team.

Approximately forty suppliers who are vital to the Andriani Group's supply chain as providers of raw materials, packaging, transportation, and other services attended the Partner Day in November 2023.

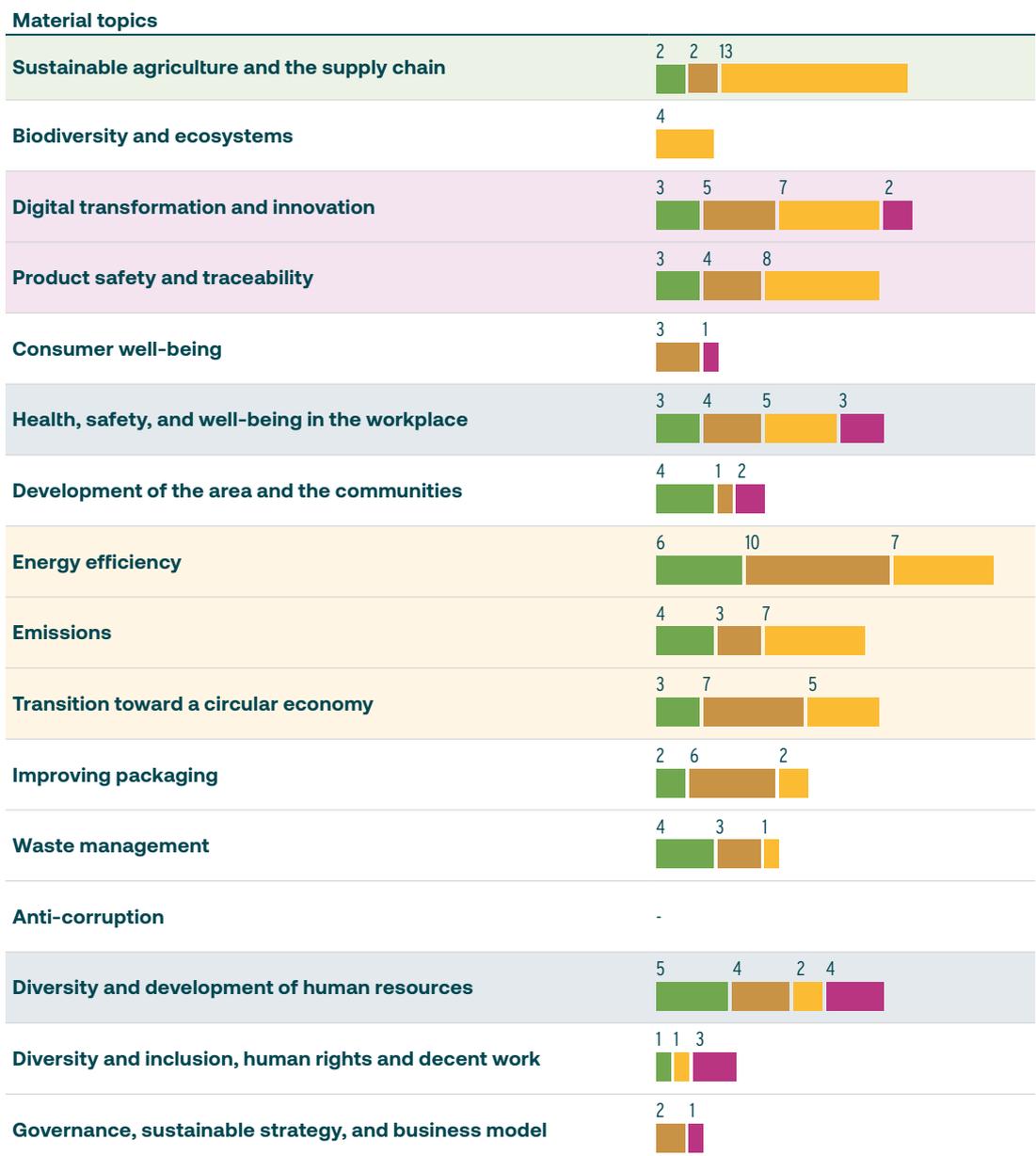
Following an introductory exercise on the topic of materiality for the value chain, Andriani's CSR team led a thorough discussion on material topics and their implications at the meeting.

Feedback from the prioritisation exercise that emerged from comparing the four different supplier types was consistent with the strategic initiatives outlined in the sustainability plan as well as with earlier findings from the double materiality process (page 31).

Energy efficiency, which is considered a priority, is followed by the topics of sustainable agriculture and the supply chain, digital transformation and innovation, product safety and traceability, health, safety and welfare in the workplace, transition to a circular economy, diversity and human resource development, and emissions.

Table →
Supplier survey

- Transports
- Packaging
- Raw materials
- Services





THE ANDRIANI GROUP FOR SUSTAINABLE DEVELOPMENT

1.1

24 The value system

1.2

26 Group history and structure

1.3

29 Business model and value chain

1.4

31 Strategy and commitment
for the common benefit and
sustainable development

Stakeholders

All



Key statistics and relevant facts

Internationalisation process

The Andriani Group continues its internationalisation process toward North America

Project in North America

Andriani Group obtains €34 million from Crédit Agricole Italia and CDP with SACE Guarantee to develop the new project in North America

ESFAI Project

Launch of the operational part of the ESFAI Project - Ethical and Solidarity Engagement in Ethiopia.

Manifesto "BUSINESS FOR PEOPLE AND SOCIETY"

Andriani was one of the signers and promoters of the Manifesto "Business for People and Society"

UNGDCEC National Convention

Participation in the UNGDCEC National Convention in Genova with a presentation of the work "The holistic view of business", created with the contribution of Assobenefit and Andriani S.p.A.

1.1

The value system



2-23 Material topic no. 11 ESG

For a while now, the Andriani Group has been considering the true meaning of sustainability, which is likely best conveyed by using the word VALUE. This is because they are aware that the word is trendy, frequently used in casual conversation, and more closely linked to "what is said" rather than "what is done."

Value, in this sense, is defined as both economic and, more importantly, ethical and moral. In this context, what matters most is the sustainable and responsible behaviour of Andriani's people, including managers, employees, shareholders, and other stakeholders. By appreciating sustainability both inside and outside the organisation, these individuals create value through their skills, dedication, and, ultimately, their personal values.

In a corporate pathway where sustainability is more about substance than form, and where new corporate challeng-

es like internationalisation, growth, and regulation reveal themselves in all their complexity, the Andriani Group has felt compelled to reconsider and reframe its set of values, emphasizing intentions, commitments, vision, and purpose above all else.

In July 2023, the Andriani Group held a company meeting in Pollenzo. Based on its principles that are the basis of its Code of Ethics (i.e., the 10 values upon which the 17 objectives of the 2030 Agenda and the 10 principles of the Global Compact are based) and its status as a Benefit Company (i.e., the 5 impact areas), the Andriani Group revised its value system, which now takes the form of a more defined purpose, a clearer vision, and a more coherent mission.



Values

Practicality	Transparency
Awareness	Respect
Commitment	Culture
Sharing	Justice
Innovation	Sustainability
Quality	



Areas of impact



Production chain



Health and well-being



Development of the territory



Fight against climate change



Group identity

10 Global Compact Principles

1. Businesses should support and **respect** the protection of internationally proclaimed human rights in their spheres of influence.
2. Business should **make sure** that they are not, even indirectly, complicit in human rights abuses.
3. Businesses should **uphold** the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should **eliminate** all forms of forced and mandatory labour.
5. Businesses should effectively **eliminate** child labour.
6. Businesses should **support** the elimination of all forms of discrimination related to employment and occupation.
7. Businesses should **support** a precautionary approach to environmental challenges.
8. Businesses should **undertake** initiatives to promote greater environmental responsibility.
9. Businesses should **encourage** the development and diffusion of environmentally friendly technologies.
10. Businesses should **work against** corruption in all its forms, including extortion and bribery.

17 SDGs of the 2030 Agenda



1.2 Group history and structure



2-1 2-6

The Andriani Group's recent history can probably best be summed up in the relationship between sustainability and corporate reputation, a reputation that has grown gradually over about fifteen years thanks to the consolidation of its company-stakeholder relationship, i.e. thanks to a role taken on gradually by sustainability:

- from being a key ingredient of marketing communication to increase and consolidate target market(s) (target customers);
- to becoming a pillar of institutional communication to legit-

mise Andriani in the environment in which it operates (target institutions);

- to being part of (internal) management communication to coordinate and motivate company staff, ensuring efficiency and effectiveness -- (target employees);
- to integrating with economic and financial communication (having a sustainable business model as its basis) to obtain the approval of resource contributors -- (target shareholders and investors).

2009 ● The Andriani family founds Molino Andriani S.r.l.

2015 ● Founding of Felicia S.r.l, company owning the brand of the same name, dedicated to the distribution of *gluten-free* products.

2016 ● Molino Andriani S.r.l. becomes Andriani S.p.A. through a transaction to increase the share capital to €1 million.

○ Construction of the Multigrain milling plant.

2018 ● Andriani S.p.A. creates the company Terre Bradaniche S.r.l. operating in the processing and marketing of fertilizers and organic food products in general, as well as in the processing and cleaning of legumes.

2019 ● Establishment of the CSR team to circulate, follow, and implement initiatives and projects that contribute to achieving the SDGs of the 2030 Agenda.

2020 ● Inauguration of the new Smart Building centred on innovation and sustainability.

○ Strengthening governance by increasing the number of members of the Board of Directors from three to five, assigning the relevant powers and setting up the Management Board and the Nutrition Observatory.

○ Transformation of Andriani S.p.A. into a Benefit Corporation.

○ Andriani S.p.A. acquires the controlling share of ApuliaKundi S.r.l. with registered office in Gravina in Puglia (manufacture and sale of algae Spirulina).

2021

Andriani S.p.A. becomes a founding member of the Italian Global Compact Network.



Andriani wins the "Oscar di Bilancio" in the Benefit Corporation category

2022

Andriani S.p.A. acquires control of Nove Alpi S.r.l. with registered office in Pistoia (manufacture of dietetic bakery products).

Certified



Andriani S.p.A. becomes part of the B Corp movement.



Andriani receives the Communication Prize in the Benefit Corporation category of the Oscar di Bilancio, and is confirmed on the winner's platform.

Entry of NUO S.p.A. in Andriani's capital as a partner to finance a process of ambitious growth and internationalisation.

Andriani obtains S-Loan ESG financing from Intesa Sanpaolo to support its growth in favour of increasingly sustainable development.

Appointment of the new Board of Directors with 7 members (including 1 woman and 4 independent directors).

2023

Continuation of the Improvement Plan to increase the Group's sustainability performance.

Launch of the operational part of the ESFAI Project - Ethical and Solidarity Engagement in Ethiopia.

Launch of the internationalisation project in the United States.

Andriani Group obtains €34 million from Crédit Agricole Italia and CDP with SACE Guarantee to develop the new project in North America

Andriani Felicia S.r.l. merger

2024 Preview

Definition of the new ESG Strategic Plan for the Gravina, Pistoia, and London, Ontario offices.

Start of the recertification process for the B Corp Movement.

The Andriani project began in 2009 with a precise idea: to innovate the pasta production and marketing sector by creating a gluten-free, healthy, and uniquely flavoured product with a variety of new ingredients that are naturally without gluten (rice, corn, quinoa, buckwheat, amaranth, lentils, and peas). Product and process innovation has always characterised Andriani's management approach, always combining competitiveness with sustainability.

Andriani is in all food categories where naturally gluten-free and allergen-free ingredients from agriculture and with a superior taste experience can be combined.

In this perspective, the investor NUO S.p.A., a subholding company owned by the Agnelli family's Exor, is assisting the Group

on a growth path based on sustainable development in which internationalisation in North America and lateral diversification into bakeries and other dry pasta areas are the main strategic levers management is pursuing in line with its plans.

Andriani S.p.A.'s share capital is held by the family holding company Fratelli Andriani (73.64%) and NUO S.p.A. (26.36%). Felice Andriani's sons, Michele and Francesco, own the capital of the holding company Fratelli Andriani Partecipazioni S.r.l. They have inherited the expertise of over 40 years in the milling industry, specifically in the design, construction, assembly, and maintenance of the primary traditional pasta factories in Italy (Barilla, De Cecco, Divella, Casillo, etc.).

Structure of the corporate group

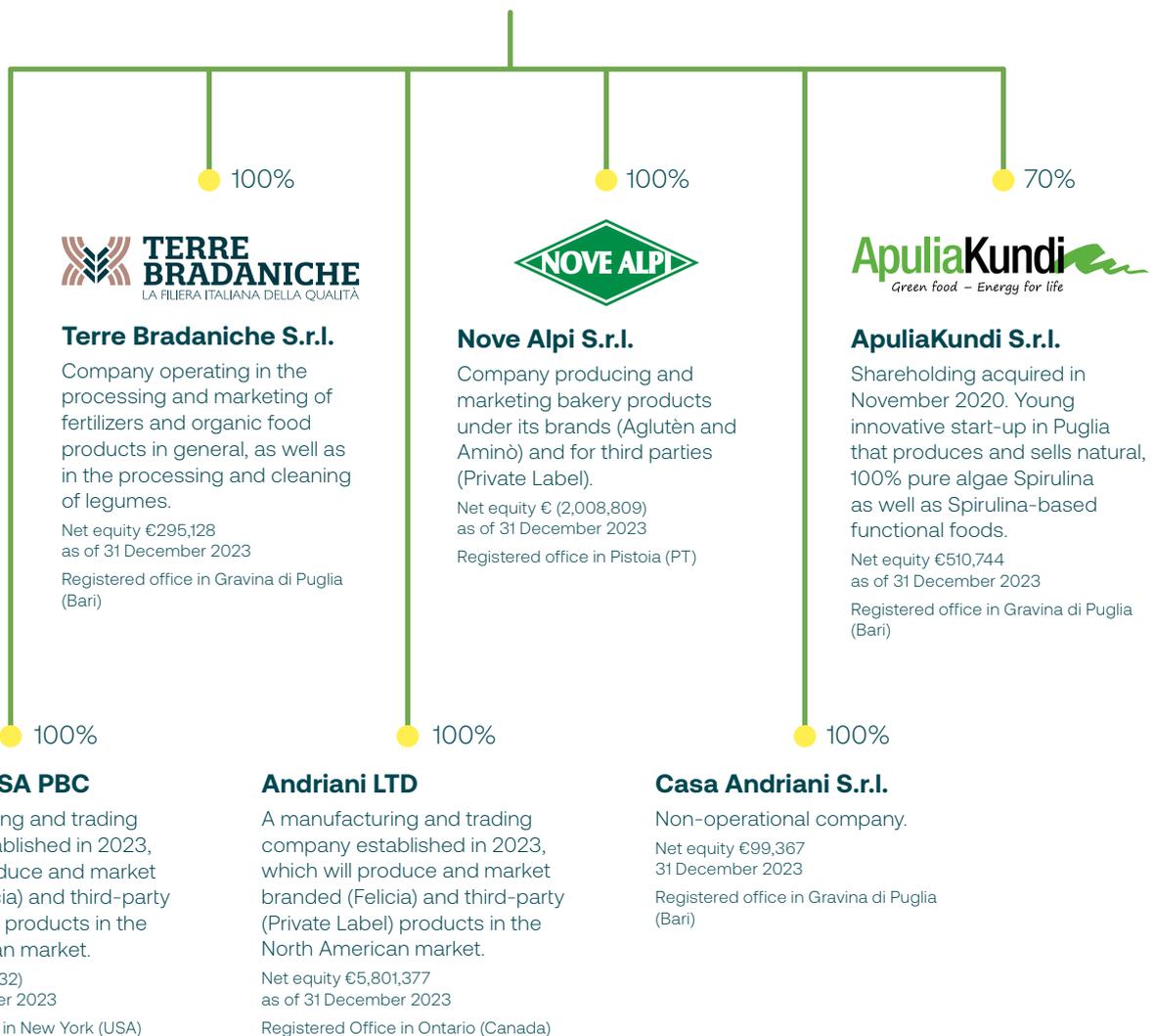


Andriani S.p.A. Benefit Corporation

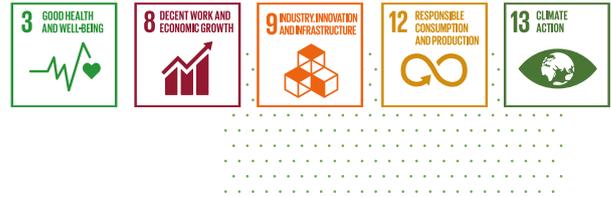
Holding company in the gluten-free pasta manufacturing industry.

Net equity €59,403,525 as of 31 December 2023

Registered office in Gravina di Puglia (Bari)



1.3 Business model and value chain



Material topics no. 1, 11 ESG

The emergence of new global trends related to value chain complexity and the ambitious challenges of a corporate development programme that includes a redefinition of key stakeholders and related material topics are the new complexity factors the Andriani Group focused on when redefining its value chain and sustainable business model.

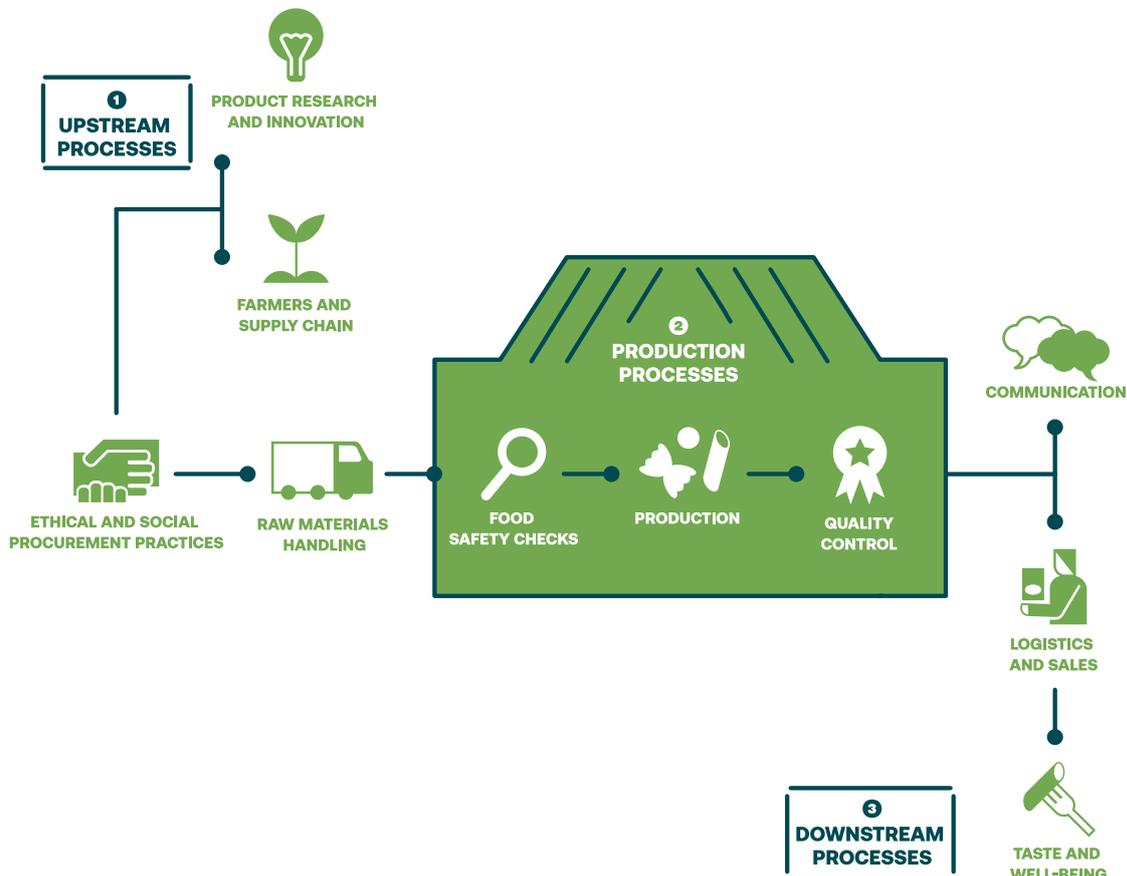
The impact Andriani's business model has on the value chain becomes more crucial than ever at a time when the Group is involved in an internationalisation process where compliance with and improvement of sustainability parameters within the raw material procurement cycle (upstream processes) and the distribution chain (downstream processes).

Andriani's value chain describes the set of activities that contribute to the generation of a competitive advantage based on sustainability, i.e., the creation or addition of value to products for innovative, high-quality nutrition.

In more detail, the representation of the value chain refers to a range of activities that add value to 10 specific steps, including:

- the four upstream processes that identify product design;
- the three central processes that includes the production phases in the narrower sense;
- the three downstream processes that describe how to ensure the product's full availability to the customer.

The Andriani Group's value chain



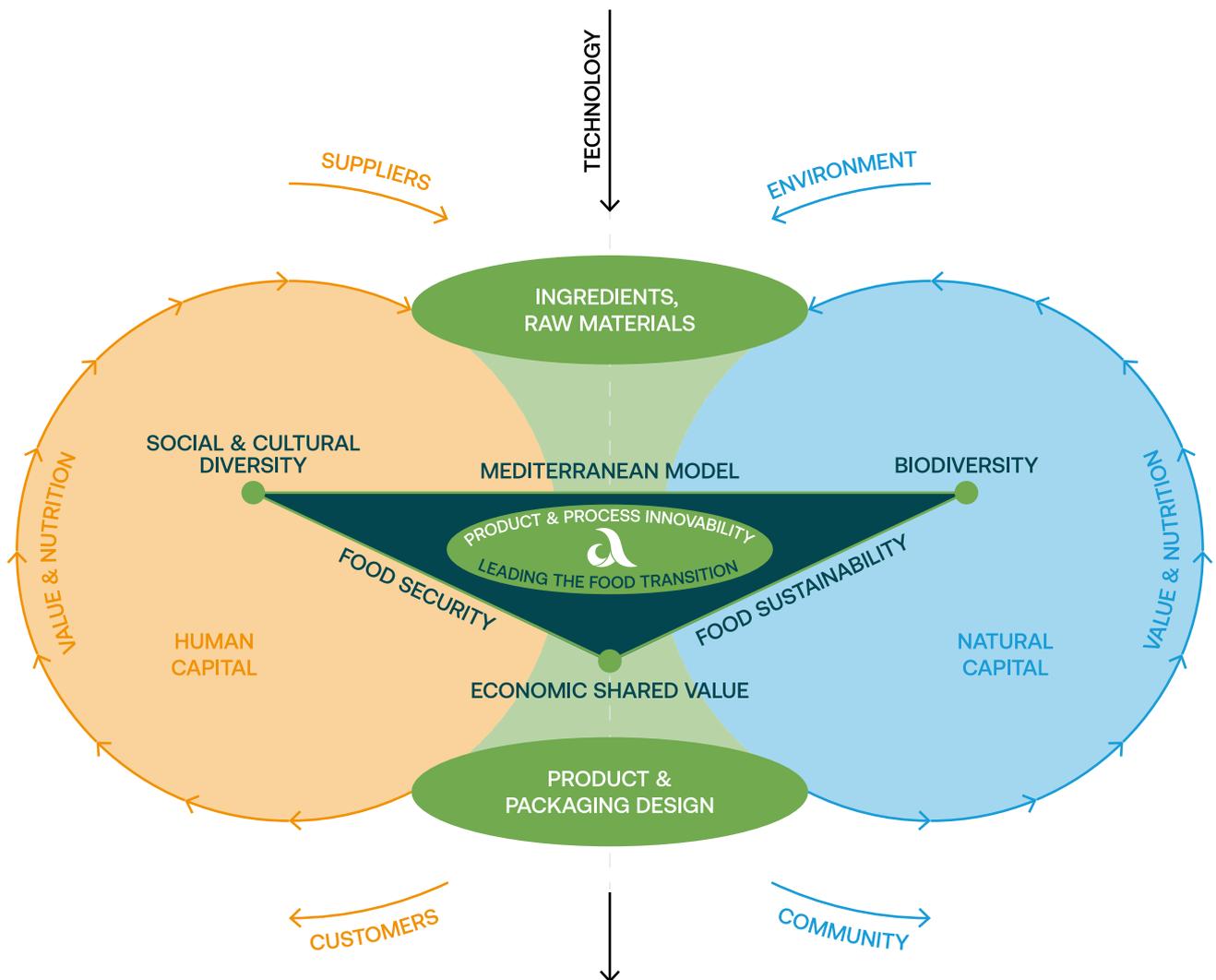
The business model explains how business operations flow and how they affect every step of the value chain, from inputs (raw materials, technologies, and ingredients) to outputs (product design and packaging) through *product and process innovation*, i.e., continuous challenges and creativity that contribute to the commitment made to the SDGs reported in the chapters of this Report.

With the goal of promoting the health and well-being of people and the planet ("One-Health" approach) through the drivers of food innovation, the Mediterranean Diet, and nutritional science, Andriani's Vision, Mission, and Purpose, as well as the areas of common benefit identified in the Benefit Corporation Articles of Association, have been broken down into a **"Food Transition Model"**. "*Leading the food transition*" is, therefore, Andriani's new Company Signature. It is an extension of the previous "*Natural Innovators for Conscious*

Food," and it conveys the organisation's sense of duty in deliberately spearheading the food transition while retaining its innovative potential.

The model takes inspiration from the Mediterranean basin, which represents biodiversity (environmental dimension) and multiculturalism (social dimension), both of which contribute to food availability and the sustainability of global food systems (economic dimension). The Food Transition Model incorporates three strategic factors into this value framework: natural capital, human capital and relational capital, which is inherent in stakeholder interactions along the value chain. These components work together not just to produce the product but also to share knowledge and awareness, creating positive and circular effects and representing the pinnacle of the food transition (Value & Nutrition).

Andriani Group's business model





1.4 Strategy and commitment for the common benefit and sustainable development

2-24 2-25 Material topics no. 9, 13, 15

The Andriani Group's 2024-2028 Sustainability Plan is an expression of the commitment to sustainability that looks to the present with respect to the forward-looking principle.

This document is the product of an organised integration process that involved close cooperation between the contact individuals from the various corporate functions and the entire CSR team.

The Plan definition process describes a workflow in which integrated thinking was the winning recipe for approaching the new challenges of a five-year period seeking the best trade-off between impacts, risks, and opportunities.

The Plan, conceived in full accordance with the 5 impact areas and the SDGs, presents more than 180 activities associated with the 20 macro-topics for which a set of goals and related KPIs has been provided.

Table → Strategic Plan linked with material topics

Area of impact	Macro topic	SDGs	Material topics	Goals	KPIs
Production chain and sustainable agriculture	Agriculture	 	2 - Biodiversity and ecosystems	Field automation Regenerative agriculture Foreign solidarity supply chains Biofertiliser	150 hectares 100 hectares 100 trained farmers + 15% yield in the field
	Procurement	 	1 - Responsible supply chain management	Implement procurement from certified local suppliers	10,000 in supply chain by 2028
	Responsible supply chain management			Value chain co-evolution	60% sustainable value chain pathway
Health and well-being	Customer management	 	3 - Digital transformation and innovation 4 - Product safety and traceability	Shortening the distance with consumers through more active listening, i.e., using the Felicia website to conduct periodic surveys (e.g., satisfaction, expectations); QR codes on packages to convey special content (e.g., sustainability, recipes, etc.)	Possible video views, surveys, consumers involved
	Responsible product	 	5 - Consumer well-being	Raising awareness of the nutritional properties and benefits of what we offer	Impression/interactions with content
Development and enhancement of the area	Civic engagement and donations			Donations Scholarships	> 10 scholarships
	Educational Programme	 	6 - Inclusive and sustainable communities	Involvement and training of new generations	6500 students by 2028
	Volunteering			Involvement of internal resources for social work	1 day/employee

Table → Strategic Plan linked with material topics

Area of impact	Macro topic	SDGs	Material topics	Goals	KPIs
Climate change and the circular economy	Carbon Neutrality		8 - emissions	New technology R&I Compensation from area projects	-90% Emissions Scop 1 -7.5% emissions 75% c.c. from area projects
	Management of natural resources		9 - Transition toward a circular economy	Monitoring water flows and uses Water flow recovery	100% of flows monitored and managed
	Energy management		7 - Energy management	Energy efficiency Creation of the agro-energy supply chain and partnership for renewable energy production	Increasing % reduction in purchased electricity 50% of electricity procured from renewable sources (PPA contract)
	SBTi target management		7 - Energy management 8 - Emissions	Membership to the Sottoscrizione Standard Science Based Target Initiative	100% of the project membership and implementation of the goals
	LCA		9 - Transition toward a circular economy	Production subjected to environmental footprint analysis	10% of Felicia items
	Packaging and Packing		10 - Packaging sustainability and waste management	R&I on materials with less environmental impact	50% of Felicia items
	SCOPE 3		8 - Emissions	Minimising the environmental impact of inland transport Adherence to the value chain emissions measurement programme and improvement activities	10% emissions reduction
Value of the people and Group identity	DE&I		13 - Diversity and development of human resources	Increasing the inclusive culture within the company and in the area, particularly in the gender gap and multi-age area	Training hours; organised events
	Ethics and transparency		11 - Governance, sustainable strategy, and Business Model 12 - Anticorruption	Establishment of a Risk Management Team	1 audit/year
	Sustainable finance		16 - Metrics and Targets	Financing programme for suppliers	5 suppliers by 2028
	Level of engagement and satisfaction		14 - Health and well-being in the workplace 15 - Human rights and decent work 16 - Metrics and Targets	Analysis of employee satisfaction and perception	Trust Index
	Mission and Commitment		11 - Governance, sustainable strategy, and Business Model	Inclusion of social and environmental performance for the management team	MBO definition
	Professional development		14 - Health and well-being in the workplace 15 - Human rights and decent work	Continuous professional development and the use of new methodologies with a focus on mental well-being and intergenerationality	Training hours = 2023 (value above 12,000)

The Andriani Group's dedication to sustainability also encompasses the phases of a dual convergence path that has committed the organisation and all of its management to pursue sustainable development and the common benefit.

Steps for the pursuit of sustainable development



Steps for the pursuit of the common benefit



2

GOVERNANCE

2.1

36 Transparent governance for sustainability

2.4

44 Methods for managing sustainability (ESG) among impacts and risks

2.2

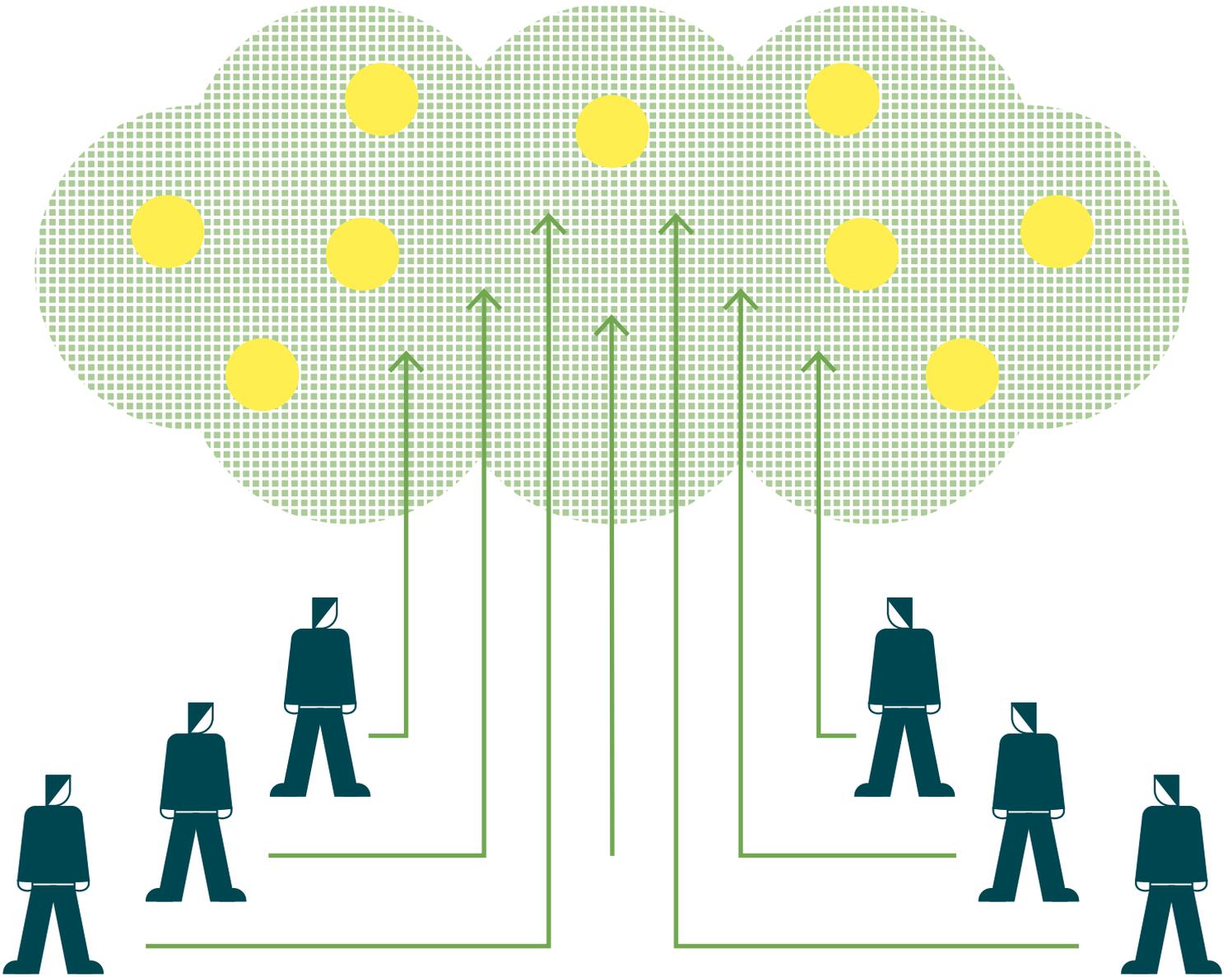
37 Corporate governance actors

2.3

43 Andriani's organisational structure

Stakeholders

Shareholders, funders, community



Key statistics and relevant facts

47 years

Average age of the members
of the Board of Directors

4 members

of the Supervisory Board

+ 1 compared to 2022

9 Governance bodies

of which **3 are mandatory** and **6 voluntary**. Today, Andriani's Governance has a forward-looking vision and interdisciplinary skills and intends to take on the characteristics of transformational governance.

Steering Committee on Gender Equality

The new committee works to **ensure equal opportunities for both men and women** and to **ensure the absence of all forms of discrimination**, whether direct or indirect, at all times in the workplace, as well as Andriani's organisational well-being.

2.1 Transparent governance for sustainability



3-3  ESG

The sustainability strategy and its related implications in terms of the business model and value chain are at the heart of the Andriani Group's corporate governance, which has a forward-looking vision and interdisciplinary skills and intends to take on the characteristics of transformational governance.

A governance approach that tackles the growing legislative, economic, environmental, social, geopolitical, and technological complexity of a global context necessitates a profound openness to innovation and sustainability issues. This requires both *hard and soft skills* in the full integration of sustainability for business management.

In this perspective, Andriani's governance is undergoing an internal transformation where:

- the corporate purpose, i.e., improving the health and well-being of people, society, and the planet through food innovation, is central to making the best possible contribution to the SDGs in compliance with the 10 principles of the Global Compact and other international sustainability frameworks;
- innovation and sustainability skills require almost constant training and induction;
- double materiality must increasingly guide investment and business choices in the future in the constant search for the best trade-off between economic/financial value and sustainability;
- stakeholder engagement, which fully includes investors, must transition from a concept of impact managements to one of actually monetising them.

Presiding over the value chain and monitoring environmental and social external factors is becoming the real challenge for

Andriani considering the inevitable complexity the Group is facing due to the internationalisation process in Europe and North America.

The European Directives on Due Diligence and Sustainability Reporting are the primary references in an ongoing regulatory evolution that, added to the OECD Guidelines on Due Diligence for Responsible Business Conduct, the United Nations Guiding Principles on Business and Human Rights, and the Code of Corporate Governance, are, for Andriani, the cornerstones not only of governance that intends to approach the topic of sustainable success in a responsible manner, but above all of an organisational structure that is able to provide effective solutions, accepting the constraints of sustainability in the *trade-off* between risks and opportunities.

In particular, this organisational structure focuses on "implementing" a sustainability management system, which refers to defining a set of policies, processes, and actions to which roles, responsibilities, and resources are associated.



OECD GUIDELINES



Guiding Principles



Corporate Code

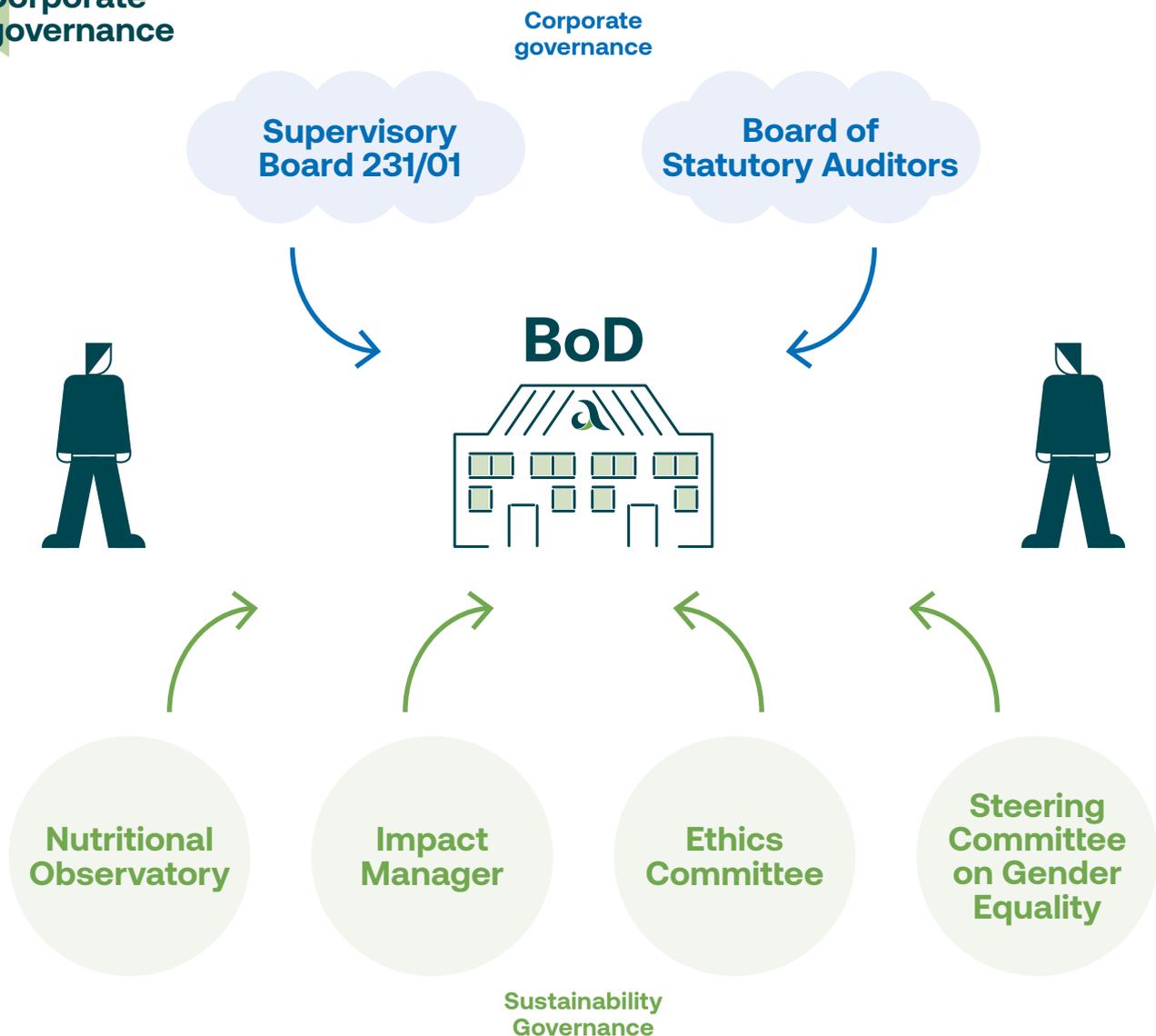
2.2 Corporate governance actors



[2-9](#)
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[2-20](#)
[2-21](#)


Andriani adopts a traditional governance model made up of the following bodies: Shareholders' Meeting (Voluntary Body), Board of Directors (Executive Body), Board of Statutory Auditors (Supervisory Body). In addition to these bodies, which are required by law, the following bodies round out Andriani's governance system: Audit Firm (assignment of the statutory audit assignment), Supervisory Board 231/01, Executive Committee, Impact Manager, Nutritional Observatory, Ethics Committee, and Steering Committee on Gender Equality.

Corporate governance



Board of Directors

The Board of Directors is entrusted with the tasks provided for by the Italian Civil Code, i.e. to implement the decisions made by the Shareholders' Meeting and to implement the overall business management activities.

The Board of Directors at Andriani plays a significant role in the corporate governance system because, in addition to overseeing the strategic guidelines, risk management, and internal control system of Andriani Spa and its subsidiaries Felicia S.r.l., Apulia Kundi S.r.l., Nove Alpi S.r.l., Andriani USA PBC, and Andriani LTD, and intervening in strictly financial matters, it has ample latitude to oversee all management aspects, including sustainability-related issues in its various divisions.

As it carries out this governance activity, the Board of Directors interacts with the "system of actors" that, in various roles, assist the corporate decision-making process on ESG issues (Nutritional Observatory, Ethics Committee, Impact Manager, CSR & Sustainability Function).

Specific sustainability management issues over which the Board of Directors has authority include:

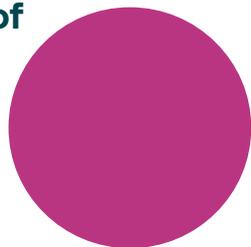
- approval of different policies on ESG issues;
- approval of the results of the materiality analysis and related topics;
- approval of the strategic sustainability plan and investment plan on carbon neutrality and the circular economy;
- preparation of the sustainability management report and the impact report.

Regarding this last aspect, it should be further noted that because Andriani is a Benefit Corporation, the directors are subject to additional responsibilities beyond the regular ones stipulated by the Italian Civil Code, which include:

- balancing the members' interests, i.e. the pursuit of profit, with the pursuit of common benefit purposes and the interests of the stakeholders, in accordance with the provisions of the articles of association;
- appointing the responsible party to be entrusted with functions and tasks aimed at pursuing the common benefit purposes;
- preparation of the annual impact report concerning pursuit of the common benefit.

In accordance with the NUO investor, the Andriani Articles of Association regulate the appointment of the Board of Directors members and the associated governance rules, such as the term of office, the requirements for appointment, the process for choosing the Chairman and Vice-Chairman, and the related mechanisms for designating proxies to the Chief Executive Officer, General Manager, and other managerial figures. These regulations were approved at the extraordinary shareholders' meeting on November 23, 2022.

Average age of the members of the BoD expressed in %



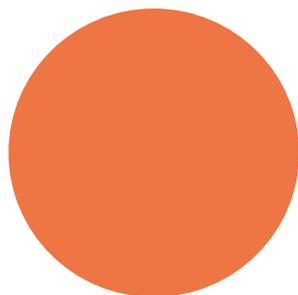
71%
Age 30-50



29%
Age > 50



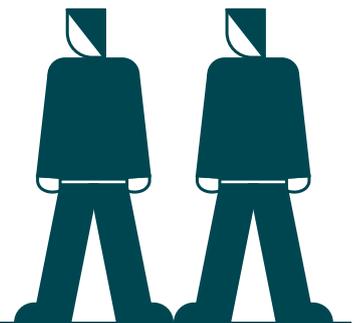
Education title expressed in %



86%
Degree



14%
Diploma



Members of the Board of Directors



Members	Appointment date	End date	Birthdate	Independent	Executive	Title
Michele Andriani ¹	23/11/2022	Approval of the financial statement for 31/12/2024	18/3/1981		✓	Degree in Business Administration
Francesco Andriani ²	23/11/2022	Approval of the financial statement for 31/12/2024	24/11/1983		✓	Diploma
Michelino Di Paolo ³	23/11/2022	Approval of the financial statement for 31/12/2024	24/2/1976		✓	Degree in Engineering
Luca Bossi ⁴	23/11/2022	Approval of the financial statement for 31/12/2024	7/10/1987	✓		Degree in Economics and Finance
Alessandra Fornasiero	23/11/2022	Approval of the financial statement for 31/12/2024	28/7/1975	✓		Degree in Mathematics
Giuseppe Morici ³	23/11/2022	Approval of the financial statement for 31/12/2024	10/11/1969		✓	Degree in Political Science
Tommaso Paoli	23/11/2022	Approval of the financial statement for 31/12/2024	21/10/1970	✓		Degree in Engineering

1 Duality - Chairman of the Board of Directors and Chief Executive Officer

2 Vice-Chairman of the Board of Directors and Managing Director

3 Managing Director

4 Appointed by the Ordinary Shareholders' Meeting on 28 April 2023

The Shareholders' Meeting of 23 November 2022 provided for the entire Board of Directors to be paid an annual total remuneration; therefore, no variable pay component linked to the achievement of specific financial or ESG objectives was envisaged for the Board members.

The achievement of the economic, equity, and financial sustainability objectives of Andriani and its subsidiaries, approved by the Board of Directors at the beginning of each year, will be rewarded with additional variable remuneration components for the Chairperson and Vice-Chairperson of the Board of Directors, in addition to the fixed emoluments paid annually and the related benefits and expense reimbursements. By virtue of the two board members' roles and authority, it is also possi-

ble that they may take part in a long-term variable incentive scheme, should the Company decide to implement one.

With the exception of some specific matters that are solely within the purview of the Board of Directors as a whole, the Chairperson and Vice-Chairperson are granted the broadest range of regular and extraordinary administrative powers (to be exercised by the Vice-Chairperson in the event of the Chairperson's absence or impediment).

Board of Statutory Auditors

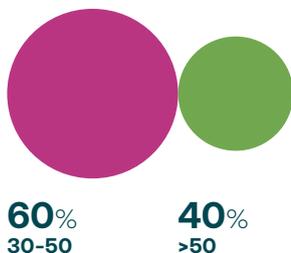
The Board of Statutory Auditors supervises the observance of the current regulations and the corporate by-laws, the observance of the principles of correct administration, the adequacy of the organisational structure for the aspects falling within its competence, the internal control system and the administrative and accounting system, as well as the reliability of the latter in representing management events and the adequacy of the instructions given by the parent company to its subsidiaries. The Board of Statutory Auditors acquires knowledge of and supervises the company's activities falling within its competence. In terms of reporting, in particular, it supervises the financial statement formation process and the compli-

ance of the Impact Report. In fact, because Andriani Spa is a Benefit Corporation, the Board of Statutory Auditors must evaluate the directors' actions in terms of striking a balance between the pursuit of profit and the pursuit of the common benefit, as well as responsible, sustainable, and transparent management toward all stakeholders. In this perspective, the supervisory body is required to verify the adequacy of organisational structures, the presence of the person responsible for the common benefit, the effective preparation of the impact report by the administrative body, and the compliance of the reporting with legal provisions.

Members of the Board of Statutory Auditors

Members	Appointment date	End date	Birthdate	Position	Title
 Vincenzo Maria Marzuillo	23/11/2022	Approval of the financial statement for 31/12/2024	26/3/1969	President	Chartered accountant and auditor
 Andrea Venturelli	23/11/2022	Approval of the financial statement for 31/12/2024	16/11/1976	Effective member	Associate Professor of Business Administration, Chartered Accountant and Auditor
 Francesco Lenoci	23/11/2022	Approval of the financial statement for 31/12/2024	7/4/1958	Effective member	University Lecturer in Methodologies and Quantitative Determinations of Businesses, Chartered Accountant and Auditor
 Arianna Francesca Provasi	23/11/2022	Approval of the financial statement for 31/12/2024	9/10/1988	Alternate member	Chartered accountant and auditor
 Rossella Leopizzi	23/11/2022	Approval of the financial statement for 31/12/2024	22/11/1979	Alternate member	Researcher in Business Administration, Chartered Accountant and Auditor

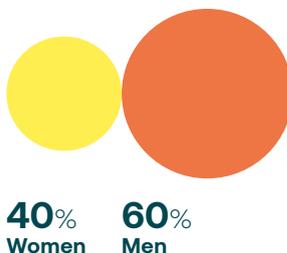
Average age



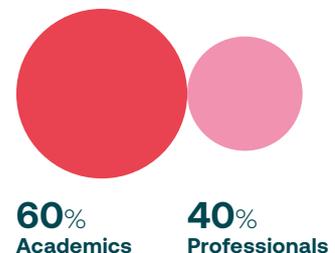
49 years

Average age of members of the Board of Statutory Auditors

Gender diversity



Background



Supervisory Board per Italian Law 231/01

With regard to the Organisation and Management Model pursuant to Italian Legislative Decree no. 231/2001 approved by the Company, the Supervisory Board is responsible for constantly monitoring: (a) its compliance by the recipients; (b) its effectiveness in preventing the commission of offences; (c) the implementation of the provisions contained therein; (d) updates to it in the event of the need for adjustments related to changes in the organizational structure or the Applicable Legislation.

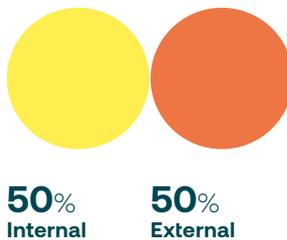
Members of the Supervisory Board

Members	Appointment date	End date	Birthdate	Position	Title
 Vincenzo Acquafredda	23/07/2021	Approval of the financial statement for 31/12/2024	28/04/1973	External member	Attorney, expert in intellectual property rights
 Francesco Andriani	23/07/2021	Approval of the financial statement for 31/12/2024	20/07/1966	Internal member	Attorney, Head of Legal Affairs for Andriani S.p.A.
 Salvatore Scaltrito	23/07/2021	Approval of the financial statement for 31/12/2024	22/08/1977	Internal member	Chartered Accountant and Auditor, Head of Administrative Management for Andriani S.p.A.
 Gabriella Paradiso	21/07/2023	Approval of the financial statement for 31/12/2024	12/08/1976	External member	Attorney, expert in law 231 topics.

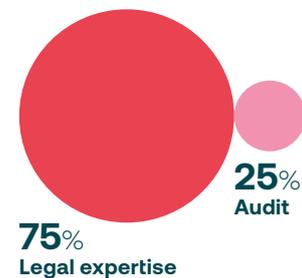
Average age



Members



Areas of expertise



Audit Firm

The Audit Firm Deloitte & Touche S.p.A was entrusted with the external audit activities on Andriani S.p.A's required and voluntary disclosures, including the audit on the financial statements as of 31 December 2023, and the limited audit activity on the sustainability disclosures reported in this annual report for the same year.

Audit Firm Members

Name	Appointment date	Appointment period	Assignment	Scope
 Deloitte & Touche S.p.A. (Audit)	23/07/2021	Three years, until approval of the financial statement of 31 December 2023	Statutory audit of the financial statement	Andriani S.p.A.
 Deloitte & Touche S.p.A. (Sustainability & Climate Change)	18/01/2022	Three years	Limited assurance on the Management Report Sustainability Disclosure	Andriani S.p.A. and its subsidiaries

Impact Manager

Role established pursuant to Italian Law 208/15 following Andriani S.p.A.'s acquisition of Benefit Corporation status, it is entrusted to pursue the common benefit goals set forth in the articles of association. Among other things, the Impact Manager is responsible for the following tasks: 1) to ensure the involvement of all corporate functions in the implementation of the plan for the achievement of the goals, as well as its improvement; 2) to support the directors by providing information and data on the internal and external context in which the company operates; 3) to promote the transparency of the

impact results by ensuring their publication on the website and through appropriate channels.

The Andriani Group's Impact Manager operates in a mono-craic manner; the Group CSR Manager oversees the duties, which include assisting the Board of Directors throughout the entire decision-making process when it comes to ESG impacts and their associated spin-offs in terms of shared benefit.

Nutritional Observatory

The Nutritional Observatory is a consulting body of the Board of Directors with purely consulting and technical and scientific support functions for research and development activities and the promotion of initiatives related to the goals of Andriani S.p.A., and with the task of making assessments and suggestions about the scientific developments in the programmes adopted by the Company and its partners. The Nutritional Observatory is appointed by the Executive Committee and remains in office for three years.



Ethics Committee

The Ethics Committee is the guarantee and ethical representative body with consultative and proactive functions with the Board of Directors. Its task is to preliminarily verify the existence of all the requirements of an ethical nature (also in terms of sustainability) for third party companies with which the Company intends to set up partnerships, temporary associations of companies, joint ventures, or other forms of cooperation agreements between companies, especially in the context of participation in public procedures.



Steering Committee on Gender Equality

The Steering Committee strives to guarantee gender parity and equal opportunities for men and women; it also works to prevent direct and indirect discrimination based on age, gender, disability, religion, ethnicity, sexual orientation, and gender identity; and it supports Andriani's organisational well-being. It is an independent committee that supports the Board of Directors, holds office for 4 years, and is chaired by a member of the Board of Directors.



A significant portion of the participants in the Andriani Group's governance system have either directly or indirectly participated in a training programme on sustainability and innovation under the primary trends ranging from double materiality and economic return and social impact objectives, to sustainability in the value chain and ESG risk integration, to continuous stakeholder engagement and open innovation on ESG issues.

2.3

Andriani's organisational structure



Redefining the Group's organisational structure appropriately is necessary to continue the evolutionary path that is transforming the Andriani Group's corporate governance and related management systems.

The Andriani Group's organisational structure (functional and not corporate), which is hierarchical and functional in nature, is divided into organisational structures of decreasing complexity (divisions, offices/departments), grouped by levels of homogeneous activities directed by a supervisor/manager.

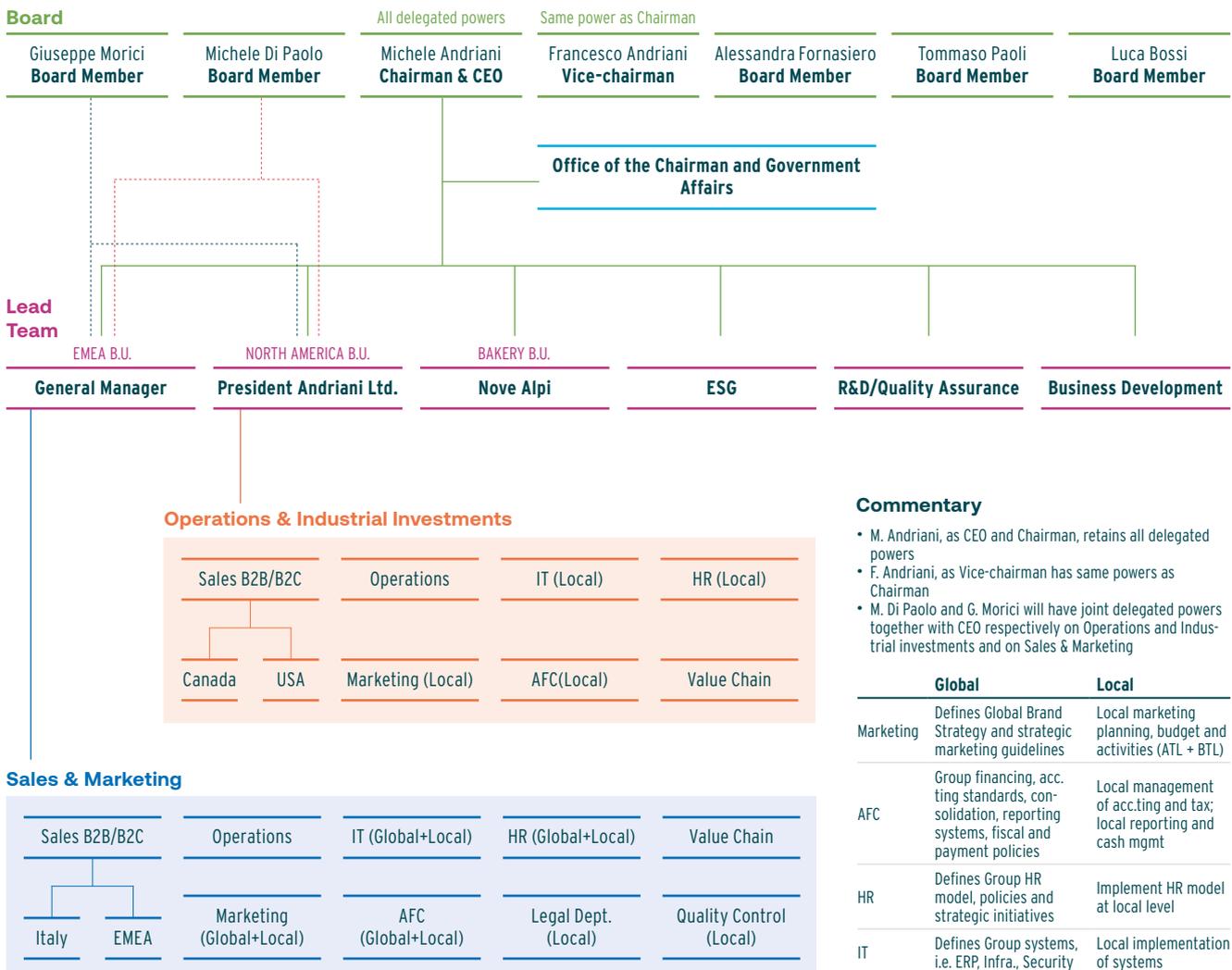
The presence of a Lead team that reflects the EMEA and North American regions and is capable of translating the strategic

inputs from the Board of Directors into implementation ensures the integration between the multifunctional structure and the Board of Directors.

The line functions, which are responsible for achieving typical business goals, are the Operations, Technical, Sales, and Marketing Divisions.

The staff functions, which are responsible for providing the services necessary to implement the primary business purposes, are: R&D, Human Resources, Administration and Finance, Corporate Secretary, Planning and Control, Legal and Corporate Affairs, and CSR & sustainability.

Corporate governance



2.4 Methods for managing sustainability (ESG) among impacts and risks

2-27  ESG

Andriani's sustainability management model describes the approach the Group and its internal organisation uses for material topics through policies, actions, and resources, which, as previously seen, are directly tied to the Agenda 2030 targets and the 5 impact areas.

The response in terms of the assessment of impacts to this management approach takes the form of two operational

tools: the B Impact Assessment and the SDG Action Manager.

The first allows the expression of an assessment of the impact Andriani's business has on governance, workers, community, environment, and customers.

The second is able to assess the Group's contribution to the 2030 Agenda's SDGs.

E - Environmental management system and related impacts

The Andriani Group's commitment to the environment can essentially be attributed to the 2 impact areas "Sustainable supply chain and agriculture" and "Climate change and the circular economy".

In association with the "Production supply chain and sustainable agriculture", the Andriani Group has defined the two reporting topics: "Responsible supply chain management" and "Biodiversity and ecosystems" which impact the four SDGs.



SDG Action Manager and B Impact Assessment

Platform with open source SDG Action Manager for internal assessment regarding the contribution to the 17 goals of the 2030 Agenda. The tool is able to relate the B-Lab B Impact Assessment system, the 10 principles of the Global Compact, and the SDGs through a self-assessment, benchmarking, and continuous improvement process.

Global Compact Communication on Progress

The journey that led to Andriani's commitment to the Global Compact's 10 principles began in March 2018, when the CEO signed the company's commitment to the 10 principles for the first time. This commitment, which has been carried out over the last 5 years (2018-2022) with the drafting of the Communication on Progress, which coincides for Andriani with the Management Report and which includes the link between the 10 Principles of the Global Compact and the GRI disclosure, will continue with the compilation of:

- The CEO Statement reaffirming the company's commitment to the 10 principles and expressing sustained support for the UN Global Compact program;

- questionnaire on corporate actions and performance in relation to the 10 Principles and the Sustainable Development Goals.

To do this, Andriani entrusted the CSR team with the task of compiling the next **Communication on Progress** with a reporting period from **1 April 2024 to 31 July 2024**. The questionnaire, in particular, will allow the company to more accurately evaluate its impact on the Ten Principles and the SDGs with respect to the five areas of governance, human rights, labour rights, environmental protection, and anti-corruption.

Organisation, Management and Control Model per Italian Legislative Decree 231/01

A system of administrative liability for entities for offences committed, in their interest or to their advantage, by natural persons holding representative, administrative, or management positions within those entities, or by natural persons subject to their supervision or management, was introduced into the Italian legal system by Legislative Decree No. 231/2001. On 20 September 2021, the Andriani Spa Board of Directors approved the adaptation of the 231/01 Organisation-

Management and Control Model (OMM), which includes, in addition to the general part and relevant annexes (Code of Ethics, Mapping of risk areas, Supervisory Board Regulations, Disciplinary System), the relevant special part consisting of a total of 11 protocols, including the procedure for anonymous communications (*whistleblowing*) and the procedure for managing conflicts of interest.

Cerved Sustainability Rating

Since 2020, Andriani has opted to have an ESG-type rating provided by Cerved Rating Agency, called the ESGe Rating Report, in order to better manage ESG-type risks. This rating will evaluate the company's management of environmental, social, and governance concerns via the examination of financial statement disclosures and much more.

The ESG Rating is an independent and standardised evaluation of a company's position in relation to their oversight and respect for ESG risk issues. The data extracted from the sustainability reports created in accordance with global reporting standards by the companies under analysis is imported into the Cerved Rating Agency's private database and subjected to analysis using the calculation algorithm that generates a synthetic score known as the ESGe score that expresses the issuer's ESG positioning. Sector analysts conduct a qualitative examination of non-financial data to generate the ESGe Rating, which is a supplement to the ESGe Score. Cerved Rating Agency's ESG rating model adopts around 180 ESG indicators

divided into four sections Environmental, Social, Governance, and Economic Impact. These indicators are grouped into 27 thematic macro-indicators called key indicators, each with a specific weighting. The ESGe Rating is determined as a weighted average of the ESGe sections and related thematic macro-indicators. Under certain circumstances, the ESG analyst has the discretion to modify the Rating Category that the model has given the company under consideration. The ESGe Scorecard is a representative scorecard of a company's competitive positioning compared to selected indicators. For each indicator, the company's value, the sample's median value, and the company's semaphoral score in relation to the reference industry are expressed. The Key ESGe Analytical Comment presents a detailed analysis of the macro-indicators investigated by the Cerved Rating Agency model. The macro-indicators in sections E, S, G, and e display the value that the company has assumed for a given indicator and the median value of the reference sample (Source: Cerved).

Legality Rating

In order to promote legality and ethical principles within business activities, the Italian Competition and Market Authority (AGCM) established this rating system in 2012. Companies that request it are given a score based on how well their business respects legality and, more broadly, on how much attention is paid to how well their business is managed. Andriani met almost all of the additional requirements outlined in the implementing regulation of the legality rating after com-

pleting the assessment activity on the WebRating platform created by the AGCM. As a result, in the first few months of 2024, Andriani achieved the following score: ★★++



The impact area "Climate change and the circular economy" is, on the other hand, linked to four reporting topics: Energy Management, Emissions, Transition toward a Circular Economy, and Packaging Sustainability and Waste Management



Climate change and the circular economy

MATERIAL TOPICS

Energy management



Transition toward a circular economy



Emissions



Packaging sustainability and waste management



POLICY/TOOLS

- ISO 14001
- 2024-28 Strategic Sustainability Plan
- BIA Assessment
- SDG Action Manager
- Communication on Progress
- Protocol 231
- Cerved Rating

CORPORATE FUNCTIONS

- Supply Chain
- Logistics
- Quality
- CSR & Sustainability
- Information Technology

ACTIONS

- Trigenerator ([page 101](#))
- Smart Building ([page 101](#))
- Photovoltaic installations ([page 101](#))
- Compensation projects ([page 105](#))
- Carbon Neutrality Project ([page 104](#))
- Algae Spirulina Project ([page 108](#))

As of December 2023, the parent company has fulfilled its obligation to implement an effective management system for occupational health and safety and any applicable environmental aspects by getting **ISO 14001 Environmental Management System** and **ISO 45001:2018 Management System for Occupational Health and Safety** certification from a third party.

Adopting these management systems will provide the company with efficient and effective tools to address and manage occupational health and safety topics and applicable environmental issues as opportunities for growth and continuous performance improvement.

With this in mind, the goals set can be summarised as follows:

ISO14001 - Environmental Management System Goals

- Operate in compliance with all laws, regulations, and standards that apply to the company's activities as well as those signed with the parties concerned.

- Minimise the impact of the company's activities on the environment, preventing any form of pollution.
- Carry out its activities while respecting the environment and continuously improves its environmental performance to the greatest possible degree.
- Promote proper waste management by its staff and suppliers, where applicable, promoting waste separation as required by law and reuse, where possible.
- Involve relevant stakeholders by promoting activities aimed at improving environmental protection based on the initiatives adopted by the Company in regard to waste management as well as other activities.
- Conduct training and awareness programmes for all staff.
- Promote initiatives aimed at improving awareness and culture regarding proper environmental management.
- Encourage Suppliers to adopt an environmental management system.

The BIA Score associated with the Environmental Area is 23.5 and is comprised as follows:

Environment 23.5

The Environment section assesses the company's overall environmental management practices and its impact on the air, climate, water, earth, and biodiversity. This assessment includes the direct impact of the company's operations and, where possible, its supply chain and distribution channels. In addition, this section rewards companies with environmentally innovative production processes and those that offer products or services with a positive environmental impact such as products and services that create renewable energy, reduce consumption or waste, preserve land or wildlife, provide less toxic alternatives to the market, or educate communities on environmental issues.

Environmental Management	3.8
Air and Climate	6.8
Water	1.8
Earth and Life	5.2
+ Toxicity reduction / reclamation	4.9

What is it? A company that pursues an impact-driven business model is intentionally designed to generate a specific positive result for one of its stakeholders, such as the workers, community, environment, or customers.

The contribution to environmentally sustainable development is reflected in the assessment assigned to SDGs 13, 14, and 15.

S - Social Management Systems and its related impacts

2-26

The Andriani Group's commitment to Social Responsibility is primarily related to the 3 impact areas of "Health and Well-being", "Development and enhancement of the area" and, partly to "Value of the people and group identity".

For the "Health and Well-being" impact area, Andriani has defined the three reporting topics: "Digital transformation and innovation", "Product safety and traceability", and "Consumer well-being" that impact its sustainability goals.



Health and Well-being

MATERIAL TOPICS

Digital transformation and innovation



Product safety and traceability



Consumer well-being



POLICY/TOOLS

- 2024-28 Strategic Sustainability Plan
- BIA Assessment
- SDG Action Manager
- Communication on Progress
- Code of Ethics
- Whistleblowing procedure
- Specifications for the legume supply chain
- Supplier Register
- Protocol 231
- Cerved Rating

CORPORATE FUNCTIONS

- Research and development
- Supply Chain
- Logistics
- Quality
- Production
- Commercial
- Marketing & Communication
- Information Technology
- CSR & Sustainability

ACTIONS

- Product Certification ([page 95](#))
- Internal product quality control system ([page 96](#))
- Customer care system ([page 94](#))
- Product labelling ([page 94](#))
- R&D projects ([page 97](#))
- Awards and event participation ([pages 79, 119, 120](#))

Code of Ethics

Andriani's transformation into a Benefit Corporation in December 2020 led to the need to update the 231/01 Model and, consequently, the related Code of Ethics, which, therefore, introduces the relevant areas of impact before regulating the mission, vision and fundamental ethical principles, rules of conduct, and related levels of responsibility that the Company recognises, respects, and assumes as a value and binding

imperative for recipients both in relations with each other (internal relations) and with third parties (external relations). Andriani's ethical and moral principles include honesty, fairness, information transparency and traceability, fair competition, protection of individuals, their fundamental rights and welfare, protection of health and safety in the workplace, protection of the company image, and protection of personal data.

Whistleblowing procedure

In addition, a specific procedure on *whistleblowing*, within the framework of the OMM 231/01, was put in place to facilitate the effective communication of any irregularities to corporate governance and is aimed at encouraging reporting any potentially unlawful conduct that is to the detriment of the public interest. The purpose of this procedure is to provide the

reported (Supervisory Board or HR Manager) clear operating instructions regarding the subject, recipients, and methods for transmitting the report as well as on the types of protection that the current legislation sets forth regarding the prevention of corruption.

The BIA Score associated with the Customers Area is 6.9 and is comprised as follows:

Customers 6.9

The "Customers" section examines how a company manages its customers by evaluating the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. This section also rewards products and services designed to address a particular social problem for our through its customers such as products for healthy and education, arts and the media, but also services for disadvantaged customers and those that improve the social impact of other companies or organisations.

Customer management	3.0
+ Improved Health and Well-being	3.8

What is it? A company that pursues an impact-driven business model is intentionally designed to generate a specific positive result for one of its stakeholders, such as the workers, community, environment, or customers.

The impact area "Development and Enhancement of the Area" is linked to the single reporting topic "Inclusive and sustainable communities", which has essentially two SDGs.



Development and enhancement of the area

MATERIAL TOPICS

Inclusive and sustainable communities



POLICY/TOOLS

- 2024-28 Strategic Sustainability Plan
- BIA Assessment
- SDG Action Manager
- Communication on Progress
- Code of Ethics
- Protocol 231
- Cerved Rating

CORPORATE FUNCTIONS

- Marketing & Communication
- CSR & Sustainability

ACTIONS

- Social media ([page 116](#))
- Project 'The magic of legumes' ([page 117](#))
- Project 'Taste of the Future' ([page 118](#))
- Project 'Land of my love...' ([page 117](#))
- Charitable donations ([page 121](#))
- Talks and other initiatives ([pages 82, 119, 120](#))

The BIA Score associated with the Community Area is 18.1 and is broken down as follows:

Community 18.1

The "Community" section assesses the company's commitment to and impact on the communities in which it operations and from which it draws labour and resources in general. Elements in this section include diversity, equity and inclusion, economic impact, civic engagement, charity, and supply chain management. In addition, this section rewards business models designed to address specific issues in their communities such as alleviating poverty through fair trade sources of supply or distribution through micro-enterprises, promoting producer cooperatives, economic development focused on the local level, and maintaining formal charity commitments.

Diversity, Equity, and Inclusion	2.5
Economic Impact	4.9
Civic Engagement and Charity	3.0
Supply Chain Management	7.6

The "Value of the People and Group Identity" impact area is linked to three reporting topics: "Diversity and development of human resources", "Health and wellness in the workplace", and "Human rights and decent work", which have seven SDGs.



Value of the people and Group identity

MATERIAL TOPICS

Diversity and development of human resources



Health and well-being in the workplace



Human rights and decent work



POLICY/TOOLS

- 2024-28 Strategic Sustainability Plan
- BIA Assessment
- SDG Action Manager
- Communication on Progress
- Code of Ethics
- Protocol 231
- Cerved Rating
- HSE Organisational Model
- ISO 45001
- Pdr 125/2022

CORPORATE FUNCTIONS

- Human Resources
- Supply Chain
- Quality
- Marketing & Communication
- CSR & Sustainability

ACTIONS

- Assessment of work risks ([page 75](#))
- Occupational health services ([page 75](#))
- Training on safety in the workplace ([page 76](#))
- Welfare Day ([page 82](#))
- People Care Project ([page 78](#))
- Nature Excursions Project ([page 78](#))
- Bike to Work Project ([page 78](#))
- Great Place to Work Certification ([page 79](#))
- Best Blue Collar Workplace ([page 79](#))
- Training course (addition prevention, microaggressions, etc. [page 81](#))

ISO 45001 Occupational Health and Safety Management System Goals

- Comply with legal requirements regarding health and safety protection in the workplace.
- Promote the consultation and participation of workers and their representatives.
- Raise the awareness of all workers and make sure they are trained and educated on how to carry out their duties safety and assume their responsibilities for Occupational Health and Safety.
- Focus the workers' attention on the importance of complying with legal requirements and company rules.
- Ensure constant readiness and willingness for continuous improvement and prevention in the workplace.
- Promote initiatives aimed at improving awareness and the culture of Health and Safety in the Workplace.

HSE Organisational Model

Through a continuously updated improvement program and a monitoring and control system of the actions necessary to make the previously mentioned model more effective and efficient in preserving the health of all company employees, Andriani is firmly committed to the development of a management model for health and safety in the workplace, in compliance with the provisions of Italian Legislative Decree no. 81/08, as amended by Italian Legislative Decree no. 106 of 03/08/2009. The individuals in control, who are included in the organisational chart for corporate safety, make sure that certain numbers are consistently present for each work shift in the manufacturing facility and the smart building. The organisational structure includes: the employer, the safety manager pursuant to Article 18 of Italian Legislative Decree no. 81/08 (with special power of attorney), the prevention and protection service supervisor (PPSS), 2 prevention and protection service officers (PPSO), 2 workers' safety repre-

sentatives, 18 officers, 30 first aid officers and 48 firefighting emergency officers, and a company physician.

Supporting this organisational structure, for gender risk assessment, is the DVR, last updated on 20/11/2023.

In addition to drafting safety procedures (procedures for PPE purchases, maintenance work inside the facility, and procedure for access to the facility by third party companies, Andriani has set up an internal work group to aim for recognition of an Integrated Management System in compliance with the international reference standard UNI EN ISO 45001:2018, the process for which a system capable of managing all information in being implemented concerning the application of Italian Legislative Decree no. 81/08. A health surveillance procedure was also approved as of 1 November 2023 for the mitigation of hazards associated with microclimates.

Italian Reference Practice 125/2022

See section 4.1 Inclusion and valuing diversity ([page 74](#))

The BIA Score associated with the Workers area is 22 and is broken down as follows:

Workers 22

The "Workers" section assesses the company's contribution to the financial stability, health, and safety, as well as well-being, career development, and satisfaction of its employees. This section also rewards business models designed to benefit workers, such as companies in which at least 40% of ownership is held by non-executive employees and that offer workforce development programmes to assist individuals with employment difficulties.

Financial Stability	1.3
Health, Well-being, and Safety	7.8
Professional development	2.6
Commitment and satisfaction	6.2

G - Management system for governance and related impacts

The Andriani Group's commitment to Governance can be attributed to the impact area "Value of the people and Group identity."

The Andriani Group has identified three reporting topics associated to this impact area: "Governance, Sustainable Strategy, and Business Model", "Anti-Corruption", and "Metrics and Targets", which impact three sustainability goals.



Value of the people and Group identity

MATERIAL TOPICS

Governance, Sustainable Strategy, and Business Model



Anti-corruption



Metrics and targets



POLICY/TOOLS

- 2024-28 Strategic Sustainability Plan
- BIA Assessment
- SDG Action Manager
- Communication on Progress
- Code of Ethics
- Procedure for managing conflict of interest
- Anti-corruption tools
- Whistleblowing procedure
- Protocol 231
- Cerved Rating

CORPORATE FUNCTIONS

- Management And Administration
- Accounting and budgeting
- Legal and corporate affairs
- Marketing & Communication
- Planning and Control
- General Affairs
- Treasury and tax affairs

ACTIONS

- Global Compact Founding Member
- Italy Global Compact Network round table on "Transformational Governance"
- Advocacy regarding benefit corporation and the B-Corp movement
- EFRAG VSMES application testing

Conflict of interest management protocol

To protect against risks that could lead to conflict of interest situations for all those who work on behalf of and in the interest of Andriani S.p.A. (Board of Directors, Board of Statutory Auditors, Supervisory Board, department heads, all employees and external consultants), the Andriani Board of Directors, in 2021, approved specific guidelines that place this case within the scope of all those "factual circumstances in which a secondary interest (private or personal) has the potential to interfere with the company's ability to act in accordance with

its own primary interest and, therefore, in accordance with the provisions of the Articles of Association and the company's applicable regulations." A specific procedure has been formalised to enable the application of these guidelines. It calls for referral to specific regulatory references, the adoption of pertinent conduct, the signing of a specific declaration regarding the absence of conflicts of interest, and the maintenance of a specific register by the Supervisory Board.

Anti-corruption systems

Andriani's commitment to the fight against corruption can be particularly seen through a series of actions regarding not only policy aspects but also compliance and reporting. In terms of policy, the Group, "serving as a founding member of the Global Compact since 2020, has chosen to raise its level of commitment, proactively pursuing principle 10 of the Global Compact, that is, renewing its management approach to fighting corruption by repudiating and prohibiting corruption without exception (both with public and private counterparts) and committing to comply with the anti-corruption laws in all the countries to which the Group exports its products.

This commitment is particularly accompanied by the implementation of a Code of Conduct for its suppliers, i.e. a manifesto of good conduct in the direct and indirect pursuit of the Group's material topics, including, precisely, the issue of anti-corruption. On this point, in particular, the Group requires

its suppliers to comply with mandatory requirements that are based, on one hand, on corporate integrity: corruption and the reporting policy, and, on the other, on fair competition between suppliers.

For Andriani, corruption risks also extend to possible privileged relationships between Company employees and contract workers and public officials or individuals in charge of a public service; undue allocation of funding to the Company by the PA; disbursement of contributions and sponsorships in favour of public entities, foundations and associations, as vehicles for bribery/extortion conduct, even indirectly, against representatives of the PA; commission of corrupt conduct through the recruitment, promotion, and remuneration of personnel having a direct relationship with persons belonging to the PA.

The BIA Score associated with Governance is 14.8 and is broken down as follows.

Governance 14.8

"Governance" assesses a company's overall mission, ethics, transparency, and its commitment in terms of social/environmental impact. This section also determines a company's ability to protect its mission and formally consider stakeholders in the decision-making process by means of its corporate structure (e.g., benefit corporation) or governance documentation.

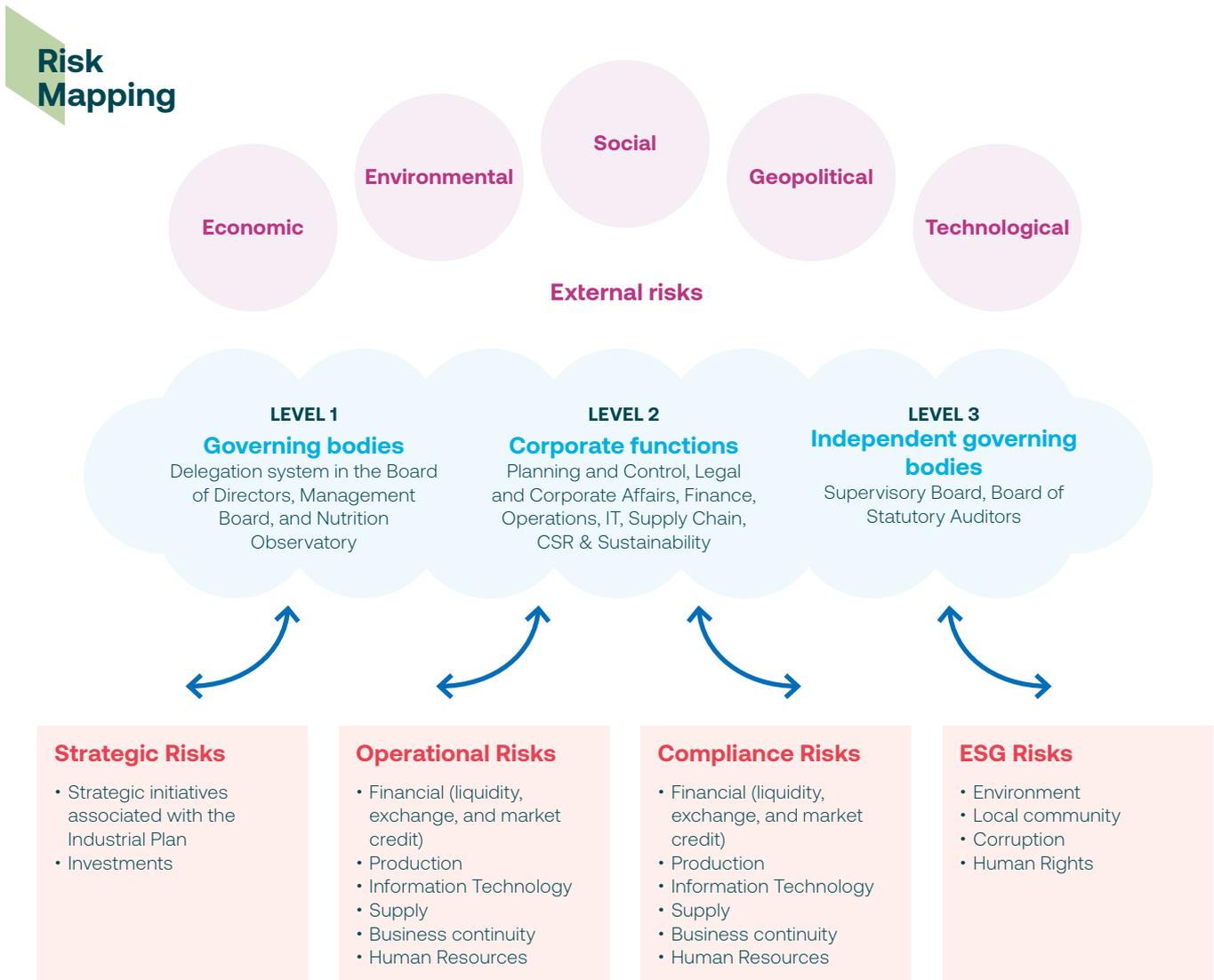
Mission and Commitment	1.4
Ethics & transparency	3.4
+ Protection of the mission	10

What is it? A company that pursues an impact-driven business model is intentionally designed to generate a specific positive result for one of its stakeholders, such as the workers, community, environment, or customers.

Supporting governance at a time when external global risks appear to have an increasing impact on the internal dynamics of the Andriani Group calls for a Risk Management structure based on a process for detecting business and ESG risks.



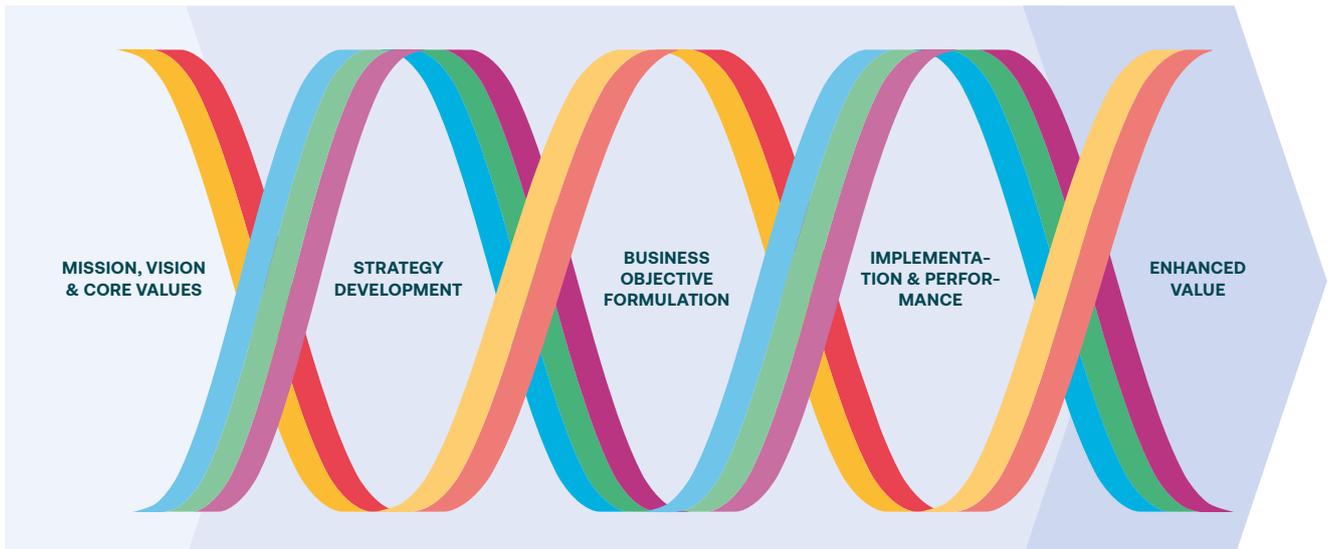
Although the Group currently has a system of actors that identify the three levels of the Internal Control and Risk Management System, it does not have an internal Risk Management structure or an integrated risk management system (financial and non financial).



The company's process in terms of implementing the ERM (Enterprise Risk Management) System is based on the integrated approach set forth in the COSO-WBCSD guidelines in terms of EST risks.



Integrated approach set forth in the COSO-WBCSD guidelines



This type of approach presumes not only the integration of ESG risks into corporate risk management, but also the overcoming of tradition risk assessment approaches, i.e., impact and relative probability.

Risks related to ESG factors:

- can be more unpredictable and occur over longer periods of time;
- may lack historical precedents and data needed to estimate the potential quantitative impact;

- may be beyond the control of an entity and the response to a risk may be based on collaboration and actions with other parties;
- are macro, complex, multi-faceted, and interconnected and can impact the company in many dimensions.

In compliance with [Article 2428, paragraph 3, point 6-bis, of the Italian Civil Code](#), Andriani reports information on the use of financial instruments, as relevant to the assessment of the balance sheet and financial position, more specifically, the management's objectives, policies, and criteria used to measure, monitor, and control financial risks. The following detailed information is provided to give an indication of the size of the company's risk exposure.

Liquidity risk

The liquidity risk can manifest itself in difficulty obtaining financial resources in the time and manner needed to ensure normal business operations. To minimise it, the following primary activities are implemented:

- constant verification of the forecasted financial needs in order to promptly implement any necessary actions;
- obtaining adequate lines of credit;
- consistency of the net financial debt compared to investments performed;
- proper division between short-term and long-term debt.

It should also be noted that the Company:

- holds financial assets for which there is a liquid market and

that can be sold promptly to satisfy the need for liquidity;

- has debt instruments or other credit lines to meet liquidity needs;
- owns financial assets for which there is no liquid market but from which cash flows (principal or interest) are expected to be available to meet liquidity needs;
- has deposits at credit institutions to satisfy liquidity needs;
- has different funding sources;
- has no significant concentrations of liquidity risk from the financial asset side or the funding source side.

Credit risks

The Company's financial assets are considered to have good credit quality, despite the continuing economic downturn. Accounts receivable are Andriani S.p.A.'s exposure to potential losses arising from the failure of counterparties to meet their obligations; this activity is monitored on an ongoing basis in the normal course of business.

To date, there have been no significant cases of non-performance by counterparties and there are no significant concentrations of credit risk by area and/or customer.

Market risks

Market risk arises from demand in the sector in which the Company operates, from raw material and energy prices, from fluctuations in interest rates, and from exchange rates between the Euro and other currencies in which the business operates. This risk consists of the possibility that such external market factors may adversely affect the value of assets, liabilities, and/or expected cash flows. In regard to market demand risk, the Company faces this risk through constant market presence with adequate sales structures and product diversification.

Policies related to different coverage activities

The Company has implemented transactions to hedge against exchange rate risks related to medium- and long-term financing. For more details, refer to the Explanatory Note.

3

ECONOMIC AND FINANCIAL MANAGEMENT PERFORMANCE

3.1

56 Summary of the economic and financial performance

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3.3

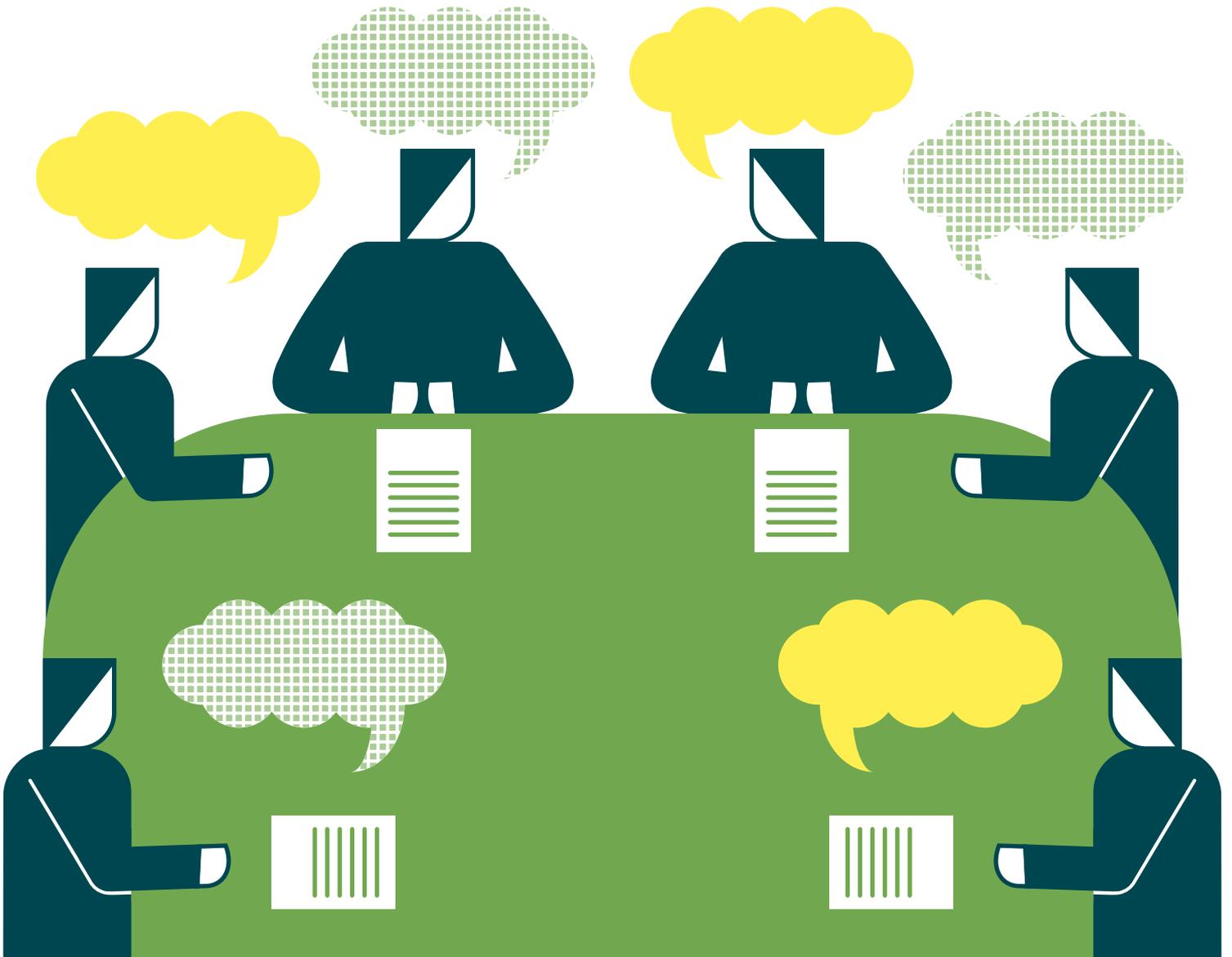
59 Management performance

3.6

66 Management forecast

Stakeholders

Shareholders, suppliers, funders, business partners, customers, employees, institutions



Key statistics and relevant facts

€106M

Turnover 2023 (+5% compared to the previous fiscal year)

15.91%

EBITDA Margin

€55.0M

Consolidated shareholder's equity as of 31/12/2023

€29.6M

NFP (1.73x/EBITDA improved 0.57x compared to 31.12.2022)

€113M

Direct economic value generated

€15.5M

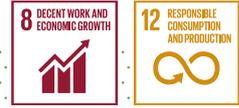
Investments in tangible and intangible fixed assets

€945.5
thousand

Net profit
2023

3.1

Summary of the economic and financial performance



CC2428

The fiscal year that ended on 31 December 2023 shows a positive consolidated result of €945,500 net of income tax of €846,303 and depreciation, amortisation, and write-downs of 11,085,036.

The summary of the 2023 financial statement data compared to FY2022 is as follows:

Table → Summary of 2023 consolidated financial statement data

Consolidated Financial Statement Highlights	31/12/2023	31/12/2022	Change	Change %
Turnover	106,016,493	101,145,460	4,871,033	4.82%
Operating income	111,881,272	104,131,239	7,750,033	7.44%
Costs of production	106,094,032	101,193,973	4,900,059	4.84%
EBITDA	16,872,276	9,461,900	7,410,376	78.32%
EBITDA %	15.91%	9.35%	6.56	-
EBIT	5,787,240	2,937,266	2,849,974	97.03%
EBIT %	5.46%	2.90%	2.55%	-
Result before taxes	1,791,803	734,640	1,057,163	143.90%
Group Net Equity	54,858,997	54,568,924	290,073	0.53%
Consolidated Net Equity	55,012,220	54,746,596	265,624	0.48%
Net financial debt	(29,591,269)	(22,010,389)	(7,580,880)	34.44%
Net Working Capital	(5,907,390)	(8,943,764)	3,036,374	-33.95%

As can be seen from the figures provided above, and as discussed in more detail below, in the fiscal year under review, consolidated turnover increased by 4.82% compared to the previous fiscal year, at €106,016,493, reflecting (i) the increase in list prices to counteract the significant increase in costs since the end of the previous fiscal year and (ii) the increased in Felicia brand product volumes.

EBITDA was €16,872,276, an increase of more than 75% for the second year in a row. As will be explained in more detail below, the increase in margins can be attributed to a policy that optimised the Group's procurement during 2023, particularly of raw materials, packaging, and utilities, as well as the

ability to sell products with greater added value. Consequently, the pre-tax profit of €1,791,803 increased by 143.90% compared to the previous fiscal year.

The Group's net financial position (NFP) increased by €7,580,880 compared to the previous year, mainly due to the growth in revenue, investments made during the year, and the higher cost of debt, which saw a substantial increase in interest expenses.

Information on management performance, as well as other information and analyses required by Article 2428 of the Italian Civil Code, are provided below.

Activity performed

The Group operates in the *innovation and healthy food* sector, particularly in the production of gluten- and allergen-free pasta, flours, and bakery products, where it operates as both a *co-packer* for the world's leading food *brands* and for large-scale retailers with private label products and on its own behalf with the production of Felicia Bio®, Biori®, Aglutèn, Aminò, and ApuliaKundi.

Pursuant to Article 2428 of the Italian Civil Code, it should be noted that the business of the Parent Company Andriani S.p.A. Benefit Corporation is conducted at the registered and operative office in Gravina in Puglia (BA).

3.2 Sector performance

CC2428

General economic performance

Italy's growth was virtually nonexistent at the end of 2023 due to stricter loan requirements and persistently high energy prices; investments decreased and consumption stagnated. Manufacturing activity decreased once more, although service sector activity stabilised. Construction activity surged as a result of ongoing tax incentives. In the projections made as part of the coordinated Eurosystem exercise, GDP is projected to increase by 0.6% in 2024 (compared to an estimated 0.7% for 2023) and 1.1% in each of the following two years.

Exports increased in autumn. The current account balance was positive in the third quarter due to a further reduction in the energy deficit and an increase in the surplus of non-energy goods.

In October and November 2023, the labour market showed signs of resilience. Employment continued to grow, although at a slower pace than in the beginning of the year. The participation rate reached a new high since the series was calculated while the unemployment rate remained stable. Wage dynamics in the non-agricultural private sector strengthened further in the third quarter. Profit margins, which remained above pre-pandemic levels despite the recent slight downturn, and falling input costs could allow companies to absorb wage pressures without leading to new price increases.

Inflation will decrease due to falling energy prices and the consequences of restrictive monetary policies implemented by the ECB. In 2024, the dynamics of the residential household spending deflator will drop to +2.5% from +5.4% in the current year. The forecast scenario assumes a continuation of the

decline in consumer prices and imported raw materials prices, a gradual recovery in world trade, and the gradual implementation of the investment plan foreseen in the NRP.

The decrease in inflation became more pronounced and spread to non-energy industrial goods and services. In December, consumer price growth was 0.5% (at 3.0% net the most volatile components). Families and businesses expect inflationary pressure to ease in the short and medium term. According to the forecast prepared as part of the Eurosystem coordinated exercise, consumer price increases will decline to 1.9% for 2024 (from 5.9% in 2023) and then gradually fall off to 1.7% in 2026. Core inflation in the current year will decrease to 2.2% (from 4.5% in 2023) and will fall below 2% for the following 2-year period.

The Governing Council of the European Central Bank (ECB) confirmed the inflationary *trend* forecast by holding key interest rates steady at its meetings in October and December. The ECB believes that if current levels are maintained for a long enough period of time, they could significantly contribute to the return of inflation to the target of 2%. The Council also resolved to progressively decrease the reinvestment of maturing securities acquired under the Pandemic Emergency Public and Private Securities Purchase Programme in the second half of 2024, until they reach zero. The cost of financing for both households and enterprises in the euro zone has increased due to previous increases in official interest rates; this has resulted in a notable decrease in the demand for credit (*source Bank of Italy Eurosystem Economic Bulletin*).

National food industry performance

Mediobanca's survey on the balance sheets of medium-large companies involved in pasta manufacturing in Italy showed that the country is the world leader in the pasta sector, a global niche considering that durum wheat accounts for only 4% of wheat production, the vast majority of which is soft wheat used for baked goods. Our country is the world's leading pasta producer with 3.7 million tonnes or 22.3% of the total, followed by Turkey and the USA (2 million tonnes each), and also its main exporter with 2.1 million tonnes or 43% of the total, again ahead of Turkey (1.3 million tonnes). Italy also holds the record for the highest per capita consumption in

the world: 23 kg of pasta per person per year (19.8 kg of dry pasta and 3.4 kg of fresh pasta), ahead of Tunisia (17 kg per capita), Venezuela (15 kg), and Greece (12.2 kg). These records are derived from Italy's leadership in durum wheat production, which with 3.8 million tonnes, accounts for 12% of the total, behind Canada (15%). However, Italy is not self-sufficient, with a ratio of about 65% between volumes produced and consumed. This is why Italy is the fourth largest importer of durum wheat, with 6.4% of the world total (1.9 million tonnes), a supply that comes mainly from Canada, France, and Greece, which together account for two-thirds of our imports.

Campania is the top region in Italy for pasta exports with 24.4% of the national total. This region has 19% of national production and 13% of domestic pasta factories. Emilia-Romagna is second in terms of both exports (20.4% of the total) and production volume (18%), with a number of pasta factories accounting for 8% of the national total. Although Sicily is home to the largest number of mills, with 36% nationally, its pasta production drops to 7% with exports at 0.4%. Let's not forget Puglia, the top region for durum wheat production (23.2% of the national total). Italy also appears divided in two in relation to the type of pasta produced. Almost 60% of dry pasta production sites are located in the centre and south, with more than 90% of fresh pasta production sites located in the northeast and northwest.

It should also be noted that only 14% of companies prepare a sustainability report. Extensive use is rather made of certifications. The most widespread quality standards used by Italy's major pasta manufacturers are those issued by the *Global Food Safety Initiative* (GFSI) to guarantee food safety. IFS certification is held by 98.4% of operators and BRC certification by 93.4%, while certification of the organic origin of products reaches 91.8%. To meet the needs of international markets, 54.1% of companies follow "Kosher" certification standards (compatibility with the Jewish tradition), while 32.8% use Halal (respect for the Islamic religion). One-third of the companies certify that their products comply with vegetarian and vegan criteria (VeganOK standard), while the production of gluten-free pasta is specifically certified in 18% of companies, with the most widespread being the one issued by the *Associazione Italiana Celiachia* (AIC - Italian Coeliac Association).

13.1% of companies have the absence of GMO (genetically modified) products certified by the North American Non-GMO Project standard while 9.8% obtained certification of the absence of the use of pesticides in agricultural cultivations. On average, 70% of the material used for packaging is recyclable.

About 75% of pasta consumption is channeled through large-scale retail, where private labels represent 35% of the total, with a 25% savings on fresh pasta and 15% savings on dry pasta. However, in 2022, the return of inflation also affected the pasta segment, with an average increase of 17.4% in consumer prices, almost twice as much as the entire food sector (+9.3%). According to elaborations by Area Studi Mediobanca on Nielsen IQ data, the average price of pasta in the large-scale retail trade in the first quarter of 2023 reached 2.6 euro/kg (5.28 euro/kg for fresh pasta and 1.97 euro/kg for dry pasta), with considerable differences for the individual specialties: 1.75 euro/kg semolina pasta, 2.53 euro/kg "better for you" pasta (whole wheat, spelt, kamut, legume base), 2.90 euro/kg couscous, 3.38 euro/kg gnocchi, 5.46 euro/kg gluten-free pasta, the most expensive type destined for coeliacs that receives a public subsidy.

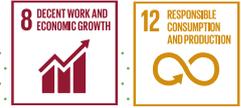
At the end of 2023, the Italian industrial manufacturing index recorded a more pronounced economic decline than in previous months. The decline was spread across all major industry groups. Household purchasing power, after the drop in Q4 2022, was on an upward path. The same dynamic was observed for the propensity to save, which, however, continues to remain below pre-Covid levels.

In the data recorded up to September 2023, consumer confidence settled at 106.5 after 106.7 in July. The business confidence composite index, on the other hand, showed more than an erosion, with a drop of over 2 points to 106.8 after 108.9 in July - the worst since last November. In manufacturing in particular, both the judgements on orders and expectations on the level of production worsened, while inventories remained substantially stable. In reality, the goal of +1.0% GDP at the end of the year, trumpeted up until recently, will not be achieved. This can be seen from the 0.4% drop in Q2 compared to Q1 and the trend increase of only 4% in Q2 GDP compared to Q2 2022.

However, apart from the possible further steepening in 2023 of the decline in domestic food consumption, what emerges is a stabilisation of the decline that began last year. Yet, there are some external floaters. We are referring to the newfound "away from home" tone and the specific acceleration of food consumption triggered by the strong push of foreign tourism. But they are not enough to halt the erosion of production levels. It could hardly be otherwise, however, with two successive falls in "real" household food consumption of approximately -4% in 2022 and 2023 bringing about the epoch-making turnaround.

Nevertheless, in December, the result of the ISTAT surveys indicated an improvement in household and business confidence, which in both cases had returned towards July 2023 levels.

3.3 Management performance



2-6 201-1



In FY2023, the Andriani Group increased its turnover and value of production compared to the previous fiscal year in which a particularly significant increase occurred. This result is very important because it confirms the group's ability to strengthen its production and commercial capacity in a challenging and complex macroeconomic context, as outlined in the previous section.

In 2023, the Group continued to invest significant economic and organisational resources to reinforce *brand awareness* of the Felicia® brand, which has only been on the *gluten-free* market since 2015.

The renewed marketing policies, strengthening of the e-commerce channel, an increasingly widespread presence in the various markets allow the Group to consolidate its leadership in the *innovation* and *healthy food* sector.

Turning to the analysis of the consolidated economic data, an examination of the summary table provided above and the reclassified profit and loss account shown below reveal the following:

- increase in turnover by over 5% and in production value by around 7% thanks to the growth of the Felicia brand and to

the price list adjustment policy implemented during the year;

- in FY2023, the Group increased its workforce by 30% to a total of 296, including the workforce of the subsidiary Nove Alpi S.r.l. This is a significant investment, which the Group considers strategic to strengthen and increase the company's business and its presence in national and international markets, with the awareness of the central nature and value of Andriani's people. In 2023, the Group also proactively implemented its human resource investment plan with the introduction of qualified managers into the workforce, strengthening specific strategic and functional divisions.

With regard to the analysis of the financial data, shown in the summary table and the reclassified balance sheet table below, the following is noted:

- Investments in intangible fixed assets of €2,400,992. For more information, refer to the explanatory note to the consolidated financial statement;
- Investments in tangible fixed assets of €13,201,590. For a description of the principal investments in fixed assets made during the year, please refer to the specific paragraph *below* and to the comments in the explanatory note to the consolidated financial statement.



The net financial position is as follows:

Table → Net financial position

Net Financial Position	Balance as of 31/12/2023	Balance as of 31/12/2022	Change
Bank deposits	41,114,390	29,950,030	11,164,360
Cash and cash equivalents	85,250	108,017	(22,767)
Cash funds and treasury shares	41,199,640	30,058,047	11,141,593
Financial assets not of a fixed nature	340,693	771,164	(430,471)
Bonds (within 12 months)	-	-	-
Amounts due to banks (within 12 months)	18,853,758	20,469,729	(1,615,971)
Amounts due to other financial institutions (within 12 months)	345,601	289,217	56,384
Short-term financial debts	19,481,134	24,589,853	(5,108,719)
Short term financial receivables	400,741	353,284	47,457
Net financial position in the short term	22,459,940	6,592,642	15,867,298
Bonds (over 12 months)	-	-	-
Amounts due to banks (over 12 months)	50,424,092	27,607,989	22,816,103
Amounts due to other financial institutions (within 12 months)	1,627,117	995,042	632,075
Medium-long term financial debts	52,051,209	28,603,031	23,448,178
Medium-long term financial receivables	-	-	-
Net financial position in the medium-long term	(52,051,209)	(28,603,031)	(23,448,178)
Net Financial Position	(29,591,269)	(22,010,389)	(7,580,880)

To complete the examination of the Group's situation and the performance of the management result, the following section provides reclassifications of the consolidated financial statement, as well as the main alternative performance indicators.

Financial and economic situation

In order to make the 2023 consolidated financial statement easier to read, the equity, financial, and economic reclassifications, as well as the main balance sheet indices are provided below.

Table → Reclassified balance sheet

Reclassified balance sheet	Balance as of 31/12/2023	Balance as of 31/12/2022	Change
Net intangible fixed assets	16,797,423	17,162,730	(365,307)
Net tangible fixed assets	77,949,432	73,236,381	4,713,051
Shareholdings and other long term receivables	932,856	212,034	720,822
Fixed assets	95,679,711	90,611,145	5,068,566
Inventory stocks	10,869,837	10,188,856	680,981
Trade receivables	8,240,979	11,074,741	(2,833,762)
Other receivables	6,107,318	7,161,726	(1,054,408)
Accrued income and prepaid expenses	536,087	151,336	384,751
Current short-term assets	25,754,221	28,576,659	(2,822,438)
Short-term amounts payable to suppliers	18,980,292	23,139,445	(4,159,153)
Short-term taxes and social security payables	2,718,096	3,595,776	(877,680)
Other short-term payables	4,646,376	6,611,967	(1,965,591)
Accrued expenses and deferred income	5,316,847	4,173,235	1,143,612
Current short-term liabilities	31,661,61	37,520,423	(5,858,812)
Net working capital	(5,907,390)	(8,943,764)	3,036,374
Provisions and employee severance indemnity	3,513,716	3,971,668	(457,952)
Medium-long term amounts payable to suppliers	-	195,790	(195,790)
Medium-long term taxes and social security payables	1,645,083	732,905	912,178
Other medium-long term payables	10,033	10,033	-
Medium-long term current liabilities	5,168,832	4,910,396	258,436
Invested capital	84,603,489	76,756,985	7,846,504
Group Net Equity	(54,858,997)	(54,568,924)	(290,073)
Third Party Net Equity	(153,223)	(177,672)	24,449
Net financial position in the short term	22,459,940	6,592,642	15,867,298
Net financial position in the medium-long term	(52,051,209)	(28,603,031)	(23,448,178)
Equity and net financial indebtedness	(84,603,489)	(76,756,985)	(7,846,504)

The income statement reclassified at added value is as follows:

Table → Reclassified income statement

Reclassified income statement	2023	2022	Change
Net revenue	106,817,555	100,750,674	6,066,881
External costs	(73,365,474)	(74,367,614)	1,002,140
Increase in value	33,452,081	26,383,060	7,069,021
% of revenue	31.3%	26.2%	5.1%
Cost of labour	(16,579,805)	(16,921,160)	341,355
EBITDA	16,872,276	9,461,900	7,410,376
% of revenue	15.8%	9.4%	6.4%
Amortizations, write-downs, and provisions	(11,085,036)	(6,524,634)	(4,560,402)
EBIT	5,787,240	2,937,266	2,849,974
% of revenue	5.4%	2.9%	2.5%
Financial income	1,311,323	19,200	1,292,123
Financial charges	(5,156,559)	(2,291,548)	(2,865,011)
Exchange rate differences	(150,201)	71,922	(222,123)
Result of ordinary management - current	1,791,803	736,840	1,054,963
% of revenue	1.7%	0.7%	0.9%
Revaluations	-	-	-
Write-downs	-	(2,200)	2,200
Income before taxes	1,791,803	734,640	1,057,163
% of revenue	1.7%	0.7%	0.9%
Taxes	(846,303)	(552,048)	(294,255)
Net Income	945,500	182,592	762,908
% of revenue	0.9%	0.2%	0.7%

Below are the economic, financial, equity, and efficiency indices.

Table → Economic, financial, and equity indices

Economic, financial, and equity indices	31/12/2023	31/12/2022	Change
Economic			
net ROE	1.72%	0.33%	1.39%
Gross ROE	3.27%	1.35%	1.92%
ROI	3.54%	1.95%	1.59%
ROS	5.21%	2.84%	2.37%
Liquidity			
Primary liquidity index	1.11	0.80	0.35
Secondary liquidity index	1.32	0.96	0.35
Debt ratio	1.97	1.75	0.36
Balance sheet			
Equity minus fixed assets	(40,667,491)	(35,864,549)	(4,802,942)
Equity to non current asset ratio	0.57	0.60	-0.03
Equity plus (non current liabilities minus non current assets)	16,552,550	(2,351,122)	18,903,672
Fixed asset to equity capital and medium-long term debt ratio	1.17	0.97	0.20

Environment, safety, and health

Taking into account the Group's social role as highlighted in the management report document from the National Board of Chartered Accountants and Accounting Consultants, we feel it is appropriate to provide the following information pertaining to the environment and staff.

Staff

The Company has long since implemented a system for occupational health and safety.

In particular, Andriani Group's commitment to safety must be seen in the context of existing regulatory requirements. Italian law regarding safety (Italian Legislative Decree 81/2008 "Consolidated Law on the protection of health and safety in the workplace", as amended) is one of the most stringent in Europe and requires companies to carry out an analytical assessment of risks to employee health and safety. In addition, the company management pays particular attention to these important issues.

During the fiscal year there were no deaths in the workplace of staff registered in the company employee registry, for which company liability was definitively established in all Group companies. During the fiscal year, there were no serious accidents at work that resulted in serious or grievous injury to staff registered in the company employee registry, for which company liability was definitively established in all Group companies.

During the year there were no charges regarding occupational diseases for employees or former employees and suits regarding bullying, for which the Group Companies were declared definitively responsible. Moreover, during the fiscal year, our Group made significant investments in *staff* safety.

With the intention to continuously enhance the skills of its human capital, in 2023 the HR department continued to promote the implementation of several training courses aimed at defining interdisciplinary and technical skills.

This is clearly seen in the incremental hours of training: +43,4% compared to 2022. There were a total of 13,366 training hours for 296 employees. Training was begun based on the results of the analysis of the training needs of department heads and associates related to both *hard skills* and *soft skills*.

Environment

During the year there was no environmental damage for which the Group was found guilty. During the year, no fines or penalties were imposed on our Group for environmental violations or damage. Moreover, during the fiscal year, our Group made significant investments in environmental matters.

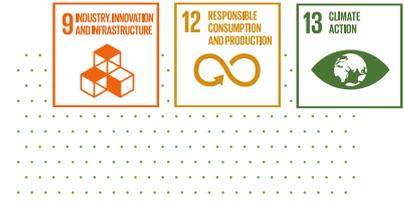
Research and development activities

The following disclosures are made pursuant to Article 2428 paragraph 3 number 1.

In 2023 the Research and Development (R&D) Division anticipated both domestic and international market trends, with a constant eye on the North European and US markets. As in previous years, the R&D Division pursued the major goal of further characterizing and reinforcing Andriani's image on the *healthy* pasta market for both Felicia brand products and private label (PL) products.

In 2023, the R&D Division primarily worked on developing new products, improving already existing products, and characterising new or already used raw materials in pasta making. Paying special attention to the welfare of those consumers belonging in the more fragile categories, a study was launched to develop a new pasta product aimed at people with special dietary and nutritional needs.

3.4 Investments



2-6 Material Topics no. 1, 7, 8, 9

During the year, investments were made in the following areas:

Fixed Assets	Acquisitions during the fiscal year
Land and buildings	2,307,003
Plants and machinery	2,469,937
Industrial and commercial equipment	295,484
Other assets	87,596
Assets under construction and on account	7,987,619

The consolidation and expansion of the business in North America is one of the primary pillars of Andriani’s strategic development plan. As part of this project, the Group decided to build a new production *plant* in Canada in order to offer a better level of service to its customers, reduce operational risks in the supply chain, and guarantee the necessary production capacity to take advantage of market opportunities. The work programme calls for production in the new manufacturing facility to being at the end of 2024.

Moreover, during 2024, major and challenging investments will be made in measures to increase the cost efficiency of utilities (e.g., the installation of a biomass boiler and the completion of the second photovoltaic system), in beginning factory digitisation, in the implementation of a new ERP, and in the start of a new production line for *pet food from the circular economy*.

ESG Financing

Crédit Agricole Italia, as the agent bank, and Cassa Depositi e Prestiti, assisted in part by the SACE Guarantee, signed a new €34 million loan on 5 July 2023 in favour of the Andriani Group.

The new resources will allow the company to carry out a major investment in Canada with the construction of a new manufacturing site that, in line with Andriani’s internationalisation strategy, will improve the Group’s competitive position in North America, strengthening its production capacity and creating new jobs.

The financing would not have been possible had it not been for the well-established integration of the various ESG drivers in the company’s strategy and business, allowing the com-

pany to be a strong target of interest for lending institutions wishing to direct their investments to projects with high ESG value.

In fact, the financing structure is linked to the achievement of specific ESG (Environmental, Social, and Governance) performance indicators identified in Andriani’s Sustainability Plan:

- efficient management of energy consumption and the subsequent reduction in CO₂ levels;
- strengthening of the circular economy;
- supply chain sustainability.

In particular, the agreement provides for reward mechanisms in relation to the financing costs if these objectives are met.

3.5

Creation of shared value and social responsibility tax



2-6 201-1 207-2

The Andriani Group is conscious of the signalling role Added Value — a measurement of the gain in value brought about by the utilisation of resources that have been converted into wealth through the technical-productive cycle — plays in terms of stakeholder value.

The amount of Global Gross Added Value calculated according to the methodology proposed by the GBS (Gruppo Bilancio e Sostenibilità (Financial Statements and Sustainability Group)) standard is €34,607,848 for FY2023, an increase of approximately 30% over FY2022, which was €26,748,390.

In order to provide a more accurate representation of the

company's ability to distribute wealth along the entire value chain, the Andriani Group has chosen to adopt the shared value approach proposed by the GRI standard.

The table below shows the calculation of the Generated Economic Value based on the schematisation proposed by GRI 201-1, which shows a total value of €113,042,394 in 2023 compared to €104,222,361 in 2022.

Moreover, this positive difference corresponds to an increase of €3,826,292 in distributed value and €4,993,741 in retained economic value.

Table → Determination of generated economic value

	31/12/2023	31/12/2022	Delta
Revenue from sales (A.1)	106,016,493	101,145,460	4,871,033
Variations of production in progress, semi-finished and finished products inventory (A.2)	801,062	(394,786)	1,195,848
Variations of contract work in progress (A.3)	-	-	-
Increase in fixed assets through in-house work (A.4)	788,201	782,182	6,019
Other revenues and income (A.5)	4,275,516	2,598,383	1,677,133
Financial income from investments (C.15)	3,630	2,123	1,507
Other financial income (C.16)	1,307,693	17,077	1,290,616
Gains and losses on foreign exchange (C.17 -bis)	(150,201)	71,922	(222,123)
Generated economic value	113,042,394	104,222,361	8,820,033
Production costs for raw materials, consumables, and goods (B.6)	50,119,067	52,645,856	(2,526,789)
For services (B.7)	24,665,638	23,027,518	1,638,120
For third-party assets (B.8)	977,552	921,246	56,306
Variations of inventory of raw, subsidiary, consumable materials, and goods (B.11)	610,166	(712,595)	1,322,761
Other operating expenses (B.14) reclassified	2,036,018	1,846,026	189,992
Reclassified operating costs	78,408,441	77,728,051	680,390
Costs of production for staff (B.9)	16,579,805	16,921,160	(341,355)
Staff remuneration	16,579,805	16,921,160	(341,355)
Interest and other financial expenses (C.17)	5,156,559	2,291,548	2,865,011
Remuneration to capital providers	5,156,559	2,291,548	2,865,011
Fiscal year profit distributed to shareholders	-	-	-
Shareholder remuneration	-	-	-
Current fiscal year income taxes (20)	1,405,144	783,520	621,624
Public Administration Remuneration	1,405,144	783,520	621,624
Donations and sponsorships	20,750	20,128	622
Community	20,750	20,128	622
Distributed value	101,570,669	97,744,407	3,826,292
Amortisation, depreciation and write-downs (B.10)	11,085,036	6,524,634	4,560,402
Provisions for contingencies (B.12)	-	-	-
Other provisions (B.13)	-	-	-
Adjustments in value of financial assets (D.18 and D.19)	-	2,200	(2,200)
Taxes for the year (20) - prepaid and deferred related to previous system, income from joining the tax consolidation system.	(558,841)	(231,472)	(327,369)
Fiscal year profit (loss)	945,500	182,592	762,908
Retained economic value	11,471,695	6,477,954	4,993,741

Table → Detail of distributed and retained economic value in %

Detail of distributed and retained economic value in %	2023	2022	Change
Generated economic value	113,042,394	104,222,361	8,820,033
Distributed economic value	89.9%	93.8%	-3.9%
Suppliers	77.2%	79.5%	-2.3%
Staff	16.3%	17.3%	-1.0%
Funders	4.6%	2.2%	2.4%
Public Administration	1.2%	0.8%	0.5%
Community	0.0%	0.0%	0.0%
Retained economic value	10.1%	6.2%	3.9%

Table → Generated, distributed, and retained economic value in absolute terms

Generated, distributed, and retained economic value in absolute terms	2023	2022	Change
Generated economic value	113,042,394	104,222,361	8,820,033
Distributed economic value	101,570,699	97,744,407	3,826,292
Suppliers	78,408,441	77,728,051	680,390
Staff	16,579,805	16,921,160	341,355
Funders	5,156,559	2,291,548	2,865,011
Public Administration	1,405,144	783,520	621,624
Community	20,750	20,128	622
Retained economic value	11,471,695	6,477,954	4,993,741

Tax Social Responsibility

Andriani's tax approach is centred on adopting company policies able to ensure full compliance with the regulations in terms of corporate taxation (Article 25 *quinquiesdecies* of Italian Legislative Decree no. 231 of 8 June 2001).

The organisational structure has a corporate function - Administrative, Finance, and Control Division - which, together with the contact person for the tax area:

- prepares accounting, social security and tax documents to be submitted to the competent corporate bodies for approval;
- prepares, signs and submits - including through authorised intermediaries - any tax declaration required by the tax legislation in force from time to time.

The supervision and control role in corporate tax governance is carried out by subjects such as: the Board of Statutory Audi-

tors, within the scope of its functions of supervising compliance with the law and the Articles of Association, as well as of proper administration; the Supervisory Board pursuant to Italian Legislative Decree no. 231/01, through the control of tax risks; the Audit Firm, in charge of the legal audit of Andriani S.p.A.'s financial statements.

Specifically, Andriani's 231/01 model devotes a special section to the management and control of risks related to tax fraud. In fact, the issue of tax fraud has a dual significance as it affects both the dynamics closely related to the company's core business and the Group's image.

Procedure 231/01 on the prevention of tax offences governs control mechanisms aimed at mitigating the types of risk associated to sensitive areas/processes considered to be at risk.

Table → Areas and types of tax risk

Sensitive areas/processes at risk	Types of risk
Preparing tax returns and managing tax obligations	The theoretical risk is non-compliance, i.e. the mendacious fulfilment of duties and obligations under tax, administrative, social security regulations in order to obtain an unfair advantage for the Company
Correct bookkeeping	The theoretical risk relates to the booking invoices and other documents for non-existent transactions
Donations, gifts, and sponsorships	Sponsorship payments and, in general, initiatives of a liberal nature in favour of Foundations, Public Entities, and associations could be a vehicle for receiving invoices and other documents for non-existent transactions
Management of money and financial flows	The abstract risk consists of the possibility of paying invoices for non-existent services
Management of inspections by public entities or those in charge of a public service (Revenue Agency, Italian Financial Police). Management of relations during tax audits	Risk of non-compliance with tax regulations and laws and incorrect handling of relations with tax auditors
Capital and Extraordinary Transactions	The theoretical risk is linked to elusive conduct in relation to extraordinary transactions (contributions, mergers, demergers, acquisitions, etc.)

The periodic tax review by the Auditor within the scope of the audit of the financial statement and the related direct and indirect taxation is a further safeguard to ensure compliance with the highest standards of ethics and legality.

Tax risk control is supported by an accountability process centred on the principle of transparency. Over the years, Andriani has embarked on a process of accountability aimed at fostering an understanding of the contribution it makes to the development of the country system and the regional and local contexts in which it operates.

3.6 Management forecast



CC2428

Despite the uncertainties from the international context, the Russia-Ukraine conflict, the Israel-Palestine conflict, and, finally, the Suez Canal crisis, as well as price dynamics, the global economic outlook is less gloomy than it was a few months ago. Global growth is slowing down, but it is better than the October forecast. In its October update of the WEO (World Economic Outlook), the International Monetary Fund (IMF) forecast pointed out that the world's GDP is expected to rise to 2.9% (slowing from 3.4% last year) and then increase to

3.1% in 2024. The forecast for 2024 is 0.2 points higher than what was estimated in autumn, but below the historic average (2000-19) of 3.8%.

Turning to the Andriani Group's economic performance, an increase in turnover of around 15% is expected at Group level in 2024 supported by (i) an increase in the workforce and (ii) a major investment plan that will allow the Group to have greater commercial penetration at the global level.

3.7 Other information

CC2428



Treasury shares and shares/holdings in parent companies

As at 31 December 2023, there was no direct or indirect ownership of treasury shares by the Parent Company Andriani S.p.A., nor were any transactions carried out in this regard during the fiscal year.

Transactions with non-consolidated subsidiaries, associates, parent companies and sister companies

During the year, the following transactions took place with non-consolidated subsidiaries, associates, parent companies, and sister companies:

Table → Transactions with subsidiaries

Types	F.Ili Andriani Partecipazioni S.r.l.	NUO S.p.A.	Amendola Center S.r.l.	Birrificio Artigianale B31 S.r.l.
Commercial transactions				
Receivables	-	-	-	-
Payables	-	-	-	11,919
Costs for goods, services, and interest	-	20,000	18,000	17,961
Revenue from goods, services, and interest	-	-	-	-
Financial and other transactions				
Receivables	-	-	51,865	-
Payables	-	-	-	-
Guarantees and obligations				
	-	-	-	-

These reports, which do not include atypical and/or unusual transactions, are governed by normal market conditions.

Secondary offices

The parent company Andriani S.p.A. had no secondary offices as of 31 December 2023.

4

HUMAN CAPITAL

4.1

70 Our resources

4.2

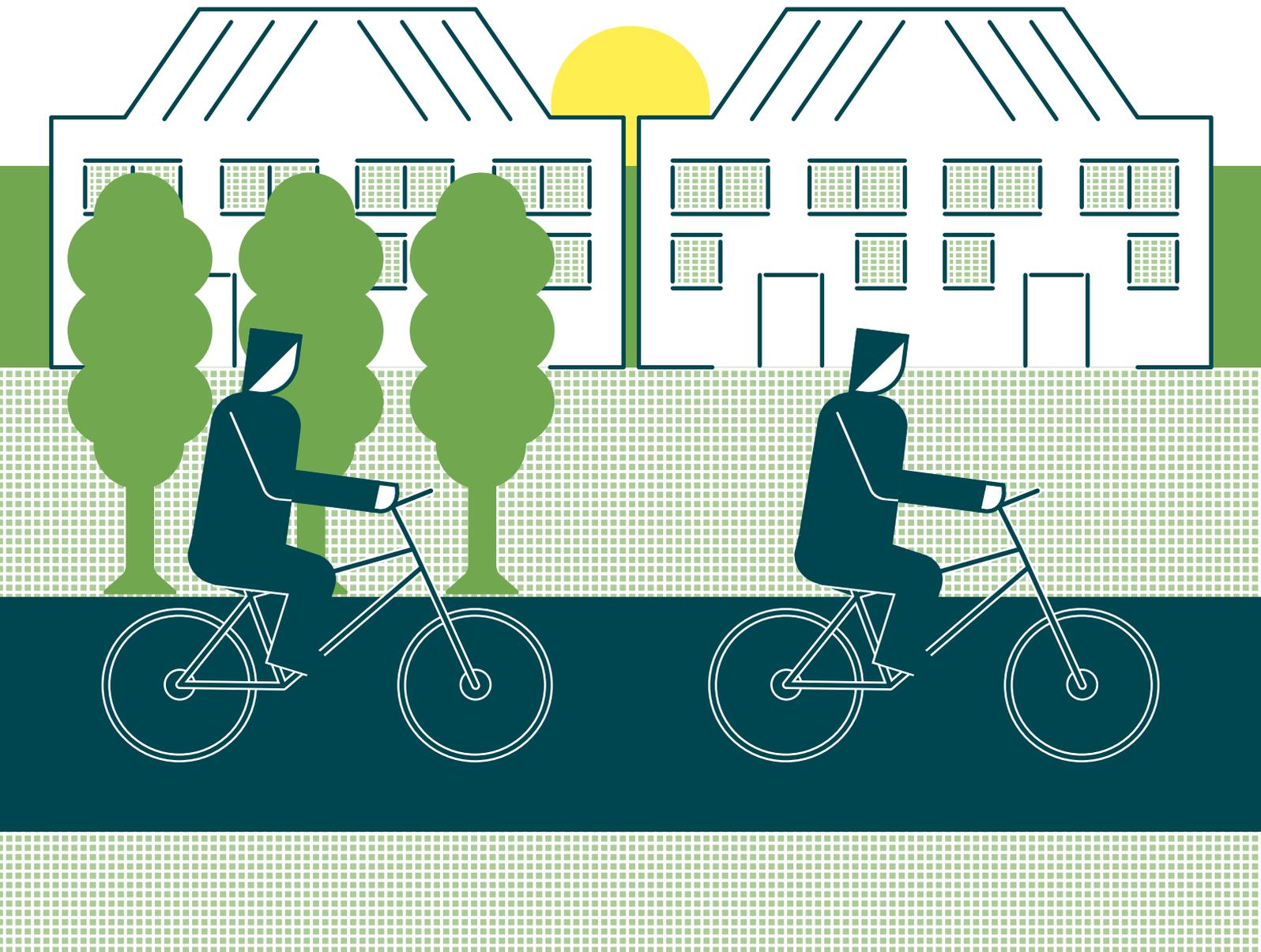
75 Health, safety, and well-being at work

4.3

80 Training and development of human resources

Stakeholders

Employees



Key statistics and relevant facts

296employees

in 2023 (+29.8%) compared to the previous year

13,366hours of training

non-compulsory paid in 2023: +4,045 hours (+43.4%) compared to the previous year

The art of persuasion

project to develop strategies to support the team's professional development

Addiction prevention

mental health education course on awareness of different forms of addiction

Best Workplace for Blue Collar Workers Award

Andriani is 2nd out of 46 Italian companies analysed by Great Place to Work

Best Workplaces Italia

Andriani is one of the Best Workplaces in Italy for the 3rd consecutive year

4.1 Our resources



Material Topics no. 14, 15



Caring for the People who work for the Group is a continuous commitment that is realised through putting wellbeing initiatives in place, recognising the value of ongoing professional development, training, and compensation policies, and understanding each person's needs by offering support and encouragement as well as listening to ideas and suggestions. It also involves valuing individuality, respecting diversity and gender rights, and recognising potential as well as personal and professional aspirations.

This is how well-being is created within organisations, which then can also be reflected in the various areas of life.

The definition and management of personnel policies are the responsibility of Human Resources, in accordance with the guidelines issued by the Board of Directors.

Staff composition and characteristics

[2-7](#) [2-30](#) [202-2](#) [401-1](#) [402-1](#) [405-1](#)

The entry of the subsidiary Nove Alpi in the reporting scope led to an increase of no less than 68 employees (+29.8%) from 2022 to 2023, 54 of whom (13 office workers - 8 men and 5 women, and 41 labourers - 20 men and 21 women) can be attributed to the entire workforce of the Tuscan company.

Table → Number and percentage of employees by category and gender

Position	31/12/2023						31/12/2022						Change		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total			
Executives	14	2	16	88%	13%	5%	12	2	14	86%	14%	6%	2	0	2
Middle Managers	9	1	10	90%	10%	3%	7	1	8	88%	13%	3%	2	0	2
Office workers	62	37	99	63%	37%	33%	49	32	81	60%	40%	36%	13	5	18
Labourers	145	26	171	85%	15%	58%	120	5	125	96%	4%	55%	25	21	46
Total	230	66	296	78%	22%	100%	188	40	228	82%	18%	100%	42	26	68

Composition of employees by professional position

5% Executives

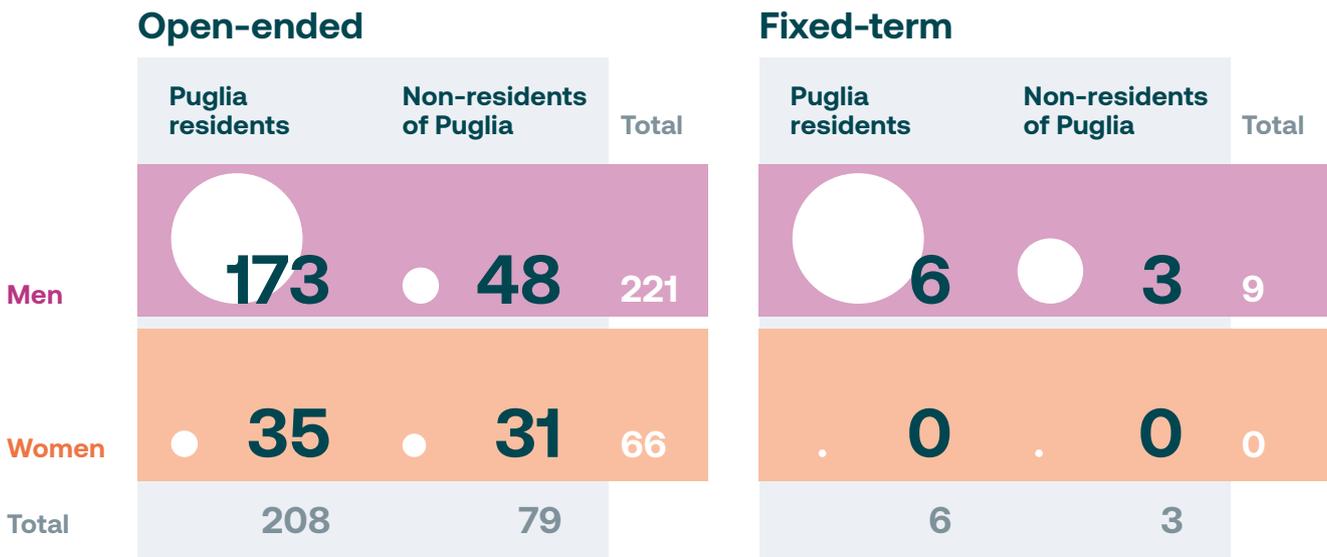
3% Middle Managers

33% Office workers

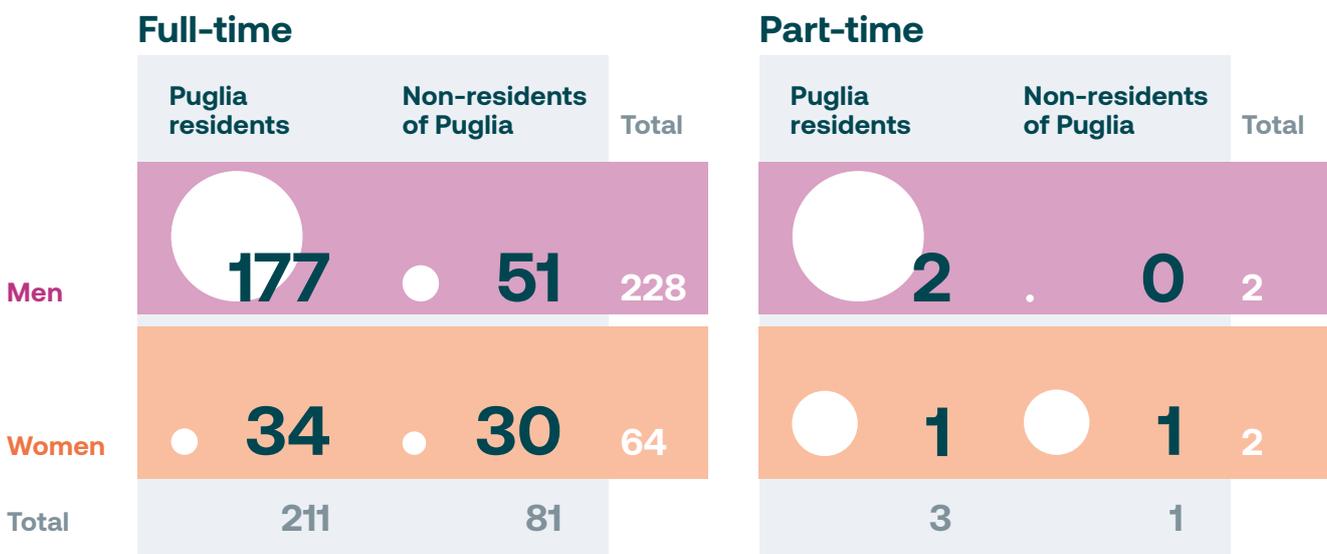
58% Labourers

The Group’s goal is to contribute to local employment in the areas in which it operates. In fact, about 63% of its managers are employed by the local community (Puglia region), and it offers a predominantly open-ended contractual framework. This is clearly shown in the data presented below.

Number of employees in 2023 with open-ended and fixed-term contracts, broken down by gender and geographical region



Number of full-time and part-time employees in 2023, broken down by gender and geographical region



As in FY2022, the company has no seasonal workers in its workforce.

Table → Percentage breakdown of employees by category and age range

Professional position	31/12/2023			31/12/2022		
	< 30	30-50	> 50	< 30	30-50	> 50
Executives	0.0%	56.3%	43.8%	0.0%	50.0%	50.0%
Middle Managers	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%
Office workers	10.1%	74.7%	15.2%	10.0%	78.0%	12.0%
Labourers	6.4%	70.3%	23.3%	12.0%	73.0%	15.0%
Total	7.1%	72.0%	20.9%	10.0%	74.0%	16.0%

The following table provides a detailed breakdown of the average age of employees, which, in principle (minus the increase in the age of female labourers), confirms the data that emerged in 2022.

Table → Average age of employees

Professional position	31/12/2023			31/12/2022			Change		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	48	47	48	49	46	49	-1	1	-1
Middle Managers	39	40	39	37	39	38	2	1	1
Office workers	42	40	41	42	39	41	0	1	0
Labourers	41	50	42	40	43	40	1	7	2
Overall Total	42	44	42	41	40	41	1	4	1

The number of permanent contracts also increased in FY2023 compared to the previous year, also as a result of the inclusion of Nove Alpi in the reporting scope.

Below are comparative tables on the number of employees broken down by gender, contract type, and type of employment.

Table → Number of employees broken down by gender and contract type

Type of contract	31/12/2023			31/12/2022			Change		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term	9	0	9	7	0	7	2	0	2
Open-ended	221	66	287	181	40	221	40	26	66
Overall Total	230	66	296	188	40	228	42	26	68

Table → Number of employees broken down by gender and employment type

Employment type	31/12/2023			31/12/2022			Change		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Part-time	2	2	4	1	0	1	1	2	3
Full-time	228	64	292	187	40	227	41	24	65
Overall Total	230	66	296	188	40	228	42	26	68

Below is information on the number of contracts that initiated and ended in 2023:

Table → Incoming employees: new hires broken down by gender and age range

New hires	31/12/2023				31/12/2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	7	18	0	25 (5%)	9	28	5	42 (22%)
Women	0	1	2	3 (11%)	1	0	0	1 (3%)
Total	7 (33%)	19 (9%)	2 (3%)	28 (9%)	10 (43%)	28 (16%)	5 (14%)	43 (19%)

Table → Outgoing employees: terminations broken down by gender and age range

Outgoing employees	31/12/2023				31/12/2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	2	9	2	13 (6%)	2	10	5	17 (9%)
Women	0	5	2	7 (11%)	0	2	0	2 (5%)
Total	2 (10%)	14 (7%)	4 (6%)	20 (7%)	2 (6%)	12 (8%)	5 (14%)	19 (8%)

Finally, with regard to relations between workers and management, refer to the applicable CLA (SME Food National Collective Labour Agreement) for the minimum notice period for operational changes.

Andriani’s contractual relationships are all governed by the National Collective Labour Agreement. Specifically, for executives, reference is made to the Industry CLA and the Tertiary Executives CLA, and for other professional categories to the SME food CLA, Food Industry and the Trade CLA.

Independent workers

2-8

During FY2023, the Andriani Group took on 19 non-employee labourers in its production facilities, whose jobs were audited and therefore fall within the scope of the Group's control. These are essentially workers contracted through authorised agencies, employed in a blue-collar capacity as part of production activities (packaging, production, etc.).

Table → Number of independent workers in 2023 (full-time equivalent)

Position	31/12/2023			31/12/2022		
	Men	Women	Total	Men	Women	Total
Labourers	17	2	19	16	0	16
Total	17	2	19	16	0	16

In 2023, 3 independent workers were hired by Andriani after reaching 24 months of contracted work.

Inclusion and the value of diversity

405-1 406-1

During the second half of 2023, the parent company achieved Gender Equality Certification per Italian Reference Practice Uni/PDR 125/2022.

The implementation of a Management System compliant with the Uni/PDR 125/2022 standard is intended to encourage the adoption of policies for gender equality and women's empowerment at the company level. The goal of the initiative is to promote transparency in work processes, reduce the gender pay gap, increase opportunities for growth within the company, and ultimately move towards equal opportunities.

In order to ensure an holistic measurement of Andriani's maturity level, 6 indicator areas have been identified by Uni/PDR 125/2022 pertaining to the different variables that can distinguish the Benefit Corporation as an inclusive and gender-equal company. These are:

- Culture and strategy;
- Governance;
- HR processes;
- Growth opportunities and the inclusion of women in business;
- Gender pay equity;
- Protection of parents and work-life balance.

Specific performance indicators (KPIs) have been identified for each assessment area and a continuously updated shared monitoring plan has been structured to provide evidence of the improvement achieved through the variety of interventions implemented.

Due to the need to actively promote gender equality within the organisation and ensure the continuous and effective implementation of the Gender Equality Policy, a **Steering Committee** has been established whose main role is to ensure the implementation of the policy and to define clear, measurable, achievable objectives planned over time.

Along with constant awareness-raising and training on the issue of discrimination, during the year, the Group's DE&I Specialist participated in the **Ambassador and Witness Against Gender-Based Violence** training course organised by the Fondazione Libellula, with the future goal being to extend this course to more people so as to create active groups that, within their own professional and non-professional contexts can be:

- Formal and informal interpreters of the value of respect between men and women;
- Listening and observing "antennas" for potentially difficult situations;
- Carriers of ideas, projects, content against gender-based violence, a channel for help and direction towards resources offered by the organisation and the area.

To continue this, with the help of active organisations in the area, whose cooperation was requested, support and backup data was created. Commitment in the area has translated to



the company's willingness to network with other organisations committed to the same issue, bringing its own testimony into shared initiatives.

The path to DE&I was also initiated at Nove Alpi by establishing a partnership with Fondazione Libellula. In addition, in order to counteract prejudice and stereotypes in the business environment, a dedicated activity was offered to all Nove Alpi employees to look at mutual relations through the new lenses of trust and respect, which are necessary to work well together. To promote the integrative spirit within the Nove Alpi team, valuing diversity and inclusion at the company, a small internal competition with prizes was launched for the second year aimed at the entire company population, with the goal being to bring out and enhance potential creative talents.

For the week against gender violence, Nove Alpi wanted to demonstrate its commitment to fostering a healthy culture of relationships, both personal and professional, by making a tangible and symbolic gesture (a red bench dedicated to the municipality of Pistoia and one installed at the company's headquarters). This demonstrated its intention to play a significant role in cultural transformation both inside and outside the company.

4.2

Health, safety, and well-being at work



Material topic no. 15 ESG

Occupational health and safety at work management system 403-1

Following up on what was achieved in the past year, since December 2023, the occupational health and safety management system is now certified according to ISO 45001:2018. This certification includes the design, production, storage, and packaging of gluten-free pasta. The primary responsibilities under this certification are adhering to safety laws (Italian Legislative Decree 81/2008, "Consolidation Act on the protection

of health and safety in the workplace," as amended), encouraging worker and representative consultation and participation, ensuring ongoing informational and awareness-raising campaigns, and maintaining a culture of continuous improvement regarding workplace health and safety. It should be noted that this certification was obtained by the parent company.

Risk assessment 403-2

Risk assessment is a process whose goal is to estimate the risks to the workers' health and safety from dangers present in the workplace. This consists of a close and systematic examination of all aspects of the work activity aimed at establishing: a) what could cause injury or damage; b) the elimination of hazards where possible; c) where elimination is not possible, the implementation of preventive and protective measures to limit and/or control risks.

With reference to Section 6.1.2 of ISO 45001:2018 and Articles 28 and 29 of Italian Legislative Decree 81/2008, the employer, Andriani, proactively proceeded to identify risks and opportunities related to its work phases. "Risk assessment" is a complex operation that requires a series of phases for each area or workplace, the call for:

- identification of the sources of risks present in the work cycle;
- identification of the subsequent potential risks of exposure in relation to carrying out operations, both for risk to safety and to health;
- estimating the extent of exposure risks associated with the identified prevention situations.

The risk analysis and assessment is documented in the Risk Assessment Document (RAD), which includes:

- a) a report on the risk assessment carried out in the various company environments or workplaces, including the criteria adopted for its definition;
- b) the description of the prevention and protection measures implemented, consistent with the results of the risk assessment.

The RAD also provides the description of the processes available to the workers to report the presence of any hazardous situations at work, to move away from work situations that are believed to cause occupational injuries or illnesses, and the processes used to investigate possible occupational accidents, in order to determine the corrective actions and improvements necessary for occupational health and safety. The RAD is periodically reviewed, with the last review in November 2023.

A gender risk assessment was carried out in the last review.

Occupational health services 403-3

The occupational health services are provided by a company physician, whose obligations are set out in Article 25 of Italian Legislative Decree no. 81/2008, and who, with full organisational and time autonomy and as compatible with company needs, is required to:

- collaborate with the employer and the prevention and protection service in assessing the risks and for planning,

where necessary, any health monitoring, in the implementation of measures protecting the health and psycho-physical well-being of the workers, in training and information activities for the workers within the scope of their functions and in organizing the first aid service;

- collaborate in the development and implementation of voluntary health promotion programmes according to the

- principles of social responsibility;
- plan and perform health monitoring;
- provide information to workers on the meaning of the health monitoring to which they have been subject and, if exposed to any agents with long-term effects, any possible need to undergo health checks;
- visit the work environments at least once a year, or at a different frequency based on the risk assessment;

- participate in the planning of checking worker exposure checks; the results must be provided in a timely manner for the purposes of risk assessment and health monitoring.

The workers' access to the medical services is guaranteed in the company, where there is a clinic. The services are provided during work hours.

All Andriani workers are subject to health monitoring.

Participation and consultation of the workers

403-4

Worker participation and consultation is one of the cornerstones of the ISO 45001:2018 management system (Section 5.4).

To facilitate worker participation and consultation in the development, as well as the implementation and evaluation of the occupational health and safety management system, and in order to provide access to and communicate relevant occupational health and safety information to workers, Andriani organises periodic risk prevention and protection meetings pursuant to Article 35 of Italian Legislative Decree no. 81/2008, as amended. These meetings are attended by the executives, the Prevention and Protection Service Supervisor, the Head of

the Occupational Health and Safety Management System, the Company Physician, and the Workers' Safety Representatives who are elected at a meeting attended by all the company's workers.

In accordance with their obligations under Article 20 of Italian Legislative Decree 81/2008, all workers must immediately report any problems with the protective means and devices to the workers' safety representative, as well as any dangerous conditions they encounter, taking direct action, in the event of an emergency, within the scope of their responsibilities and possibilities, to eliminate or reduce situations of serious and imminent danger.

Training on safety in the workplace

403-5

Staff training in health and safety in the workplace is managed by the Andriani S.p.A. Human Resources Department, in close cooperation with the Supervisory Board in accordance with Italian Legislative Decree 231/2001. Periodically, and at least yearly, this department proposes a training plan to the Supervisory Board, which is responsible for verifying the adequacy of the contents of the aforementioned training plan in regard to the relevant aspects pursuant to the Decree and proposing any appropriate additions. The training plan calls for variously detailed interventions depending upon where the location of the training recipients in the company and the specific risk areas such as: classroom training; new-hire training regarding Corporate Social Responsibility, with contextual analysis of issues regarding the Decree.

As set forth in Articles 36 and 37 of Italian Legislative Decree 81/2008 and Section 7.2 of the ISO 45001:2018 standard, Andriani ensures that each worker receives sufficient and adequate training and information regarding health and safety, with particular reference to their own workstation and responsibilities. The information and training courses cover:

- workers' rights and duties related to health and safety in the workplace;
- organisation of safety inside the company, with particular attention to health risks and procedures regarding first aid, fire fighting, and the evacuation of the workers;
- safety and hygiene;

- tasks and responsibilities of specific individuals set forth by the standards such as the Workers' Safety Representative, Prevention and Protection Service Supervisor, Company Physician, members of the Prevention and Protection Service, first-aid officers, fire-fighting officers;
- risks regarding the workstation and jobs, as well as the possible damage and subsequent prevention and protection measures and procedures;
- interpersonal communication techniques in relation to the role.

The training courses were carried out in person and also remotely in synchronous mode, as provided for in the August 2022 update in note 75 to Art. 37 of Italian Legislative Decree 81/08.

As set forth in Articles 71 and 73 of Italian Legislative Decree 81/08, Andriani ensures that, for each item of work equipment made available, the workers assigned to use it have all the necessary information and instruction and receive appropriate safety training regarding:

- equipment use conditions;
- predictable abnormal conditions.

The employer also provides training for the workers regarding the equipment placed at their disposal.

Relationships with consultants, partners, and suppliers

403-7

In the context of relations with parties outside of Andriani such as consultants, partners, and suppliers, specific information is guaranteed on the safety policies and procedures adopted by the company, based on the Organisation, Management and Control Model, as well as the texts of the contractual clauses usually used in this regard. In accordance with the provisions of the specific contractual clauses included in the letters of appointment or partnership agreements, any conduct by consultants, partners, and suppliers that conflicts with the lines of conduct indicated in the Organisation, Management and Control Model, which entails the risk of a crime or offence being committed, may result in the termination of the contractual relationship or in any other contractual sanction specifically set forth, without prejudice to any claim for compensation, if substantial damage to the company results from such con-

duct. The company has prepared the Unified Document for Assessment of Interferential Risks to promote cooperation and coordination, when work, services, and supplies are entrusted to contractors or self-employed workers within the company, indicating the measures taken to eliminate or, where not possible, minimise risks from interference. When there are several companies operating at the same time in the same place, safety problems may arise due to the interactions between the staff and the company operations. To reduce the risks created by those interactions, the customer and contracting companies must coordinate their activities and be informed of the specific risks present in the environment in which they will be operating. A proper and transparent relationship with customers, suppliers, and partners is important for the Group's success.

Occupational illnesses and injuries

401-3 403-9 403-10

Regarding quantitative accident data, there was a drop in the accident rate in 2023 as compared to 2022, which was brought on by a roughly 26% increase in total hours worked. Also, there were no cases of occupational illnesses. Below is the table with all of the detailed information.

Table →	Andriani Staff	2023	2022
Quantitative information on injury cases	Total deaths due to occupational injuries	0	0
	Total occupational injuries with serious consequences (excluding deaths)	0	0
	Total no of occupational injuries reported	1	1
	Hours worked by employees	516,967	409,945
	Multiplier	1,000,000	1,000,000
	Rate of deaths due to occupational injuries	0	0
	Rate of occupational injuries with serious consequences	0	0
	Rate of recorded occupational injuries *	1.93	2.44

* Rate of recorded occupational injuries + Tot. no. Injuries recorded x Multiplier / Tot. Hours Worked

The table below provides the information related to the rate of absenteeism, which increased slightly due to illness and maternity leave; however, this data should be read in relation to the significant increase in the number of hours worked in 2023 compared to the previous year.

Table →	Reason	2023		2022	
		Men	Women	Men	Women
Absenteeism %	Illness	4.6741	2.25	3.31	4.80
	Injury	0.022	0.034	0.33	0
	Maternity	0	2.389	0	0.28

It should be noted that, with reference to workers who are not employees but who worked at Andriani's work sites, no serious accident cases occurred during 2023.

Additionally, in 2023, one employee requested and received hourly parental leave with a reduction in daily work. Two other workers took one month parental leave after their compulsory maternity leave and subsequently returned to work.

Care for the workers' well-being

403-6

Andriani continues to pursue the path towards creating happiness in the workplace and a state of physical and psychological well-being, which can create intrinsic motivation and engagement, strengthening the company's informal contract with each worker.

All People Care initiatives initiated by the company have this goal that, as proven by scientific studies and analysis, is strictly related to the increase in intrinsic motivation and the sense of belonging at the company, as is the increase in company productivity.

The concept of Caring is the basis for all initiatives that focus on the health and well-being of our workers, since it is natural and innate to all human beings. Caring for workers primarily

as human beings and not just in relation to their organisational role means ensuring their dignity and respect.

In order to encourage a dynamic and healthy lifestyle for all employees, each year the company implements projects and activities aimed at physical and psychological well-being, such as wellness solutions, with the assistance of a nutritionist and a physical trainer. In fact, a company gym has been made available to all workers. It operates from early morning into the evening so that everyone can use it, even during working hours, to take customised courses and use special equipment.

In addition to the courses, there are also morning mountain bike rides and nature hikes.

Nature hikes

In order to promote physical and psychological health, Andriani has implemented the Andriani Excursions project, a series of hikes organised in the Murgia area.

Contact with nature plays an important role in physical and psychological well-being. In fact, being immersed in nature, even simply observing plants, flowers, and animals, triggers a whole series of beneficial reactions on both the physical and psychological level.

Interacting with nature is always beneficial. Even the simple act of observing trees or visiting garden-like environments is good for you. Taking a stroll in nature also allows for real physical activity, combining the benefits of contact with nature to those of practicing a sport.

Numerous scientific studies show that seeing greenery, contemplating the sounds and fragrances of nature, and exposure to the sun are good for the body and mind. More specifically, they:

- rebalance the endocrine and hormonal systems;
- regulate sleep-wake rhythms;



- stimulate the immune system;
- awaken the senses;
- slow down the heart and respiratory rates;
- help lower blood pressure;
- counteract stress;
- relax the psyche;
- improve relaxation.

Andriani's excursion were also designed to foster Team Building, which is indispensable for the smooth running of the entire organisation.

biketowork

Following up on the Bike to Work initiative, the Andriani Group increased the number of e-bikes available to its workers in 2023 to 107 in order to promote a healthy lifestyle and encourage a more sustainable commute to work. The data for the year in question are as follows:

29,450 km paths

2,797.75 CO₂ not emitted

4,211.35 lt of fuel saved



Support services to directors and executives

401-2

The project is part of Andriani's Corporate Social Responsibility and Wellbeing activities, in full alignment with the values and goals of Andriani Empowering People. The advantages of the initiative are for directors and executives, through the contribution of ASSIDIM, an association that is exclusively for welfare and non-profit purposes, registered since 2010 with the Register of Supplementary Funds at the Italian Ministry of Health.

The association ensures economic assistance and services in the event of illness, injury, death, disability, loss of self-sufficiency and serious illnesses, and provides:

- supplementary health care - reimbursement of health care costs incurred by directors and executives (and their

families) as a result of injury or illness, with benefits covering both hospitalisation and out-patient treatment, as well as reimbursement for high-diagnostic services, medical and specialist examinations, dental and orthodontic treatment and other collateral services;

- occupational and non-occupational accident coverage - coverage for permanent disability and death resulting from occupational and non-occupational accidents;
- permanent disability coverage due to illness from any cause whatsoever;
- life and total permanent disability coverage.

How outsiders evaluate us

In 2023, Andriani won several awards for the well-being initiatives it had introduced, demonstrating the merit of the programs that were implemented and their positive impact on the workforce, who shared their opinions and levels of job satisfaction in response to internal and external surveys and climate analysis conducted throughout the year.

Best Workplace for Blue Collar Workers

Andriani was named Best Workplace for Blue Collar, placing second out of 46 Italian companies analysed by Great Place to Work, in addition to receiving the Great Place to Work certification for the third year in a row and being listed among the Best Workplaces list out of 60 Italian companies, as the only manufacturing company in Southern Italy for 2023.

Andriani is one of the Best Workplaces in Italy for the 3rd consecutive year



Further information



4.3

Training and development of human resources



Material topic no. 14 ESG

Human resources training

404-1

Andriani continuously invests in the training and development of its people in order to improve technical, transversal, and personal skills both out work and outside of work and to empower each person as well as support their personal and cultural evolution

In order to continue the skill improvement process begun in previous years, 13,366 hours of non-compulsory training were provided in 2023, an increase of 43.4% (+4,045 hours) over the year before, taking into account the contribution from Nove Alpi. Training was begun based on the results of the analysis of the training needs of department heads.

Table → Hours of training broken down by position and gender

Professional position	2023					2022				
	Women		Men		Total hours	Women		Men		Total hours
Total hours	Average	Total hours	Average	Total hours		Total hours	Average	Total hours	Average		Total hours
Executives	201	101	544	39	745	220	110	1,256	105	1,476
Middle Managers	166	166	1,183	131	1,349	94	94	895	128	989
Office workers	3,103	84	5,663	91	8,766	2,634	82	3,409	70	6,043
Hourly workers	250	10	2,258	16	2,508	65	13	748	6	813
Total	(27.8%) 3,720	56	(72.2%) 9,646	42	13,366	(32%) 3,013	75	(68%) 6,308	34	9,321

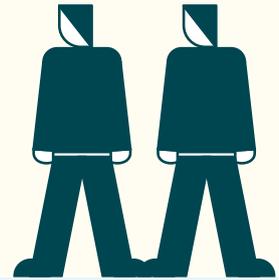
Training activities are carried out to enable the development of technical skills, but also to enhance transversal skills.

To put this in perspective, in 2023 there was an approximate 752% increase in DE&I training hours.

Table → Hours of training broken down by position and relative skills

	2023				Total
	Executives	Middle Managers	Office workers	Labourers	
Coaching	112	112	320	0	544
Technical skills	76	639	3,870	90	4,675
Language skills	48	142	1,242	24	1,456
D&I	241	144	1,232	1,952	3,569
Non-vocational training	20	20	130	40	210
Soft skills	237	284	1,815	402	2,736
Sustainability	11	8	157	0	176
Total	745	1,349	8,766	2,508	13,366

Main courses carried out in 2023



Team building: Il Volano (the Flywheel)

The goals of the training activity were as follows:

- recognise and welcome the transformation "from a family business to a multinational company with a minority shareholder and, consequently, with individuals from outside the company;
- raise accountability on the corporate objective, not those of the function or role;

- maintain and strengthen strong engagement;
- develop further attention to cost, details, and method

Gaming was the method used in order to create awareness and maturity in approaching and experiencing everyday life.

The art of persuasion The road to success

The project aims to build pathways to specialisation. The specific goal was to help participants build successful tactics, methodologies, and behaviours to solidify their persuasion skills in order to boost team motivation and professional development.

- train and improve.

The intervention aimed to:

- develop functional skills to manage a complex and intricate operational context;
- propose behavioural analysis models to sharpen interpersonal skills;
- transfer ways to enhance the effectiveness of managerial decision-making processes.

The methodology was based on three pillars:

- develop emotional awareness of the need to change;
- take responsibility;

Training course on addiction prevention

Andriani organised an addiction prevention course with the help of Mindwork, a business that specialises in occupational psychological health services, in an effort to enhance the mental health of every employee in the organisation. This psychological training course focuses on building awareness of different forms of addiction through a discussion that is free of judgement.

The goal of the training was to provide an opportunity to learn more about different types of addiction. The course was conducted by a psychologist trainer with experience and knowledge of the world of physical and psychological addictions. In order to maximise participant involvement, a dynamic and engaging approach was used.

Micro-agressions course

It is essential to analyse, recognise, and manage microaggressions in the workplace in order to address formal and informal behaviours that prevent people from forming inclusive, respectful relationships. For this reason, we used the immersive corporate

theatre tool to create metaphorical suggestions to uncover, identify, and demonstrate the existence of potentially harmful voluntary or involuntary behaviour that strains relationships between coworkers.

The other side of the coin: Parenthood

Andriani has been providing training efforts to address a variety of parenting and caregiving-related themes for a number of years. The parenting pathway sought to reach out to the entire corporate population, tailoring itself over time to those who are already parents, those who wish to become parents, those who wish to but are unable,

those who are unsure of their desire to become parents, and those who are simply caregivers. This year the focus was on intergenerational issues, paying attention on the role of the adult offspring and the meaning of being children and then parents over time, also touching on the them of illness and detachment.

People empowerment, culture of diversity and sharing

Andriani continuously aims to enhance the **dignity of the worker** as a human being and not just an organisational role with a series of duties to be performed. This means cultivating and promoting each person's "**specialties**" and "**singularities**" based on their personal and professional experiences, educational background, personality, gender, age, beliefs, ideas, and ethnic and social background. In fact, Andriani believes that value is created precisely through the blending of knowledge and backgrounds, which is why many organisational processes are built on interdisciplinary and intergenerational teamwork. The idea behind this approach is that

successful decisions and solutions are most often reached through the interaction of less experienced individuals with more senior and knowledgeable ones.

Andriani promotes a shared, inclusive, and participative culture within the organisation, which allows everyone to express their opinions, ideas, and suggestions during brainstorming activities, targeted training activities, informal sharing moments, surveys, an always-active idea box, and internal human resources interviews with all staff to analyse critical issues and actively listen to all levels of the organisation.

Welfare day

With the intent to create a shared culture on well-being issues, an essential asset for promoting happiness in the workplace and creating intrinsic motivation, in order to constantly reinforce the workers' informal contract with the company and promote talent attraction and retention, the Andriani Company celebrated Welfare Day on 28 September 2023, with the creation of a round table through the partnership with ADP and AIDP. The event involved HR representatives from local companies, university lecturers, and HR consultants, and was moderated by journalist Cenizio Di Zanni. It was an important opportunity to compare experiences and initiatives aimed at creating psychological and physical well-being within organisations and to exchange ideas and best practices.



Meeting the author

Andriani organises annual meetings with authors and writers involving employees and citizens in order to promote cultural development as an essential lever for personal enrichment and social evolution.

On 28 April 2023, well-known philosopher and writer Umberto Galimberti was invited to the Mangiatordi Theatre in Altamura for a conference entitled "Food and the Secrets of Existence", with an introduction by Prof. Adriano Amendola.



Noi Day (We Day)

Andriani is always organising events and occasions where moments, emotions, and ideas can be shared, promoting positive relationships, a tranquil climate, meaningful experiences, and the possibility to express oneself and one's aspirations and potential.

Every year Andriani organises an event when it opens its doors to all family and friends of employees and partners as an opportunity for fun, entertainment, participation, and sharing. This year it was called *Noi Day (We Day)* to emphasize the value of US and COLLABORATION, an indispensable factor for creating engagement, reaching common goals, and improving each person's performance.

Noi Day was held on June 17th and focused on the importance of being together and the value of teamwork to achieve high standards. In order to foster a sense of the huge family where people trust each other and focus their actions on achieving a goal, whether it be personal or professional, team-building activities were developed, in which employees and their families took part. Painting corners were also set up, involving many of the children, for whom a dedicated area was set up with inflatables, puppet theatre, and various games, along with educators and animators.

During the day, artists performed in a travelling swing show and a food area was set up with food trucks where dishes were prepared from local ingredients, with a focus on food wellness.



Con Garbo (With Kindness)

On September 9, Nove Alpi also held its first party for employees, their families, and friends.

"*Con Garbo*" was the name of the day, which focused on the concept of **KINDNESS**—as a means of respect for oneself, others, and the world we live in—as well as a means of fending off negativity in order to go beyond appearances.

After a brief corporate tour, the gathering, which was a communal moment of happiness and cheer, arrived at a venue big enough for the large number of attendees.

There were games, music, and entertainment as well as moments of constructive reflection.

The evening ended with a theatrical performance centred on the theme of kindness taken from the show *Boda Alquémica, The Fusion of Opposites* - by the social promotion association "La voce dei popoli" (The People's Voice).





NATURAL INNOVATORS FOR CONSCIOUS FOOD

5.1

86 Sustainability of the supply chain

5.2

91 Product quality

5.3

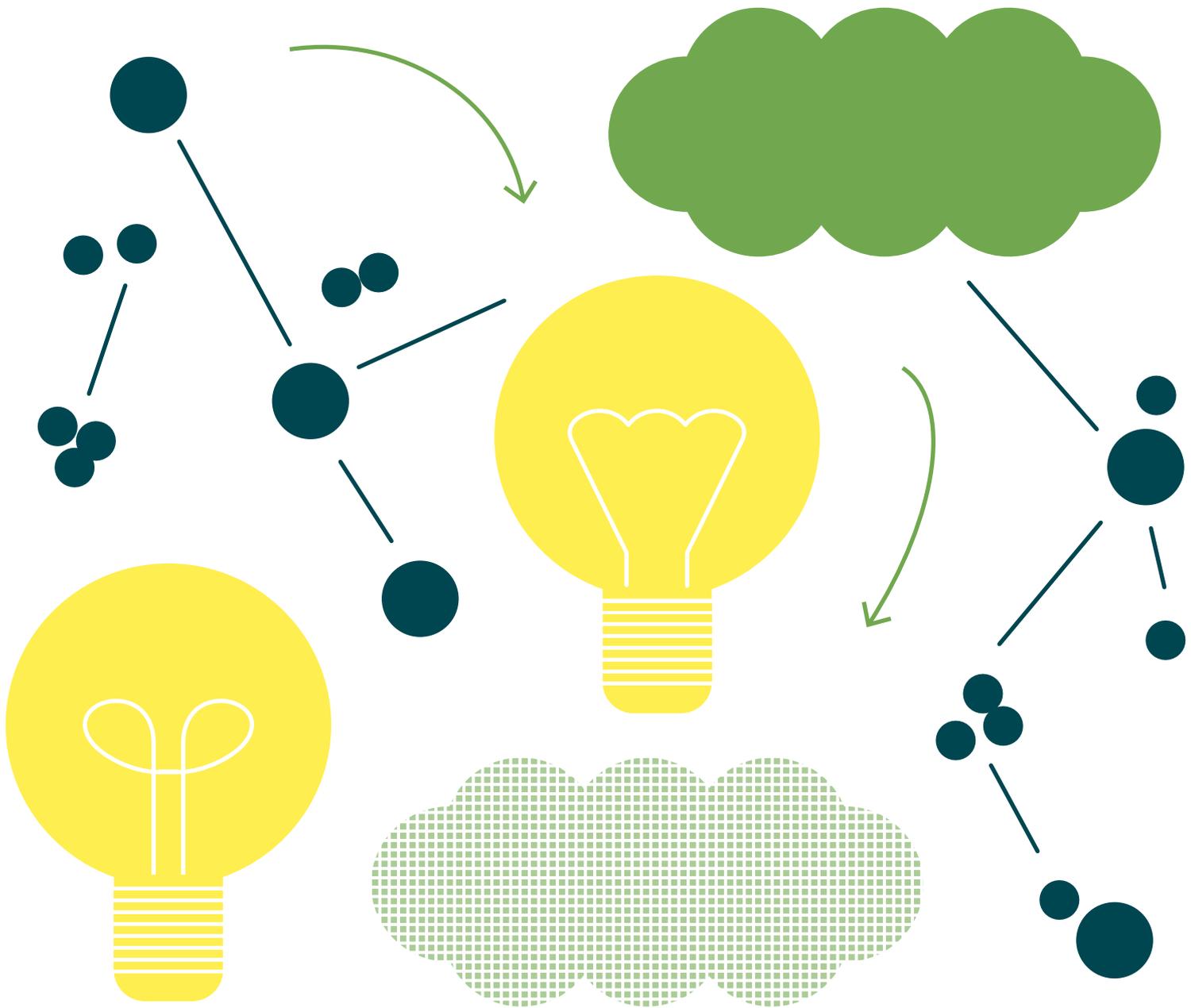
95 Product safety and traceability

5.4

97 Research and development

Stakeholders

Suppliers, Customers, and Business Partners



Key statistics and relevant facts

-16.6%

purchases of packaging at value

+1.1%

purchases of raw food ingredients at value

Continuation of the RESO projects

In partnership with public and private research institutions, contributing to the **development of agri-food supply chains in the southern region**

5 projects

aimed at the development of new products

3 projects

aimed at expanding the range of formats

5.1 Supply chain sustainability



Material topics no. 1, 4, 9 

Raw materials and supply chain

2-6 204-1

Andriani is committed to maintaining high quality standards and attention to sustainability along the entire supply chain, thus tangibly contributing to the creation of shared value. Purchases of raw materials that are indispensable for production activities and related company supplies consist mainly of raw food materials (73.5%) and packaging (19.8%). This is illustrated in detail in the table below, providing data expressed in value.

Table → Purchases of raw materials, consumables, and merchandise at value

	31/12/2023		31/12/2022	
Raw materials	36,844,070	73.5%	36,439,537	69.2%
Finished products	24,545	0.0%	77,708	0.1%
Consumables	832,478	1.7%	365,106	0.7%
Packaging	9,947,632	19.8%	11,921,354	22.6%
Fuel for heating	1,957,628	3.9%	3,261,681	6.2%
Office suppliers	17,251	0.0%	47,406	0.1%
Fuels and lubricants	107,969	0.2%	90,747	0.2%
Transport of purchases	92,988	0.2%	116,556	0.2%
(Discounts and rebates on purchases)	-	0.0%	200	0.0%
Others	281,203	0.6%	303,295	0.6%
Merchandise	13,303	0.0%	22,266	0.0%
Total	50,119,067	100.0%	52,645,856	100.0%

There was a 4.8% decrease in value purchases in total in 2023 compared to 2022. This decrease can be broken down as follows: +1.1% for food raw materials and -16.6% for packaging. In the reporting year, Andriani purchased food raw materials with a total volume of 39,821 tonnes. The detailed percentage breakdown of those quantities is as follows:

Composition of volumes of purchases of food raw materials

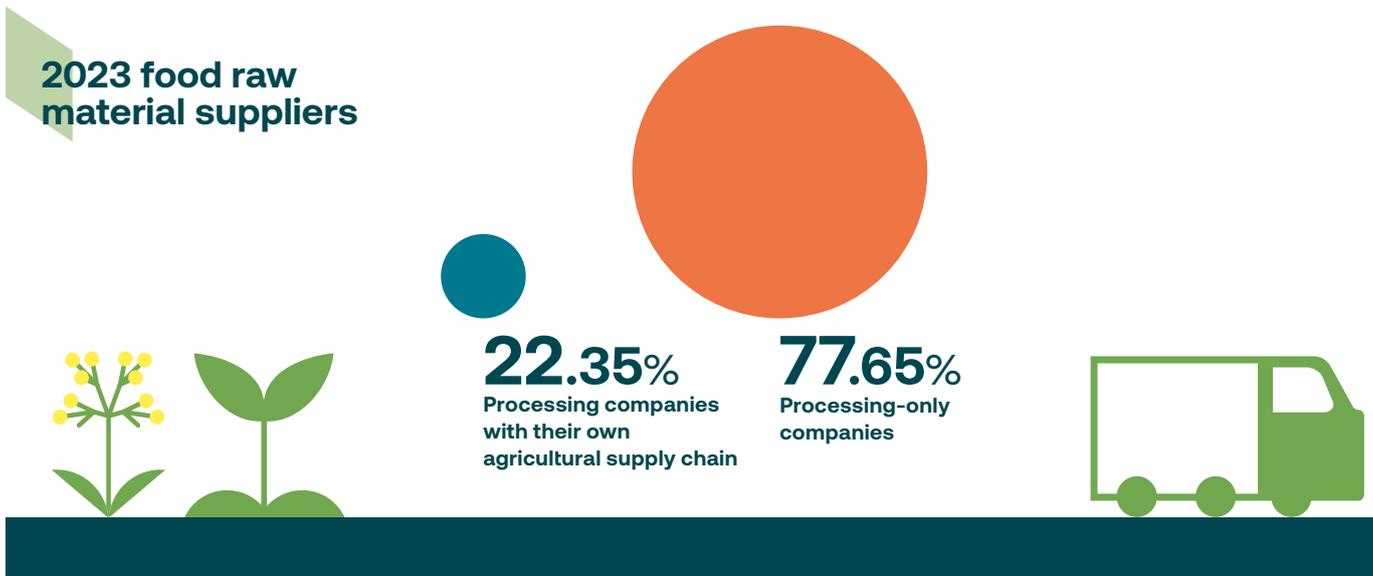


Tables → Composition of volumes of purchases of food raw materials

Grains		Ingredients for bakery products		Legumes	
Rice	27.40%	Sugar, honey, and sweeteners	0.17%	Lentils	8.94%
Yellow corn	25.10%	Oils and fats	0.16%	Chickpeas	4.08%
White corn	22.52%	Eggs and egg products	0.13%	Peas	1.82%
Oats	0.91%	Yeast and sourdough	0.06%		
Starches and flours	0.78%	Fiber	0.04%	Microingredients	
Pasta	0.31%	Milks and derivatives	0.03%	Misc	1.10%
Sorghum	0.12%	Alcohol	0.02%	Pseudo-grains	
Organic starches and flours	0.06%	Cocoa, coffee, and chocolate	0.02%	Buckwheat	5.51%
Teff	0.06%	Organic oils and fats	0.01%	Quinoa	0.48%
Prepared products	0.03%	Seeds and spices	0.01%	Semi-finished products	
Bread substitutes	0.01%	Organic eggs and egg products	0.01%	Semi-finished products	0.09%
		Organic sugar	0.01%		

During FY2023, the Andriani Group's raw materials selection process continue to place decisive emphasis on compliance with high quality standards and the responsible origin of raw materials, reflecting that these criteria are the focus of the company's approach.

During this period, food raw materials procurement involved a total of 85 suppliers. Compared to 2022, the distribution in the type of suppliers changed significantly due to the fact that most of Nove Alpi's suppliers are only processors, while Andriani S.p.A.'s supplier base remains virtually unchanged.



For this breakdown, it should be noted that farms belonging to the Legume Chain (no. 284), including Terre Bradaniche, an integral part of the Andriani Group and its designated supplier, are not considered.

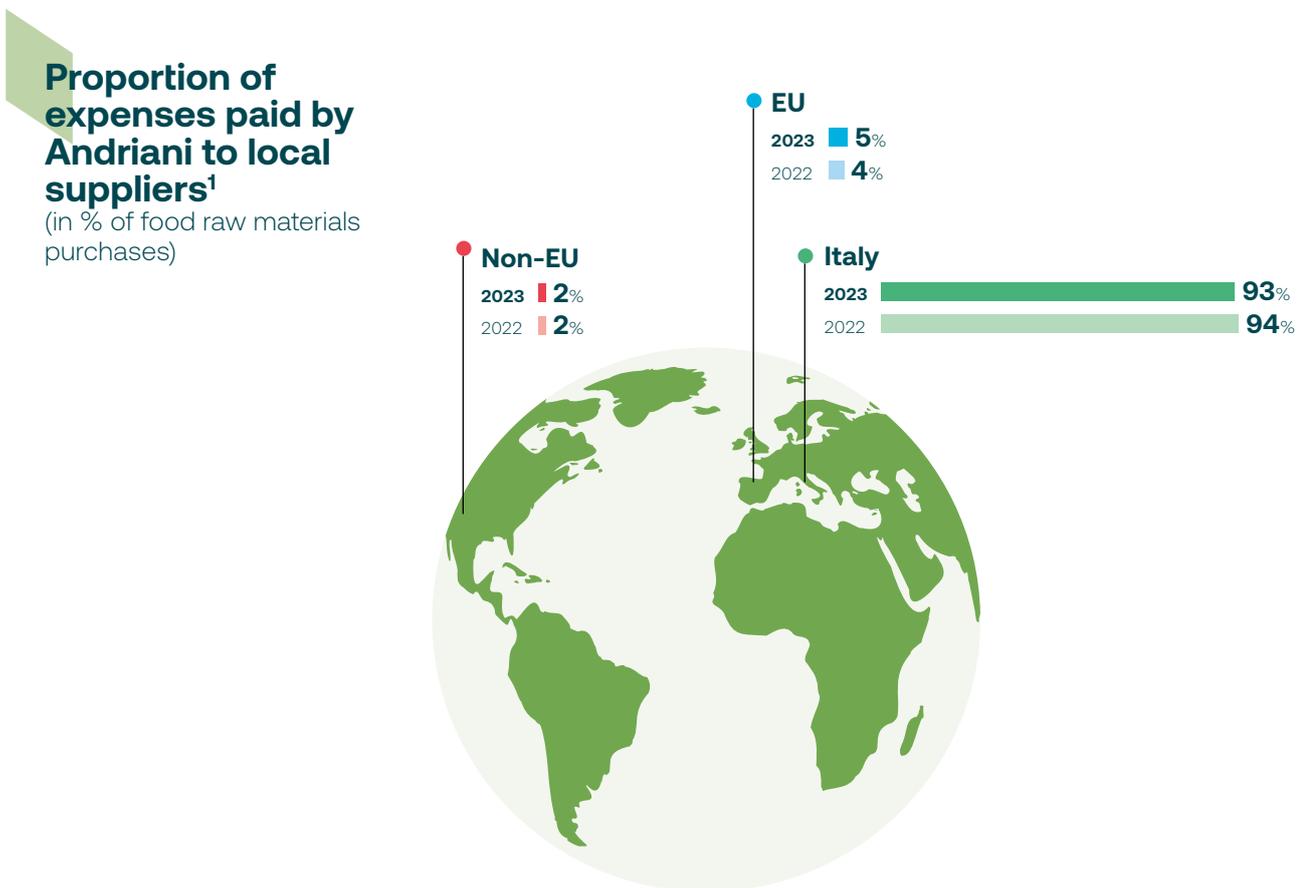
An in-depth look at the 2023 crop year for the legume chain can be found in Chapter 6 ([page 111](#)).



The following is a list of the different types of suppliers Andriani involved during the procurement phase, which totalled 206 in 2023.



In terms of geographic distribution, the graph that follows shows only slight variations in the percentage of expenditure on Italian-based suppliers from the prior year, with a 1% decline from 2022. At the same time, there was an increase in purchases from suppliers with EU origin (+1%). The data presented confirm the Group's commitment to choose local suppliers.



¹ Local suppliers refers to those with their operational headquarters in Italy.

Sustainable Procurement Round Table

The collaboration between Andriani and the Italy Global Compact Network continues. During 2023, the company took part in the "Round Table on Sustainable Procurement" promoted by the GCNI. The initiative, which was divided into four meetings, was attended by 37 Network member companies from all over Italy and belonging to more than 15 different product sectors.

There were many goals of this collective path, as follows:

- involve procurement/purchasing functions to increase their awareness and knowledge of sustainability issues;
- explore the three dimensions of ESG and their applications in relation to the supply chain;
- share case studies and best practices, fostering exchange and peer learning through talks and group work.

The Round Table highlighted common trends, strategies, and approaches, emphasizing the need to strengthen cooperation at all levels to accelerate achieving better environmental, social, and governance performance over time.

The first meeting delved into the *Environment* dimensions,



Global Compact
Network Italia



UNENDO IMPRESE

noting the need to identify and pursue the numerous key objectives in relation to supply chain environmental sustainability (e.g., mapping and reduction of CO₂ emissions). The second meeting, covering the *Social* aspect concentrated on human rights, due diligence, health and safety in the workplace and their impact along the supply chain, especially those that are more complex and far from the end consumer's eye. The third meeting focused on development and adoption of sustainable *Governance* models, i.e., setting and sharing common rules among companies belonging to the same supply chain. Finally, the fourth meeting served not only to summarise the results, but also to involve the suppliers of the participating companies, further broadening the initiative's scope and benefits in terms of raising collective awareness.



Further information

Partner Day

In November 2023, Andriani continued its commitment to being involved in the sustainable supply chain. On the sidelines of the GCNI Round Table on Sustainable Procurement and continuing the work already undertaken in previous years, Andriani organised the third "Sustainability in the Supply Chain Workshop", renamed "Partner Day". The event held in Gravina in Puglia involved more than 40 people from 27 supplier companies and all major purchasing categories. Thanks to the participation of Barilla and Atlante, the day was filled with ideas. It began with speeches that included Nielsen's "*Winning despite the context: sustainability as value creation*" and ended with group work where participants directly participated in materiality analysis and the establishment of action priorities.

During Partner Day, the *Value Chain Co-evolution Programme* was officially launched. Andriani intends to use it to permanently support all supply chain partners who make a request regarding specific topics. In fact, the programme provides suppliers with the support of the entire Andriani Value Chain team as well as all the experience and progress the company has made over the year regarding 2030 Agenda topics. The programme's ultimate goal is to improve the impact profile of Andriani's supply chain by providing tools, developing shared strategic plans, and reporting actions and results in a clear, transparent manner.



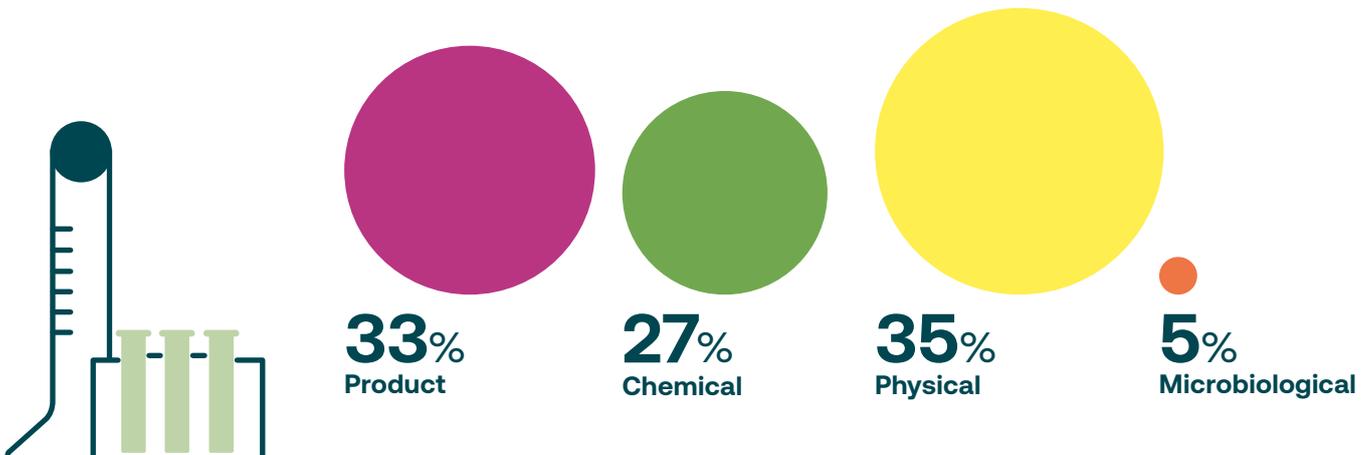
Food safety inspections on the raw materials and suppliers

Through the implementation of a traceability system covering the entire production flow, Andriani identifies its finished product with a batch number, a code that identifies it and describes its history.

From upstream to downstream, each batch of raw material encompasses precise and defined procedures of the articulated Quality System, from supplier qualification through sampling and analysis.

Raw materials are analysed in accordance with the internal analysis plan defined following the risk assessment.

2023 Analytical checks



In 2023, the total number of raw materials that deviated from Andriani's strict quality standards in one or more characteristics was 1%. These raw materials were rejected.

Food safety is one of Andriani's pillars. The constant review of the quality system and the consolidation of internal procedures has allowed Andriani to qualify a pool of suppliers to supply all the raw materials needed to produce the finished product.

During 2023, the supplier inspection plan was continued with 7 audits conducted at raw material suppliers and 1, related to Nove Alpi, that was conducted at the main supplier of film and thermoformed packaging.

The documentary qualification procedure was successful for the entire group of suppliers with whom relations had been established in previous years, and has remained valid.

Also for Nove Alpi, the choice of raw materials follows precise quality criteria, complying with self-control plans, specifications of the main certification organisations, and copacking customer specifications. Although supply chain control is not currently part of the qualification criteria, the short to medium-term goal is to introduce it in the selection phase in order to align with Group policy.

Ethical and responsible procurement

[408-1](#) [409-1](#)

Also in 2023, Andriani was part of the SEDEX platform for monitoring social and ethical KPIs for conducting SMETA audits, scheduled for 2024.

Concerning supply chain involvement, 25% of the total 48 food raw materials and packaging suppliers adopted the tool in 2023, which is an increase compared to 2022.

The policy requiring SEDEX membership remains in two cases:

- suppliers operating in countries with a high ethical and social risk;
- explicit requests from customers.

5.2 Product quality



Material topics no. 4, 5 ESG

Our concept of food innovation

2-6

The Andriani Group continues to distinguish itself with innovation and production of a wide range of gluten-free pasta. The company has created a whole line of food products using naturally gluten-free ingredients such as algae spirulina, legumes (lentils, peas, chickpeas, etc.), and cereals (rice, maize, oats, buckwheat, teff). Production takes place in the 100% allergen-free Andriani facility in Gravina in Puglia, ensuring complete compliance with food quality and safety criteria.

The assortment is enhanced with Nove Alpi-made gluten-free and aproteic goods, such as bread, snacks, biscuits, and

rusks. At the moment, sales are concentrated on the domestic market. Sweets (41% of worldwide sales) and bread (38% of global sales) were the most successful categories, retaining their status as consumer favourites with sales continuing to have a strong presence in the home market throughout 2023. With regard to brands, private labels prevail with 42%, of which Kraft Heinz accounts for 35%. Rebranding helped the brands Agluten (37%) and Aminò (21%) establish themselves in 2023, demonstrating the effectiveness of the marketing plan that was put in place.

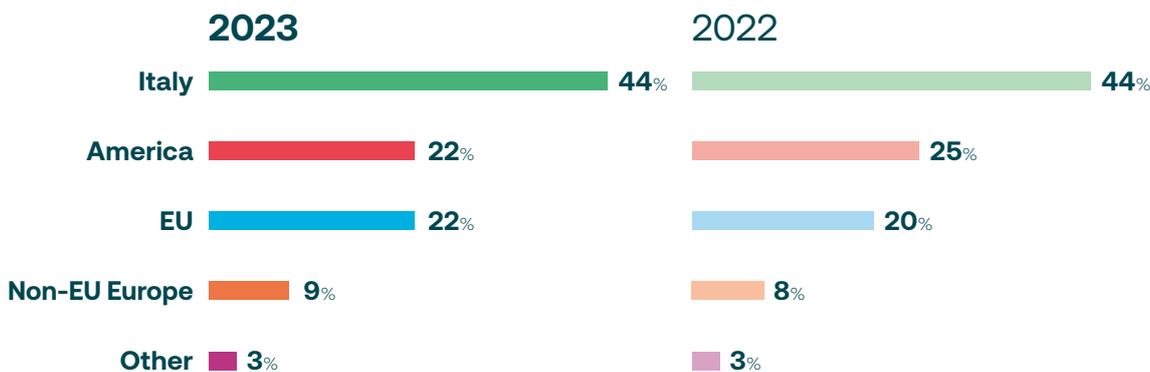
Table → Percentage of sales by quantity

	2023	2022
Gluten-free Pasta from Grains	71.1%	71.3%
Gluten-free pasta from Organic Grains	12.6%	12.1%
Gluten-free pasta from Legumes	5.5%	7.2%
Gluten-free pasta from Organic Legumes	9.5%	9.1%
Gluten-free mixes for sweet and savoury foods	0.3%	0.3%
Bakery products	1.0%	0%
Total	100%	100%

Sales of the Group's products cover both the domestic and international markets, with sales in Italy accounting for approximately 44% of the Group's total in 2023.

The following graph illustrates the distribution of international sales in various geographical markets, highlighting the presence, especially, in America.

Graph → Breakdown of sales by quantity by geographic area



In total, in 2023, quantities sold reached 33.1 thousand tonnes.

Private Label (PL) products account for the majority of sales, followed by the Felicia and Biori brands. Private label sales are intended for customers represented by large food groups, while Felicia and Biori products are aimed primarily at end consumers.

The Felicia and Biori brands are owned by Andriani and are registered with EU-IPO, the European Union Office for intellectual property as well as in other countries and related intellectual property protection registries. This registration highlights the Group's commitment to protecting and promoting its brands globally.



Felicia is a brand of Andriani S.p.A. Benefit Corporation, a benchmark in healthy food, specialising in the production of pasta made from high quality, organic, and naturally gluten-free raw materials.

The brand stands for the company's values: transparency, innovation, and good sustainability practices.

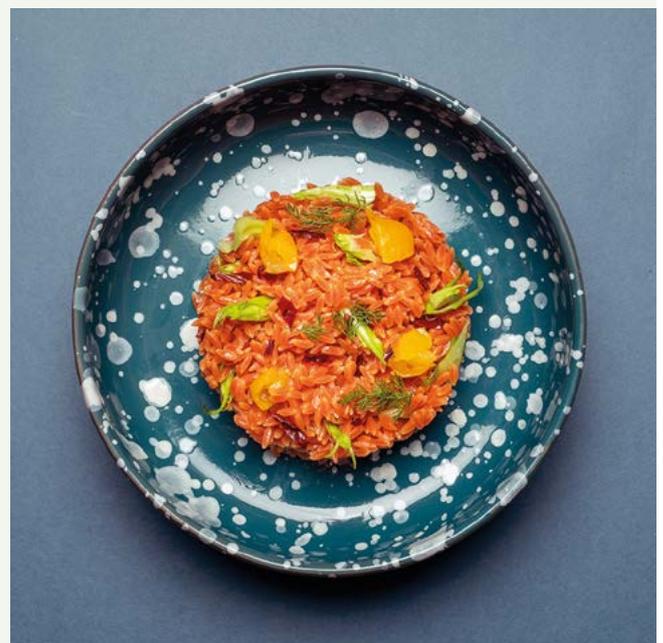
Since 2015, Felicia products have been leading the pasta shelf revolution in large-scale retail and represent one of the largest assortments of healthy pasta available on the market.

With many varieties and different formats, Felicia satisfies the needs of evolved and conscious consumers who want to eat healthy and experiment with new tastes. Felicia is suitable for everyone, including those with special dietary needs.

Felicia pasta is made of ingredients such as legumes and grains, e.g., buckwheat, whole-grain rice, oats, chickpeas, lentils, along with innovative raw materials such as spirulina or whole-grain teff.

Felicia is rich in valuable nutrients (fibre, protein, minerals, etc.) and is totally natural, since it is made only with water and flour.

Felicia puts everyone on the same page and, at the same time, responds to the ever-increasing consumer demand for transparency and safety, which translates into clear and legible labelling that provides consumers with details in order to gain their full trust, according to the clean-label logic always espoused by the brand.



Products made in the Nove Alpi facility

Aminò

Aminò is an Italian brand in the medical, apoteic, and hypoproteic bakery sector, specialising in the production of bread, bread substitutes, biscuits, pasta, and rusks. All products are also gluten-free and have a very low sugar content.

The Aminò brand is also for patients suffering from phenylketonuria, a rare hereditary metabolic defect with autosomal recessive transmission, who require a very low amount of phenylalanine. The brand's mission is to provide those suffering from metabolic diseases and other kidney complications with the best products that not only guarantee maximum safety and the highest quality standards, but also allow their customers to feel at home. A special diet not because it is different, but because it is good, complete, and, above-all, inclu-

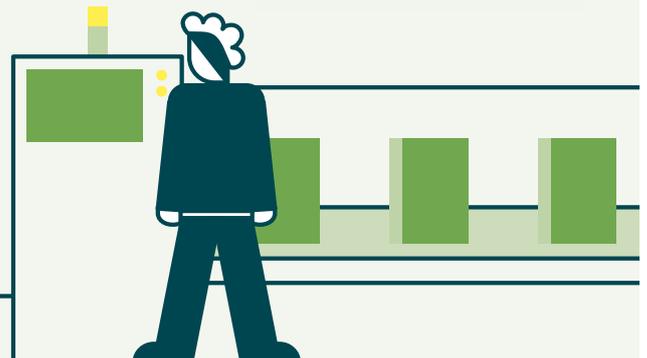
sive. Aminò's brand mantra is "Living the quality of life to its fullest". The breads and snacks are its real strength as they have a typical flavour, softness, excellent leavening, and remarkable palatability. The Pancornetto stands out among all the products. A mix between a croissant and a loaf of bread, it is a unique product with a neutral flavour (neither sweet nor salty), perfect for those with kidney problems to accompany meals and, at the same time, ideal for breakfast when filled with jam. Aminò cooperates with pharmacies and specialised shops, about 400 throughout Italy. It is largely distributed through wholesalers, but can also be purchased directly from the company.



Agluten

Agluten is an Italian gluten-free food brand specialising in the production of bread, bread substitutes, pasta, sweet snacks, coated snacks, and croissants. Agluten products are distinguished by their true, straightforward flavour. Raw material selection is increasingly short chain, controlled, respectful, and fair. Great attention is paid to the innovation of product recipes, especially the gluten and lactose-free Croissant. The brand also specialises in the multi-free sector and has other claims such as "lactose-free", "palm oil free", and others. In addition to its classic "indulgent" line, Agluten also specialises in healthy food with whole grain recipes, with no added

sugar, with natural seeds and vitamins, fiber, and omega 3. Agluten can be found in traditional channels (specialised shops and pharmacies). It is currently not available in large-scale retail and does not have an e-commerce channel.



Food labelling

[417-1](#) [417-2](#) [417-3](#)

The Andriani Group's consumer protection philosophy is reflected in the careful compliance with European labelling information requirements and environmental regulations for packaging. In compliance with current labelling regulations, the Group is committed to displaying all mandatory information on the label in order to protect consumers and enable them to make an informed choice and purchase.

The Group is committed to ensuring that labels comply with the following guidelines:

- Report all information required by law.
- Ensure the truthfulness of the information and statements provided.
- Be clear and legible.

Label control involves several corporate functions, all of which are involved in verifying compliance with regulatory requirements. The staff involved regularly participates in training activities on labelling gluten-free products conducted by the Legal Department in order to stay up-to-date on current regulations.

Before labelling information is attached to the pasta packages, a number of procedures must be followed, including:

- 1) scrupulously verifying the nutritional and health claims through specific analysis;
- 2) checking the nutritional values reported on the label and

comparing them with the values set forth in Regulation 1924/2006;

- 3) forwarding the labels to the specialised Legal Department, which verifies the clarity of the information, avoiding ambiguities and falsehoods.

All these procedures make it possible to market food products with complete and safe information to protect the health of consumers.

The raw materials used in pasta production are naturally gluten-free and allergen-free, complying with current regulations. Private Label product packaging carries the "Organic" logo and the origin of the raw materials, while Felicia and Biori brand packaging also provides information on their proper disposal.

The raw materials used to produce the bakery products are naturally gluten-free and the allergens used (milk, eggs, soy, nuts, sesame, mustard, and lupin) are managed according to the self-control plan and declared, when present, in the ingredient list according to current regulations, if resulting from cross-contamination reported according to risk.

In 2023, customer care managed a total of 864 reports involving several corporate functions in resolving the problem. The reports were categorised by type.

Reports on products received in 2023



Most of the reports that were received concerned consumer inquiries about the quality of the products (486 inquiries that the Nove Alpi *plant* received). Other reports concerned requests for information about Felicia's e-commerce, including 'where to find products' and details about orders that were in progress as well as discount codes on initiatives. No particular cases requiring specific action were identified as the reports did not point to non-compliance with regulations or self-regulatory codes.

In the last quarter of 2023, Nove Alpi developed a system primarily dedicated to the end consumer which uses a QR code that allows a report to be transmitted to both the quality

department for the appropriate checks and the logistics department to prepare the sample to be sent. Presumably, this will make it possible to collect more than just qualitative information in 2024.

It should be emphasized that, during 2023, the Group also did not encounter any situations of non-compliance with regulations or self-regulatory codes relating to the information and labelling of products and services.

Moreover, during that same period, there were no cases of non-compliance in the marketing area such as advertising, promotions, and sponsorships, confirming the ongoing commitment to comply with regulations.

5.3 Product safety and traceability



Material topic no. 4 ESG

Quality management plays a central role at Andriani, understood as the complete set of activities aimed at establishing the processes necessary to achieve goals and meet requirements. Quality goals include everything that is necessary to meet product requirements, through planning activities and implementing a documentation system validated through a series of audits. For the Andriani Group, mandatory and voluntary certifications are a catalyst for continuous improvement.

The careful search for ever higher quality standards is aimed at enhancing the distinctive characteristics of its products. The Group's commitment to satisfying the various consumer needs goes hand-in-hand with the responsibility demonstrated to a large number and variety of voluntary product and process certifications, along with the mandatory ones. This testifies to the Group's focus on ensuring the highest possible standard of its products.

Primary product certifications



Organic
Organic is a product certification whose regulatory focus is EC Reg. 848/2018. It is a certification that ensures environmental sustainability, product quality, and guarantees regarding the origin of raw materials.



Vegan OK V-Label (European Vegetarian Union)
The most widespread ethical standards for certification of vegan and vegetarian products.



No GMO Verified
Product certification to guarantee the absence of GMOs in the entire supply chain, from the raw materials used to the finished product.



GFCO, GFPC Canada, Crossed Grain, Gluten <10ppm
These are the numerous certifications adopted by the company to ensure the "Gluten-free" claim. Gluten-free certifications are the tool used by the company to demonstrate its due diligence toward consumers.



IFS and BRC
The BRC and IFS standards are international systems developed by large purchasing groups, with the aim of harmonising the different standards adopted by the large distribution sector. They are the most requested product certifications in the food industry. They are voluntary, define a series of requirements aimed at proper hygiene control in all phases of the management, production, and distribution processes in the food processing industry, and represent the world's reference standards in terms of hygiene and food safety.



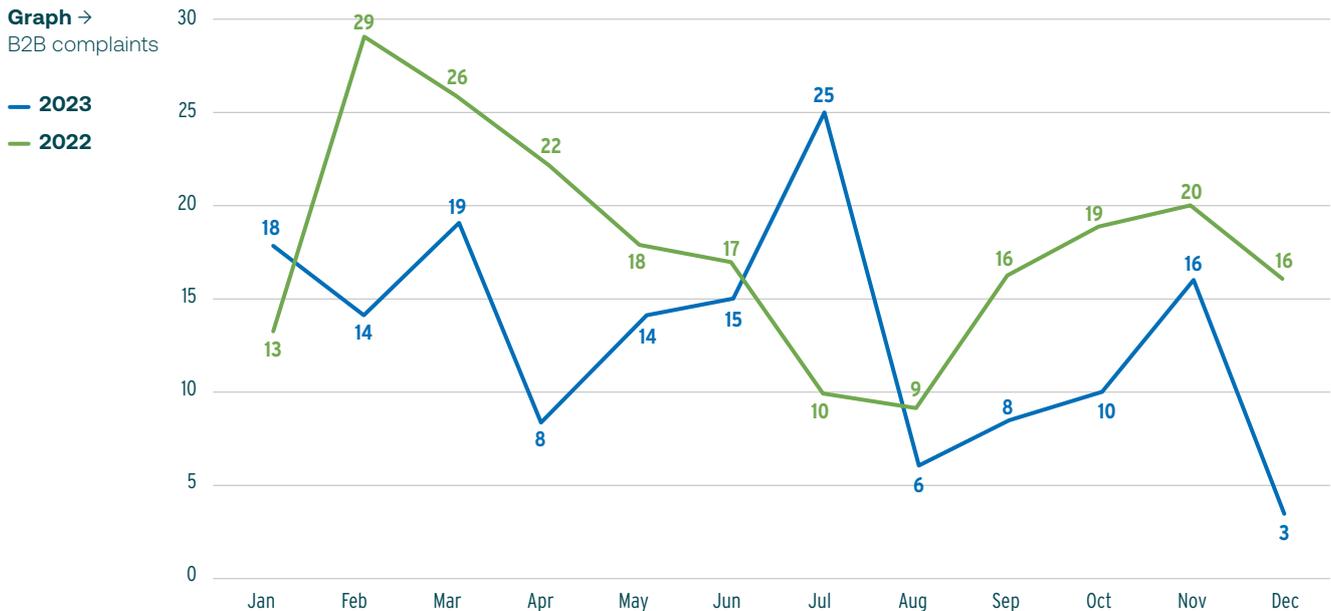
Kosher
Obtaining the Kosher certificate means having undergone and successfully passed the strict procedures set forth for this certification. The word kosher or kasher means conforming to the laws, suitable, and permitted. Kosher certified products are suitable for consumption and comply with food standards and therefore can be consumed by Jewish people as they are guaranteed to be in compliance with the rules of their religion. Today, Kosher means more than just being suitable for consumption by members of the Jewish religion. These foods are also considered to be more reliable and scrutinised. In fact, Kosher foods are increasingly becoming the ideal choice for vegetarians, vegans, and those suffering from food intolerances.

Claims from customers and management of nonconforming products

416-2 418-1

By identifying the finished product's batch, the Group analysis complaints or disputes received from customers. Each year the data is monitored in order to define operational plan to increase product conformity and customer satisfaction. This is done through root cause analysis, correction of the nonconformity, and subsequent corrective action.

During 2023, training was also carried out on root cause analysis using Lean methods involving professionals heading the operational departments.



During 2023, there were no complaints related to regulatory non-compliance in the area of product health and safety. Also, there were no claims regarding customer privacy breaches and/or loss of customer data.

Internal product quality control system

For the Andriani Group, receiving the highest score in the most important and recognised quality standards is a drive for continuous improvement. At Andriani, quality planning play a central role as it is understood to be the totality of activities by which the necessary processes are established to effectively and efficiently achieve objectives, as well as compliance with set requirements.

In 2023, 14 audits were carried out by certification organisations to maintain the certifications to which the Group decided to adhere. The Group received the highest score AA+ for

the BRC standard and *higher level* for the IFS standard. In addition, 15 audits were carried out to verify the standards agreed upon with customers. The in-person audits allowed for inspections of the facility and production areas to allow the assessment of the Quality System. The internal inspection programme was prepared, with 6 audits broken down by time and area, was analysed and made available through a report shared with the various company departments in order to continuously improve the company's production process.

5.4 Research and development



Material topics no. 3, 4 

In 2023, the Research and Development and Industrialisation Division (R&D-I) worked structurally to complete projects with common and challenging objectives for the entire Group. In particular, production processes were simplified and streamlined, starting with procurement and processing of certain raw materials that are widely used in pasta production. At the same time, special attention was paid to pasta-making waste and its reuse in production. The macro-objective of all projects was continuous improvement and streamlining of pasta production towards an increasingly sustainable model for the consumer, the company, and the environment. In line with SDG 12, which aims to ensure the well-being of the population through sustainable production and consumption models, 3 different products were launched involving the R&D - I Team in researching a new milling model and subsequent pasta-making trials on an industrial scale. In addition, market trend analysis and in-depth analysis of the scientific literature have been carried out for 2023 in order to stay up-to-date and aligned with developments in the world of Food. Finally, with a focus on the end consumer and the demands of various customers, 8 different projects were launched in 2023, 5 of which are aimed at developing new products and the rest at expanding the format range.

At the same time, several projects were initiated to develop aproteic products with the goal being to expand their offer to consumers, presenting a wider assortment and responding to specific dietary needs. These include the creation of a line of gluten-free wholemeal bread with seeds that is high in fibre and in line with market trends, as well as aproteic pasta references for specific medical purposes and fiber-rich aproteic and hypoproteic breads (based on buckwheat bran, a by-product of grain milling). In addition, all recipes have been carefully revised to improve existing products, reducing and

eliminating certain additives and favouring the use of natural flavourings over artificial ones.

In 2023, the Group continued to collaborate with the academic world, setting two substantial goals: to promote the education of those earning their degree and to contribute to scientific research in partnership. In this regard, Andriani has supported the growth of agri-food supply chains in the southern region by carrying out the RESO project in collaboration with public and private research organisations and by providing a **curriculum internship position for the University of Bari's Bachelor of Science in Agricultural Science and Technology programme**. Finally, in the last months of 2023, the company embarked on a path of innovation completely dedicated to pasta, with the collaboration of experts in Food Innovation and Product Design.



RESO project



ENVIRONMENT

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Stakeholders

Civil society, national and international institutions, environmental associations, universities, and research entities



Key statistics and relevant facts

-19%
primary energy
in 2023 thanks to the
Trigenerator, with a
reduction in net emissions of
approximately 574 tCO₂^{eq}

2.850kg
of CO₂ captured
from the atmosphere
through the production of
approximately 1.583 kg of
Spirulina

Biomass boiler

Installation (by spring 2024) of the **3.2 MW_{th} boiler fueled by lignocellulosic residues**. The purpose is to supply thermal energy from renewable sources to the Andriani facility's production processes.

1,35GW
renewable power fully
installed on Group
properties

-12%
total water consumption within
the Andriani facility compared
to 2022

BIO-LNG PROJECT

Reduction of transportation-related emissions by setting up and running a **cryogenic tank** to distribute **LNG**.

6.1 Energy



302-1 302-3 Material topics no. 7, 8

In 2023, Europe took significant steps towards greater adoption of renewable energy sources, confirming a growing commitment to decarbonisation and diversification of the energy mix. According to the European Commission's data, the share of renewable energy increased significantly, representing about 40% of total energy production in the EU, a 10% increase over the previous year. This positive trend is supported by forecasts from the Internal Energy Agency (IEA), which indicate an even more ambitious outlook for the next five year. By 2028, renewable energy could constitute up to 60% of European energy production. This growth will be driven by the continued development of solar and wind technologies, as well as investments in advanced energy storage systems, reflecting a clear direction towards a more sustainable and resilient energy system.

For years now, the Andriani Group has fully embraced European directives regarding the use of renewable energy sources and energy efficiency, integrating these practices into its business strategy. Through an ongoing commitment to producing its own energy, Andriani aims to not only reduce its envi-

ronmental footprint, but also to ensure greater stability and autonomy in its energy supply. At the same time, the company is investing in projects aimed at streamlining production processes and optimising energy consumption, thus contributing to an overall reduction in operating costs and increasing corporate sustainability.

Specifically, the pasta factory in Gravina, Puglia expanded the existing photovoltaic system on its roof in 2023 to cover the entire available area. Additionally, the Trigenerator installed at the pasta factory, which in 2022 had been used intermittently due to the extreme volatility of the energy markets, resumed full operation in 2023, allowing for a complete return on investment.

The Group's energy consumption for the two year period 2022-2023, broken down by energy source, is provided below. Please note that in calculating the Group's energy consumption, Operational Control was used as the consolidation approach, in line with the standards defined by the GHG Protocol.

Table → Energy consumption conversion factors

Energy source	Emission unit/Source unit	2023	2022	Source
Electricity	GJ/kWh	0.0036	0.0036	Physical constant
Natural gas	GJ/Smc	0.0343	0.0343*	NIR: ITALIAN GREENHOUSE GAS INVENTORY 1990 - 2022 (2023 edition)

*Value subject to Restatement compared to the 2022 Report due to the correction of the Conversion Factor.

Table → Overall Group energy consumption Consolidation approach: Operational Control

Energy source	U.M.	2023	2022	Change
Electricity*	GJ	29,231	30,912	-5%
Pastificio Andriani**	GJ	24,806	29,074	-15%
Terre Bradaniche	GJ	1,549	1,651	-6%
Nove Alpi	GJ	2,877	absent	
B31 brewery***	GJ	absent	188	
Natural gas	GJ	93,246	76,807	21%
Pastificio Andriani	GJ	88,516	76,719	15%
Terre Bradaniche	GJ	0	0	
Nove Alpi	GJ	4,730	absent	
B31 Brewery***	GJ	absent	88	
Total energy consumption	GJ	122,477	107,719	14%

*Electricity produced by trigenerators, which is counted in the use of natural gas, is excluded to prevent duplicate counting.

**Includes ApuliaKundi

***No longer in the reporting scope as of 2023.

****Energy values subject to Restatement compared to the 2022 Report due to the correction of the Conversion Factor.

Table → Group's energy intensity Consolidation approach: Operational Control

Energy intensity	U.M.	2023	2022	Change
Electricity/Tonne of finished product				
Pastificio Andriani + Terre Bradaniche	GJ/t	0.780	0.883	-12%
Nove Alpi	GJ/t	4.649	-	-
Group Total	GJ/t	0.850	0.882	-4%
Natural Gas/Tonne of finished product				
Pastificio Andriani + Terre Bradaniche	GJ/t	2.620	2.193	+19%
Nove Alpi	GJ/t	7.645	-	-
Group Total	GJ/t	2.711	2.191	+24%
Total Group Energy Intensity				
Energy Consumption/Tonne of finished product	GJ/t	3.560	3.072	+16%
Energy Consumption/€k turnover	GJ/k€	1.153	1.065*	+8%

* Value subject to restatement compared to the 2022 Report due to an update to the 2022 consolidated turnover.

Please note that the energy intensity results are subject to the change in the Group's scope, which saw the entry of Nove Alpi and the exit of Birrificio B31. In particular, the specific consumption of natural gas was back in line with 2021 values due to the more intensive use of the Trigenerator (powered by natural gas). However, this did not lead to an equal decrease in specific electricity consumption due to the energy-intensive production processes at the Nove Alpi facility.

Trigenerator

The natural gas trigeneration plant will be four years old in 2023. The purpose of the natural gas trigeneration plant, installed in July 2020 as part of the Andriani facility's carbon neutrality plan is to self-produce part of the electricity, heat, and cooling needed for the facility's production operations, through the efficient use of available incoming energy.

In 2023, the trigenerator was in operation for 6,535 hours, or about 75% of the year, resulting in primary energy savings of about 19%, as well as a reduction in net emissions of about 574 tCO₂^{eq}.

Photovoltaic systems

With the installation of an additional photovoltaic system with a capacity of 736 kW, the total saturation of the available area on the roofs of Pastificio Andriani was reached in 2023. With this new installation, the renewable power installed on the Group's properties reached a capacity of approximately 1.35 GW.

In 2023, the photovoltaic systems installed on the Andriani and Terre Bradaniche facilities provided 8.2% and 36.8% of their electricity needs, respectively. The status and performance of both plants are monitored via a cloud-based monitoring and management platform developed by SolarEdge.

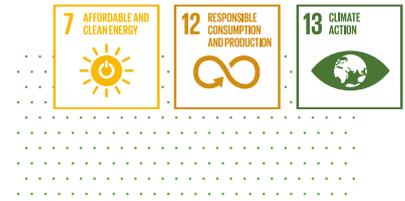
Smart Building

The Andriani Smart Building embraces the company's core values of openness, innovation, sustainability, and well-being in its physical and organizational design, as extensively discussed in earlier editions of this report, to which you are kindly directed for more information.

In order to better meet the logistical needs related to the Smart Building activities (such as catering and refreshment service, shuttle service for off-site customers/employees to/from the airport/accommodation), the company also replaced the Nissan E-NV200 electric vehicle with the Volkswagen ID Buzz during 2023. In comparison to an average internal combustion vehicle, the former saved about 6.8 tonnes of CO₂^{eq} over the course of its 55,680 km of use (assuming an average car emission value in Europe of 107.5 gCO₂/km, as stated by the European Environment Agency).



6.2 Emissions and carbon neutrality



[305-1](#) [305-2](#) [305-3](#) [305-4](#) [305-5](#) Material topic no. 8



The Andriani Group commits to tracking and reporting its carbon footprint in great detail and openly each year in order to locate and evaluate the primary sources of emissions that occur inside its perimeter. One of the Group's primary goals in this regard is to achieve Carbon Neutrality at the Andriani plant by 2025 by implementing interventions and technological advancements meant to lessen its environmental impact.

The reporting scope, which includes the Andriani, Terre Bradaniche, ApuliaKundi, and Nove Alpi facilities, is constantly being monitored for direct (Scope 1) and indirect (Scope 2)

GHG emissions. In addition, the Group is initiating the monitoring and reduction of Scope 3 emissions, as will be discussed in more detail in the specific section.

It is important to not that the change in the reporting scope makes comparing 2023 and 2022 data not immediately comprehensible. For the sake of transparency and to facilitate reading, specific data for individual business units have been reported, when available, in total consistency with the guidelines dictated by the GRI standard.

Scope 1

The process for calculating and tracking all direct emission sources was expanded to the Group as a whole in 2023. This included emissions from burning methane gas as well as fugitive HFC emissions that were intercepted inside each Business Unit and from the primary company-owned vehicles using diesel fuel.

The direct greenhouse gas emissions associated with Pastificio Andriani were almost completely offset through the purchase of Carbon Credits on the voluntary market thanks to the partnership with the consulting company Carbonsink. Specifically, 5,628 credits were purchased, corresponding to an equal number of tonnes of CO₂ prevented, which were used to offset 99% of the Group's Scope 1 emissions (see details in the tables below). The remaining 1% of uncompensated Scope 1 emissions is due to a small difference between the projected and actual emissions for the entire year. Compared to the

previous year, there was a 25% increase in Scope 1 emissions, which can be attributed to the change in the reporting scope, which saw the entry of the new facility (Nove Alpi) into the Group. Furthermore, specifically for Pastificio Andriani, the 15% increase in Scope 1 emissions is due to a more intensive use of the Trigenerator than in 2022, in line with the values for the year 2021.

In closing, it should be mentioned that even more rigorous application of the GHG Protocol's stationary natural gas combustion calculation method was made for the latest report. This method determined greenhouse gas emissions from methane combustion in terms of "CO₂ equivalent" by calculating the emission factors of the primary products of stationary combustion (CO₂, CH₄, and N₂O), which were then weighted according to their respective Global Warming Potentials (GWPs).

Scope 2

Regarding Scope 2 emissions, the Andriani, Terre Bradaniche, and ApuliaKundi business units have maintained a 100% supply of electricity from renewable sources, especially solar, covered by a Guarantee of Origin. Starting in April 2023, the Nove Alpi facility has adhered to the Group's directives, including Guarantees of Origin from renewable sources in its electrical supply.

Despite the expansion of the scope, there was a 12% reduction in Scope 2 emissions (location-based) associated with the Group, primarily due to the installation and commissioning of the new photovoltaic system at Pastificio Andriani, which in-

creased the facility's share of energy produced while reducing the supply of electricity from the grid. This is further shown by the 25% reduction in Scope 2 emissions (location-based) at the pasta factory.

It should also be noted that all Scope 2 emissions (market-based) can be attributed to the Nove Alpi facility's entry into the Group's scope. In particular, these are exclusively due to the electricity supply not covered by Guarantees of Origin for the first quarter of 2023.

To illustrate this, the tables below show:

- The total Scope 1 and Scope 2 emissions values for the reporting scope, broken down in detail for the individual Business Units.
- The overall Scope 1 and Scope 2 emissions values related to the reporting scope, broken down by individual emission source.
- Greenhouse gases included in the calculations with related Global Warming Potential (GWP).
- Intensity of the Group's greenhouse gas (GHG) emissions
- Emission factors used.

In particular, we can see that expanding the scope led to an increase in emissions intensity at the same time as the slight reduction in production in 2023 compared to the previous year. Regarding this, it is crucial to emphasise that, even after offsetting Scope 1 emissions using Carbon Credits, the re-

maintaining emission intensities with respect to turnover and final product are insignificant and consistent with the previous year, arising solely from a small amount of unoffset emissions and energy procurement that is not guaranteed by Guarantees of Origin. Starting in 2024, the Group is committed to extending the Guarantees of Origin from renewable sources to 100% of the electricity supply of all Business Units.

Operational Control was used as the consolidation approach, in line with the standards defined by the GHG Protocol. In additions, Scope 2 emissions are expressed in tonnes of CO₂, since the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂^{eq}) as indicated in the ISPRA report "Atmospheric emissions factors of CO₂ and other greenhouse gases in the electricity sector."

Table → Scope 1 and Scope 2 emissions values for the reporting scope, broken down in detail for the individual Business Units. Consolidation approach: Operational Control

GHG Emissions Summary	GHG	U.M.	2023	2022	Change %
Scope 1	CO ₂	tCO ₂ ^{eq}	5,677	4,527	25%
Pastificio Andriani	CO ₂	tCO ₂ ^{eq}	5,216	4,522	15%
Terre Bradaniche	CO ₂	tCO ₂ ^{eq}	0	0	0%
Nove Alpi	CO ₂	tCO ₂ ^{eq}	462	-	
B31*	CO ₂	tCO ₂ ^{eq}	-	5	
Carbon Credits	CO ₂	tCO ₂ ^{eq}	-5,628	-4,463	26%
Scope 1 - net compensation	CO ₂	tCO ₂ ^{eq}	49	64	-23%
Scope 2 - Market-based method	CO ₂	tCO ₂	76	24	219%
Pastificio Andriani	CO ₂	tCO ₂	0	0	0%
Terre Bradaniche	CO ₂	tCO ₂	0	0	0%
Nove Alpi	CO ₂	tCO ₂	76	-	
B31*	CO ₂	tCO ₂	-	24	
Scope 2 - Location-based method	CO ₂	tCO ₂	1,796	2,407	-25%
Pastificio Andriani	CO ₂	tCO ₂	1,521	2,309	-34%
Terre Bradaniche	CO ₂	tCO ₂	70	83	-16%
Nove Alpi	CO ₂	tCO ₂	206	-	
B31*	CO ₂	tCO ₂	-	16	

*Of the 5628 available credits, 5216 were used to offset Pastificio Andriani's emissions, while the remaining 412 were used to partially offset emissions for the Nove Alpi facility.

Table → Detailed Scope 1 emissions for the reporting scope, broken down by individual source of emissions. Consolidation approach: Operational Control

GHG Emissions Summary	GHG	U.M.	2023	2022	Change %
Scope 1	CO ₂	tCO ₂ ^{eq}	5,677	4,527	25%
from natural gas combustion	CO ₂	tCO ₂ ^{eq}	5,455	4,460	22%
from fugitive gases	CO ₂	tCO ₂ ^{eq}	205	61	239%
from the use of company vehicles	CO ₂	tCO ₂ ^{eq}	18	7	148%
Carbon Credits	CO ₂	tCO ₂ ^{eq}	-5,628	-4,463	26%
Scope 1 - net compensation	CO ₂	tCO ₂ ^{eq}	49	64	-23%
Scope 2 (location-based)	CO ₂	tCO ₂			
from electricity	CO ₂	tCO ₂	1,796	2,407	-25%
Scope 2 (market-based)	CO ₂	tCO ₂			
from electricity	CO ₂	tCO ₂	76	24	219%

Table → Intensity of the Group's greenhouse gas emissions Consolidation approach: Operational Control

Intensity of GHG emissions	GHG	U.M	2023	2022	Change %
Total emissions* on turnover (excl. offsetting)	CO ₂	kgCO ₂ ^{eq} /k€	54.15	45.00	+20%
Total emissions* on turnover (incl. offsetting)	CO ₂	kgCO ₂ ^{eq} /k€	1.18	0.88	+35%
Total emissions* per tonnes of finished product (excl. offsetting)	CO ₂	kgCO ₂ ^{eq} /ton	167.3	129.8	+29%
Total emissions* per tonnes of finished product (incl. offsetting)	CO ₂	kgCO ₂ ^{eq} /ton	3.66 x 10 ⁻³	2.53 x 10 ⁻³	+45%

*Scope 1 + Scope 2 (market-based).

** Value subject to restatement compared to the 2022 Report due to an update to the 2022 consolidated turnover.

Table →

Global Warming Potential (GWP) of the greenhouse gas related to the Andriani Group's activities

Greenhouse gas	GWP	Source
CO ₂	1	GHG GWP Values
CH ₄	28	GHG GWP Values
N ₂ O	265	GHG GWP Values
R-410A	2,088	Chiller intervention report
R454B	466	Chiller intervention report
R32	675	Chiller intervention report

Table → Emission factors and related sources

Energy source	Emission unit/ Source unit	2023	2022	Source
Electricity (location-based)	KgCO ₂ /kWh	0.2572	0.3034	ISPRA - 2023 Atmospheric emission factors of greenhouse gases from the power sector in Italy and in the main European countries
Electricity (Market-based method)	KgCO ₂ /kWh	0.4572	0.4572	AIB - European Residual Mixes 2022 Version 1.0, 2023-06-01
Natural Gas (combustion)	tCO ₂ /10 ³ Smc	2.004	1.991	Min. Environment - 2023 Table of standard parameters in Italy for the monitoring and reporting of greenhouse gases
Natural Gas (combustion)	tCH ₄ /TJ	0.001	-	IPCC 2006 Guidelines for National Greenhouse Gas Inventories
Natural Gas (combustion)	tN ₂ O/TJ	0.0001	-	IPCC 2006 Guidelines for National Greenhouse Gas Inventories
Natural Gas (combustion)	tCO ₂ ^{eq} /10 ³ Smc	2.006	-	Calculated
Heating oil	tCO ₂ /t	3.169	3.16	Min. Environment - 2023 Table of standard parameters in Italy for the monitoring and reporting of greenhouse gases
Diesel for Road Haulage	tCO ₂ /t	3.150	3.150	NIR: ITALIAN GREENHOUSE GAS INVENTORY 1990 - 2022 (2023 edition)

Carbon neutrality

The Group's constant effort to continuously improve its performance in terms of reducing emissions is evident in its continuous research and implementation of streamlining measures and the use of energy from renewable sources. In this regard, in 2018, Andriani embarked on a challenging and ambitious path towards achieving Climate Neutrality by 2025.

The path primarily entails various investments in energy efficiency, circular and efficient resource use, and self-production of energy from renewable sources, all of which not only benefit the environment but also ensure that the business is strategically positioned to succeed in its target market.

The Company's adopted strategy takes a "gate-to-gate" approach, accounting for both Scope 1 and Scope 2 emissions related to the Andriani and Terre Bradaniche facilities in the process of achieving neutrality. It also calls for the periodic implementation of the following actions within the aforementioned scope:

1) identification of emissions sources;

- 2) quantification and continuous monitoring of emissions;
- 3) progressive reduction of emissions through the development of targeted projects;
- 4) offsetting residual emissions through the purchase of certified carbon credits.

It should be noted that the carbon offsetting mechanism through Carbon Credits, is only implemented, on an annual basis, downstream of emissions reductions measures, with a view toward continuous improvement. In fact, Andriani's goal is to gradually reduce emissions to a level that is close to zero, with offsetting only used for emissions below what is deemed "physiological" given the technology and resources now in use.

In addition, the Group plans to accomplish this goal in tandem with two other goals: first, it will apply the same strategy to all businesses within its scope; second, it will broaden the path's boundaries outside its scope by incorporating Scope 3 emissions from its own value chain into the reduction process.

The tables and graphs below illustrate Andriani's improvement process begun in 2018. In this regard, thanks to the implementation of technological energy efficiency measures and in increase in the share of the production and purchase of energy from renewable sources, the Company has progressively lowered its Carbon Footprint by about 44% compared to a scenario without any intervention. The remainder, about 56%,

was fully offset through financing climate action, i.e., purchasing certified Carbon Credits.

This allowed the company to achieve a net zero emissions level, i.e. Climate Neutrality within the scope made up of the Andriani and Terre Bradaniche Business Units as early as 2023.

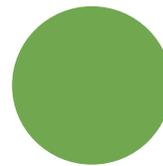
Table → Carbon Footprint and reduction interventions/offsetting of Scope 1 and 2 emissions within the corporate scope comprised of Pastificio Andriani and Terre Bradaniche

Source	Type	U.M.	Carbon Footprint ANTE	Trigenerator	Photovoltaic	GO	Offsetting	2023 Carbon Footprint
Natural Gas	Scope 1 - excl. offsetting	tCO ₂ ^{eq}	3,338	1,840	0	0	-5,216	0
trigenerator		tCO ₂ ^{eq}	0	2,339			-2,339	0
boilers + mill		tCO ₂ ^{eq}	3,338	-499			-2,839	0
Fugitive Gases	Scope 1 - excl. offsetting	tCO ₂ ^{eq}	21				-21	0
Road haulage	Scope 1 - excl. offsetting	tCO ₂ ^{eq}	16				-16	0
Electricity	Scope 2 - Market-based method	tCO ₂	5,739	-2,393	-519	-2,828	0	0
Pasta factory		tCO ₂	5,543	-2,393	-447	-2,703		0
Terre Bradaniche		tCO ₂	197		-72	-124		0

Share of emissions prevented by reduction type



32%
Guarantee of origin



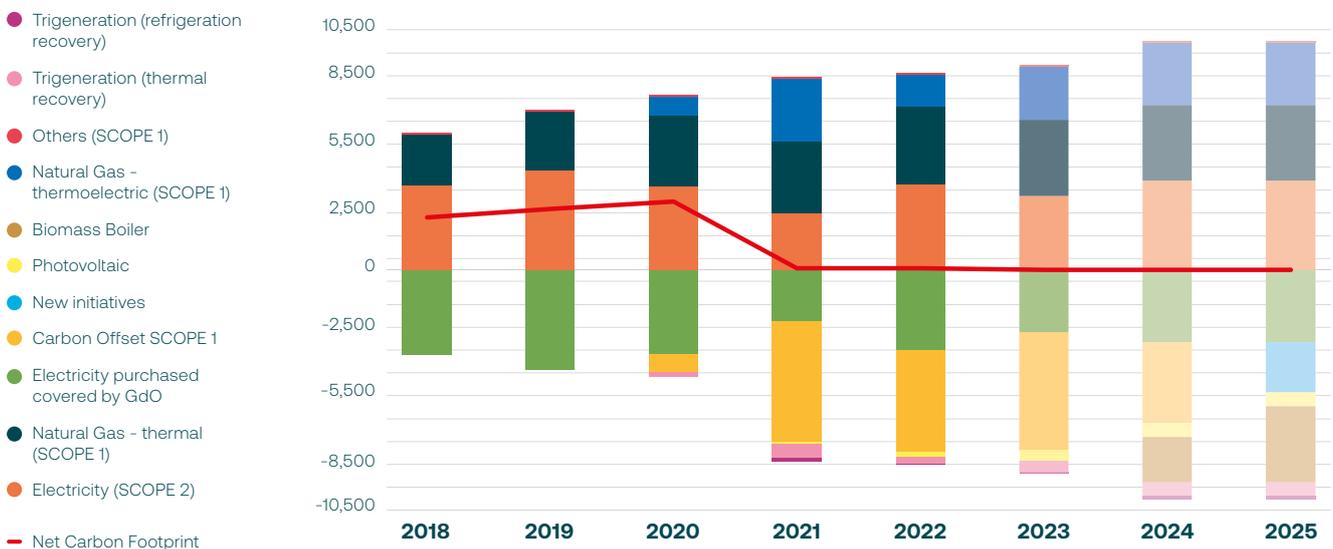
56%
Offsetting



12%
Direct reduction

The graph below shows the Company's path of improvement starting in 2018. As can be observed, a net reduction in the emission offsetting action is anticipated starting in 2024 with the activation of a biomass boiler (see additional discussion below). This reduction will be further achieved starting in 2025 with the deployment of other projects and initiatives that are in the works.

Graph → Andriani's Path to Climate Neutrality from 2018 to 2025



Future Projects Biomass boiler

Installation of a biomass boiler to generate thermal energy for the plant's production processes is planned for spring 2024. The project consists of a 3.2 MWth boiler fuelled by ligno-cellulosic residues, which is intended to supply the Andriani facility's production processes with thermal energy from renewable sources, almost complete replacing the current gas boilers. This intervention will guarantee a reduction of up to approximately 90% of natural gas consumption by the facility's thermal power plant, thus preventing the emissions of an amount of CO₂ from fossil sources ranging from about 2,000

to 4,000 tCO₂^{eq}/year. Furthermore, the benefits to the region and environment go beyond the mitigation of greenhouse gas emissions originating from fossil fuels. This is because the fuel for the new boiler will be a combination of waste woody biomasses derived from the Andriani facility's milling processes (particularly from buckwheat bran) and the nearby agricultural supply chains. This will encourage the wise use of waste and land resources in an efficient and sustainable manner.

Carbon credits



Further information

In 2023 the Group decided to finance global climate action through the purchase of certified Carbon Credits from an energy efficiency project in Mozambique. The project's main goal is to increase energy efficiency by swapping out conventional stoves for more energy-efficient models. This would improve local residents' quality of life and drastically lower greenhouse gas emissions into the atmosphere. The project will lead to a decrease in the use of woody biomass, contributing to the fight against deforestation, thus improving local biodiversity.

Scope 3

Since the Andriani Group is aware that its own impact can never be less than that of its supply chain, in 2023 it committed to acquiring the necessary resources and expertise to start a detailed process for mapping, monitoring, and reducing Scope 3 emissions in its own value chain, starting in 2024. The goal is to measure the emissions from the different categories that the GHG Protocol has identified, putting into practice the necessary improvement actions targeted at their progressive abatement, in accordance with a medium- and long-term strategy that addresses the entire value chain in a synergistic manner towards the "Net-Zero" goal. In this regard, the Company is considering identifying tangible and targeted reduction goals according to the scientific approach developed by SBTi.

Specifically, through the international training and peer-learning course "Climate Ambition Accelerator," the company, in partnership with the UN Global Compact Academy, invested in the acquisition of specific skills. The course covered methodologies for calculating the company's carbon footprint (Scope 1, 2 and 3), alignment to SBTi targets, and setting Net-Zero targets. For more details, refer to the [Complete Report](#). Furthermore, a partial tracking of transportation-related emissions was already completed in 2023, with an emphasis on waste and raw materials. In accordance with the GHG Protocol, these emissions fall into categories 9 and 4 of Scope 3 emissions.



Climate ambition accelerator

WASTE

Omnisyst, the waste management provider for the Andriani and Terre Bradaniche facilities, regularly monitors the CO₂ equivalent emissions of the transport services involved in waste delivery. These emissions are also offset in Andriani's name through the purchase of certified Carbon Credits.

The results shared from Omnisyst are provided below.

Table → Scope 3, category 9 emissions (downstream transport) from the transport of waste generated by the Andriani and Terre Bradaniche plants

Waste disposed of	Distance travelled	CO ₂ ^{eq} emissions	Specific emissions	
[ton]	[km]	[kg CO ₂ ^{eq}]	[kg CO ₂ ^{eq} /km]	[kg CO ₂ ^{eq} /ton]
603.12	5,601.5	3,628.5	0.65	6.02

Raw materials BIO-LNG Project

Also refer to **Awareness-raising on topics of collective interest**

(page 119)



An extensive programme to reduce emissions was launched in 2023 by Andriani in association with Italsud, a local service station, and Caam2, a logistics service provider and Andriani's primary raw material transportation partner. The project aims to reduce transport emissions through the development and commissioning of a cryogenic LNG tank at Italsud and its usage by the Caam2 fleet to carry the raw materials required by Pastificio Andriani

Specifically, in July, the project began with the commissioning of two LNG-fueled vehicles that made 71 journeys totaling 119,902 km in the second half of 2023. An analysis carried out on this sample showed savings of approximately 23% of CO₂ emissions compared to a conventional diesel-powered vehicle, as shown in the table below.

Table → Result of the analysis of emissions reduction from the transport of raw materials using LNG-fuelled vehicles rather than those fuelled by diesel (Scope 3, category 4 emissions)

Data	Value	U.M.	Source
Diesel energy constant:	34.60	MJ/litre	Constant
CNG/LNG energy constant by weight:	45.00	MJ/kg	Constant
Diesel density	0.835	kg/lt	Official Gazette
Dieself Emissions Factor	3.129	tCO ₂ /t	ISPRA NIR 2022
CNG/LNG Transport Emissions Factor	57.918	tCO ₂ /t	ISPRA NIR 2022
Consumption when EMPTY	335	kWh/100 km	ResearchGate
Consumption when FULL	553	kWh/100 km	ResearchGate
MJ/kwh conversion	3.6	MJ/kWh	Constant
CO ₂ emissions - diesel FULL	1.50329	[kgCO ₂ /km]	Calculated
CO ₂ emissions - diesel EMPTY	0.91067	[kgCO ₂ /km]	Calculated
CO ₂ emissions - LNG FULL	1.15587	[kgCO ₂ /km]	Calculated
CO ₂ emissions - LNG EMPTY	0.70021	[kgCO ₂ /km]	Calculated
No. trips	71		Primary data
Total distance travelled	119,902	[km]	Primary data
Quantity of raw materials transported	2,032	[ton]	Primary data
LNG total emissions (theoretical)	111.00	[tCO ₂ ^{eq}]	Calculated
Diesel total emissions (theoretical)	144.72	[tCO ₂ ^{eq}]	Calculated
Var % LNG/Diesel	-23%	[%]	Calculated
Average CO ₂ emissions - LNG	0.055	[tCO ₂ ^{eq} /ton]	Calculated
Average CO ₂ emissions - Diesel	0.071	[tCO ₂ ^{eq} /ton]	Calculated

This result highlights the emissions reduction potential of fully adopting LNG-fuelled transport within the Group's supply chain. This reduction would be even more significant if the vehicles were fuelled with LNG from a biogenic source (bio-LNG). For this reason, the company has set itself a dual goal by 2024: expanding the LNG fleet, and supplying bio-LNG for the Italsud station.



Official Gazette:
Reference fuel
specifications:



ISPRA NIR 2022



ResearchGate:
Average diesel
consumption for
trucks (kWh/100 km)

Algae Spirulina

The cultivation of Spirulina algae is managed at ApuliaKundi, with a vision that goes beyond mere food production. Here, in addition to being cultivated in perfect harmony with its natural seasonal cycle, a circular approach is adopted for managing water resources. In fact, a key aspect of the cultivation process is reusing the water used in part of the pasta production process in the adjacent Pastificio Andriani, after the recovered water has gone through various treatment processes. This practice not only ensures the exceptional quality of the final product, but also plays a crucial role in mitigating the climate crisis. In fact, reusing water significantly reduces the region's water burden, contributing to the sustainability of local water resources. In addition, Spirulina plays a key role in absorbing atmospheric CO₂ through its natural photosynthesis process, making a valuable contribution to the fight against climate change.

In particular, in 2023, approximately 1,583 kg of Spirulina were produced during the year, through the re-use of 1,300,000 litres of water and the subsequent capture of approximately 2,850 kg of CO₂ from the atmosphere.

In addition, during the year ApuliaKundi embarked on an expansion process that will lead to the doubling of its production capacity by 2024. In fact, the investment included the



construction of a second greenhouse of the same size as the existing one.

Finally, the company completed the rebranding process, opting for new, completely recycled packaging and creating new graphics for the product range, with the addition of a new series of products, including a new Felicia pasta format and a cosmetics line thanks to the collaboration with Vortex, a Turin-based start-up. The new body care line uses natural ingredients from the circular economy, combining the beneficial properties of algae Spirulina with those of apple paste, resulting in 4 high-performance products: shower gel, scrub, body cream, and blemish treatment.

6.3 Materials used



301-1 Material topic no. 9 ESG

During 2023, there was a distinct distribution of packaging material consumption compared to the previous year. This was due to the addition of new material categories from the Nove Alpi packaging process.

The table below provides information on the materials used for the various types of packaging: primary (flexible film, ramekins and moulds, and cardboard), secondary (corrugated cardboard), tertiary (honeycomb and corners), and labels.

Table → Materials used for different types of packaging

Material	Tonnes	% 2023	% 2022
CARDBOARD (primary)	3,499.2	41.85%	41%
CORRUGATED CARDBOARD (secondary)	4,442.2	53.13%	55%
FLEXIBLE FILM (primary and tertiary)	362.7	4.34%	4%
LABELS	21.7	0.26%	-
RAMEKINS AND MOULDS (primary)	1.7	0.02%	-
HONEYCOMB AND CORNERS (tertiary)	34.2	0.41%	-
Total	8,361.8	100%	100%

Overall, 53% of the materials used a secondary packaging cardboard (+2% compared to 2022) while 41% are from cardboard and paper for primary packaging (virtually unchanged from 2022). There were also slight increases in the use of flexible film (+0.34%) due to additional orders from customers (Andriani S.p.A.) and use in the Nove Alpi facility.



6.4 Waste, recyclability, and reduction in food waste

[306-1](#) [306-2](#) [306-3](#) [306-4](#) [306-5](#) Material topics no. 9, 10 ESG

The summary table showing the management of the types of special waste produced, with reference to the new reporting scope, is provided below.

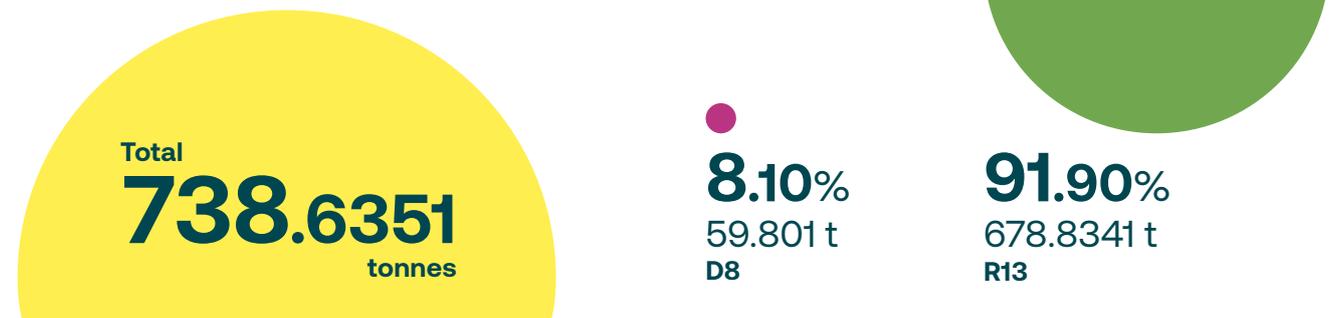
Of note are the efforts made at Nove Alpi to implement proper waste management by setting up a specific ecological island and, unlike the site in Puglia, paper recycling is managed at the municipal level. In addition, with particular reference to plastics, a separate collection procedure has been developed, which has led to a significant increase in the percentage of material sent for recycling.

Table → Tonnes of waste managed with final recovery and/or disposal operation in 2023

Type of waste	Initial operation	Intermediate operation	Final destination	Volumes (t)	Volumes (% t)
Paper and cardboard packaging	R13 - Initiation of recovery	R12/R3	MPS - Paper mill recovery	410,72	55,61%
Plastic packaging	R13 - Initiation of recovery	R12/R13/R3	MPS - Plastic recovery	51,7	6,99%
Wooden packaging	R13 - Initiation of recovery	R12/R13/R3	MPS - Consortia recovery	76,8	10,40%
Mixed packaging	D15 - Disposal initiation	-	-	29,34	3,97%
Mixed packaging	R13 - Initiation of recovery	R12/R13	MPS/R1 - Recovery of the respective matrices and energy production	35,3981	4,80%
Other	-	-	-	134,677	18,23%
Overall Total				738,6351	100%

The following is a percentage representation of special waste sent for recovery and waste intended for disposal.

Special waste sent to recovery and intended for disposal



Finally, there is a comparison of treatment types and quantities of hazardous and non-hazardous waste for the last two years reported.

Table → Detail on waste intended for off-site disposal and recovery

Treatment	Hazardous/Non hazardous	t2023	t2022	Change (%)
D8	No	59.42	26.18	126.97%
	Yes	0.381	0	0.00%
D8 Total		59.801	26.18	128.42%
R13	No	676.6781	545.59	24.03%
	Yes	2.156	1.8	19.78%
R13 Total		678.8341	547.39	24.01%
Overall Total		738.6351	573.57	28.78%

Value for Food Project

Consistent with its mission statement, which embraces circularity, waste minimization, and process optimisation, Andriani has chosen to become a part of the 'Value For Food' project conceived and promoted by EY in order to contribute in some small way to the attainment of an ambitious goal. The project, which involves about 60 businesses from the whole Italian agrifood landscape—distribution, logistics, and agrifood—aims to recoup the significant devaluation that has accumulated along the entire supply chain by investing in the collaboration amongst the participating businesses in an attempt to enhance the industry as a whole.

Andriani has been part of the project since it launched in February 2023, immediately becoming a promoter and leader of the worksite dedicated to Circularity and the Environment, which aims to attack devaluation points linked to food waste, production inefficiency, and failure to leverage by-products through circularity and upcycling. In particular, the company has focused on the key topic of leveraging by-products, finding fertile ground in the working group and acting as a leader of 6 different projects to develop concrete and scalable initiatives.

Thanks to the collaboration between Andriani, Princes, Mutti, and Vortex (a Turin-based start-up specialising in leveraging food by-products) this includes the project dedicated to leveraging by-products of tomato harvesting and processing. In particular, starting with by-product mapping and analysis, mainly consisting of a mixture of tomato pulp, peels, and seeds, two types of semi-finished products were developed: a water-soluble oily pasts and a flour. The first is for use in the cosmetic industry and the second in the food industry. Andriani undertook to incorporate the flour obtained into its recipes, developing the following two prototypes:

- Corn and tomato fusillo
- Corn, tomato, and basil breadstick

In addition, further recipes are being tested in order to obtain the maximum value from the product.

The scalability of this approach is promising and highlights the fact that the agri-food value chain, from field to fork, has a very high potential for improvement that can be used to positively impact the environment and society while generating new business opportunities.

In this regard, Andriani decided to sign the "Food Transition Pact" conceived and promoted by Carrefour, pledging to present action plans on the following goals: biodiversity, healthy and balanced diet, reduction of energy impact, and reducing of packaging.



Further information

6.5 Biodiversity



304-2 Material topic no. 2 ESG

There was an important development in the seventh year of the Italian legume supply chain, namely the introduction of the partnership between **Andriani and xFarm Technologies**, a company active in offering digitisation services to the agricultural sector (viewing cadastral maps, plot layouts and status, register of treatments and field work, and farm inventory management). The **Andriani Farm** app - available for both desktop and smartphone - is a tool designed to act as a management system for the entire farm, with the possibility of easily monitoring and managing fields, production inputs, machinery, and much more. At the same time, the app has algorithms for calculating the environmental impact of agricultural activities using four parameters: **carbon footprint, acidification, eutrophication, and net freshwater use**.

During the first year of collaboration and for the duration of the 2022/2023 crop year, **7 training events** were organised for farms and storage centres to train them on use of the application, how to map fields, enter crops and crop operations in the digital field notebook. As always, the cultivation data supply chain is an unavoidable challenge to bring efficiency and sustainability to agriculture. In this sense, user training is the primary driver of the transition to digital, innovative, and resource-saving agricultural systems.

In numbers, the 2023 legume chain involved a total agricultural area of 4991 hectares and 284 farms. However, results from the first year of the partnership show that only a small percentage of farmers have completely embraced the tool, indicating the need for additional training initiatives as well as incentives and increased assistance for producers to improve their data entry skills and independence. Complete and accurate campaign data were made available for **44** farms. The remainder, on the other hand, were not entered in time or were not entered in such a way as to allow for objective processing and, therefore, were not considered for the final campaign report.

Therefore, the seventh report on the sustainability performance of Andriani's legume supply chain (the first produced in collaboration with xFarm) covered a reduced sample consist-

ing of the aforementioned 44 farms, compared to previous years. Despite the size of the digital sample, it is important to emphasise that it accurately represents average production conditions in terms of inputs used and the resulting impacts. This is because production conditions are subject to indications found in production manuals, as well as technical support and control visits by Terre Bradaniche personnel.

That being said, the Andriani Group's desire to continue along the path it has taken through direct involvement, awareness, and empowerment of farms with respect to their activities and their impact in the field remains unchanged.

The report covers the following KPIs, calculated on the 3 crops in the supply chain (chickpeas, lentils, and peas)

- Carbon Footprint;
- Net Use of Freshwater;
- Eutrophication;
- Acidification.



Result of the report

6.6 Water resources



303-1 303-2 303-3 Material topic no. 9 ESG

Water, which is an indispensable resource for the production processes carried out in the various facilities belonging to the Andriani Group, is procured from the water mains. In particular, facilities located in Gravina in Puglia (Pastificio Andriani and Terre Bradaniche) draw their water from Acquedotto Pugliese while the Pistoia facility (Nove Alpi) gets its water resources from the municipal supply.

The table below shows the consumption related to the Andriani, Terre Bradaniche, and Novi Alpi facilities in the 2022-2023 two year period.

Table → Water extraction per sector 2022-2023

	2023	2022	Var. %	Data source
Sampling location	[MI]	[MI]	[%]	
ANDRIANI FACILITY	31.6	35.8	-12%	Internal meters
Pasta Factory and Mill	13.6	13.6	0%	
Cutter washing	5.7	6.8	-21%	
Services (changing rooms and offices)	5.0	7.5	-33%	
General plants	6.0	6.8	-12%	
ApuliaKundi Spirulina tanks*	1.3	1.2	33%	
TERRE BRADANICHE FACILITY	0.22	0.51*	-57%	Physical meters
B31 FACILITY	Outside scope	1.8	-	Physical meters
NOVE ALPI FACILITY	5.2	Outside scope	-	Physical meters
Total	37.0	38.2	-3%	

*Amount of water taken from the aqueduct

** RESTATEMENT: correction of Terre Bradaniche consumption following adjustment.

The following observations should be noted:

- The total water consumption in the Andriani facility decreased by approximately 12% in 2023 compared to the previous year, saving approximately 4,300 m³ of water. This reduction is primarily due to streamlining the use of process water.
- ApuliaKundi's consumption of water drawn from the aqueduct increased due to a contextual increase in production (see specific details in section 6.2 [page 102](#)).
- The 57% reduction in water consumption at the Terre Bra-

daniche facility is due to a failure of the fire-fighting system in the summer of 2022, which resulted in a sudden large water leak, which was immediately resolved through maintenance work. The representative water consumption for the facility is therefore that for 2023.

- Since September 2023, use of an industrial dishwasher and installation of a new adjacent washing area led to a significant reduction in water consumption at the Nove Alpi facility.

The issue of water extraction from areas considered to be under water stress is a sensitive one for the Group that,

relying on the Aqueduct Water Risk Atlas tool from the World Resources Institute, indicated by the GRI as among the reliable tools for the assessment of water stress areas, has found that the risk for the intervention area is medium-high. Andriani has implemented a procedure that defines the method used to guarantee the use of healthy and clean water intended for

the production of food products, so that it does not represent a risk factor for the safety of food products (Italian Legislative Decree no. 31/2001). Also, in order to follow and trace the entire water flow, the healthiness of the wastewater from industrial activities is monitored through the implementation of a targeted analysis plan.

Image →
Gravina in Puglia (Pastificio Andriani and Terre Bradaniche) in a medium-high risk area according to the Aqueduct Water Risk Atlas

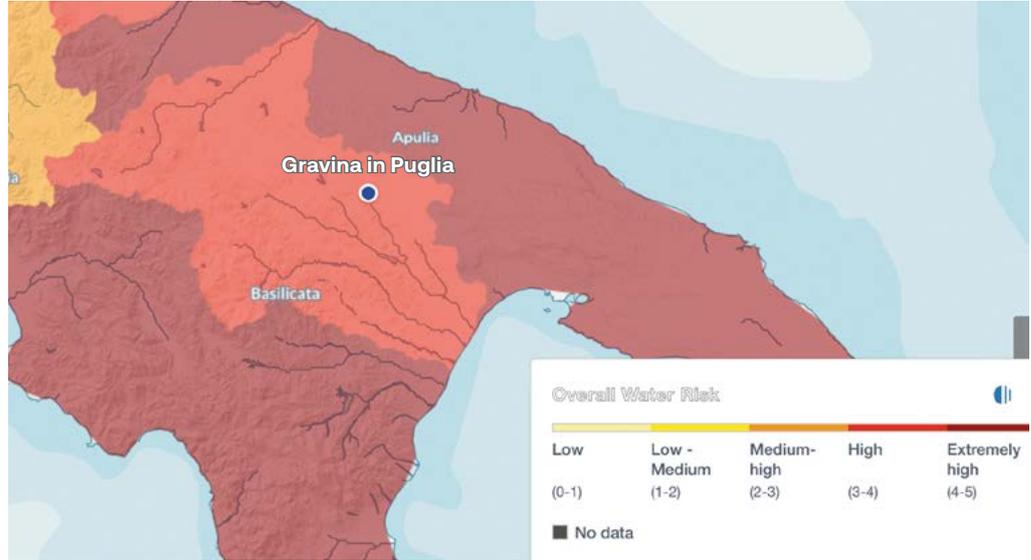
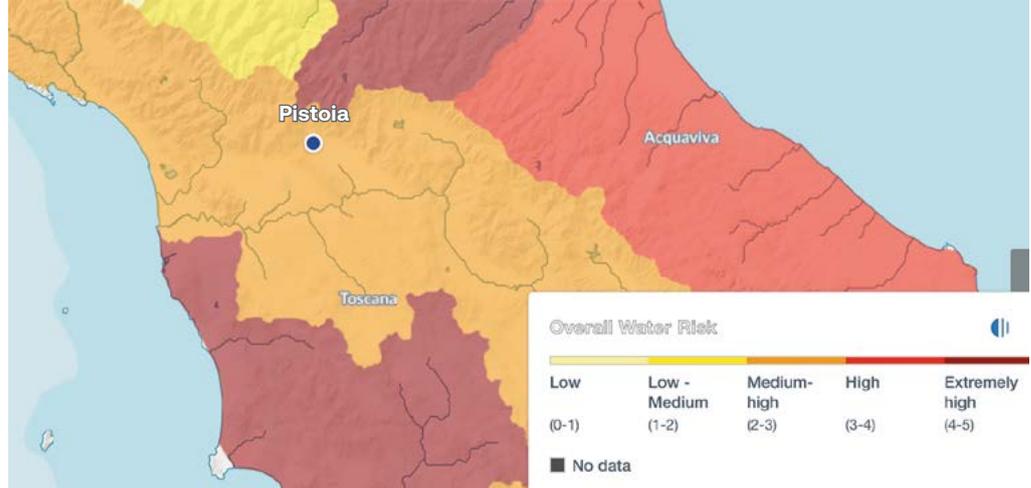


Image →
Pistoia (Nove Alpi) in a medium-high risk area according to the Aqueduct Water Risk Atlas





COMMUNITY ENGAGEMENT

7.1

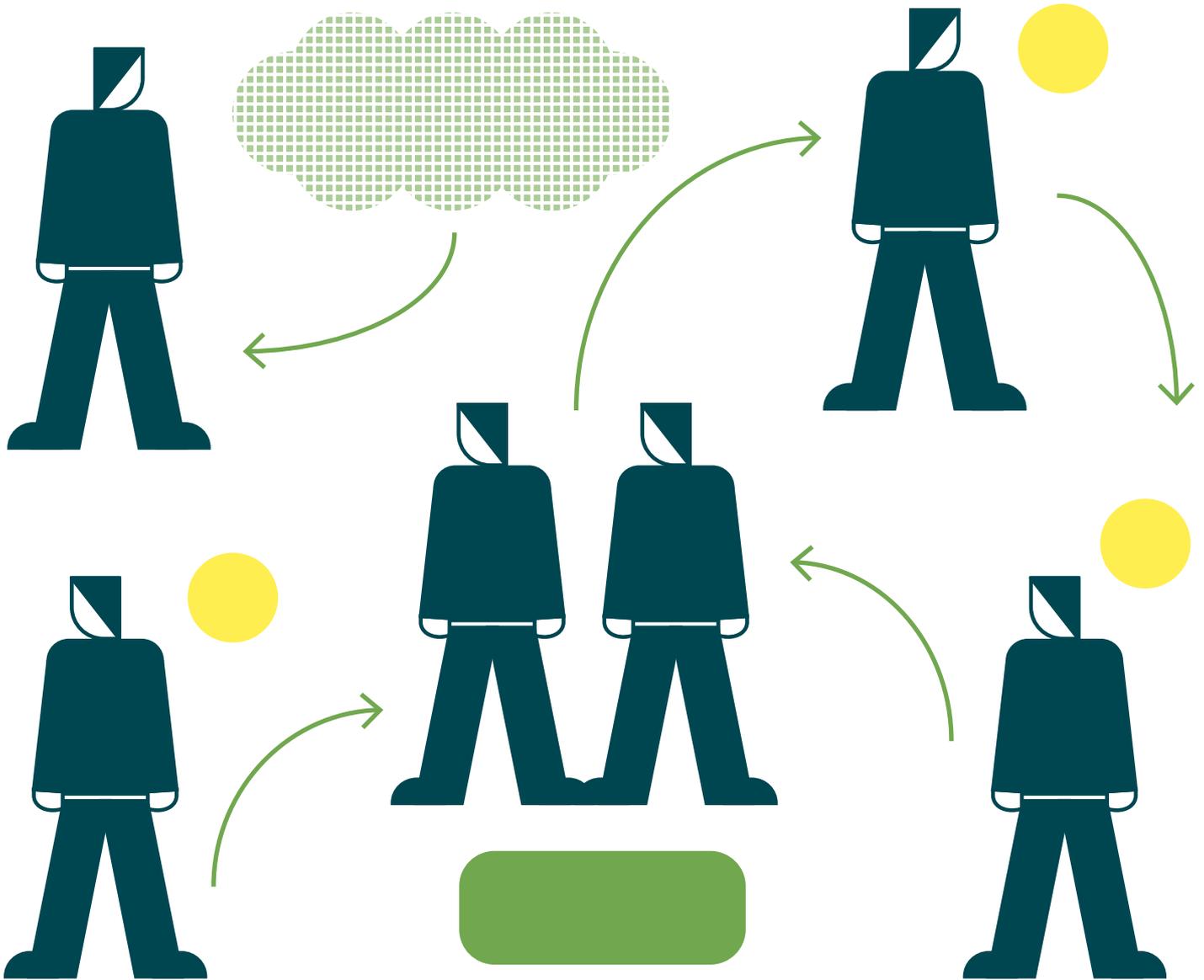
116 Community relations

7.2

121 Economic support for the
community

Stakeholders

Local communities, civil society and associations, national and international institutions, universities and research institutions



Key statistics and relevant facts

1,600 students

involved in the project "**The Magic of Legumes**", with the participation of 38 schools and 82 teachers

"I love you Earth and for you I protect"

with the participation of 12 schools, 32 classes, and 650 students

8 Italian regions

involved in the project "**The Magic of Legumes**"; Campania, Lazio, Lombardia, Piemonte, Puglia, Sicilia, Tuscany, and Veneto

Steam Future School Project

4 short courses for teachers, 20 hours of teaching, 11 in the virtual classroom, and 9 hours of in-depth thematic learning and independent bibliographical research

7.1 Relationships with the communities



413-1 Material topic no. 6 ESG

In 2023, the Andriani Group continued its commitment to initiatives and events aimed at creating shared value. The Group's action, which has actively involved local communities and other stakeholders through a series of meetings and moments of sharing ideas, initiatives, and knowledge, has been guided by the intrinsic conviction that common benefit is an effective means of actively participating in processes of social, cultural, and environmental change. These meetings have primarily focused on particular social and environmental sustainability issues.

The organisation embarked on an approach focused on interaction with the local area, with the goal being to assess the actual and potential impacts on the people involved and to identify their expectations and needs. The feedback review in-

dedicated positive impacts on local communities, contributing to the improvement in managing engagement, sharing, and exchange initiatives. These impacts also provided useful insights into optimising social development programmes, particularly those of an educational nature, detailed below.

Community relations occur on different levels, both within different company areas and functions and through widespread involvement at an organisational level. Demonstrating deep trust in the potential of the younger generation, the Andriani Group has consistently maintained direct contact with younger stakeholder groups. This was achieved through consolidated in-presence activities and increased engagement on key social networks, as shown in the data below.

Social network



13.7k
Followers

4.7k
Reactions

14.2k
Unique visitors

112
Comments

36.4k
Page views



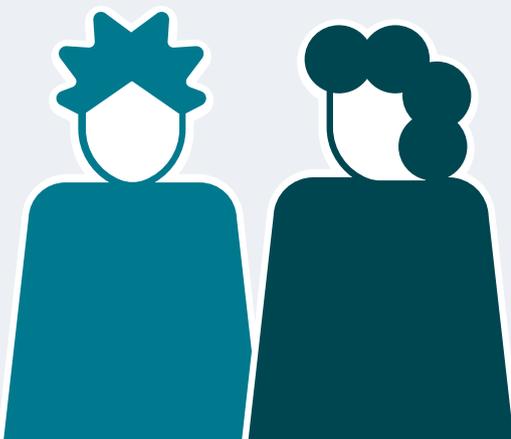
33.8k
Followers

9.7M
Reactions

140k
Profile visits

49.4M
Impression

12.1M
Reach



Educational Project

Since its inception in 2018, the "Andriani Educational" project has grown exponentially, evolving from an isolated initiative to a comprehensive programme with sub-projects developing in depth on specific activities.

The Magic of Legumes

The focus on education for a sustainable and healthy diet proposed through the programme **The Magic of Legumes** has gained wide acceptance and continues to expand throughout the country. During the 2022-2023 academic year, the project involved 38 schools.

16 Preschools

17 Primary schools

5 Middle schools

82 Teachers

1,600 Students involved

8 Italian regions involved
Campania, Lazio, Lombardia, Piemonte, Puglia, Sicilia, Tuscany, and Veneto

I love you Earth and for you I protect

The project **"I love you Earth and for you I protect"**, part of the programme since 2020, saw the participation of 12 schools and 32 classes this year.

4 Preschool classes

21 Primary school classes

6 Middle school classes

55 Teachers

650 Students involved

5 Italian regions involved
Puglia, Sicily, Tuscany, Trentino-Alto Adige, and Veneto

The "Earth I love you and for you I protect" project also included, even though not registered:

- 2 schools with 40 students and 2 teachers from Trentino-Alto Adige;
- 3 afterschool programmes, with 5 teachers and 60 children in Tamil Nadu (India).

Bringing the total number of participants to:

- 14 schools + 2 afterschool programmes
- 62 teachers
- 750 students

Courses in the Steam Future School Project

To supplement the educational path described, this year teachers were offered the opportunity to attend 4 short courses as part of the Steam Future School Project.

The topic of new technology in agriculture was developed from 2 experts from Andriani.

The courses included 20 hours of training, 11 in the virtual classroom and 9 hours of in-depth education and independent bibliographic research on the following topics:

- The language of plants.
- Cultivation between science and art: sustainable agriculture from new technology to the school garden.
- How do you eat? From personal habits to the sustainable diet.
- The art of singing: from words to music to converse with nature.

The courses did not include a monitored operational spin-off in schools, just the collection of bibliographic material and the distribution of the Andriani educational kit to the age groups involved. The estimated number of students involved is based on the average number of students per class.

117
Teachers

29 preschool, 55 primary, 14 middle school, 19 high school

16
Regions represented

Lombardia (10), Veneto (32), Piemonte (4), Tuscany (11), Umbria (1), Campania (8), Abruzzo (1), Basilicata (1), Puglia (21), Marche (4), Emilia-Romagna (5), Sardinia (1), Friuli-Venezia Giulia (3), Lazio (12), and Calabria (3)

2,300
Students involved

Monitoring, which was conducted separately from the extended project, showed a high degree of satisfaction among the participating teachers, who asked to remain in the network and be able to share experiences and teaching materials with the schools of other pathways.

Feedback

Teachers

During the course of the project, 94.1% of the teachers perceived changes in the students, who were generally more attentive, developing a sense of responsibility, attention, and care toward nature. Greater awareness was also perceived regarding food choices.

Children

71.8% stated they were inspired to do something different at home, school, or in their everyday life. There were changes in habit in the kitchen, in trying new foods. They were willing to change some habits, choosing different snacks, for example, and being willing to try new foods. Greater attention was also paid to sustainable choices and behaviour.

Secondary schools and universities

Additionally, this year saw a strengthening of the company's partnership with secondary schools, which solidified the connection between education and the workplace. The company welcomed visits from organisations dedicated to educating the next generation about pertinent economic, social, and environmental issues while also actively engaging the students in dialogue sessions. These activities are also a significant exercise for the employees involved in outreach activities, helping establish positive relations with the academic and scholastic world and promoting constant innovation from and for the region.

The commitment to the dissemination of sustainability issues also continues in universities, through the presentation of the Andriani business case as a reference study of the most relevant projects developed by the Andriani CSR team.

It continues by highlighting the Andriani business case as a model for the major initiatives created by the CSR team, thereby promoting sustainability in universities. It also continues its commitment to accompanying undergraduates from various Italian universities. This year, 12 undergraduates were assisted.

The Taste of the Future

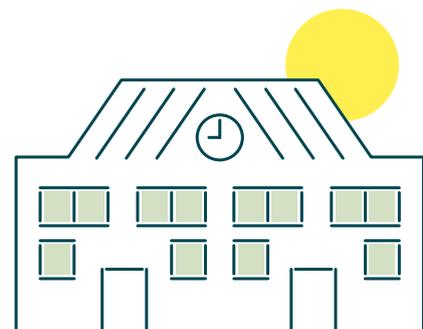
This is the third year of the action-research project aimed at contributing to the prevention of eating disorders by building a learning path together with young people that promotes the discovery of the relationships between food, the environment, health, and human resources. The creation of communication paths between young people is one of the project's common threads running through all of the activities, which is why fostering inclusion among young people is recognised as one

of the most fertile, important, and necessary things to sow. There are themed workshops for the students that include communication, the development of multimedia tools, art therapy, and self-esteem. These educational offerings also delve into aspects of communication and self-perception in the broadest sense.

205
Total pilot class students

2,400
Total students involved

36
Total pilot class teachers



Raising awareness on topics of collective interest

SACE 2023 Risk Map

Michele Andriani, President and CEO of Andriani S.p.A., talks about political and credit risks in the world, the challenges ahead, and investment priorities to develop resilience and build sustainable growth paths for 2023 during the presentation of the SACE 2023 Risk Map.



2023 Risk Map

“AZIENDE IN TRANSIZIONE: NUOVE STRATEGIE DI CRESCITA SOSTENIBILE”

intervista MICHELE ANDRIANI, Presidente di Andriani S.p.A.

MAPPA DEI RISCHI 2023 SACE

9 FEBBRAIO ore 11:00 — Roma

sace ANDRIANI

Biomethane in circulation

Andriani promotes the "Biomethane in circulation": conference, a moment of shared reflection on sustainable mobility.

The conference, which was open to the public and moderated by Francesco Ferrante, Vice President of the Kyoto Club, brought to the public's attention a new opportunity in the field of fuels with reduced environmental impact. Speakers at the conference included representatives of high-calibre Puglia-based companies, such as TERSAN PUGLIA, Italsud Carburanti s.r.l., IVECO, and Hydrogens.

Andriani has set a goal for itself to be Carbon Neutral by 2025. This involves not only implementing technology solutions and interventions to lessen its influence on the environment, but also collaborating with third parties to develop circular economy initiatives. In fact, thanks to Andriani's guidelines, a new green fuel is available at a service station in Gravina in Puglia.

BIOMETANO in CIRCOLO

Un approccio partecipativo verso la transizione energetica

ANDRIANI KyotoClub

21 APRILE — H 10:00

AREA CONVEGNI, Fiera di San Giorgio Gravina in Puglia (BA)



Business for people and society

Andriani S.p.A. alongside the UN Italy Global Compact Network by signing the Manifesto "Business for people and society".

The Group reaffirms its commitment to sustainable development dedicated to multidimensional cooperation, highlighting the importance of increasing the promotion of the social dimension of sustainability in order to not leave anyone behind, in line with several SDGs.



Manifesto "Business for People and Society"



Diffondere l'ambizione di un impegno crescente nella dimensione Sociale della sostenibilità in azienda, lungo le catene di fornitura e nelle comunità, ispirando al coinvolgimento della catena del valore, e andando, ove possibile, oltre gli obblighi di legge, al fine di assicurare un futuro equo e sostenibile alle generazioni a venire, non lasciando nessuno indietro.

- 1. Integrare la dimensione Sociale nelle strategie aziendali e potenziare la creazione di valore sociale da parte delle imprese**
Adottare un approccio integrato alla sostenibilità che valorizzi la dimensione Sociale lungo l'intera catena del valore, attribuendone pari rilevanza rispetto all'ambiente e alla Governance, valutando la trasversalità dei rischi e, al contempo, l'opportunità dei benefici che interventi sociali possono comportare sulle altre dimensioni, nell'ottica di una "transizione giusta e inclusiva", contribuendo alla generazione di progresso e impatto sociale positivo.
- 2. Rispettare i Diritti Umani e i Diritti del Lavoro**
Rispettare i Principi da 1 a 10 dell'UN Global Compact e ispirarsi agli UN Guiding Principles on Business and Human Rights, garantendo ai propri lavoratori e in tutti gli ambiti dell'azienda standard lavorativi adeguati andando, ove possibile, oltre la coperta normativa, riprendendo alle proprie catene di fornitura il rifiuto del lavoro forzato o minorile ed impegnandosi ad attuare processi di due diligence e monitoraggio, includendo in tale processo i propri fornitori con l'ambizione di raggiungere l'intera catena del valore.
- 3. Sviluppare una cultura dell'inclusione, del rispetto delle diversità e dell'equità**
Rispettare e promuovere la DE all'interno dell'azienda, lungo le proprie catene di fornitura e nelle comunità nelle quali l'azienda opera, contrastando ogni forma di discriminazione, riconoscendo e comunicando il valore della diversità e dell'equità e il potenziale dell'inclusione, adottando policy specifiche e implementando progetti a tutela delle persone a rischio di discriminazione, utilizzando un linguaggio inclusivo in tutte le comunicazioni interne ed esterne.
- 4. Impegnarsi per il benessere dei lavoratori**
Creare condizioni e spazi di lavoro che promuovano la salute e il benessere delle persone, offrendo benefici di welfare aziendale e adottando pratiche di conciliazione vita e lavoro con particolare attenzione ai target vulnerabili, andando oltre gli obblighi di legge, dotandosi di obiettivi volti all'implementazione e al monitoraggio della soddisfazione dei lavoratori e il clima interno.
- 5. Investire in formazione e sensibilizzazione interna ed esterna**
Formare e coinvolgere i propri dipendenti, stakeholder e fornitori sui temi dello sviluppo sostenibile condividendo storie, strumenti e best practice che includono la dimensione Sociale e che sono generative di soluzioni innovative, allargando il proprio intervento di sensibilizzazione anche alla cittadinanza e ai consumatori e massimizzando la potenziale dell'impresa di creare cultura.
- 6. Identificare azioni e sinergie di corporate finance a favore della dimensione Sociale**
Investire in iniziative di finanza a impatto, proprio o di terzi, dedicando una porzione nelle strategie di corporate finance, risorse finanziarie a Social Bond, Sustainable Linked Bond, fondi o altri strumenti finanziari che abbiano un obiettivo di impatto sociale positivo, collaborando con altri partner a iniziative multistakeholder.
- 7. Promuovere pratiche che rafforzino l'equità e riducano le disuguaglianze**
Adottare pratiche commerciali che tutelino i consumatori e riducano le disuguaglianze, con particolare attenzione ai target vulnerabili, proponendo un sistema di soluzioni innovative, trasparenti e che contrasti i fenomeni corruttori, con l'obiettivo ultimo di garantire l'accesso ai beni e servizi per la più ampia base di cittadini.
- 8. Supportare azioni collettive per il benessere delle comunità**
Partecipare ad alleanze, partnership e iniziative insieme ad altre imprese, governi, istituzioni, organizzazioni non business e associazioni del territorio per attività di co-progettazione, co-branding e advocacy normativa, facendo rete e favorendo l'innovazione, al fine di garantire maggior benessere alle comunità.
- 9. Misurare e rendicontare in maniera trasparente il proprio impatto sociale**
Tracciare in maniera accountabile quali sono i propri impatti sugli stakeholder e sulla società, coinvolgendo nel processo, utilizzando Key Performance Indicator e analisi di trend che vengano aggiornati nel tempo.
- 10. Comunicare ed essere Ambassador**
Comunicare i propri sforzi, progressi o difficoltà all'esterno in maniera trasparente, con la finalità di coinvolgere nuovi AD e Presidenti in uno sforzo comune e di aumentare l'attenzione degli stakeholder sulla dimensione Sociale della responsabilità di impresa.

*Obiettivi e attività socialmente sostenibili secondo la classificazione derivante dalla Taxonomia sociale.

2023 Sustainable Development Award

ApuliaKundi Srl won the "2023 Sustainable Development Award" for the circular economy project for the production of algae Spirulina presented in collaboration with Andriani S.p.A.

The award, established by the Foundation for Sustainable Development and Ecomondo, is intended for companies, startups, and local administrations that have been able to interpret the green economy and that, through their projects, have particularly distinguished themselves for eco-innovation and the effectiveness of their environmental and economic results.



Legume Campaign

A meeting between farmers and Andriani entitled "Legume Campaign". 350 farmers from all over the region attended the event promoted by Andriani and Terre Bradaniche. The primary goal was to consolidate the relationship between raw material producers and processors, with the goal being to promote an ethical and economic collaboration oriented towards a legume supply chain co-evolution project.

After the opening greetings, President Michele Andriani thanked those present for their participation and the trust placed in this virtuous collaboration, emphasizing the importance of co-evolution in supply chain processes and stating that it is only through a shared commitment that significant goals can be achieved.



7.2 Economic support for the community



As a Benefit Corporation and B Corp, Andriani S.p.A. consistently adheres to the principles and values it promotes, identifying specific initiatives worthy of corporate support and contributing, even financially, to initiatives that benefit the community. Andriani's commitment is manifested through its participation in social projects involving granting charitable donations, pursuing objectives of significant relevance to the Group, such as inclusiveness and support to local communities.

During FY2023, Andriani allocated a total of €20,750 to charitable donations aimed at supporting projects and initiatives with social relevance from local communities.

Nove Alpi's recent relaunch does not allow it to support the area with significant donations. However, aware of the value

of being able to make a small contribution to support the area, the company has supported both cultural initiatives in the city and social initiatives aimed at supporting dedicated services during diagnosis and the subsequent treatment and care of ALS patients.

There were numerous donations of products to help those in difficulty: communities to support women fleeing gender-based violence, associations to support cancer patients, the local food bank, the non-profit association APE that cares for children with a rare metabolic syndrome (PKU), and last but not least, a large donation to support families affected by the recent flooding in Pistoia and the surrounding area.





ANNEXES

A.1

123 Global Reporting Initiative
Content Index

A.2

128 Audit Firm Report (Sustainability
Assurance)

A.3

133 SASB Content Index

Global Reporting Initiative Content Index

The following is a summary of the main content of the Andriani Group’s 2021 Sustainability Management Report according to the outline required by the 2021 GRI Standards.

Declaration of use	Andriani S.p.A. submitted a financial report compliant with GRI Standards for the period 1 January 2023 - 31 December 2023
GRI used	GRI 1 - Fundamental Principles - 2021 version
Pertinent GRI industry standards	N/A

Universal Standards

GRI Standards	Disclosure	Paragraph/Notes	Page no.	Omission			SDGs
				Omitted requirements	Reason	Explanation	
GRI 2: 2021 General Disclosures	2-1 Organisational Details	Group History and Structure	26-28				
	2-2 Entities included in the organisation's sustainability report	Note on methodology	8-10				
	2-3 Reporting period, frequency, and contact person	Note on methodology	8-10				
	2-4 Restatement of information	Note on methodology	8-10				
	2-5 External assurance	Audit Firm Report (Sustainability Assurance)	128				
	2-6 Activities, value chain, and other commercial relations	Group History and Structure/Management performance/ Investments/Creation of shared value and social responsibility tax/Raw materials and supply chain/Our concept of food innovation	26-28, 59-62, 63, 64-65, 86-90, 91-93				
	2-7 Employees	Staff composition and characteristics	70-73				
	2-8 Independent workers	Independent workers	73				
	2-9 Governance structure and composition	Corporate Governance actors	37-42				
	2-10 Appointment and selection of the top governance body	Corporate Governance actors	37-42				
	2-11 Chairman of the top governance body	Corporate Governance actors	37-42				
	2-12 Role of the top governance body in impact management control	Corporate Governance actors	37-42				
	2-13 Delegation of responsibilities for impact management	Corporate Governance actors	37-42				
	2-14 Role of the top governance bod in sustainability reporting	Corporate Governance actors	37-42				
	2-15 Conflicts of interest	Corporate Governance actors	37-42				
	2-16 Communication of critical issues	Corporate Governance actors	37-42				
	2-17 Collective knowledge of the top governance body	Corporate Governance actors	37-42				
	2-18 Evaluation of the performance of the top governance body	Corporate Governance actors	37-42				
	2-19 Pay standards	Corporate Governance actors	37-42				
	2-20 Procedure for determining wages and salaries	Wage and salary policies are established by HR, except those related to the Directors. Independent members of the Board of Directors do not control the wage and salary procedure determination. Shareholders only intervene in defining certain aspects of executive pay, subject to authorisation by the Board of Directors, and in any case within the provisions of the relevant National Collective Labour Agreement. Remuneration policies for other categories of employees are determined by the HR function on the basis of the relevant National Collective Labour Agreement, usually without taking into account stakeholder opinions, with the exception of blue collar workers, which are discussed with trade union representatives. There are no consultants in charge of determining remuneration policies.	37-42				

GRI Standards	Disclosure	Paragraph/Notes	Page no.	Omission			SDGs
				Omitted requirements	Reason	Explanation	
	2-21 Yearly total wages and salaries report	-	-	2-21 a 2-21 b 2-21 c	Confidentiality obligations	Disclosure 2-21 was not reported for confidentiality reasons. Andriani S.p.A. has no public disclosure of salary and is not subject to any regulatory duties in this regard.	
GRI 2: 2021 General Disclosures	2-22 Sustainable development strategy statement	Letter to the stakeholders	7				
	2-23 Commitment in terms of policy	The value system	24-25				
	2-24 Integration of the commitments in terms of policy	Strategy and commitment for the common benefit and sustainable development	31-33				
	2-25 Processes aimed at remedying negative impacts	Strategy and commitment for the common benefit and sustainable development	31-33				
	2-26 Mechanisms for requesting clarifications and raising concerns	Whistleblowing procedure	47				
	2-27 Compliance with laws and regulations	Methods for managing sustainability (ESG) among impacts and risks	44-53				
	2-28 Membership in associations	Sustainability of the supply chain	86-89				
	2-29 Approach to stakeholder engagement	Engagement	13				
	2-30 Labour agreements	Staff composition and characteristics	70-72				

Topic-Specific Standards

GRI Standards	Disclosure	Paragraph/Notes	Page no.	Omission	SDGs
MATERIAL TOPICS					
GRI 3: 2021 Material Topics	3-1 Process for determining material topics	Materiality analysis	11-21		
	3-2 List of material topics	Materiality analysis	11-21		
Material topic no. 1: Responsible supply chain management					
GRI 3: 2021 Material Topics	3-3 Management of material topics	E - Environmental Management System and related impacts	44-47		
GRI 204: Procurement procedures	204-1 Percentage of expenditures with local suppliers	Raw materials and supply chain	86-90	.	
GRI 304: Biodiversity	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity	111	...	
GRI 408: Child labour	408-1 Activities and suppliers at significant risk of episodes of child labour	Ethical and responsible procurement	90	...	
GRI 409: Forced or compulsory labour	409-1 Activities and suppliers at significant risk of episodes of forced or compulsory labour	Ethical and responsible procurement	90	...	
Material topic no. 2: Biodiversity and ecosystems					
GRI 3: 2021 Material Topics	3-3 Management of material topics	E - Environmental Management System and related impacts	44-47		
GRI 304: Biodiversity	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity	111	...	
Material topic no. 4: Product safety and traceability					
GRI 3: 2021 Material Topics	3-3 Management of material topics	G - Management system for governance and related impacts	50-53		
GRI 416: Customer health and safety	416-2 Episodes of nonconformity regarding impacts on the health and safety of products and services	Claims from customers and management of nonconforming products	96	.	
GRI 417: Marketing and labelling	417-1 Requirements related to labelling and information on products and services	Food labelling	94	.	
GRI 417: Marketing and labelling	417-2 Episodes of nonconformities concerning labelling and information on products and services	Food labelling	94	.	

GRI Standards	Disclosure	Paragraph/Notes	Page no.	Omission	SDGs
GRI 417: Marketing and labelling	417-3 Episodes of nonconformities concerning marketing communications	Food labelling	94		
Material topic no. 5: Consumer well-being					
GRI 3: 2021 Material Topics	3-3 Management of material topics	S - Social Management Systems and related impacts	47-49		
GRI 416: Customer health and safety	416-2 Episodes of nonconformity regarding impacts on the health and safety of products and services	Claims from customers and management of nonconforming products	96		
Material topic no. 7: Energy management					
GRI 3: 2021 Material Topics	3-3 Management of material topics	E - Environmental Management System and related impacts	44-47		
GRI 302: Energy	302-1 Consumption of energy within the organisation	Energy	100-101	.....
GRI 302: Energy	302-3 Energy intensity	Energy	100-101	.....
Material topic no. 8: Emissions					
GRI 3: 2021 Material Topics	3-3 Management of material topics	E - Environmental Management System and related impacts	44-47		
GRI 305: Emissions	305-1 Direct emissions of greenhouse gases (GHG) (scope 1)	Emissions and carbon neutrality	102-108	.....
GRI 305: Emissions	305-2 Indirect emissions of greenhouse gases (GHG) from energy consumption (Scope 2)	Emissions and carbon neutrality	102-108	.....
GRI 305: Emissions	305-3 Other indirect emissions of GHG (Scope 3)	Emissions and carbon neutrality	102-108	.....
GRI 305: Emissions	305-4 Intensity of GHG emissions	Emissions and carbon neutrality	102-108	.....
GRI 305: Emissions	305-5 Reduction of GHG emissions	Emissions and carbon neutrality	102-108	.....
Material topic no. 9: Transition toward a circular economy					
GRI 3: 2021 Material Topics	3-3 Management of material topics	E - Environmental Management System and related impacts	44-47		
GRI 301: Materials	301-1 Materials used by weight or volume	Materials used	108	.....
GRI 303: Water and water discharges	303-1 Interactions with water as a shared resource	Water resources	112-113	.....
GRI 303: Water and water discharges	303-2 Management of impacts related to water discharge	Water resources	112-113	.....
GRI 303: Water and water discharges	303-3 Water extraction	Water resources	112-113	.....
GRI 306: Waste	306-1 Generation of waste and significant impacts related to waste	Waste, recyclability, and reduction in food waste	109-110	.....
GRI 306: Waste	306-2 Management of impacts related to waste	Waste, recyclability, and reduction in food waste	109-110	.....
GRI 306: Waste	306-3 Waste generated	Waste, recyclability, and reduction in food waste	109-110	.....
GRI 306: Waste	306-4 Waste not sent to the landfill	Waste, recyclability, and reduction in food waste	109-110	.....
GRI 306: Waste	306-5 Waste sent to the landfill	Waste, recyclability, and reduction in food waste	109-110	.....
Material topic no. 10: Packaging sustainability and waste management					
GRI 3: 2021 Material Topics	3-3 Management of material topics	E - Environmental Management System and related impacts	44-47		
GRI 306: Waste	306-1 Generation of waste and significant impacts related to waste	Waste, recyclability, and reduction in food waste	109-110	.....
GRI 306: Waste	306-2 Management of impacts related to waste	Waste, recyclability, and reduction in food waste	109-110	.....
GRI 306: Waste	306-3 Waste generated	Waste, recyclability, and reduction in food waste	109-110	.....

GRI Standards	Disclosure	Paragraph/Notes	Page no.	Omission	SDGs
GRI 306: Waste	306-4 Waste not sent to the landfill	Waste, recyclability, and reduction in food waste	109-110		
GRI 306: Waste	306-5 Waste sent to the landfill	Waste, recyclability, and reduction in food waste	109-110		
GRI 416: Customer health and safety	416-2 Episodes of nonconformity regarding impacts on the health and safety of products and services	Claims from customers and management of nonconforming products	96		
GRI 417: Marketing and labelling	417-1 Requirements related to labelling and information on products and services	Food labelling	94		
GRI 417: Marketing and labelling	417-2 Episodes of nonconformities concerning labelling and information on products and services	Food labelling	94		
GRI 417: Marketing and labelling	417-3 Episodes of nonconformities concerning marketing communications	Food labelling	94		
GRI 418: Privacy of the customers	418-1 Complaints about breaches of client privacy and data loss	Claims from customers and management of nonconforming products	96		
Material topic no. 11: Governance, sustainable strategy, and business model					
GRI 3: 2021 Material Topics	3-3 Management of material topics	G - Management system for governance and related impacts	50-53		
GRI 202: Market presence	202-2 Percentage of managers recruited from the local community	Staff composition and characteristics	70-73		
GRI 418: Privacy of the customers	418-1 Complaints about breaches of client privacy and data loss	Claims from customers and management of nonconforming products	96		
Material topic no. 13: Diversity and development of human resources					
GRI 3: 2021 Material Topics	3-3 Management of material topics	G - Management system for governance and related impacts	50-53		
GRI 201: Economic performance	201-1 Economic value generated and distributed	Management performance/Creation of shared value and social responsibility tax	59-62,64-66		
GRI 207: Taxes	207-2 Tax governance, risk control and management	Creation of shared value and social responsibility tax	62-65		
GRI 402: Relationship between workers and management 2016	402-1 Minimum advance notice period for operational changes	Staff composition and characteristics	70-73		
GRI 405: Diversity and equal opportunity	405-1 Diversity in governance bodies and among employees	Staff composition and characteristics/Inclusion and the value of diversity	70-74		
Material topic no. 14: Health and well-being in the workplace					
GRI 3: 2021 Material Topics	3-3 Management of material topics	S - Social Management Systems and related impacts	47-49		
GRI 401: Occupation	401-1 Recruiting new employees and employee turnover	Staff composition and characteristics	70-72		
GRI 401: Occupation	401-2 Benefits set up for full time employees but not for part-time employees or those with a fixed-term contract	Support services to directors and executives	79		
GRI 401: Occupation	401-3 Parental leave	Occupational illnesses and injuries	77		
GRI 403: Health and safety at work	403-1 Occupational health and safety at work management system	Occupational health and safety at work management system	75		
GRI 403: Health and safety at work	403-2 Identification of the dangers, assessment of risks and investigations of accidents	Risk assessment	75		
GRI 403: Health and safety at work	403-3 Professional health services	Occupational health services	75		
GRI 403: Health and safety at work	403-4 Participation and consultation of workers and communication regarding health and safety at work	Participation and consultation of the workers	76		
GRI 403: Health and safety at work	403-5 Workers' training regarding health and safety at work	Training on safety in the workplace	76		
GRI 403: Health and safety at work	403-6 Promotion of the workers' health	Care for the workers' well-being	78		
GRI 403: Health and safety at work	403-7 Prevention and mitigation of impacts related to health and safety at work directly linked to business relationships	Relationships with consultants, partners, and suppliers	77		

GRI Standards	Disclosure	Paragraph/Notes	Page no.	Omission	SDGs
GRI 403: Health and safety at work	403-9 Occupational injuries	Occupational illnesses and injuries	77		
GRI 403: Health and safety at work	403-10 Occupational illnesses	Occupational illnesses and injuries	77		
GRI 404: Training and instruction	404-1 Average number of training hours per employee per year	Human resources training	80-81		
GRI 405: Diversity and equal opportunity	405-1 Diversity in governance bodies and among employees	Staff composition and characteristics/Inclusion and the value of diversity	70-74		
GRI 406: Non-discrimination	406-1 Episodes of discrimination and corrective measures adopted	Inclusion and the value of diversity	74		
Material topic no. 15 Human rights and decent work					
GRI 3: 2021 Material Topics	3-3 Management of material topics	G - Management system for governance and related impacts	50-53		
GRI 402: Relationship between workers and management 2016	402-1 Minimum advance notice period for operational changes	Staff composition and characteristics	70-73		
GRI 405: Diversity and equal opportunity	405-1 Diversity in governance bodies and among employees	Staff composition and characteristics/Inclusion and the value of diversity	70-74		
Material topic no. 16: Metrics and targets					
GRI 3: 2021 Material Topics	3-3 Management of material topics	G - Management system for governance and related impacts	50-53		
GRI 201: Economic performance	201-1 Economic value generated and distributed	Management performance/Creation of shared value and social responsibility tax	59-62,64-66		
GRI 402: Relationship between workers and management 2016	402-1 Minimum advance notice period for operational changes	Staff composition and characteristics	70-73		
NON-MATERIAL TOPICS					
Topic no. 3 Digital transformation and well-being					
GRI 3: 2021 Material Topics	3-3 Management of material topics	S - Social Management Systems and related impacts	44-47		
GRI 418: Privacy of the customers	418-1 Complaints about breaches of client privacy and data loss	Claims from customers and management of nonconforming products	96		
Topic no. 6 Inclusive and sustainable communities					
GRI 3: 2021 Material Topics	3-3 Management of material topics	S - Social Management Systems and related impacts	47-49		
GRI 413: Local communities	413-1 Operations with the involvement of the local community, evaluation of impacts and development programmes	Community relations	116-118		
Material topic no. 12: Anti-corruption					
GRI 3: 2021 Material Topics	3-3 Management of material topics	G - Management system for governance and related impacts	50-53		
GRI 205: Anti-corruption	205-1 Operations assessed for risks linked to corruption	Anti-corruption systems	50		

Audit Firm Report (Sustainability Assurance)



Deloitte & Touche S.p.A.
Corso Vittorio Emanuele II, 83
70122 Bari
Italia

Tel: +39 080 5768011
Fax: +39 080 5768080
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY MANAGEMENT REPORT

To the Board of Directors of
Andriani S.p.A.

We have carried out a limited assurance engagement on the Sustainability Management Report of the Andriani S.p.A. (hereinafter the "Company") as of December 31, 2023.

Responsibility of the Directors for the Sustainability Management Report

The Directors of the Andriani S.p.A. are responsible for the preparation of the Sustainability Management Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Note on methodology" of the Sustainability Management Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Management Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Company's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Management Report with the GRI Standards.

We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements.

The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Management Report is free from material misstatement.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Management Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Management Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. Analysis of the process relating to the definition of material aspects disclosed in the Sustainability Management Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results.
2. Comparison between the economic and financial data and information included in the chapter “Economic and financial management performance” of the Sustainability Management Report with those included in the Company’s Financial Statements.
3. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Management Report.

In particular, we carried out interviews and discussions with the management of Andriani S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of data and information to the department responsible for the preparation of the Sustainability Management Report.

In addition, for material information, taking into consideration the Company’s activities and characteristics:

- at the company’s level:
 - a) with regards to qualitative information included in the Sustainability Management Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the office in Gravina in Puglia for Andriani S.p.A. and for the office of Pistoia for Nove Alpi S.r.l. , which we selected based on its activity and its contribution to the performance indicators at the consolidated level, we have met the management during online meeting and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Management Report of the Company as of December 31, 2023 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Methodological note” of the Sustainability Management Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Claudio Lusa
 Partner

Bari, Italy
 March 13, 2024

BIA Impact Area

The table shows the connection between the specific disclosure provided by the GRI Standard and the different impact areas provided by the BIA standard in application of the document "Complementary Use and Linkage of the GRI Standards and B Lab's B Impact Assessment."

BIA Impact Area	BIA Impact Topic	GRI Indicators	Section	Page	SDGs
Community	Civic Engagement & Giving	201-1 Economic value generated and distributed	Management performance/ Creation of shared value and social responsibility tax	59-62,64-66	 
Community	Civic Engagement & Giving	413-1 Operations with the involvement of the local community, evaluation of impacts and development programmes	Community relations	116-118	
Community	Diversity, Equity, & Inclusion	405-1 Diversity in governance bodies and among employees	Staff composition and characteristics/Inclusion and the value of diversity	70-74	 
Community	Economic Impact	202-2 Percentage of managers recruited from the local community	Staff composition and characteristics	70-73	
Community	Economic Impact	204-1 Percentage of expenditures with local suppliers	Raw materials and supply chain	86-90	
Community	Economic Impact	401-1 Recruiting new employees and employee turnover	Staff composition and characteristics	70-72	  
Community	Supply Chain Management	401-1 Recruiting new employees and employee turnover	Staff composition and characteristics	70-72	  
Community	Supply Chain Management	409-1 Activities and suppliers at significant risk of episodes of forced or compulsory labour	Ethical and responsible procurement	90	 
Community	Supply Chain Management	409-1 Activities and suppliers at significant risk of episodes of forced or compulsory labour	Ethical and responsible procurement	90	 
Customers	Customer Stewardship	417-1 Requirements related to labelling and information on products and services	Food labelling	94	
Customers	Customer Stewardship	418-1 Complaints about breaches of client privacy and data loss	Claims from customers and management of nonconforming products	96	
Disclosure Questionnaire	Disclosure Industries	418-1 Complaints about breaches of client privacy and data loss	Claims from customers and management of nonconforming products	96	
Disclosure Questionnaire	Disclosure Industries	409-1 Activities and suppliers at significant risk of episodes of forced or compulsory labour	Ethical and responsible procurement	90	 
Disclosure Questionnaire	Disclosure Outcomes & Penalties	303-1 Interactions with water as a shared resource	Water resources	112-113	 
Disclosure Questionnaire	Disclosure Outcomes & Penalties	306-3 Waste generated	Waste, recyclability, and reduction in food waste	109-110	   
Disclosure Questionnaire	Disclosure Outcomes & Penalties	306-5 Waste sent to the landfill	Waste, recyclability, and reduction in food waste	109-110	   
Disclosure Questionnaire	Disclosure Outcomes & Penalties	403-9 Occupational injuries	Occupational illnesses and injuries	77	  
Disclosure Questionnaire	Disclosure Outcomes & Penalties	403-10 Occupational illnesses	Occupational illnesses and injuries	77	  
Disclosure Questionnaire	Disclosure Outcomes & Penalties	406-1 Episodes of discrimination and corrective measures adopted	Inclusion and the value of diversity	74	 

BIA Impact Area	BIA Impact Topic	GRI Indicators	Section	Page	SDGs
Disclosure Questionnaire	Disclosure Outcomes & Penalties	416-2 Episodes of nonconformity regarding impacts on the health and safety of products and services	Claims from customers and management of nonconforming products	96	
Disclosure Questionnaire	Disclosure Outcomes & Penalties	417-2 Episodes of nonconformities concerning labelling and information on products and services	Food labelling	94	
Disclosure Questionnaire	Disclosure Outcomes & Penalties	417-3 Episodes of nonconformities concerning marketing communications	Food labelling	94	
Disclosure Questionnaire	Disclosure Outcomes & Penalties	418-1 Complaints about breaches of client privacy and data loss	Claims from customers and management of nonconforming products	96	
Disclosure Questionnaire	Disclosure Practices	418-1 Complaints about breaches of client privacy and data loss	Claims from customers and management of nonconforming products	96	
Disclosure Questionnaire	Supply Chain Disclosure	408-1 Activities and suppliers at significant risk of episodes of child labour	Ethical and responsible procurement	90	
Environment	Air & Climate	302-1 Consumption of energy within the organisation	Energy	100-101	
Environment	Air & Climate	302-3 Energy intensity	Energy	100-101	
Environment	Air & Climate	305-1 Direct emissions of greenhouse gases (GHG) (scope 1)	Emissions and carbon neutrality	102-108	
Environment	Air & Climate	305-2 Indirect emissions of greenhouse gases (GHG) from energy consumption (Scope 2)	Emissions and carbon neutrality	102-108	
Environment	Air & Climate	305-3 Other indirect emissions of GHG (Scope 3)	Emissions and carbon neutrality	102-108	
Environment	Air & Climate	305-4 Intensity of GHG emissions	Emissions and carbon neutrality	102-108	
Environment	Air & Climate	305-5 Reduction of GHG emissions	Emissions and carbon neutrality	102-108	
Environment	Environmental Management	306-2 Management of impacts related to waste	Waste, recyclability, and reduction in food waste	109-110	
Environment	Land & Life	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity	111	
Environment	Land & Life	306-2 Management of impacts related to waste	Waste, recyclability, and reduction in food waste	109-110	
Environment	Land & Life	306-3 Waste generated	Waste, recyclability, and reduction in food waste	109-110	
Environment	Land & Life	306-4 Waste not sent to the landfill	Waste, recyclability, and reduction in food waste	109-110	
Environment	Land & Life	306-5 Waste sent to the landfill	Waste, recyclability, and reduction in food waste	109-110	
Environment	Land & Life	306-5 Waste sent to the landfill	Waste, recyclability, and reduction in food waste	109-110	
Environment	Water	303-1 Interactions with water as a shared resource	Water resources	112-113	

BIA Impact Area	BIA Impact Topic	GRI Indicators	Section	Page	SDGs
Environment	Water	303-3 Water extraction	Water resources	112-113	
Environment	Water	306-1 Generation of waste and significant impacts related to waste	Waste, recyclability, and reduction in food waste	109-110	
Sustainability	Ethics & Transparency	205-1 Operations assessed for risks linked to corruption	Anti-corruption systems	50	
Governance	Ethics & Transparency	207-2 Tax governance, risk control and management	Creation of shared value and social responsibility tax	62-65	
Governance	Governance Metrics	201-1 Economic value generated and distributed	Management performance/ Creation of shared value and social responsibility tax	59-62, 64-66	
Governance	Mission & Engagement	201-1 Economic value generated and distributed	Management performance/ Creation of shared value and social responsibility tax	59-62, 64-66	
Governance	Mission & Engagement	413-1 Operations with the involvement of the local community, evaluation of impacts and development programmes	Community relations	116-118	
Workers	Career Development (Hourly)	404-1 Average number of training hours per employee per year	Human resources training	80-81	
Workers	Engagement & Satisfaction	401-2 Benefits set up for full time employees but not for part-time employees or those with a fixed-term contract	Support services to directors and executives	79	
Workers	Engagement & Satisfaction	406-1 Episodes of discrimination and corrective measures adopted	Inclusion and the value of diversity	74	
Workers	Engagement & Satisfaction (Hourly)	401-1 Recruiting new employees and employee turnover	Staff composition and characteristics	70-72	
Workers	Engagement & Satisfaction (Hourly)	401-3 Parental leave	Occupational illnesses and injuries	77	
Workers	Health, Wellness, & Safety	306-2 Management of impacts related to waste	Waste, recyclability, and reduction in food waste	109-110	
Workers	Health, Wellness, & Safety	401-2 Benefits set up for full time employees but not for part-time employees or those with a fixed-term contract	Support services to directors and executives	79	
Workers	Health, Wellness, & Safety	403-1 Occupational health and safety at work management system	Occupational health and safety at work management system	75	
Workers	Health, Wellness, & Safety	403-2 Identification of the dangers, assessment of risks and investigations of accidents	Risk assessment	75	
Workers	Health, Wellness, & Safety	403-3 Professional health services	Occupational health services	75	
Workers	Health, Wellness, & Safety	403-4 Participation and consultation of workers and communication regarding health and safety at work	Participation and consultation of the workers	76	
Workers	Health, Wellness, & Safety	403-5 Workers' training regarding health and safety at work	Training on safety in the workplace	76	
Workers	Health, Wellness, & Safety	403-6 Promotion of the workers' health	Care for the workers' well-being	78	
Workers	Health, Wellness, & Safety	403-7 Prevention and mitigation of impacts related to health and safety at work directly linked to business relationships	Relationships with consultants, partners, and suppliers	77	
Workers	Health, Wellness, & Safety	403-9 Occupational injuries	Occupational illnesses and injuries	77	

SASB Content Index

The following are Andriani's Accounting and Activity Metrics. The indicators were selected in accordance with the SASB "Food & Beverage" industry guidelines.

Activity metrics

Activity Metrics	2022	2023	Code
Weight of products sold (in tonnes)	34.6 thousand tonnes	33.1 thousand tonnes	FB-PF-000.A
Number of production plants	3	4	FB-PF-000.B

Accounting metrics

Topic	Accounting metrics	2022	2023	Code	
Energy Management	Total energy consumed by the organisation	30,912 GJ	29,231 GJ		
	Percentage of electricity drawn from the grid	92.4%	86%	FB-PF-130a.1	
	Percentage of electricity from renewable sources	99.4%	97.9%		
Water Management	Total water extracted by the organisation	38.2 MI	37 MI	FB-PF-140a.1	
	Number of cases of nonconformities associated with permits, standards, and regulations in relation to the management of water resources	0	0	FB-PF-140a.2	
	Description of risks related to the management of water resources and related risk mitigation policies	Andriani has implemented a procedure that defines the method used to guarantee the use of healthy and clean water intended for the production of food products, so that it does not represent a risk factor for the safety of food products (Italian Legislative Decree no. 31/2001). Also, in order to follow and trace the entire water flow, the healthiness of the wastewater from industrial activities is monitored through the implementation of a targeted analysis plan.		FB-PF-140a.3	
Food safety	Total number of food safety violation notices received and percentage correct	0	0	FB-PF-250a.1	
	Number of recalls issued and total quantity of food recalled (in tonnes)	0%	0%	FB-PF-250a.2	
Health & Nutrition	Description of the process of identifying and managing products and ingredients used in the production process	Paying close attention to the quality standards of raw materials to ensure healthy and safe finished products, the Quality Department, as it does each year, conducted a risk assessment that resulted in the definition of a control plan covering the process from raw material to finished product.		FB-PF-250a.3	
Product Labeling & Marketing	Number of cases of nonconformities related to labelling and marketing	0	0	FB-PF-250a.4 FB-PF-260a.1	
	Packaging Lifecycle Management	Total monetary loss amount resulting from legal proceedings associated with labelling and/or marketing	0	0	FB-PF-260a.2
	Total weight of plastic packaging	152 t	362.7 t	FB-PF-270a.1	
	Percentage of packaging made using recycled and/or renewable materials	35%	35%	FB-PF-270a.2	
	Percentage of recyclable, reusable, and/or compostable packaging	96%	96%	FB-PF-270a.3	
	Description of strategies related to reducing the environmental impact of packaging	While production volumes increased by 5% compared to 2021, the use of packaging materials did not follow the same trend. This is particularly evident in the use of paper (-6%), where the company's policy of reduction and efficiency has yielded more satisfactory results. This was made possible by the collaboration between Andriani's technical department and the technical departments of the suppliers to improve the carton designs. Flexible film usage has increased (+14%), which can be attributed to an increase in client requests for this packaging option.		During 2023, there was a distinct distribution of packaging material consumption compared to the previous year. Overall, 53% of the materials used a secondary packaging cardboard (+2% compared to 2022) while 41% are from cardboard and paper for primary packaging (virtually unchanged from 2022). There were also slight increases in the use of flexible film (+0.34%) due to additional orders from customers (Andriani S.p.A.) and use in the Nove Alpi facility.	FB-PF-270a.4

Topic	Accounting metrics	2022	2023	Code
Environmental & Social Impacts of Ingredient Supply Chain	Percentage of food ingredients certified according to environment or social standards		5.1 Sustainability of the supply chain	FB-PF-410a.1
	Rate of nonconformities of supplier social and environmental responsibilities audits	0%	0%	FB-PF-410a.2
	Rate of corrective actions associated with the supplier social and environment responsibilities audits	0%	0%	FB-PF-430a.1
Ingredient Sourcing	Percentage of food ingredients from regions with high or extremely high water stress	0%	0%	FB-PF-430a.2 FB-PF-440a.1
	List of the most relevant food ingredients and discussion of supply risks due to environmental and social considerations	The Andriani Group develops and produces an innovative and complete range of gluten-free pasta using a variety of naturally gluten-free ingredients containing grains (rice, corn, oatmeal, buckwheat), legumes (lentils, peas, chickpeas, etc.), and algae spirulina. The group produces its pasta and other products in the Andriani S.p.A. 100% allergen-free facility in Gravina in Puglia. All production is carried out in Italy, in full compliance with food quality and safety criteria.	The Andriani Group continues to distinguish itself with innovation and production of a wide range of gluten-free pasta. The company has created a whole line of food products using naturally gluten-free ingredients such as algae spirulina, legumes (lentils, peas, chickpeas, etc.), and cereals (rice, maize, oats, buckwheat, teff). Production takes place in the 100% allergen-free Andriani facility in Gravina in Puglia, ensuring complete compliance with food quality and safety criteria. The assortment is enhanced with Nove Alpi-made gluten-free and aproteic goods, such as bread, snacks, biscuits, and rusks.	FB-PF-440a.2



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Andriani towards sustainable development



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Andriani S.p.A. Benefit Corporation

Via Niccolò Copernico s.n. Zona PIP

70024 Gravina in Puglia (BA)

Tel. +39 080.325.58.01 - Fax +39 080.325.59.24

info@andrianispa.com - www.andrianispa.com