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ANDRIANI

Natural innovators for conscious food

ANDRIANI



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Letter from the Impact Manager



Raffaele Raso
Impact Manager

Dear Reader,

for the second year in a row, Andriani S.p.A. has prepared the Impact Report with the intent to provide information on its commitment in the 5 areas introduced in its Articles of Association, continuing the path undertaken in November 2020 when Andriani acquired the status of Benefit Corporation.

To provide a tangible contribution to the 17 goals of the 2030 Agenda, we have achieved the prestigious position of Founding Members of the Italian Global Compact Network, also choosing to become part of the National Association for Benefit Corporations, AssoBenefit, to share values, experiences, and best practices, creating a positive cultural environment around the Benefit Corporation model.

By complying with the international B Impact Assessment standard, we also successfully completed the path to join the B Corp movement by obtaining a certification of our business impact measurement in terms of governance, workers, community, environment, and customers.

The 2021 Impact Report presented below not only sets out the goals and related actions planned for 2022, but also provides an overview of the projects the company pursued during 2021 in the five impact areas, in line with the 2021 objectives already communicated in the first edition of the Impact Report for 2020.

Once again this year, the 2021 Impact Report is directly in line with the Sustainable Development Report, which was awarded the Ferpi “Oscar di Bilancio” for 2020 in the Benefit Corporation category and which now, for the 2021 edition, is presented as the Sustainability Management Report, anticipating certain aspects of the new Corporate Sustainability Reporting Directive. The contents of that document are referred to throughout this report through hyperlinks.

Raffaele Rasp
Impact Manager



Guide to reading

The 2021 Impact Report is a continuation of Andriani S.p.A. Benefit Corporation's commitment to:

- sustainable development and the UN principles - launched in 2018 with the publication of the first sustainability report (formerly Communication on Progress) - communicating the active contribution made to the [17 goals of the 2030 Agenda](#) and compliance with the [10 Principles of the Global Compact](#);
- the common benefit, which began in 2020 with the publication of the first impact report, providing information on what has been and what will be the company's commitment in the five statutory impact areas.

Once again this year, the document is closely aligned with the content of the [2021 Sustainability Management Report](#) because, not only does it refer to more detailed information included in the report, it also introduces additional elements that make it possible to better define the key combination of strategy and corporate sustainability for Andriani S.p.A. and the entire Andriani Group.

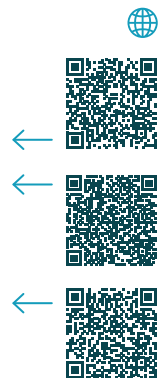
The 2021 Impact Report is comprised of a [more general part](#) that includes the primary steps in the company's path to CSR, some of the ESG performance measures in 2021, and the major recognitions obtained for the

commitment to the issue.

The second part of the Report, which is definitely [more detailed](#) and in line with the requirements of Italian law 208/15 provides, on one hand, a detailed reconstruction of the B Impact score obtained in June 2022 from the certifying body, B Lab, and on the other, a description for each of the 5 impact areas of the actions implemented in 2021, the progress of the 2021 goals reported in the previous Impact Report, and the activities and related targets planned for 2022.

The 2021 Impact Report, which is aimed at accounting the type of impact the Company has generated for its stakeholders in terms of common benefit, was drafted in compliance with the [BIA standard](#), also relating its content to the [GRI standard](#), in line with the [Complementary Use and Linkage of the GRI Standards and B Lab's B Impact Assessment](#).

The GRI reporting link also allows for a sort of mediated connection between the BIA impact topic, the 17 SDGs, and the 10 Principles of the Global Compact included as annexes to the 2021 Sustainability Management Report (p. 118-123).



1

**The path
of our
commitment
to
sustainability**

1.1 CSR milestones

This history of the Andriani Group is populated with numerous milestones and recognitions that make up today's strong, recognizable corporate identity.

2015

felicia

Founding of Felicia S.r.l. and launch of the *Gluten Free products of the same name*



2020

ApuliaKundi
Green food - Energy for life

Acquired control of Apulia Kundi S.r.l. an innovative company specialising in the production and marketing of alga spirulina



2022 preview

Amendment of the Apulia Kundi S.r.l. and Cardo Rosso S.r.l. corporate purposes in order to better pursue the common benefit objectives of Andriani S.p.A. Benefit Corporation



2016

Construction of an innovative Multigrain milling plant

Evolution from a traditional to sustainability type of governance, increasing the number of board members from 3 to 5 with the allocation of delegated powers in the area of sustainability, establishing a Management Board (now the Executive Committee) and a Nutrition Observatory

2018

Supply chain for legumes and focus on gluten free project through acquisition of control of Cardo Rosso S.r.l. and Terre Bradaniche S.r.l.



Statutory change to a Benefit Corporation with related expansion of the corporate purpose and identification of the Impact Manager.

2019

Publication of the first Sustainability Report (GRI= and related Communication on Progress (Global Compact)

2021

Acquisition of the status of Founding Member of the Italian Global Compact Network

Partnership with Sai Platform, an international organisation that supports the development of sustainable farming practices

Establishment of an Ethics Committee



Environment

-97%

Total emissions per tonne of product

(Scope 1 + Scope 2 market-based)

55%

Electricity

self-produced on-site

2

Photovoltaic systems

installed in June 2021 for Andriani and Terre Bradaniche facilities

11,000 tonnes

Equivalent CO₂ emissions

prevented in 2021

The **Andriani Smart Building** was designed and constructed according to the Itaca Protocol, which assesses the environmental and energy sustainability of buildings.

In 2021, starting with the inauguration of the plant in September, approximately **800 kg of Spirulina were produced** using 420,000 litres of water and subsequently capturing approximately 1500 kg of CO₂ from the atmosphere.

About 97% of the entire waste production was recovered to produce new secondary raw materials to be given a new life in the form of recycled material.

Social

204

Employees in 2021

+27 compared to 2020
15.3% increase in human resources

5,895

Hours of training provided in 2021

+19.2% compared to 2020

20%

Pink quotas

+2% compared to 2020

95% of food raw material suppliers have operational headquarters in Italy and about 90% of procurement volumes come from them.

Introduction of a **Code of Conduct for Suppliers**.

22% of food raw material and packaging suppliers subscribed to Sedex (platform for ethical and social procurement).

10 product quality certifications.

25% of the 2021 projects focused on the improvement of Felicia brand products to ensure a greater dietary-nutritional benefit for the consumer.

3 product research projects in collaboration with Italian universities.

There were no cases of nonconformities to regulations and/or standards related to the health and safety of the products.

There were no claims regarding customer privacy breaches and/or loss of customer data.

Governance

Corporate governance comprised of **7 bodies** 4 corporate (Board of Directors, Board of Statutory Auditors, 231/01 Supervisory Board, Executive Committee) and 3 sustainable (Nutritional Observatory, Ethics Committee, Impact Manager).

Average age of members of the governance bodies is under **51 years**.

Over **25% of the members of the sustainability governance bodies** are women.

+ 2 members of the CSR & Sustainability Team (increased from 4 to 6 members).

1.3

Sustainability awards and recognition



Verso un'economia circolare

With the **2025 Carbon Neutrality project**, Andriani won the **National Award for Excellence, "Towards a circular economy"** in the in the World of Enterprise category with a turnover of more than €30 million. The award, now in its fourth edition, represents one of the most important recognitions in the field of sustainable development and is promoted by **Fondazione Cogeme Onlus** in collaboration with Kyoto Club. At the award presentation, Michele Andriani expressed the Group's commitment to sustainable development with a focus on the 2025 Carbon Neutrality plan aimed at zero climate altering gas emissions from the facility.



Great Place to Work® Italy Award: Andriani was the only company in southern Italy to be included in the *2021 Best Workplaces Italy* ranking. By introducing the *Employee Value Proposition "Happiness at work, positive thinking"* human resources management strategy, Andriani created an innovative approach that encapsulates the meaning of the cultural transformation for which the company is the spokesperson and virtuous example. This path involves all company departments through training and coaching activities that support the enhancement of soft skills and technical skills.



Andriani S.p.A. Benefit Corporation and its Felicia brand received the **"Ethics and Sustainability of the Better Future Award 2021"** for the ESFAI sustainable supply chain project promoted in Ethiopia for Teff cultivation. The recognition for food excellence, promoted by Gdoweeek and MARKUP in collaboration with TUTTOFOOD Milan awarded three categories: innovation, ethics and sustainability, and packaging. Agriculture can offer nutritious food for everyone and generate adequate income, supporting rural development that respects the environment and focuses on people.



Andriani won the 2021 "Oscar di Bilancio" financial communication award in the Benefit Corporation category

The "Oscar di Bilancio", now in its 57th edition and promoted by FERPI - Federazione Relazioni Pubbliche Italiana (Italian Public Relations Federation), in collaboration with the **Italian Stock Market** and **Bocconi University**, is the most important national awards for excellence in corporate reporting and rewards the reporting activities of organisations that use the financial statement to account for their activities and share results and objectives with their stakeholders. The reasons Andriani, the only company in southern Italy to reach the top step of the podium, won the award particularly include how the company is ahead of the game *"in terms of sustainability reporting standards, distinguishing itself in the integration of the various aspects that contribute to the creation of value."* The "Oscar di Bilancio" is further confirmation of the quality of the Company's path, in which it interprets and promotes Sustainable Development.



Andriani S.p.A. Benefit Corporation became a **Caring Company**. The prestigious recognition from Lifeed was given to Andriani for enhancing work-life balance and for its ability to be a model for *caring leadership*, which promotes diversity.

2

B Corp certification and B Impact Assessment

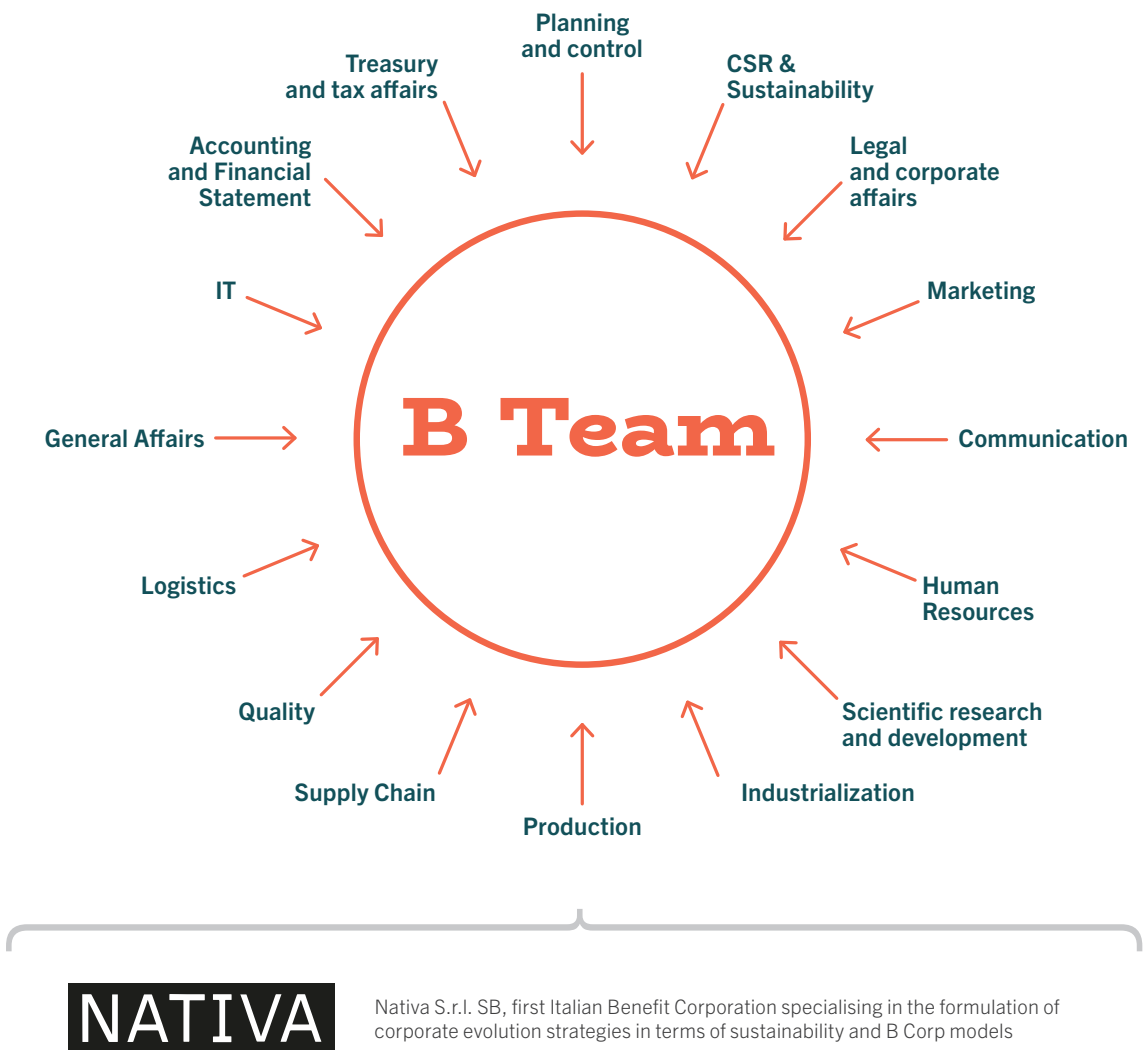
B Corp certification is the result of a path that Andriani S.p.A. carried out with responsibility and full commitment. This path began in December 2020, when the Company acquired the status of Benefit Corporation, implementing an internal assessment path through the SDG Action Manager open source platform. This activity made it possible to measure the contribution of the company's business towards the 17 Sustainable Development Goals and, at the same time, to assess the impact of its business in line with the international BIA standard, broken down into the five areas: Governance, Workers, Community, Environment, and Customers.

created an empowerment plan focused on the 5 related impact areas broken down into 20 sub-areas and 63 actions. To create the plan, the contribution of the B Team and the [Nativa S.r.l. Benefit Corporation](#) consultants was fundamental.



In seeking compliance with the BIA standard, Andriani

DIAGRAM
B Team
Composition



At the end of this evolutionary path, the Andriani B Team constantly interfaced with B Lab's external audit team, whose process was concluded in June 2022 with the issuing of the B Corp certification and the awarding of the overall score of 85.4. Andriani, therefore, strengthens its Mission, becoming part of this global movement.



Overall B Impact score

Based on the B Impact Assessment (BIA), Andriani S.p.A. obtained an overall score of 85.4, broken down in the 5 areas as follows:



- 85.4 Overall B Impact score
- 80 Minimum threshold for B Corp Certification
- 50.9 Average score of ordinary companies

Governance

Policies and practices related to the mission, ethics, responsibility, and transparency



Workers

Protection and enhancement of the personal, professional, and financial well-being of its workers



Community

Contribution to the economic and social well-being of the community in which the company operates



Environment

Management of environmental issues (energy, water, waste)



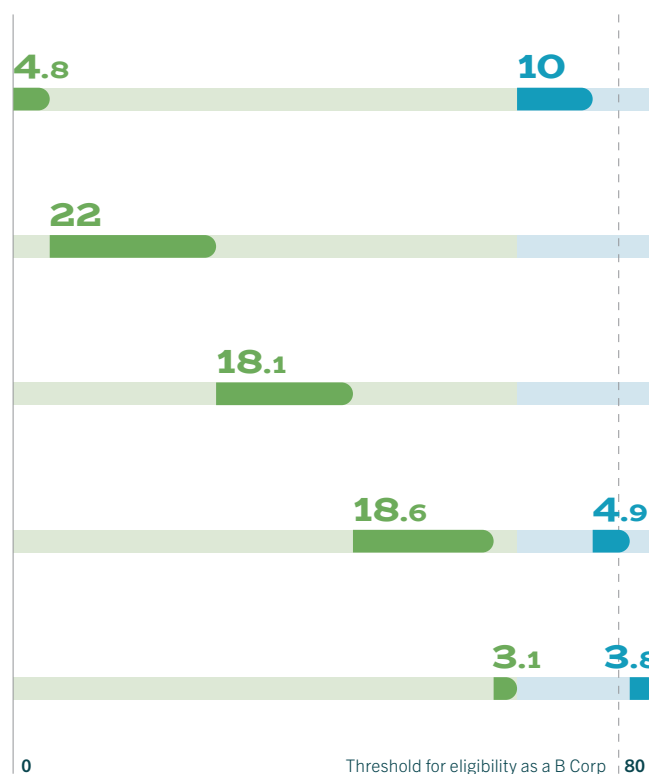
Customers

Value created for the customers and direct consumers of the company's products and services



66.7
Operation Score

18.7
Impact Business Model Score



Mission protection

Aligning the Mission to the Benefit by-laws with a view to protecting the company's core values.

Toxin reduction

Products oriented towards reducing the need for chemical substances over market alternatives to a minimum. Organic Products.

Improvement of health and well-being

Products oriented towards improving and maintaining health, providing healthy market alternatives for its consumers. Gluten-free products.

3

**Our
commitment
for the
Common
Good**

The section below provides the detailed report of the actions carried out by Andriani during 2021 and defines the goals for 2022, highlighting specific activities and KPIs as well as the related connection to the 17 SDGs and the 10 Principles of the Global Compact.

Since it is the second year the Impact Report has been prepared, the 5 areas also include progress made related to the result indicators. This feedback is necessary to verify the effect produced by the company business with respect to the common benefit goal, re-

presented, where possible, with indicators. All of the results reported contribute to the impact generated by Andriani's activities, represented by its common benefit purposes.

The details of the internal assessment activity, i.e. the BIA sub-area and the BIA topic, to which the GRI disclosure and the related SDGs and Global Compact Principles are linked, are also reported for each of the 5 impact areas.



3.1

Value chain and sustainable farming

During 2020, Andriani laid the foundations of its sustainable supply chain management path by developing new tools for engaging with its suppliers in order to create a genuine *value network*, i.e. an ecosystem of interconnected players (companies, suppliers, research institutions and universities) for the generation of shared value.

With this in mind, the regenerative co-evolution project, whose objectives were fully achieved during 2021, was the most significant activity in which the following steps were carried out:

- Mapping of the supply chain, which led to the identification of the primary purchasing categories (*product groups*) and represented the first step towards greater awareness of the impact generated by the company's purchasing decisions. The categories identified are: food raw materials, packaging, transport, plant parts and maintenance, services, and consumable materials;
- The [Suppliers Code of Conduct](#) and the Selection, Qualification, and Assessment Framework, complementary tools for implementing the engagement strategy, were designed and approved in compliance with the goals of Andriani's Strategic Sustainability Plan and the continuous improvement path laid out by the B Impact Assessment.

In addition, for the beginning of 2022, a project presentation workshop was planned that involved 14 of the company's most important suppliers (in terms of purchasing volumes developed, historical supply relationships, and strategic importance) for an initial phase of dialogue and sharing of objectives based on the principles set out in the Code. The engagement process will then continue involving the remaining part of the suppliers, safeguarding the commitment to an inclusive co-evolution process aimed at the entire supply chain.

The initiative complements other sustainable sourcing activities, such as the now five-year *Legume Supply Chain* project for precision agriculture through the use of the *legumi.net platform*, which, in 2021, reached over 220 farmers in Puglia, Basilicata, Campania, Calabria, Sicily, Abruzzo and Marche.

Crop monitoring has highlighted areas for improvement, such as more active management of biodiversity and soil resources. Therefore, starting in 2022, Andriani decided to engage on two fronts:



- introduce pollinating insects in the field in collaboration with some local beekeepers;
- develop organic fertilizers starting with grain processing waste, in collaboration with the Bari Mediterranean Agronomic Institute (IAMB – CIHEAM) and some of its partner companies.

For 2021, the strategic partnership with the Pollenzo University of Gastronomic Sciences produced the *Ten Commandments of Good Agricultural Practices*, a document accompanied by a self-assessment questionnaire aimed at increasing the overall sustainability of agricultural companies through Nature-Based Solutions, eco-systemic services and networking actions.

Finally, the European LIFE AGRESTIC project, which reached the Mid Term Conference in 2021, will continue to play a leading role in 2022 in applied research on agricultural techniques in relation to climate change and the associated adaptation strategies. The research areas of greatest interest are monitoring GHG flows from the soil, the use of cover crops, and varietal research.



Goals

Description	2021 goals achieved		2022 goals		SDGs	Global Compact
	Support activities	KPIs	Support activities	KPIs		
Regenerative supply chain project	Evolutionary framework creation	14 suppliers involved in the regenerative supply chain project	Presentation and awareness workshops*	Workshops **	 	7 8 10
	Supplier mapping and gap analysis	Mapping and gap analysis completed	Code of Conduct Diffusion*	No. of signers of the Code of Conduct for Suppliers		
	Code of Conduct Creation	Code of Conduct approved	Qualification questionnaire completion*	No. questionnaires completed by suppliers**		
	Supplier selection and qualification	Qualification, selection, and assessment framework implemented				
Enabling technologies for the sustainable agricultural supply chain	Development of new communication channels supporting dialogue with suppliers	226 farmers involved in the legume supply chain through legumi.net	Involvement of farmers in the legume supply chain through legumi.net	No. farmers involved in the legume supply chain through legumi.net		
			Activities supporting biodiversity and soil health*	Installation of beehives**		
Planning in the field of agro-food research and innovation	Network for planning collaborations	1 project work in collaboration with CIHEAM of Bari (Teff Bakery Products) 1 project in collaboration with UNISG of Pollenzo (Ten Commandments of Good Agricultural Practices)	Network for planning collaborations	No. of research and collaboration projects		
	Training on agriculture and sustainable innovation	81 hours of training/workshops on sustainable agriculture	Training on agriculture and sustainable innovation	No. hours of training/workshops on sustainable agriculture (precision, regenerative, or climate smart)		

* New support activities planned for 2022

** New indicators to monitor for 2022

Impact Area → Value chain and sustainable farming

BIA Impact Area	BIA Impact Topic	GRI	GRI Disclosure Title	SDGs	Global Compact
Community	Supply Chain Management	408-1	Activities and suppliers at significant risk of episodes of child labour	 	5
	Supply Chain Management	409-1	Activities and suppliers at significant risk of episodes of forced or compulsory labour		4
Disclosure Questionnaire	Disclosure Industries	408-1	Activities and suppliers at significant risk of episodes of child labour	 	5
	Disclosure Practices	408-1	Activities and suppliers at significant risk of episodes of child labour	 	5
	Supply Chain Disclosure	408-1	Activities and suppliers at significant risk of episodes of child labour	 	5
	Disclosure Industries	409-1	Activities and suppliers at significant risk of episodes of forced or compulsory labour		4
Governance	Mission & Engagement	408-1	Activities and suppliers at significant risk of episodes of child labour	 	5

Health and well-being

In line with new market trends, Andriani has set a goal to study and develop products that can meet the needs of the current national and international situation.

In fact, in the last two years, the modern consumer's requirements and needs have changed profoundly toward the purchase and consumption of products with high dietetic, nutritional, and environmental value. In addition, the market must adapt to the new habits of consumers who are increasingly more likely to purchase *Ready-to-cook* and *Ready-to-eat* products.

For these reasons, Andriani is engaged in promoting a sustainable nutritional system through:

- new product development (NPD);
- improvement of existing products,
- characterisation of new raw materials or those already used in pasta-making.

In 2021, the needs and habits of modern consumers were analysed, and special attention was paid to the welfare of those consumers belonging in the more fragile categories, launching a study to develop a new product aimed at people with special dietary and nutritional needs.

Taking inspiration from the latest trends that emerged in the market analysis, the development of new *Ready-to-Cook* products suitable for various occasions and that are quick and easy to prepare was undertaken.

One of the primary goals is to select and study new raw materials that can be used to create new pasta products with significant nutritional characteristics and organoleptic properties. The goal of the chemical-physical and rheological characterisation studies on both usually used and new raw materials is to increase the company's expertise, acquiring useful information to improve both the process and product.

New goals for 2022 include the development of new, nutritionally balanced product categories in line with Felicia's principles and brand identity in order to explore and fill shelves that are as yet unknown to the company.

In this perspective, openness to the world of research and innovation allows Andriani to collaborate in synergy with universities and research centres. In 2021, an industrial doctorate course that began in 2018 in collaboration with the University of Bari was completed. The R&D Division was involved in writing a scientific article published in the international journal *LWT-Food Science and Technology* entitled "*Production of extruded-cooked lentil flours at industrial level: effect of processing conditions on starch gelatinisation, dough rheological properties and techno-functional parameters*".



Goals

Description	2021 goals achieved		2022 goals		SDGs	Global Compact
	Support activities	KPIs	Support activities	KPIs		
Formulation of new products and improvement of already existing products with high dietetic, nutritional, and environmental value that can meet the consumers' various needs.	Development of new formulations that satisfy the needs of consumers belonging to the more fragile categories and/or with particular dietetic and nutritional needs	1 new product developed	Development of new recipes that satisfy the needs of consumers belonging to the more fragile categories and/or with particular dietetic and nutritional needs	No projects started	 	3
	Improvement of already industrialised products	2 products improved	Improvement of already industrialised products	No. of products improved		
	Creation of new products that are sustainable for man and the environment	3 products obtained	Creation of new products with a high service content with offer diversified between Felicia and PL	No. new products developed in outsourcing		
	Creation of new products with a high service content with offer diversified between Felicia and PL	4 new products developed in outsourcing				
Growth of company expertise through studies conducted on the raw materials	Scouting suppliers for new raw materials that can be used to develop new products	8 raw material characterisation studies	Scouting suppliers for new raw materials that can be used to develop new products	No. raw material characterisation studies		
	Chemical-physical and rheological characterisation of new raw materials supported by the study and analysis of the scientific bibliography		Chemical-physical and rheological characterisation of new raw materials supported by the study and analysis of the scientific bibliography			
Third-party projects to develop new product categories (Felicia brand extension)	Study and analysis of raw materials obtained through new transformation processes		Study and analysis of raw materials obtained through new transformation processes			
			Choice of suppliers able to create products that meet the Company's needs*	No. products developed and purchased externally (buy)**		
Projects in collaboration with the academic scientific community		3 research projects in collaboration with Italian universities		No. of research projects in collaboration with Italian universities		
	Sustainable open innovation activity through dialogue with the academic community	1 resource in technical/scientific training hosted by the Company 1 article published in the international scientific journal LWT-Food Science and Technology	Sustainable open innovation activity through dialogue with the academic community	No. of resources in technical/scientific training hosted by the Company		

* New support activities planned for 2022

** New indicators to monitor for 2022

Impact Area → Health and well-being

BIA Impact Area	BIA Impact Topic	GRI	GRI Disclosure Title	SDGs	Global Compact
Community	Supply Chain Management	417-1	Requirements related to information and labelling of products and services.		
Disclosure Questionnaire	Disclosure Outcomes & Penalties	416-2	Episodes of nonconformity regarding impacts on the health and safety of products and services		
	Disclosure Outcomes & Penalties	417-2	Episodes of nonconformity related to information and labelling of products and services		
	Disclosure Outcomes & Penalties	417-3	Cases of nonconformities regarding marketing communications		
	Disclosure Outcomes & Penalties	418-1	Evidence of customer privacy breaches and loss of customer data		
Customers	Customer Stewardship	417-1	Requirements related to information and labelling of products and services.		
	Customer Stewardship	418-1	Evidence of customer privacy breaches and loss of customer data		

Community development and valorisation

Pursuing the goals of developing and enhancing the territory means first of all establishing lasting connections with the operators in order to generate relational capital and opportunities for collaboration to the widespread benefit of the communities involved. In this perspective, the most significant activities are undoubtedly the link with the academic world and the dialogue and networking with companies and institutions that share the same goals as Andriani.

For this reason, the contribution to the dissemination of the culture of sustainability in educational establishments considerably increased in 2021. The company case study as well as the commitments made in relation to the 2030 Agenda Goals and the 10 Principles of the Global Compact were presented and shared in Masters courses (in collaboration with the Milan Polytechnic, Turin Polytechnic, University of Bari, and University of Bergamo), degree courses, and in schools of various types and levels.

Events at institutions were complemented by several company visits, strengthening relations with the local scholastic and academic community and stimulating dialogue on the circular economy, healthy nutrition, decarbonisation, decent work, and many other topics. In addition, there was also a renewed commitment to support several courses of study of excellence in these fields through sponsorships, participations, and scholarships.

Andriani's attitude was one of complete openness with the area to the point of formalising, for 2022, the goal of regularly pursuing the work of sharing its experience with delegations, schools, and universities, both Italian and foreign, on a weekly basis or with over 1 meeting a month.

On the institutional networking side, activities in 2021 were equally intense: Andriani was invited to or promoted several events, including the "Circular Evolution" press event to communicate the initiation of the circular production of spirulina, the "CI.BU.S – Cibo Buono per tutti: uno Start per lo Human Pole Puglia" (Good Food for all: a Start for the Puglia Human Pole) and the Mediterranean Innovation Agrifood Week, both in collaboration with CIHEAM – The Bari Mediterranean Agonomic Institute.

The latter was strategic in pursuing the goals to enhance area resources. Therefore, Andriani set a goal to pursue the collaboration with CIHEAM and its partners in 2022 as well, intensifying its involvement in educational activities and those benefiting students in the Mediterranean basin.

Finally, the 6th Italian Business & SDGs Annual Forum of the Italian Global Compact Network on the theme "Migrations and Decent Work: Business commitment to the 2030 Agenda" hosted by Andriani at the Bari Chamber of Commerce was an opportunity to relaunch the commitment of the participating companies to take concrete action on two fronts: measuring the sustainability of the supply chain, including with respect to Decent Work and Human Rights, on the one hand, and, on the other hand, investing in training and multiculturalism as levers for future territorial development. A working group will be set up for 2022 to prepare a position paper on those topics.

Goals

Description	2021 goals achieved		2022 goals		SDGs	Global Compact
	Support activities	KPIs	Support activities	KPIs		
Contributing to the development and enhancement of the area through awareness, enhancement, and training activities	Diffusion of the sustainability culture in the academic world	20 hours of presentation of the company's path toward sustainable development	Diffusion of the sustainability culture in the academic world	50 hours of presentation of the company's path toward sustainable development		All
	Diffusion of the sustainability culture in the community	15 hours of participation in conferences, focus groups	Diffusion of the sustainability culture in the community	20 hours of participation in conferences, focus groups		
Networking at the institutional level on sustainable development and the common good	Measurement of sustainability performance	Impact on the 5 areas of the B Impact Assessment	Measurement of sustainability performance *	Obtaining B Corp Certification**		
	Collaborations with national and international institutions	10 hours of participation at institutional events	Collaborations with national and international institutions	10 hours of participation at institutional events		

* New support activities planned for 2022

** New indicators to monitor for 2022

Impact Area → Community development and valorisation

BIA Impact Area	BIA Impact Topic	GRI	GRI Disclosure Title	SDGs	Global Compact
Community	Civic Engagement & Giving	201-1	Economic value directly generated and distributed		6
	Economic Impact	202-2	Proportion of senior managers hired from the local community		
	Governance Metrics	204-1	Proportion of expenses paid to local suppliers		
Governance	Governance Metrics	201-1	Economic value directly generated and distributed		7

Climate change and circular economy

As part of the Strategic Sustainability Plan the company pursues on an ongoing basis, Andriani's environmental strategy is divided into three main macro-objectives: achieving Carbon Neutrality by 2025, implementing circular economy practices for the proper valorisation of all by-products resulting from the company's production processes, and protecting biodiversity throughout the supply chain.

With regard to the pathway to Carbon Neutrality, the various supporting activities have been renewed and expanded from what was defined in 2020, outlining in greater detail the individual contributions and related KPIs. In particular, the company's decarbonisation plan is comprised of monitoring activities, energy efficiency, emissions reduction, and an increase in self-production of energy from renewable sources.

In 2021, in line with the goals set out in the previous Impact Report, the Andriani facility achieved the total balance of emissions generated from the consumption of electricity and natural gas. However, the extension of the reporting scope to include the new subsidiaries (Terre Bradaniche, Apuliakundi, and Birrificio B31) changed the balance of consumption and related emissions, albeit in a minor way.

In particular, the Company improved its KPIs related to CO₂ emissions through the following:

- commissioning of the trigeneration plant, which in 2021 produced 55% of the Andriani facility's electricity needs and 30% of its superheated water needs;
- installation of 2 photovoltaic plants for a total of 612 kW of power installed;
- purchase of 96% of its total electricity needs (including the Andriani, Terre Bradaniche, and Birrificio B31 facilities) from certified hydroelectric sources with Garanzia d'Origine (GO);
- offsetting almost all (99.9%) of the methane gas consumed by financing a project dedicated to the distribu-

tion of high-efficiency stoves in rural southern Ethiopia (the actual reduction of greenhouse gases generated by this project was verified by the issuance of VER - Verified Emissions Reduction - or VCS - Verified Carbon Standard certificates).

The actions mentioned above generated a reduction in emissions with respect to production and turnover of approximately 97% compared to 2020, resulting in 1.70 kgCO₂/ton_{prod} and 1.30 kgCO₂/k€ respectively.

At the same time, the integrated monitoring and tracking system within Andriani's scope was expanded. It currently provides real-time control of the energy performance of 100% of the self-produced electricity, both from tri-generator and photovoltaic plants, and about 70% of the thermal energy. In this respect, the goal for the year 2022 is to further extend the monitoring system to include all thermal flows and the water network.

In the circular economy area, Andriani completed a project in collaboration with the young apulian company Apuliakundi S.r.l., for the cultivation of spirulina by reusing the Andriani plant's water resources (in particular, the water from the die washing process), after appropriate purification and filtration. The algae cultivation plant, which was inaugurated in September 2021, allowed the reuse of approximately 420,000 litres of water, producing about 800 kg of Spirulina which, thanks to the natural photosynthesis process, captured approximately 1.5 tonnes of CO₂ from the atmosphere, providing an additional environmental benefit. Based on the plant's productivity, about 1.4 tonnes of spirulina are expected to be produced in 2022 with a subsequent 2.5 tonnes of CO₂ captured. Just as in 2020, in 2021 Andriani continued and disseminated its circular economy activities also through its participation in training activities on the topic, in collaboration with apulian and national universities on the subject of the circular economy and climate change. In particular, Andriani renewed its partnership

with UNISG as a Supporting Member, delivering 1 scholarship.

Finally, to promote the protection of biodiversity in the legume supply chain, Andriani uses the *legumi.net* platform to monitor the improved crop characteristics based on atmospheric nitrogen fixation activity in the soil.

The indicator assesses the variety of uses of the soil, taking into account both crop rotation and the presence of trees, natural habitats, or other eco-systemic services that can promote the protection of local flora and fauna. In this manner, Andriani is able to assess the impact that the crops have on the integrity of the biosphere.

Goals

Description	2021 goals achieved		2022 goals		SDGs	Global Compact
	Support activities	KPIs	Support activities	KPIs		
2025 Carbon Neutrality Goal:						
Reduction in CO ₂ emissions and making the use of resources more efficient	Monitoring the CO ₂ produced in the company's perimeter (Scope 1 and Scope 2)	1.70 kgCO ₂ ^{eq} /tonne _{produced} 1.30 kgCO ₂ ^{eq} /k€ _{turnover}	Monitoring the CO ₂ produced in the company's perimeter (Scope 1 and Scope 2)	< 1.70 kgCO ₂ ^{eq} /tonne _{produced} < 1.30 kgCO ₂ ^{eq} /k€ _{turnover}		
	Increase in the share of self-production of renewable energy*	612 kW of Photovoltaic installed 3.1% of the annual electricity requirement produced by the photovoltaic plant	Increase in the share of self-production of renewable energy*	Installation of a further 700 kW of photovoltaic Achieving a share of energy requirement from self-produced renewable energy > 5%		
	Purchase of 100% green electricity*	96% of electricity purchased comes from a hydroelectric source with Guarantee of Origin (GO)	Purchase of 100% green electricity*	Achievement of 100% of energy purchased originating from renewable sources		
	Offset of CO ₂ emissions from the consumption of natural gas*	99.9% of natural gas consumed offset through the "CO ₂ Offset" project	Offset of CO ₂ emissions from the consumption of natural gas*	Achieving 100% compensation		
	Monitoring and tracking energy flows inside the company perimeter*	100% self-production of electricity monitored and tracked (trigenerator + photovoltaic plant) inside the perimeter of the Andriani facility 70% of the thermal energy production monitored and tracked within the perimeter of the Andriani facility	Monitoring and tracking energy flows inside the company perimeter*	Extension of monitoring the electrical consumption at the production line and/or process level Extension of the thermal energy flow monitoring system to the plants that do not have it	 	7 8 9
	Atmospheric CO ₂ absorption through the cultivation of spirulina*	1.45 tonnes of atmospheric CO ₂ captured	Atmospheric CO ₂ absorption through the cultivation of spirulina*	2.5 tonnes of atmospheric CO ₂ captured		
	Extension of the SMET monitoring system to also trace water consumption	/	Extension of the SMET monitoring system to also trace water consumption	Initiation of monitoring of plant water consumption		
Innovation and Circular Economy:						
Implementation of circular economy practices**	Re-use of water resources through the cultivation of spirulina*	420,000 litres of water re-used for spirulina cultivation	Re-use of water resources through the cultivation of spirulina*	600,000 litres of water re-used for spirulina cultivation		
Contribute to financing scholarships in circular economy and carbon neutrality	Supporting member of UNISG for awarding scholarships	1 scholarship awarded as UNISG Supporting Member	Supporting member of UNISG for awarding scholarships	1 scholarship awarded as UNISG Supporting Member		
Biodiversity:						
Mapping land belonging to the legume supply chain	Identification and growth of the surfaces intended for the preservation of biodiversity	1,545 hectares dedicated to protecting biodiversity (broken down into buffer zones and headlands, ecological areas, undeveloped water network, permanent grassland and uncultivated areas)	Identification and growth of the surfaces intended for the preservation of biodiversity	No. of hectares dedicated to protecting biodiversity (broken down into buffer zones and headlands, ecological areas, undeveloped water network, permanent grassland and uncultivated areas)		

* Support activities implemented in 2021 not present in the previous Impact Report
** New goal not present in the previous Impact Report

Impact Area → Climate change and circular economy

BIA Impact Area	BIA Impact Topic	GRI	GRI Disclosure Title	SDGs	Global Compact	
Environment	Disclosure Outcomes & Penalties	303-1	Interaction with water as a shared resource	 	7 8	
	Air & Climate	302-1	Energy consumed within the organisation	 	7 8	
	Air & Climate	302-3	Energy intensity	 	7 8	
	Water	303-1	Interaction with water as a shared resource	 	7 8	
	Water	303-3	Water extraction		8	
	Land & Life	304-2	Significant impacts of activities, products and services on biodiversity		7 8	
	Air & Climate	305-1	Direct GHG Emissions (Scope 1)		7 8	
	Air & Climate	305-2	Indirect GHG emissions from energy consumption (Scope 2)		8	
	Air & Climate	305-4	Intensity of GHG emissions		7 8	
	Environmental Management	306-2	Waste by type and disposal method		8	
	Land & Life	306-2	Waste by type and disposal method		8	
	Workers	Health, Wellness, & Safety	306-2	Waste by type and disposal method		7 8

3.5

People and corporate identity

Human resources are the real driving force behind the company's life and activities, which is why Andriani has always attached special importance to the value and central role of its people. The staff's rights, training, and development play an important role in the company's organisation, which promotes careful planning of training and well-being activities, constantly engaging in the care of its people. Also, in order to guarantee respect for the dignity of each individual, the company recognises and values the uniqueness and diversity of each person, with a view to overcoming any stereotypes or prejudices that could lead to the risk of discriminatory behaviour.

For Andriani, the concept of corporate well-being is at the heart of all People Care activities, with the intent being to promote happiness at work. This is essential for high intrinsic motivation, quality production, engagement, a sense of belonging, performance, and productivity.

For this reason, in 2021, the company created a series of initiatives aimed at promoting its workers' health in order to increase internal well-being even further.

Among the services provided are activities carried out in the gym and supervised by a physical trainer, such as muscle awakening, postural and functional respiratory gymnastics, cardio and G.A.L. exercises using the equipment present on-site such as bikes, ellipticals, and treadmills.

In 2021, there was a satisfactory number of participants, reaching around 200 per month. Table tennis and table football tournaments, morning mountain bike excursions to explore the area, afternoon football matches, and yoga classes promoted socialisation and team spirit, aligning with the company's team building policy. To develop a healthy lifestyle, workers were able to meet personally with a nutritionist in order to improve their health

and physical fitness. A special menu was also created in collaboration with the company chef. In addition, a psychological support service was implemented through a Toll-free Wellness Number active 24/7, which allows all workers to receive remote psychological support anonymously, confidentially, and free of charge. The service offers professional support on issues related to work-life balance, stress management, and improving wellness at work and in private life.

As a result of the initiatives aimed at the staff and the climate analysis carried out, Andriani has been awarded Great Place to Work certification for two consecutive years, and has been included in the Best Workplaces Italy ranking for the last two years.

Besides the various activities involving its staff, the Company is also involved in projects involving the entire country.

In fact, following its "The Taste of the Future" project, an experimental scientific initiative, Andriani became the spokesperson for a prevention campaign aimed at young adolescents on topics related to eating disorders to intervene before the disturbance is manifested, trying where possible to help young people recognise it in order to eliminate it or reduce its effects.









The youth are the future. The fragility of today's teenagers is the fragility of tomorrow's adults. Andriani recognises the great heritage of human resources they represent and wishes to contribute to educational strategies that foster harmonious development in this delicate age group, helping to overcome the disorientation amplified by the long wave of Covid19.

The company's focus is also on employment as an advisable and feasible path for "disabled" people, under-

standing disability as the only normal condition of an individual's life, since, considering only the mere functional part. We are born disabled, in need of everything and everyone, then, over the course of life, we become less disabled, but never totally “able”, and again, in old age, we become more “disabled” again. The idea of the work project stems from the concrete employment needs of young disabled people looking for an adequate response in their home regions.

This led to the “Strength and Courage” project that, after an initial planning phase in 2020/2021, will see the identification of the type of inclusive activity in 2022 and the definition of the places inside and outside the company that will allow the planning of the production phase.

Goals

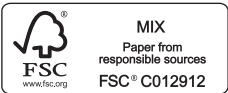
Description	2021 goals achieved		2022 goals		SDGs	Global Compact	
	Support activities	KPIs	Support activities	KPIs			
Improvement in physical health	Increase in the hours of training and health and safety in the workplace	95 e-bikes made available to workers who rode 85.750 km in 2021 for a CO ₂ savings of 8.146 kg	Enhancement and development of emotional intelligence*	Hours of training on Diversity & Inclusion			
Optimisation of the psycho-emotional balance	Improvement of microclimate and noise conditions inside the plant		Preparatory training for field activities*	No. D&I Observatory meetings**			
Promoting a healthy lifestyle	Individual meetings with middle management	92 hours of training on Diversity & Inclusion (12 for executives, 4 for middle managers, 74 for clerical staff, and 2 for workers)	Extra-professional training for personal skills development*	No. workshop on broad-based training**	 		
Reduction of psychological and physical stress	Awareness on the topic of addictions				 	3	
Promotion of safety at work	Prevention of cardiovascular diseases	Diversity & Inclusion Observatory Project	Individual and collective coaching activities*	No. of Dragonfly Foundation meetings**	 	4	
		Dragonfly Foundation project	Involvement of employees in volunteer activities*	No. of projects regarding volunteerism**	 	5	
	Activation of a psychological support service	Inclusive “Strength and Courage” horticulture project	Activation of projects against gender discrimination and violence against women and in support for disabilities*	No. projects on parental role enhancement**			6
		“Taste of the Future” project	Parental role enhancement path*				

* New support activities planned for 2022

** New indicators to monitor for 2022

Impact Area → People and corporate identity

BIA Impact Area	BIA Impact Topic	GRI	GRI Disclosure Title	SDGs	Global Compact
Disclosure Questionnaire	Disclosure Outcomes & Penalties	205-3	Confirmed incidents of corruption and actions taken		10
	Disclosure Outcomes & Penalties	403-10	Occupational illnesses	 	
	Disclosure Outcomes & Penalties	403-9	Occupational injuries	 	
	Disclosure Outcomes & Penalties	406-1	Episodes of discrimination and corrective measures adopted	 	6
Governance	Ethics & Transparency	205-3	Confirmed incidents of corruption and actions taken		8
Community	Economic Impact	401-1	New hires and turnover	 	6
	Diversity, Equity, & Inclusion	405-1	Diversity in governance bodies and among employees	 	6
Workers	Engagement & Satisfaction (Hourly)	401-1	New hires and turnover	 	6
	Engagement & Satisfaction (Salaried)	401-1	New hires and turnover	 	6
	Engagement & Satisfaction	401-2	Benefits set up for full time employees but not for part-time employees or those with a fixed-term contract	 	
	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	 	
	Engagement & Satisfaction (Hourly)	401-3	Parental leave	 	6
	Health, Wellness, & Safety	403-1	Occupational health and safety at work management system		
	Health, Wellness, & Safety	403-2	Identification of the dangers, assessment of risks and investigations of accidents		
	Health, Wellness, & Safety	403-3	Occupational health services		
	Health, Wellness, & Safety	403-4	Participation and consultation of workers and communication regarding health and safety at work	 	
	Health, Wellness, & Safety	403-5	Workers' training regarding health and safety at work		
Workers	Health, Wellness, & Safety	403-6	Promotion of the workers' health		
	Health, Wellness, & Safety	403-9	Occupational injuries	 	
	Career Development (Hourly)	404-1	Average yearly training hours per employee	 	6
	Engagement & Satisfaction	406-1	Episodes of discrimination and corrective measures adopted	 	6



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