

Sustainability Report
2021



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This year, once again, I have the pleasure of presenting to you the Sustainability Report of the Sanpellegrino Group, which represents an important milestone in our effort to share the results obtained and the goals we have set for the future, the foundations of a strategy that will guide our actions in years to come.

Using competitiveness and sustainability as a dual driving force is always crucial for companies. I believe it is even more important during the historic period we live in, where our relationship models and our way of working are undergoing a transformation, while we all have the opportunity to contribute towards rebuilding the world in accordance with new ways of thinking and renewed responsibility principles, helping to build a future that gets better every day.

In 2020, the Sanpellegrino Group generated shared value of 2.5 billion euros, equal to 0.15 of the national GDP, both for its own business and for the entire production and supply chain: from raw material suppliers to end consumers.

This we did by constantly and doggedly implementing a strategy that takes into account and makes the most of the economic, environmental and social impact, a strategy founded on three pillars: People, the Community, and the Planet. We use these pillars as a compass that guides the actions of our brands and our business practices, enabling us to win the licence to operate every day in the field, ensuring our growth and competitive advantage.

In this same year, we took on or placed renewed emphasis on important commitments, such as those related to future neutrality with regard to the climate-changing emissions of our brands or to the regeneration of the water resources on which our business is founded.

We stood by our communities, that were affected in different ways by the Pandemic, regardless of whether they were based in the territories where our springs and our plants are located, or were “ideal communities”, such as that of the world of gastronomy.

We were able to do this thanks to our People, who stand out by their skills, abilities and business culture. At Sanpellegrino, everyone is responsible for common growth, regardless of their role, their workplace, the experience they bring to the mix.

And it is on behalf of our family of Sanpellegrino colleagues that I would like to wish you a pleasant trip through our actions, commitments, results for a sustainable future.

Stefano Marini
Amministratore Delegato

01.

The Sanpellegrino Group

The Sanpellegrino Group is one of the most important reference companies in the beverage sector, in Italy and worldwide.

Since 1899, it has been creating high-quality products with a unique profile, true icons of what it means to be Italian. The Group has a **diversified** and complete product portfolio, so as to offer consumers the product (**water and beverages/aperitifs**) and the packaging (type and format) that is best suited to all their **consumption needs** and their lifestyle. Specifically, there are 3 **mineral water** brands: S.Pellegrino, Acqua Panna, Levissima. They are complemented by a wide range of soft drinks and aperitifs, able to meet the various needs of consumers in terms of flavours and consumption occasions.

We would like to shine a spotlight on the historic Sanpellegrino Soft Drinks made with 100% Italian citrus fruits, the aperitifs Sanbittèr, the Acqua Brillante Recoaro, Gingerino and Diger Selz.

The S.Pellegrino brand has, for over 120 years, been exported around the world, as the indisputable symbol of **Made in Italy**. Today, together with Acqua Panna and the Sanpellegrino Soft Drinks, it is distributed in **more than 150 countries**. In 2021, its role as ambassador of Italian Style was confirmed: it entered the “Kantar BrandZ” Top 30 of the Most Valuable Italian Brands.

Bringing the values of what it means to be Italian to the world



| | | | | |
|-----------------|-----------------|----------|----------|--------------------|
| ● North America | ● South America | ● Europe | ● Africa | ● Asia and Oceania |
| 24,3% | 0,9% | 71,3% | 0,2% | 3,3% |

Sanpellegrino: an 120-year-long history

Sanpellegrino occupies a leading space in the panorama of Italian companies with a rich history and roots that go way back in time.

Sanpellegrino was born in 1899 when, at the spa with the same name, an exclusive and famous thermal water facility at the time, the water that springs at the foothills of the Alps in the Brembana Valley was first bottled.

Having renovated the spa and the bottling plant, in 1932 the company introduced the so-called “Soft drinks”, starting with the Aranciata, born from the fusion of S.Pellegrino water, the juice of Sicilian oranges, and sugar. Later, 1949 saw the birth of the Sanpellegrino Aranciata range, with the launch of Aranciata Amara, immediately followed by Limonata and other beverages.

In 1957, the company made its first big acquisition, Acqua Panna, an important brand for the company’s future.

1958 saw the launch on the market of Chinotto, which was an instant success, while the production of the Sanpellegrino Bitter, now known as Sanbittèr, started in 1961.

In 1968, with an average of 150 million bottles sold, the company became one of the giants of the catering

industry; this growth continued in subsequent years with the construction of the new plant and the introduction of an increasing number of new products.

Other, more recent, milestones of importance for the Sanpellegrino Group are the acquisition of Levissima in 1993 and the establishment of a relationship with numerous other companies of the sector, including Perrier, until its full absorption by the Nestlé group on 1998. Lastly, in 2010 the company reached the prestigious record of one billion bottles of S.Pellegrino mineral water, carbonated drinks and aperitifs sold.





Marco Travaglia
Chairman of the Board
of Directors



Stefano Marini
CEO

01. / 01
Our leadership

*The Sanpellegrino Group is a Nestlé Group
legal entity, part of the Nestlé Waters
Strategic Business Unit.*



Stefano Bolognese
Director International
Business Unit



Ilenia Ruggeri
Director, Marketing and
Innovation



Marco Mazzucchelli
Director, Retail sales,
Out of Home and Vending



Giuliano Dal Fo'
Director Finance
and Control



Fabiana Marchini
Director Sustainability



Cristiana Passerini
Director, Supply Chain



Manuela Kron
Director Corporate
Affairs



Gian Luca Dodero
Director, Human
Resources and
Organisation



Salvatore Duccio
Sbriglione
Technical Director

The ESG Committee

The management of environmental, social and governance-related matters is entrusted, at Group level, to an **ESG Committee**, which is responsible for laying down the sustainability strategy, with the end goal of generating value in the medium/long term, for all stakeholder categories. The ESG Committee coordinates the management of projects, by ensuring that activities that create value for the company, the society and the territory are monitored. The sustainability commitments and targets identified are then managed at intermediate level by the **Sustainability Councils**, that translate them for each area and category. Lastly, the sustainability governance process envisages the application and implementation of said commitments in terms of market and individual Brand by the **sustainability departments** (that report directly to the Chief of market/chief of category/CEO), thanks to the promotion and integration of a series of initiatives that aim to further the goals that have been set by the Group. In addition, the activation and involvement of **Thematic working groups**, on the basis of the priority intervention areas identified, is envisaged for the management of projects that are of particular strategic importance for the Group, such as the implementation of the Roadmap to Carbon Neutrality. The Sanpellegrino Group has established a Sustainability department, which reports directly to the CEO.

01. / 02

The Group's Values

OUR MISSION

Guarantee a quality future to water: this is the mission that the Sanpellegrino Group pursues with commitment and consistency, starting, first of all, with the protection of the territories in which it operates.

OUR VISION



OUR VALUES



Guided by an operational model that is geared towards the creation of shared value, the Sanpellegrino Group carries out its activities based on three fundamental pillars:

The promotion of proper hydration for people's health.

The development of the communities in which it operates.

Respect for present and future natural resources of the territory.

An approach with the end goal of **improving people's quality of life and contributing towards creating a healthier and more sustainable future.**

Fully aware that **water resources** are a fundamental element that greatly influences the quality of our life, Sanpellegrino has always worked with the intention of safeguarding and making the best of this precious asset, promoting a true "water culture". That is why it acts directly on **territories and communities** with structured and externally verified management processes: from the daily monitoring of the springs and the ecosystem that grows around them, to increasing the efficiency of production systems for energy and water savings, to plans for eco-sustainable logistics and recycled and recyclable packaging, to the promotion of educational activities on the correct use of water and scientific research projects to safeguard water resources. Furthermore, given that it handles an **asset as vital as water**, the company undertakes to emphasise the importance of **proper hydration**, supporting and spreading **the principles of physical/mental well-being** linked

to the **proper consumption of water** and becoming the spokesperson of "**hydration education**" through programmes that promote the daily consumption of the right quantities of water.

The commitment to the creation of shared value is also translated into industrial plans and investments in the territory that promote sustainable growth, in combination with projects that can contribute towards promoting the tourism potential of the local communities in which the company is present.

All these actions are nurtured by the **contribution of the people** working at the company and by the scientific and institutional world, with which Sanpellegrino exchanges ideas on a daily basis. Looking after water, in fact, means not just protecting the springs and the ecosystems that grow around them, but also **establishing an open and transparent dialogue with the stakeholders of reference** to spread awareness on this precious resource, able to ignite the passion of all who get to know it in depth.

01. / 03
Our business model that
creates shared value

The Sanpellegrino Group business models aims to create shared value for all stakeholders and to implement the corporate purpose, i.e. the goal of improving quality of life and contributing towards the creation of a healthier future.

Springs and
the territory



Sanpellegrino holds **9 mining authorisations in 3 Italian regions for the collection of natural mineral water**, an activity it carries out in full compliance with the strict rules and regulations of reference, sustainably managing water resources and continuously exchanging ideas with the local communities.

For its Soft Drinks, Sanpellegrino requires certain raw materials, such as **citrus fruit juice, extracts, flavourings, and sugars. They are harvested in Italy** by loyal suppliers who guarantee that all production stages are constantly monitored and controlled.

Local Acceptability Index between 86 and 90 for the S.Pellegrino, Acqua Panna and Levissima sites

Jobs created by the production and supply chain: 30,994 employees

Actions for the protection of water: zero impact on local water availability

100% italian oranges, lemons and bitter oranges

2 Partnerships for the protection of the territory

Investments in the community: € 1.252.469

Production and bottling



The bottling process of natural mineral water and soft drinks takes place in accordance with rigorous regulatory and quality standards. **Where mineral water is concerned, this must take place at the spring and under fully sterile conditions**, to prevent any and all forms of contamination. The Sanpellegrino Group establishments are equipped with **modern laboratories for microbiological, chemical and chemical/physical testing** to perform constant quality checks on water samples obtained at the source and during all subsequent processes. Rigorous controls are also carried out during the lifecycle, by the Sanpellegrino technicians.

The process for the packaging of water and soft drinks is made up of the following stages:

1. Moulding the preform to obtain the PET bottle
2. Filling the bottle
3. Capping
4. Labelling
5. Packaging
6. Shipping to the finished product warehouse

Water used per bottling litre: 1.1

Suppliers chosen in accordance with sustainability criteria: 100%

Total energy consumption: -7% since 2018

Students between the ages of 6 and 11 involved in the recycling education programmes: approx. 300,000 children since 2014

Transport and logistics



Transport is a key step; Sanpellegrino has always endeavoured to guarantee respect for the environment and the communities in which it operates, especially through: **the massive use of rail transport and the optimisation of loads, the use of vehicles that run on LNG**, the selection of logistics operators with Euro 5 and Euro 6 vehicles, the creation of **strategic logistics partnerships**, and the training of drivers.

20% of water transported by rail

36% of water transported by rail and sea

45% of water transported by rail, sea and LNG vehicles

Restaurants, individuals
and families



Restaurants are one of the most important sales vectors for Sanpellegrino, to the point where, while they were closed due to the Covid-19 pandemic, aside from making its own contribution, the company promoted customer support campaigns. Through the network of relationships that Sanpellegrino has built with chefs and sommeliers, as well as with families and the citizens, the Group creates **new taste experiences, promotes a healthy lifestyle and proper hydration**.

Zero sugar line: a range of products with no added sugar

Sanpellegrino Aranciata made from 100% Italian oranges

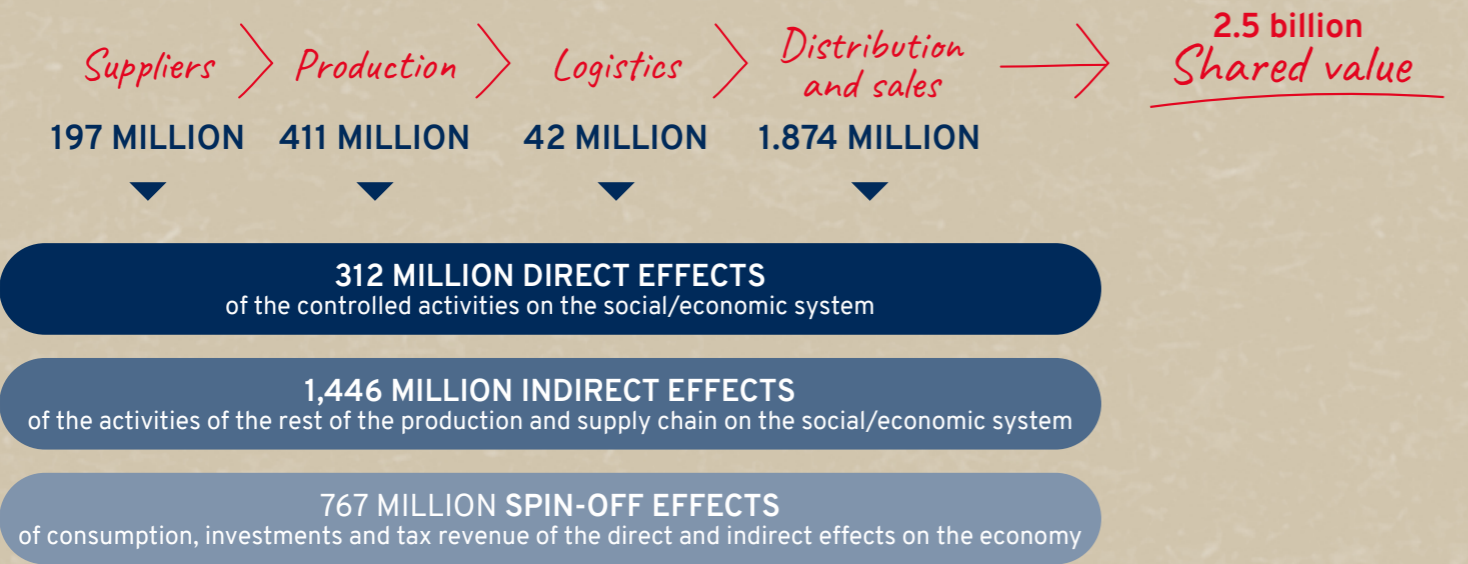
250 lab quality checks per day

For Sanpellegrino, creating value means being able to look after water resources and build a positive relationship with its stakeholders, be they individuals and families, communities and territories, companies and the planet as a whole.

| | | | | |
|-------------------------------|-----------------------|---|--|--|
| Shared value: 2,525 million € | 0.15% of the 2020 GDP | 2.8 times the value of the Sanpellegrino production | Every euro of shared value created during production generates 6.1 euros in the entire production and supply chain | For each one of its people, it generates, indirectly and as a spin-off, approximately 30 job posts, for a total of 45,387 employment opportunities |
|-------------------------------|-----------------------|---|--|--|

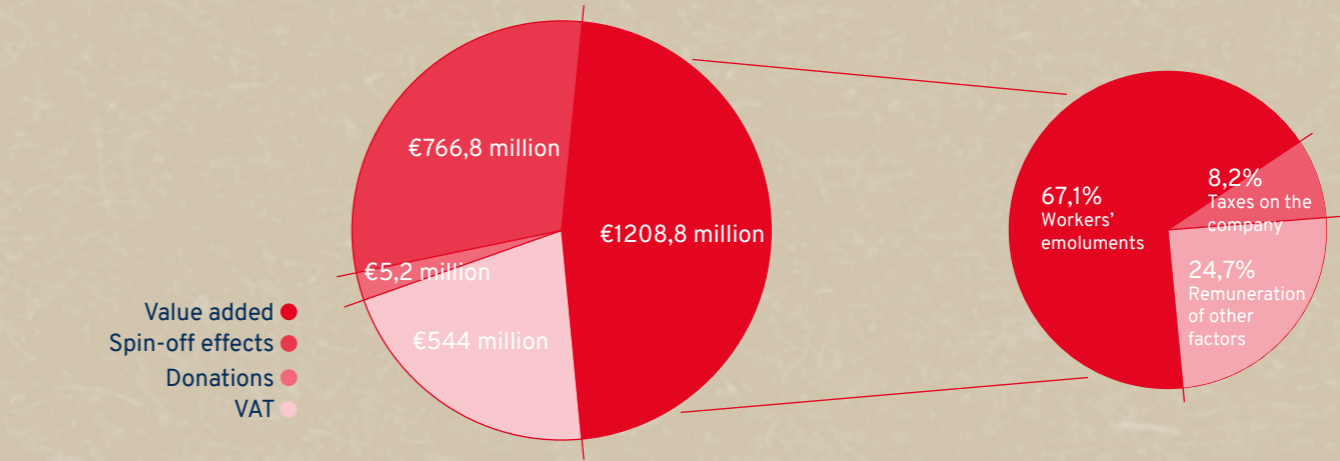
During 2020, the non-alcoholic drinks sector, just like the Italian economy more generally, was characterised by an extremely polarised trend between the growth of large packaged retail at home, which recorded an increase of 7.5%, and the crash of out-of-home food consumption by -40%, with a profound economic impact on the entire production and supply chain. With the goal of monitoring the contribution to the country's economic development and well-being generated by the Group, also in the context of a complex emergency like the one we are currently living in,

Sanpellegrino has, over the years, adopted a model for the **quantification of the shared value that is created (CSV)**. The model takes into account the value generated by the Group along the entire national production/consumption chain and is based on a theoretical framework and a methodology that were already consolidated and used in earlier studies. Specifically, the shared value is composed of the **Value Added Generated** (calculated as the sum of workers' emoluments, the taxes imposed on the company and the remuneration of the other factors), **VAT, donations and indirect effects**.



The shared value generated by the Group in 2020 amounts to 2,524.8 million euros, of which 4% is the share retained inside Sanpellegrino, while the remaining 96% is distributed to the external stakeholders, between the State (41%), other Companies (38%) and Consumers and Workers (17%).

Distribution of shared value



Shared value in the Italian regions

Lombardy

A share of 55% of the Shared Value created upstream of the supply chain, i.e. by suppliers, is generated in Lombardy. Lombardy is the Italian region where Sanpellegrino was born and where the largest part of the Shared Value is generated: almost half of the value of production of the Sanpellegrino Group and Nestlé Waters Italia derives from the sites in Lombardy, with a contribution of approximately ¼ of the national Shared Value, equal to 0.16% of the regional GDP in 2019.

Veneto

The production site of San Giorgio in Bosco is located in the Veneto; approximately ¼ of the Group's production value is concentrated there, with a contribution of 226 million, 0.14% of the regional GDP for 2019. The element that emerges, in this region, is the particular importance of the occupation multiplier with 2,100 job posts created. In the Veneto, the stage that creates the most Shared Value is the distribution and sales stage; procurement from suppliers in the Region, on the other hand, account for 20.3% of the national total.

Tuscany

Tuscany is the location of the Acqua Panna bottling plant, whose production value is very important, accounting for 12.3% of the national production value. The most important part is distribution and sales, where 65% of the total shared value is created. The production of Acqua Panna (32% of the total) plays an important role, that shows a sizable ratio between Shared Value and Production Value, slightly lower than that of Lombardy: €1.5.

Distribution of Shared Value per stage

| SUPPLIERS | PRODUCTION | LOGISTICS | D&S |
|---|------------|-----------|-----|
| 17% | 32% | 3% | 48% |
| Shared value €651.3 million | | | |
| Gross Salaries €242.7 million | | | |
| Job posts generated 6,987 | | | |
| Supply chain employees per worker 6.2 | | | |
| Shared value per every euro produced €1.6 | | | |

Distribution of Shared Value per stage

| SUPPLIERS | PRODUCTION | LOGISTICS | D&S |
|---|------------|-----------|-----|
| 14% | 37% | 4% | 45% |
| Shared value €225.5 million | | | |
| Gross Salaries €69.1 million | | | |
| Job posts generated 2,100 | | | |
| Supply chain employees per worker 8.9 | | | |
| Shared value per every euro produced €1.1 | | | |

Distribution of Shared Value per stage

| SUPPLIERS | PRODUCTION | LOGISTICS | D&S |
|---|------------|-----------|-----|
| 3% | 32% | 0% | 65% |
| Shared value €165 million | | | |
| Gross Salaries €52.6 million | | | |
| Job posts generated 1,839 | | | |
| Supply chain employees per worker 9.4 | | | |
| Shared value per every euro produced €1.5 | | | |

The shared value generated also includes donations, which amounted to over 1.2 million euros in 2020, intended to provide technical and scientific support in research activities, collaboration with local bodies.





































| <i>Investments in the community m.u. €</i> | <i>Sponsorships</i> | <i>Donations and other contributions in the Communities</i> | <i>Total</i> |
|--|---------------------|---|--------------|
| 2018 | 64.486 | 61.812 | 803.233 |
| 2019 | 738.747 | 774.252 | 836.064 |
| 2020 | 45.520 | 1.206.949 | 1.252.469 |

Moreover, Sanpellegrino collaborates with the **Banco Alimentare [Food Bank]** to which, by virtue of the framework agreement stipulated, it donated **185,594.50** units of mineral water, Sanpellegrino soft drinks, juices and aperitifs in 2020, for an economic value of **288,015.85 €**. The Group also works with the **Red Cross**, through a project that includes the donation of foodstuffs to **100 thousand families** in Italy, and a local campaign for the collection of funds. Faced with the Covid-19 emergency, Sanpellegrino committed to doubling the sum donated.

01. / 04 Our establishments

The Sanpellegrino Group is closely linked to the territories in which it operates. Its establishments are located in Central and Northern Italy, with **4 sites dedicated to bottling**, built near the water sources, a characteristic that constitutes the foundation of the relationship that links Sanpellegrino with the local communities and the

surrounding habitats. Aside from the bottling plants, the **production centre for extracts and flavourings for the soft drinks and non-alcoholic beverages**, **11 first-level depots** - of which one near Madone- and the **research centre** at San Giorgio in Bosco are also active.

| | | | | | |
|---|---|---|---|---|---|
| Assago |  |  |  |  |  |
| Headquarters | Milan | Offices | 2014 | No. of employees 255 | |
| San Pellegrino Terme (Bg) |  |  |  |  |  |
|    | Bergamo | Natural mineral water, soft drinks, aperitifs | 1899 | No. of employees 458 | |
| Madone (Bg) |  |  |  |  |  |
| Warehouse | Bergamo | Depot | 1899 | No. of employees 33 | |
| Cepina Valdisotto (So) |  |  |  |  |  |
|  | Sondrio | Natural mineral water | 1859 | No. of employees 249 | |
| Scarperia e San Piero (Fi) |  |  |  |  |  |
|  | Florence | Natural mineral water | 1927 | No. of employees 188 | |
| San Giorgio in Bosco (Pd)* |  |  |  |  |  |
|  | Padua | Soft drinks, tea, preforms | 1879 | No. of employees 224 | |

● Headquarters ● Production sites ● Production centre for flavourings and extracts/depot ● Research Centre

*Before the sale of the Vera brand in late 2020, Sanpellegrino also managed the bottling of the natural mineral water Nestlé Vera. The Group is however still the owner of the site.



THE FACTORY OF THE FUTURE

The Factory of the Future of San Pellegrino Terme

Making the best of the economic, social and environmental context is an element that has always characterised the Sanpellegrino Group and which finds its most concrete expression in the place of its birth.

Thanks to an investment of over 90 million euros, this is exactly where the Factory of the Future of San Pellegrino Terme will be built by 2023, based on a design by the Danish “Starchitect” Bjarke Ingels, the head of the international architecture firm GIB (Bjarke Ingels Group).

The aim is to make this an iconic establishment for the brand, that will also be open and transparent, able of harmoniously blending into the landscape and the network of relationships with employees, the local

communities, and visitors.

The innovative building techniques will also make it possible for the building to have a low-environmental-impact profile.

The construction will prioritise materials of local origin; cutting-edge equipment with LED sources and photovoltaic panels for the reduction of CO2 emissions will be installed and there will be an installation for the recycling of rainwater, with the goal of moving towards a “0 water impact” factory model.

01. / 05

Listening to our stakeholders and our sustainability priorities

Sanpellegrino has identified certain categories¹ of stakeholders as fundamental interlocutors for continued corporate success. The company promotes specific programmes for listening to these stakeholders, in order to incentivise their active participation.

Main stakeholder engagement activities

Employees →

“BEACONFORCE”: a listening tool that creates a continuous, real-time communication channel between the company’s people and its leadership

“NESTLÉ & I”: a global survey, carried out every other year, to measure employee satisfaction level

CORPORATE INTRANET AND NEWSLETTERS: dialogue and information tools for employees

WEBINARS: tools for the training, information and engagement of employees

DIALOGUE WITH TRADE UNIONS AT NATIONAL AND LOCAL LEVEL

Local communities →

COMMUNITY RELATION PROCESS (CRP): a engagement tool for internal stakeholders and the community, to identify expectations, opportunities and projects for the territory

LOCAL ACCEPTABILITY INDEX (LAI): it indicates the judgement of the local community on Sanpellegrino, taking into account three areas: water management, environmental impact, and socioeconomic development

Investors →

MEETING OF THE SHAREHOLDERS

SECTOR SYMPOSIA

¹ Please note that the “consumers” category refers to individuals while the “customers” category refers to the Group’s direct customers.

Institutions →

PARTICIPATION IN WORKING TABLES, meetings with the regional, local, national institutions, with the objective of reacting to consultation documents and proposals, collecting data and continuously monitoring the company’s operations with reference to the directives of the Authorities

Universities and research centres →

ENCOUNTERS, agreements and collaborations with Universities, Research Centres

Environment →

ACCESSION TO AND PARTICIPATION IN A GLOBAL COMPACT CONVENTIONS, DEBATES, SEMINARS, EVENTS AND INITIATIVES regarding training on sustainability matters

PARTICIPATION in the meetings of the associative bodies and working tables on strategic subject

Consumers →

CONSUMER ENGAGEMENT SERVICE (CES): effectively and efficiently managing the activities that relate to listening to our consumers, using more traditional contact channels. digitalised “self service” solutions

CONSUMER SERVICE AND NET PROMOTER SCORE: measurement indicator of customer satisfaction level

Customers →

WORKSHOPS AND TRAINING SESSIONS dedicated to customers to guarantee that the Group’s activities are properly understood

ADVANTAGE SURVEYS for retail customers and projects for OOH customers

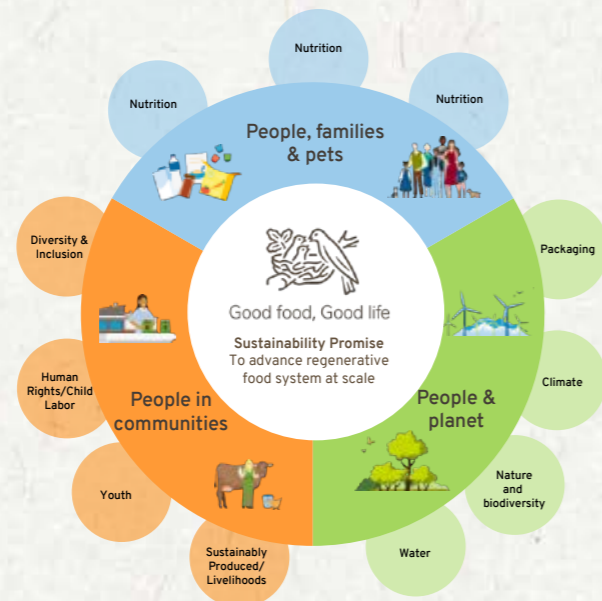
Suppliers →

SUPPLIER PORTAL: an online platform in support of effective and efficient collaboration between the Group and its supplier base around the world

ORGANISED TRAINING SESSIONS: these are an occasion of meeting and exchanging ideas for a more in-depth analysis of pertinent market-related matters, as well as an occasion to discuss innovations in terms of packaging and logistics

Media →

DIGITAL ENGAGEMENT: constant and transparent communication that uses an on- and off-line approach so as to reach all stakeholders with simple and impactful messages on the company’s sustainability-related commitment and actions



| PILLAR | PRIORITY FOR THE SANPELLEGRINO GROUP | COMMITMENTS OF THE SANPELLEGRINO GROUP |
|-----------------------------|--|--|
| People | OFFERING healthier and tastier choices | CREATING SUSTAINABLE BRANDS: empowering the brands so that they transmit their sincere, consistent and concrete efforts on matters of sustainability to customers and consumers |
| | RESPECTING and promoting human rights | PROMOTING SUSTAINABILITY AMBASSADORS: training and involving the Sanpellegrino people with the aim of creating an approach with an eye to sustainability and ambassadors in every department |
| | PROMOTING dignity of labour and diversity | |
| Communities and territories | BOOSTING rural development and contributing to social/economic development | CONTRIBUTING TO THE WELL-BEING of the community, protecting and safeguarding the territories and the springs |
| | INCREASING, sharing and applying our knowledge on the food sector | SUPPORTING YOUNG TALENT in the gastronomy sector and making the best of Italian creative inspiration |
| | LOOKING AFTER water resources | |
| Planet | SUPPORTING the ideal communities of reference | |
| | | SUPPORTING AND SPREADING CIRCULAR ECONOMY: promoting the “bottle to bottle” recycling culture and practices, to become recognised leaders of circular economy |
| | COUNTERING climate change | REACHING CARBON NEUTRALITY IN 2022: implementation of initiatives for reducing and offsetting CO ₂ emissions |
| | SAFEGUARDING the environment | |

The stakeholder engagement procedure, which involved 800 consumers, shone a spotlight on **good work**, as the most pertinent issued, followed by safeguarding **natural resources** and **protecting health**.

The research and listening activity also led to an in-depth examination of **environmental** issues, which showed a specific sensitivity with regard to the **sustainability of packaging**.

Taking these topics, as well as the strategic priorities of the Nestlé Group, into account, the Sanpellegrino Group identified its priorities and its commitments for each pillar of the Shared Value creation model.

The concrete implementation of the sustainable shared value model passes through the **individual Brands and the people of Sanpellegrino**, who, with their skills and passion, pursue **the company’s goals every day**.

Each brand has identified a specific **purpose**, defining the way in which to leverage their essence and their ability to create value for individuals and families, territories, communities, and for the planet. The objectives of each brand and the means of achieving them are just the endpoint of the countless activities that Sanpellegrino carries out for the sustainability of each one of them.

The contribution to achieving the United Nations’ 2030 Agenda

The Sanpellegrino Group contributes to the achievement of the 17 Sustainable Development Goals (SDGs) of the United Nations’ 2030 Agenda. For this reason, the Group has conducted an internal evaluation which cross-matches the priorities and commitments identified and related to its business with the SDGs, in line with what has been set forth at Nestlé Waters level.

| | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS |
|---|---------------|------------------------------|---------------------|-------------------|------------------------------|-------------------------------|-----------------------------------|-------------------------|---|-------------------|-----------------|-------------------------------|
| Offering healthier and tastier choices | ● | | | | | | | | ● | | | |
| Respecting and promoting human rights | | | ● | ● | | | ● | | | | | |
| Promoting dignity of labour and diversity | | | | ● | | | ● | ● | | | | |
| Making the best use of rural development | | | | | | | ● | | | | | ● |
| Inspiring people to adopt healthier lifestyles | | ● | | | | | | | ● | | | ● |
| Increasing, sharing and applying our knowledge on the food sector | | ● | | | | | | | ● | | | |
| Looking after water resources | | | | | ● | | | | | | | ● |
| Countering climate change | | | | | | ● | | | | ● | | ● |
| Safeguarding the environment | | | | | | | | | ● | | ● | ● |

01. / 06 Risks and opportunities

Risk Management

In order to manage purely strategic risks, the company uses the **Enterprise Risk Management (ERM)** framework, which, thanks to a holistic, agile approach that is very closely related to the objectives, constitutes an important competitive advantage for the success of corporate growth plans.

With the progressive implementation of the ERM model, the company - aside from boosting corporate compliance systems - has been able to develop a “positive” risk management “culture”, which sees in risk an additional source of information for the identification and definition of medium-/long-term strategy, further strengthening the approach to the creation of shared value as a fundamental asset for the company’s business activities.

Operational risks

In the routine performance of its activity, the Group is exposed to **risks of an operational nature**, deriving from the possibility that incidents, malfunctions, failures may occur which will harm people, product quality and the environment, with an impact on the economic and financial results; it is also exposed to the **risk deriving from the fluctuation of product prices** and to the **risk from (indirect) competition**.

ESG risks

In its risk profile, Sanpellegrino also takes into account the **ESG risks** to which the Group is exposed the most. Of particular importance among such risks are those related to climate change. The consequences that they may have on the Group’s assets are matters requiring particular attention at production and maintenance management and planning level, in order to guarantee the proper management of the consequent economic/financial impacts.

The implementation of the Plastic Tax, which could have an impact on the Group, is also of particular importance. In this sense, Sanpellegrino promotes all product processes that aim to reducing, as much as possible, the environmental impact of its activities, in line with a circular economy vision. This is the approach that influences the Group’s choices, turning Sanpellegrino into a ground-breaking company in this sense, as it was one of the first companies in Italy to have introduced, in 2010, the use of recycled PET (rPET) and as it has, as of today (2021), produced the first two bottles made from 100% recycled plastic with the brands Levissima and, exclusively in the American market, Acqua Panna. The Group’s efforts continue in this same direction and on more than one levels: research and development activities are geared towards studying innovative and functional solutions so that plastic may be increasingly recycled, so that the awareness of consumers on separate waste collection may be raised, and so that more conscious choices may be made, even in environmental terms.

Did you know that... The risks of climate change for water resources

The hydrologic changes caused by climate change pose a challenge that is added to that of the sustainable management of water resources: food safety, health, urban and rural settlements, energy production, industrial development, economic growth and ecosystems, all depend on water resources. The threat to the safety of water supplies, according to the WHO, affects more than three-fourths of the world’s population, which, added to the scenarios on climate, will have a drastic impact on the actual enjoyment of human rights, such as access to water and to sanitation services, potentially affecting billions of people.

The current situation with regard to access to water is already characterised by significant inequalities that are forecast to worsen, with grave social/economic repercussions.

Currently, 2.2 billion people around the world do not have access to drinking water; 4.2 billion people have no safe purification systems; and 40% of homes have no hand-washing installations.

In Europe, should global warming reach +2°C, the number of people affected from water scarcity could go from the current 85 million to 295 million (equal to 40%), mainly in the countries of the Mediterranean basin, starting with Italy.

This rather grim environmental and socioeconomic scenario is the background for the SARS Cov-2 pandemic, which, among other things, has had a strong impact on the management of water resources at global level: the availability of safe and quality water constitutes a primary prevention strategy to limit the spread of the virus and guarantee proper hygiene and sanitation.

Based on these considerations, the regulatory framework introduces various legal acts with the goal of guiding and building a more responsible, digital and fairer Europe; they are complemented by sector-specific instruments, such as the risk prevention and management model in the production and supply chain of the **Water Safety Plans (WSP)**, drawn up by the WHO. The risk assessment, in this case, forms part of all stages of water supply from the catchment to the consumer, followed by the monitoring of control measures. Lastly, the **Drinking Water Directive (DWD)** is the ambitious standard of reference for EU countries with regard to water quality and safety.

Now, more than ever, an efficient and sustainable water production and supply chain is indispensable for the future of all territories; having a vision and a strategy, therefore, is fundamental. The optimisation and protection of water resources is a shared goal for all actors of the extended water production and supply chain, who must coordinate in an integrated action that will speed up the transition to more sustainable models for the management and consumption of water resources.

02.

Focus on people

The Sanpellegrino Group has always taken great care to create value for individuals, making them the focus of all its activities.

First and foremost, its people, who are the heart, the strength, the passion of the company itself, whose work and talent it appreciates and empowers, at the same time promoting the conciliation of the various dimensions of their life. This is why the Group works to promote a positive and stimulating workplace environment, in conformity with the principles endorsed by the People Policy and listening to its collaborators, openly and fairly.

02. / 01
People: our strength

On 31st December 2020, the Group counted 1,407² employees, a slight decrease compared to 2019 (-3%), due to the uncertainty caused by the spread of the SARS Cov-2 pandemic that was the salient feature of the reporting year. The labour relationship offered to employees is stable and continuous, with 97% of people being on a permanent employment contract and 85% on a full-time employment contract. As far as part-time contracts are concerned, they are a means of accommodating the various and individual needs of every person and of serving organisational needs of the company.

From the selection stages onwards, the Group focuses on seeking the people who have the right skills and who share the corporate values. All new recruitment drives open to the outside world are also published in the “Careers” section of the Nestlé website, where internal employees may also spontaneously submit an application. The candidates are then involved in a selection procedure structured to encourage the parties to get to know each other, so as to ensure that the abilities, skills and experience of the candidates are in line with the Group’s purposes and values.

Once more in 2020, Sanpellegrino confirms its character as a young company, on average, with 12% of the corporate population being under 30 and 56% under 50.

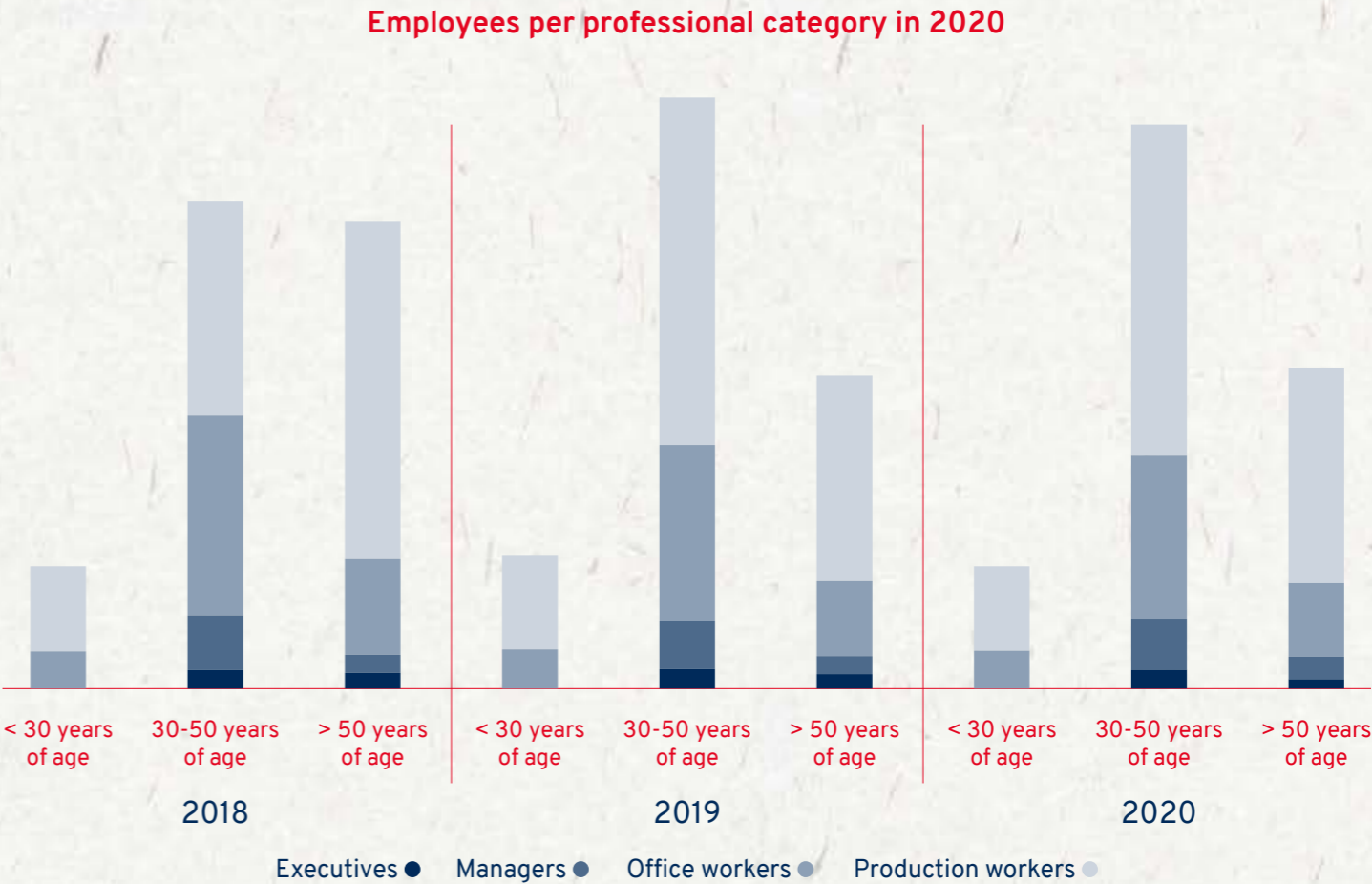
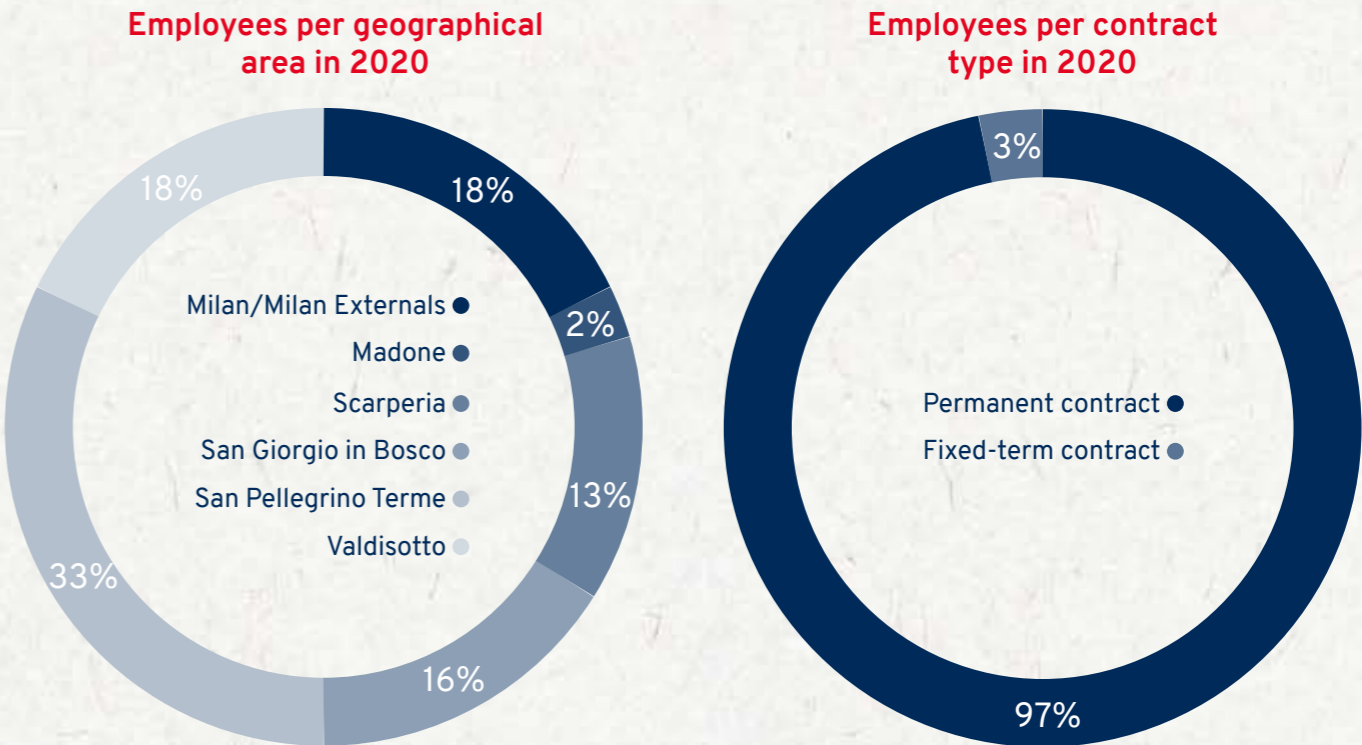
THE PEOPLE POLICY

The People Policy sets forth and guides the commitment, at Group level, for the creation of an inviting and high-performing workplace environment, setting out the fundamental corporate principles that inform the shared behaviour rules and regulations, the goals and the main development drivers.

The Policy is the embodiment of the Group’s responsibility to ensure growth inside the company and promote the development of every employee to create the right context, incentivise collaboration and guarantee the team’s success, also by attributing adequate and tailor-made goals.

The People Policy refers to the Group as a whole and is subject to the law and to the local collective bargaining agreements. It is shared and disseminated in a structured manner so that it can be implemented and “lived” by all collaborators, every day and wherever they may be operating.

1407 employees in 2020



² The number includes only Sanpellegrino employees as at 31.12.2020; the numbers of the external workforce in 2020 amount to 63 people, of whom 8 interns.

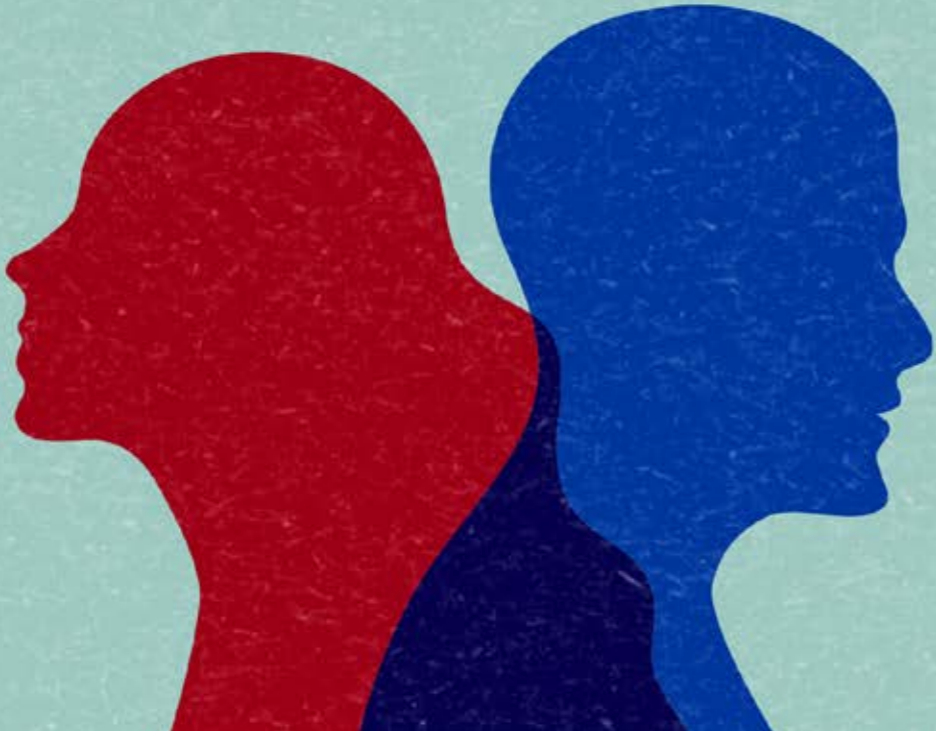


In 2020, Sanpellegrino hired 229 people, of whom 22% were women and 48% were younger than 30.

Building sustainable economies will depend on the guarantee that the next generation can access work opportunities; nevertheless, levels of unemployment among young people are very high in many countries, a situation that was not helped by the SARS Cov-2 pandemic.

Determined to make a concrete contribution to the fight against unemployment among young people, the Group works together with the Institutions and the education sector to improve employment prospects and relaunch the creation of job posts around the world.

Initiatives in favour of making the most of the talents and ideas of young people have been progressively expanded, providing employment opportunities, training and skills development; they are used to jumpstart their career and acquire the best digital skills that will shape tomorrow's world, anticipating the managerial needs of future leaders.



02. / 02
We protect occupational health and safety

The Sanpellegrino Group undertakes to promote and disseminate the culture of safety, at all corporate levels, dedicating all attention and expending all energy necessary to protect its people. Starting from the premise that “safety is not a negotiable value and even one incident is one incident too many”, the Sanpellegrino Group carries out coordinated actions at all levels, involving not just direct employees but also external collaborators and all other interlocutors who interact with the company along the value chain, including suppliers, customers and consumers, in general.

The Health and Safety of people is guaranteed - in all production sites of the Sanpellegrino Group, and not just at the Assago headquarters - also by the presence of the management system put in place by the Nestlé Group (Nestlé Occupational Safety and Health Management System), which is certified in accordance with the international standard ISO 45001, and which aims to guarantee high levels of health and safety and stimulate operating management geared towards continuous improvement and the monitoring of performances. The Management System covers 100% of employees and self-employed workers who operate at these sites.

The Group provides educational/training programmes and all the equipment required to avoid risky situations.

In confirmation of the proper dissemination of reporting systems, through the years the Sanpellegrino Group has recorded a consistent increase of Near Miss reports (+21% compared to 2019).

All incidents and Near Misses are investigated using the “Basic problem solving Incident Analysis” technology, with the goal of identifying corrective actions and the improvements that need to be made to the workplace environment or to people’s behaviours. The Sanpellegrino Group undertakes to “aim to zero” or to increase the excellence of the production processes with the use of the “Total Performance Management” (TPM) technology. The TPM technology makes it possible to increase the speed with which improvements are achieved and guarantee that results are maintained over time, by transforming the workplace environment and working methods.



Safety: 0 incidents Quality: 0 defects Cost: 0 waste Distribution: 0 missed deliveries Environment: 0 impact

Moreover, the Sanpellegrino Group launched a **Reward and Recognition** programme, that aims to reward - with **small prizes**, such as fuel bonus or shopping vouchers - employees who pay the most **attention to safety-related topics**, through reporting, the creation of best practices, or the definition of specific procedures for the safe execution of an activity. The number of incidents in the establishments decreased by 20% compared to 2019³, in line with the total hours worked. Furthermore, there were no reports of a professional disease in 2020.

| | <i>u.m.</i> | <i>2018</i> | <i>2019</i> | <i>2020</i> |
|---|-------------|-------------|-------------|-------------|
| Accidents that can be recorded | | 7 | 10 | 8 |
| of which accidents with grave consequences | No. | - | - | - |
| Deaths | | - | - | - |
| Hours worked | hours | 2.008.409 | 2.009.437 | 1.611.890 |
| Rate of accidents at work that can be recorded | | 4 | 5 | 5 |
| Rate of accidents at work with serious consequences | | - | - | - |
| Fatality rate | | - | - | - |

Two (2) in-transit incidents were recorded in 2018. Please also note that there were no cases of occupational disease in 2020, compared to 3 cases in 2018 and 1 case in 2019. Where self-employed workers are concerned, there was one incident in 2019, which had no grave consequences.

“I FEEL SAFE WHEN I LOOK AFTER MYSELF”

The Sanpellegrino Group culture of safety is also promoted by involving people. In 2015, the Company launched a process to promote the dissemination of safe behaviours, the two fundamental milestones of which were the campaigns “Quel giorno” [On that day] and “Istanti di vita” [Instants of life]. The project “Se mi prendo cura mi sento al sicuro” [I feel safe when I look after myself], which envisaged two milestones, was launched in early 2021. The first milestone was the launch of an involvement campaign, through the creation of an active group of ambassadors, from various areas of the company, and awareness-raising activities with the institution of a photography contest, in which employees were asked to send in two images that described their way of looking after themselves/feeling safe in their private and professional life. The second milestone, scheduled for late 2021, envisages the creation of an interactive, individual and group training pathway, through the photography exhibition which will be used as the creative basis for the identification of topics and actions to be implemented for all corporate teams. The results have been very satisfactory: an average of 37% of employees from all Sanpellegrino Group establishments showed interest.

³ For the self-employed workforce, there was only one accident in the three years, in 2019.

For Sanpellegrino, safety is closely related to health. That is why, aside from preventing incidents thanks to the constant collaboration with the Company Doctor, the company promotes the well-being of its people also outside the workplace, starting with the adoption of healthy lifestyles that include a proper diet and proper hydration. Aside from guaranteeing a daily nurse service, both for emergencies and for the management of non-emergency situations, the Group - guided by the Company Doctor who also covers the function of “Health Manager”, i.e. is tasked with shaping the strategy for the health of employees - has developed a series of programmes to promote the health of its people, grouped around three pillars:

Promotion of a good diet

NUTRITION HELP SERVICE: face-to-face visits or online consultations following the compilation of questionnaires on eating habits, to obtain indications and advice related to their own diet;

HEALTHY DIET PROJECT: revision and improvement of the offer of the corporate restaurant, by working on the portions, reducing salt, reducing saturated fat, introducing wholegrain foods, increasing vegetable quantities and collaborating with **Nutrition Foundation Italy**;

WELLNESS NEWS: a newsletter sent to personnel to guarantee continuous updates on the subject of nutrition;

Promotion of physical well-being

“SPORTS MEDICINE” PROGRAMME: it envisages full medical examinations with a doctor who specialises in sports medicine and who issues the certificate of fitness for non-competitive sports, following an electrocardiogram and an assessment of the BIA [Bioelectrical Impedance Analysis];

HEALTHY BREAK PROGRAMME: an online platform, with over 60 fitness videos, accessible to all workers, that offers the possibility to choose among functional breaks, desk yoga, mindfulness, created by a scientific partner to support physical and mental well-being and counter a sedentary lifestyle;

REMOTE ERGONOMIC CONSULTANCY SERVICE: with a posture expert who is available for an online consultation on how to best adjust the work station and to provide suggestions on the exercises that are more suited to every situation;

KNOW YOUR NUMBER PROGRAMME: compilation of a **Health Risk Assessment** alongside a finger prick blood test for: cholesterol, total and fractions, glycaemia and triglycerides to obtain a tailor-made risk score with regard to one’s health status and lifestyle;

“EYE HEALTH” PROGRAMME: it includes training with short information videos (eyesight and driving, eyesight and PCs, eyesight and diet, eyesight and posture), consultations with specialists and practical activities to protect the eyesight, prevent tiredness and eyesight deterioration;

BACKSCHOOL@WORK: the programme to prevent musculoskeletal disorders and to increase awareness of how the right posture has a positive influence on well-being and helps prevent accidents. The activity is carried out with a qualified physiotherapist, who measures the body’s axes with a specific tool (Kinette) and teaches people how to implement their body’s proprioception, self-correct their posture and movements by making small changes to their daily habits.

Promotion of mental well-being

CORPORATE MENTAL HEALTH SERVICE, FACE-TO-FACE OR REMOTELY: with a psychologist who specialises in the psychology of work and organisations;

#HEALTHYLIVES PROGRAMME: it includes initiatives on “**Mental well-being**”, providing practical advice on fundamental topics, such as **diet, movement and sports, and sleeping**.

Sanpellegrino supports its people in managing the pandemic

In a 2020 characterised by the pandemic-engendered crisis, the Group adopted and implemented certain organisational measures as a contribution towards primary prevention and with a view to eliminating the risk.

Specifically, the Group encouraged remote working and offered parents the possibility to flexibly manage their responsibilities to their families and the company. The company implemented additional safety measures in the offices, in the establishments and in the distribution

centres, and international business travel was interrupted. Testing campaigns and flu jab campaigns were implemented, while the company organised informational meetings and activated a medical and mental health advice service.

Safety and economic support to employees for over 3 million euros



Protection of safety

Safety protocols at all production sites were strengthened, to guarantee the protection of workers and of the production of essential goods.



Remote working

Introduced as early as 2011, it was adopted full-time by all office colleagues during the emergency, revolutionising our way of working.



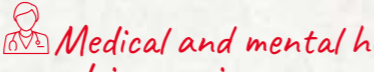
Health insurance

L'azienda ha attivato una **copertura sanitaria assicurativa gratuita per tutti i suoi 4300 dipendenti**.



Remuneration

The company guaranteed the individual monthly emoluments even to employees who were forced to suspend or reduce their activities, without touching public resources. Monthly bonus of €500 gross to colleagues who worked to keep the factories producing



Medical and mental health advice service

A listening space so that we could be by the side of all employees at this difficult time.

02. / 03

We train and involve our people

Skill development is a key topic for the Group and is a responsibility shared between the Individual, the Line Manager and the HR Business Partner. Sanpellegrino promotes a workplace environment where all employees feel personally involved in ensuring that their performance is maintained and in identifying and setting their own development and career path. Lifelong learning is part of the company's culture and is

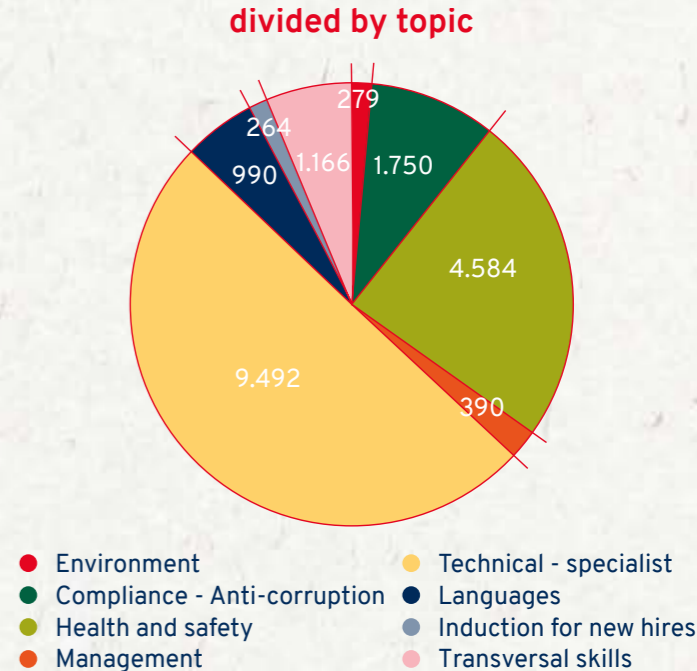
encouraged thanks to an integrated development model that combines learning through on-the-job experience, classroom or virtual training, and tailor-made coaching and mentoring courses. The Group has adopted the "70:20:10"⁴ model for learning and development, a commonly-used framework in training pathways to describe the optimum sources of learning.



"On-the-job" training plays a primary role and is guaranteed thanks to the involvement and commitment of Line Managers, who are encouraged to play the role of guide and coach in the development of their collaborators, so that they may successfully perform their current tasks and, at the same time, increase their awareness for future career aspirations.

To guarantee the professional development of every collaborator, the company makes available "Development process", a tool geared towards focusing attention on the skills required to perform the various roles, the expected level of such skills to best perform the work and identifying any necessary development actions. During 2020, although as a result of an adjustment imposed by the restrictions caused by the spread of the SARS Cov-2 pandemic, Sanpellegrino still guaranteed the regular performance of all training activities. Classroom training sessions were suspended from March 2020 onwards, but, from the end of that same month, 80% of the catalogue transitioned to a virtual format; the company managed thus to provide 18,9145 hours of training, translated into 13.4 hours on average per

employee for the year. To best manage the emergency that resulted from the pandemic, the company quickly promoted and provided (between March and June) three mandatory courses, also accompanied by another -also mandatory - course on remote working.



⁴ This model was developed by M. McCall at the Center for Creative Leadership (CCL) in the mid-1980s.
⁵ This figure includes: the training hours for interns (128 in 2020) and the language training hours (990 in 2020).

During 2020, training activities focused on topics related to quality, the development of **soft skills**, the development of the diversity & inclusion culture, and, first and foremost, to the growth of **technical and digital skills** to support the process for the digitalisation of the production sites and of the business activities (ebusiness Academy).

Sanpellegrino also stands out for its commitment to training all its employees on the use of the “**Total Performance Management**” (TPM) methodology for the factories and of the NCE (Nestlé Continuous Excellence) methodology for the headquarters, with which the Group endeavours to “aim at zero waste”, i.e. to increase the excellence of production processes.

Moreover, particular attention is reserved for training on the subject of **human rights**: the Group has, for over 25 years, offered the mandatory “Human Rights” course conceived with the goal of supporting employees in understanding human rights, intended both in their wider sense and with regard to the Group’s specific activities, towards employees, suppliers and the communities in which the Group has a presence. In the past 3 years, the company has placed specific focus on the topic “Sexual harassment”.



Focus on sustainability, also when it comes to the training of our people

In order to create shared value, the focus on the environmental and social impact of daily activities must be an intrinsic part of the corporate culture. This is why, in early 2021, over 700 Sanpellegrino people took part in the “**Sustainability as a Mindset**” training pathway: training focused on the precious and unique characteristics of natural mineral water, on the shared value activities carried out by the Group’s Brands and on the ambitious goals in terms of the environment.

The main goal of the training pathway, entirely designed by the Sustainability Team, is to transmit to all Sanpellegrino people the awareness that **sustainability is part of everybody’s daily work**. At the term of the course, the participants adopted a Biorfarm orchard with 500 citrus trees from the territory where the Sanpellegrino soft drinks originate; at the same time, the company donated approximately 190kg of fruit to the Italian Red Cross (Milan Committee). The project made it possible to concretely support the activities of local associations, and, at the same time, resulted in over **32,000kg of CO₂** being offset.

The orchard absorbs over
32,500 kg of CO₂ in a year

500 Organic Trees
are planted in this orchard





De Agri-cultura

Osvaldo De Falco

Founder and CEO of Biorfarm

I am 34 years old, the son of farmers, and I am Calabrian from the province of Cosenza. I used to live in Milan and work as a financial consultant for a multinational group. I came back to help out my father who, on his farm, grew oranges and clementines, sold for a few cents. With Giuseppe, my friend and now my business partner, we changed the business model, combining two seemingly opposite concepts: gain and offer, that is to say black and white.

Biorfarm empowers the work of small farmers by respecting the environment and takes consumers behind the scenes of the food they consume each day: they get to see the work, the passion and the knowledge that go into the business. The whole through the “adopt, monitor, taste” paradigm.

The network has grown since 2015: 40,000 users and over 70 farms that made it possible for their employees or customers to adopt a tree, a beehive, a small plot of land experienced in

real time, following their evolution to then taste their products. An approach whose success is due to the collaboration with companies such as Sanpellegrino, whose people have adopted over 500 citrus trees in 4 farms, two in Calabria and two in Sicily, creating environmental and social value: the orchards made it possible to store 32,000 kg of CO₂, equivalent to the emissions of an average cylinder capacity car for over 250,000 km (source: Life Cycle Communication Tool Scuola Sant’Anna) and to fairly remunerate producers, by paying them 80% more than the traditional supply chain.

Two equally important aspects are communication and sharing: Biorfarm, for example, aims to reintroduce products that are “ugly and tasty” because they do not meet the size thresholds or are bruised, that are refused by the large retail chains, and supports all small producers who, with their dedication, preserve the identity of the territories, protecting biodiversity.

The secret: build a network, making it possible for tens of family-run farms to be present on tables around Italy.

What is the next step? To build the largest digital and shared farm in Europe. Because, if small is beautiful, strength lies in union.

We improve the performance of our People

Development and Performance Management activities make it possible to analyse, monitor and discuss people’s performance and potential.

Of special importance is the **Development funnel**, a tool that makes it possible to measure development based on core factors, accelerators and opportunities to promote functional professional paths (with specific development skills in every department), as well as diversified paths where inter-departmental experiences are promoted.

This process also includes and makes the best use of social and environmental goals. In the three-year period from 2018 to 2020, the personal goals of all key corporate roles include objectives related to sustainability.



In 2020, 89% of Sanpellegrino employees received an assessment of their performance and professional development, +7% compared to 2019⁶

CHECK-IN TO DISCUSS
Definition of learning preferences, natural strong points, the desire to grow, aspirations and mobility



CHECK-INS POST TALKING TALENT
Meetings and encounters to transparently share feedback in order to create **quality development plans** and assure they are properly monitored



YEAR END CHECK-IN
Meetings and encounters to transparently share feedback, in order to complete and sign the performance form.



CHECK TO SET PERFORMANCE AND DEVELOPMENT GOALS
Annual kick off to define the performance objectives in line with the business, identifying the main areas of development



TALKING TALENT
Sharing with the managers to define the **best development actions** and plans for success



PERFORMANCE CALIBRATION
Exchange of ideas with the managers to assess the achievement of the goals and to calibrate performance indicators



REWARD
Review of remuneration and recommendations

The Group is promoting a large number of initiatives that aim to integrate, in an innovative way, customised support in the needs of every employee.



In addition, the double edition of the San Giorgio in Bosco summer camp was a great help, as it made it possible for parents employed by the Group to work worry-free and for many children to have fun through summer centres in a very delicate period, as that of the SarsCov2 pandemic.

TOGETHER WE SHAPE THE FUTURE OF WORK

Sanpellegrino is promoting Nestlé, the road towards the future of work that is **Flexible, Adaptable, Balanced (F.A.B.)** with the intention of inspiring people to adopt a new approach to work, which enables them to perform their tasks in the best possible way, balancing the quality of their private and professional life. Consistently with the principles of F.A.B. work, the results are more important than checks; leadership, hierarchies, flows are transformed, accompanied by a new language that is based on a universal value: **trust**.

In this framework, remote working should not be understood to be referring to the methods experienced this year, following the spread of the pandemic: the way in which we worked in the past few months is, in fact, not real agile work, but forced remote working. Aware of this, the Group has therefore grasped the opportunity to reinterpret the way of working, aiming more towards a long-term prospect and rendering the remote working policies (introduced as early as 2012) more efficient and suitable for the needs of both people and the company. Remote working aims to both satisfy occasional or unforeseen needs and to concretely help people find the right balance between their work commitments and their private life.

In this context and in order to become the figurehead of a true cultural change, the Group has created a **new vocabulary**, available to all, that gives a new sense and a new meaning to remote working and guarantees a healthy and conscious balance between everyone's well-being at work and at home.

We measure the well-being of our People

The satisfaction of the People of the Sanpellegrino Group is measured with a global survey with the name "Nestlé & I", conducted every other year. With regard to this survey, the participation rate in 2020 reached 90% of the corporate population, a very important figure if we consider that, due to the conditions imposed by the spread of the pandemic, the survey was, for the first time, conducted entirely online. The high degree of participation proves people's desire to contribute to the company's continuous improvement.

The results show a positive trend in all areas of the survey, with some improvement points on which the Group will continue to focus.

Among the strong points, it is important to note the promotion of an inclusive workplace environment, where diversity is emphasised (87%), the presence of a strong engagement by the people (89%) and a great pride in all



activities, especially those aiming to create shared value (87%) for the company as a whole.

The areas of possible improvement include the need to concretise and follow up the inputs to the survey itself (73%), on which the Group will continue to work in future years.

TAKE TIME FOR YOURSELF

Nestlé People Academy is an one-stop-shop learning platform for all employees, with internal materials as well as external resources for common skills, such as personal performance, communication and leadership. Since its launch, in April 2020, it has received almost **38,000 visits from around the world**.

The contents implemented touch on various areas which include: mental health, emotional well-being, balance in the use of technology, stress and sleep management, looking after one's physical and mental health, remote working, strengthening digital and collaboration skills.

PETS AT WORK

An initiative born from the conviction that life is richer when people and pets are together, the PetsAtWork programme is an opportunity offered to the Group's employees that makes it possible for all - pet owners and non - to enjoy the benefits of having dogs in the office. To ensure that this is a pleasurable experience for all and that it is experienced in a climate of mutual understanding, the company has laid down a series of rules, aiming to protect the health and safety of both colleagues and animals, and to guarantee a peaceful workplace environment.

Every person counts

Part of the commitment and of the attention that the Group reserves for the well-being of its people is also translated into making sure that every person is properly appreciated for their contribution to the company, through **Total Reward** systems that are tailor-made for everyone. In accordance with this principle, the Total Reward programme has been set up to be much more than remuneration supplemented with benefits: the model includes the fixed salary, the variable remuneration and benefits, supplemented by recognition of successes, personal development and the workplace environment, always taking into account the social and legal context of reference, in compliance with the applicable collective bargaining agreements, ensuring that each collaborator understands their contribution and the benefits associated thereto.



BEACONFORCE AND THE MENTAL WELL-BEING OF SANPELLEGRINO PEOPLE

The Beaconforce platform is a powerful listening tool that creates a continuous communication, real-time channel between the company's people and its leadership. Using models based on neuroscience, positive psychology and behavioural sciences, and with the help of Artificial Intelligence, the software interprets the mental state of people, always in respect of their privacy and anonymity, to create departure points that help the Human Resources Department and the Business Department to implement prompt actions in order to improve the workplace. The factors that can be analysed with the software include: stress, involvement, trust, clarity of objectives, quality of feedback, social interaction, balance of professional challenges, sense of improvement, error culture and, lastly, the feeling of control or autonomy.

The data on thousands of users - also from other companies - collected by the platform have shown that the consequences of the pandemic, i.e. remote working and uncertainty, have put all these factors to the test; specifically, those more affected were the quality of feedback and of social interaction.

By starting to use Beaconforce in late 2020, Sanpellegrino managed not just to confirm the already positive values of these two factors but also to significantly improve them. In the 6 months since it started using the platform, the company has implemented actions that have made the following results possible:

- *improvement by 14% of the quality of feedback perceived by the employees*
- *increase by 7% of the quality of relationships and social interaction.*

02. / 04

We promote diversity and equal opportunities

The Group promotes a stimulating workplace environment that is open to diversity, is inclusive, innovative, transparent, in which all employees are respected and feel that they are involved and given active responsibilities. The company thus guarantees equality at work and equal opportunities for development and professional growth without taking into account race, skin colour, religion, sex, age, physical abilities, nationality, sexual orientation, political orientation, trade union membership, the results of medical exams, civil status.

The Group applies a policy of **zero tolerance of all types of discrimination, violence and harassment at the workplace**. Through adequate policies and tools, employees and other collaborators are incentivised to promote these values - which are essential for Sanpellegrino - taking steps to report any situation that is not in line with the corporate culture.

In order to reinforce the ability to respond appropriately to sexual harassment, the Group has established a specific programme of mandatory training sessions in e-learning mode, with the goal of discovering the extent, the questions and the wider impact of sexual harassment and of gender assessment to disseminate the dedicated policy, in order to eliminate possible attitudes and/or incidents that are not in line with the corporate principles and values.



Zero episodes of discrimination also during 2020

ILEARN ON LGBT+ INCLUSION

With the aim of ensuring a safe, inclusive and healthy workplace environment and increasing awareness on the most common challenges at the workplace, the Group has launched and made available in e-learning mode for all employees the new course with the name **"Diversity and Inclusion at Nestlé: LGBT+ Community"**. With this pathway, the Group undertakes to ensure and develop higher and better awareness of diversity in all its aspects, support learning and understanding with regard to sexual orientation and gender identity, and increase the promotion of an inclusive context where the LGBT+ community is concerned.

We are all one-of-a-kind

At Group level, Sanpellegrino has become a member of the **Global Business Disability Network of the International Labour Organisation**, proof of full support to the disability inclusion charter.

The Group firmly believes that there is no reason to discriminate a person because they are living with a disability: every individual has a unique ability to contribute to society and, therefore, merits equal opportunities. The company endeavours to provide equal opportunities for all and to continuously promote accessibility for people with disabilities in its structures, as well as to raise awareness and understanding of the experience of people with disabilities, in order to mitigate unconscious bias and create a truly inclusive workplace environment.

This commitment similarly extends to the promotion of equal opportunities in all initiatives launched for young talents.



A percentage of 4% of Sanpellegrino employees belong to protected categories; 90% of them are employees with disabilities, hired, in 100% of cases, with a permanent contract, in line with previous years.

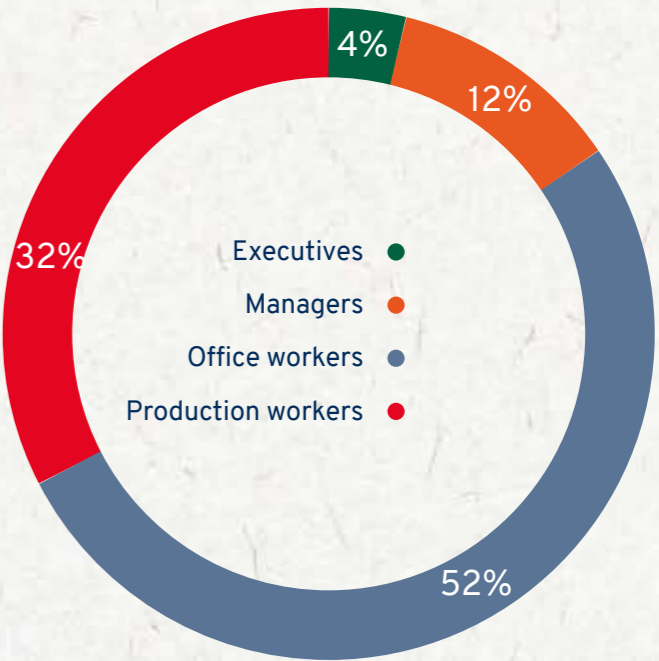
COMING TOGETHER TO CELEBRATE INTERNATIONAL TOLERANCE DAY

During international tolerance day, on 16 November 2020, the Group, as a whole, further highlighted the fundamental importance of continuing and supporting the conversation on the promotion of a diversified and inclusive culture, for the implementation and promotion of increasingly greater equality. This is precisely why, on this occasion, the leaders and employees of the entire Group came together to reflect on the values, rooted in respect, and to reaffirm their commitment to respect them.

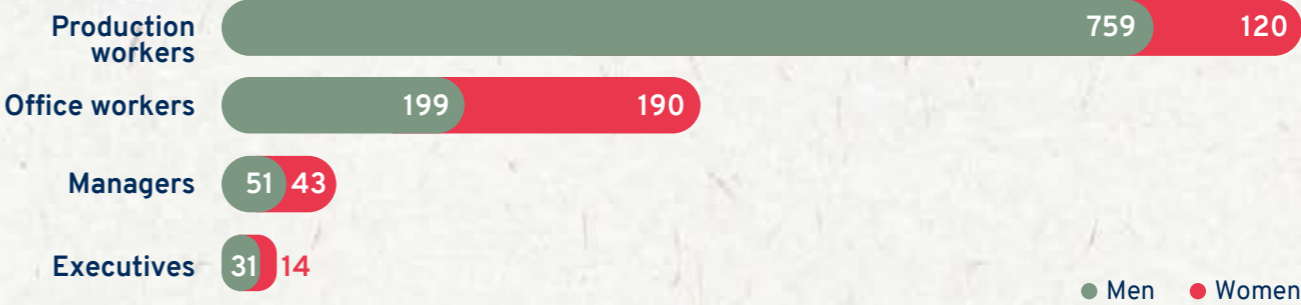
Through a series of internal communications, the Group reached more than 45,000 colleagues in nine days, with high levels of engagement and involvement. Over 20 virtual Inconsci Bias training courses were organised, delivered in six different languages, to which took part over 700 colleagues from almost 60 countries.

The presence of women at Sanpellegrino

Moreover, at Group level, particular attention is paid to **gender balance and to the empowerment of female talents**. Today, 26% of Sanpellegrino employees are women, in line with the Group's occupational trend. Among the women, 11% are under 30 and 66% are under 50. A share of 41% of leadership positions at the company (executives and managers) are covered by women, an increase of 4% compared to 2019.



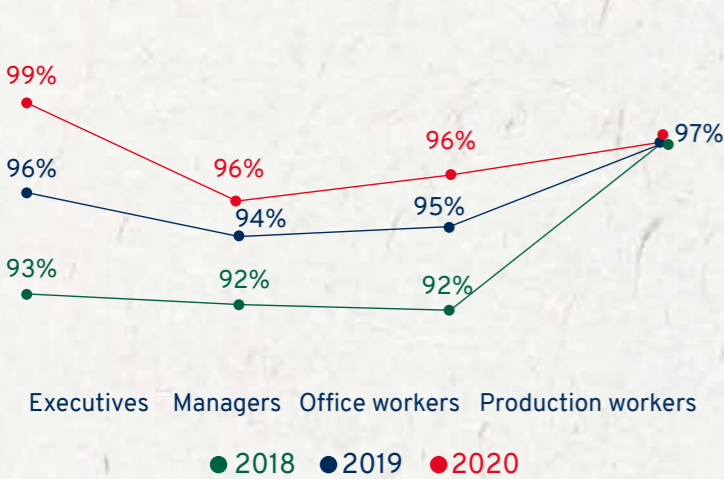
The presence of women in the various professional categories



Performance and bonus management systems are built on **fairness and equality standards** to ensure that the men and women who perform comparable tasks are paid equally and that there is no gender-based bias. Furthermore and in order to reduce the pay gap between women and men, with the end goal of eliminating it, thus incentivising effective gender equality, the Group, as a whole, regularly conducts a **process for the assessment of pay equality**. In 2021, the Short Term Bonus was extended also to Intermediate levels, making it possible for the majority of the population to participate to the corporate goals with their contribution. In 2020, there was an overall

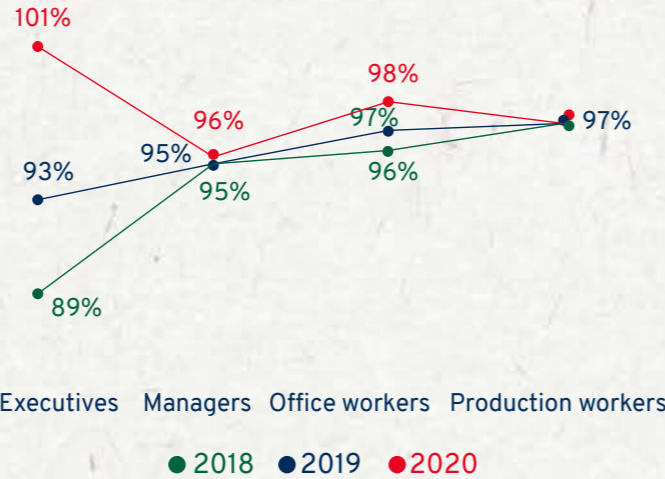
of the **gender pay gap**, in line with the trend of the three-year period. Specifically, compared to 2019, the salary difference remained the same for production workers, improved slightly for managers and office workers, while there was a significant improvement for executives (from 96% to 99%).

Gender pay gap on total remuneration



Gender quality is safeguarded also thanks to forms of support to improve the balance between work and private life. Parental leave is recognised to all employees, regardless of gender; this is why the Group, as a whole, has promoted the **Parental Policy**, in line with the fundamental principles set by the “International Labour Organization (ILO) Maternity Protection Convention” (No. 183), one of the most important tools for the defence of gender equality and

Gender pay gap on the basic salary



for the promotion of breastfeeding at the workplace. Specifically, in 2021 the Group promoted the campaign for the transparency of remuneration levels with the market for all and introduced the Total Reward Statement.

PARENTAL POLICY

The Parental Policy sets the minimum standards to be applied throughout the company, in support of employees who have just become parents, with the aim of contributing to the health of their children from the first months of their life and promoting the well-being of all working parents. Specifically, the Policy focuses on:



02. / 05
Listening to customers and consumers

The Consumer Engagement Service makes it possible for the Group to effectively and efficiently manage the activities for listening to its consumers, combining **more traditional contact channels**, such as the freephone and the form on the website, with **digitalised “self-service” solutions** (e.g. Q&A, social media), that are accessible at all times, directly and without interference.

The Consumer Engagement Service directly also manages complaints, which are divided into “complaints for which the company is responsible” (well-founded complaints) and “complaints for which the company is not responsible” (non-founded complaints). To date, no complaints have led to a dispute that required the intervention of the Authorities or bodies external to the Group.

Complaints received

Total complaints received from third parties and assessable, of which

| |
|--|
| Number of well-founded complaints concerning the product |
| Number of well-founded complaints concerning the product managed throughout the year |
| Number of non-founded complaints concerning the product |
| Number of non-founded complaints concerning the product managed throughout the year |

m.u.

2018

2019

2020

2.660

2.175

1.721

No.

1.038

216

110

1.038

216

110

1.622

1.959

1.611

-

-

-

Level of satisfaction of Sanpellegrino customers

The indicators developed and monitored mainly refer to the quality and effectiveness/efficiency of Consumer Service and operators. For all KPIs monitored, the results achieved are largely satisfactory, in line with and often superior to the values of the best practices of reference.

In addition, the Group monitors the NPS (Net Promoter Score) indicator, which measures the probability with which consumers would recommend a product of the company. In 2020, of a sample of 232 respondents, it obtained a score of 45 points, which is higher than the scoring of the sectors’ best practices.

Target*

Focus

June 2020

8,50

→ Overall consumer service satisfaction

8,50

THE OPERATOR

9,20

→ The operator’s courtesy

9,26

8,90

→ The ability to understand the request

9,26

THE COMPANY

8,40

→ A company I can trust

8,43

8,40

→ I would recommend its products

8,28

72%

→ I will certainly continue to purchase its products

67,7

* Values of the best practices used as reference

THE CONSUMER COMMUNICATION POLICY

The **Consumer Communication Policy** defines the means by which Sanpellegrino products must be promoted on the various communication channels, based on the type of recipient for whom the soft drink and the related advertising are intended.

The most significant principles include:

- guaranteeing an accurate and consistent representation of the product, of the nutritional principles and geographical origin;
- guaranteeing that the **claims** of healthy products, of their environmental or social impacts are based on science and comply with the regulatory framework, and that they are easily understood;
- promoting moderate consumption, with indication of the right portion specifically for the target of reference;

- where possible, promoting a healthy and active lifestyle;
- If the advertisements must not contain claims that are offensive or discriminatory for religious, ethnic, political, cultural or social reasons;
- the advertising must not directly refer to the competitors or discredit their products.

For younger consumers, the Policy envisages additional principles that take age into account. In fact, it is forbidden for advertisements to target children under 6, while for children under 12 the communication and promotion tools must be restricted to healthy and balanced products: they must not be misleading or induce incorrect behaviours, nor must they challenge the parents' authority.

How to read the label: the example of Levissima

Mandatory information | **Optional information**



Did you know that... Quality and components of natural mineral water

Mineral waters differ due to the different content of the so-called **major elements**: sodium, potassium, calcium, magnesium, chlorides, sulphates and bicarbonates, and the so-called **trace elements**, i.e. those that are found at a low concentration: lithium, strontium, fluoride. The fixed residue, specifically, is the parameter that expresses the quantity of salts dissolved in a water, which is thus defined as “**mineralised**”. The label always mentions the “**Fixed residue at 180 °C**”: this value corresponds to the solid part that remains after one litre of water has evaporated at a temperature of 180 °C. This parameter is important because it makes it possible to classify the mineral waters and to choose the waters based on the various needs. The classification is as follows:

- **containing minimum quantities of minerals:** up to 50 mg/L; these are waters defined as “light” that promote diuresis and the expulsion of small kidney stones;
- **containing low quantities of minerals:** from 50 to 500 mg/L. As they contain low quantities of sodium, they are ideal as daily table waters; their many benefits include an excellent diuretic action. These are the most common waters in Italy, accounting for over 61% of those present in the territory;
- **containing average quantities of minerals:** from 500 to 1500 mg/L. This type of water contains a high percentage of mineral salts; that is why they are often used as a treatment and only on medical advice.

HERE ARE SOME OTHER PARAMETERS:

- the **pH**, which measures the water's acidity, i.e. whether it is acid or basic. In general terms, the pH of mineral waters ranges from 6.5 to 8.0.
- **Electrical conductivity**, i.e. allowing electrical current to pass through the salts dissolved in the water, thus an indirect method of calculating the fixed residue. The majority of mineral waters on the market have an electrical conductivity that ranges from 100 to 700 pS/cm.
- **Hardness**, linked to the content of calcium and magnesium and which refers to the total hardness, i.e. the sum of the **permanent hardness** (quantity of cations that remain in the solution after prolonged boiling) and **temporary hardness** (unlike the previous types of hardness, it is essentially the expression of the quantity of bicarbonates present in the water before boiling). Waters that contain a consistent dose of these minerals are defined as “hard waters”.
- **Nitrates**, a chemical compound that is always present in all waters due to natural phenomena (in this case the quantities are always very low) but, especially, as a consequence of human activity, such as the fertilisation of crops with nitrogen fertilisers. This is why the maximum value is set at 50 milligrams per litre.

THE QUALITY POLICY

The Group has adopted a Quality Policy and an Operating Standard that ensures compliance with internal quality requirements, legislative standards and certifications, including UNI EN ISO 90 01:20157 and FSSC 22000 vers.58, specifically for the product’s food safety.

The Quality Policy guides the Group’s efforts in pursuing **excellence**, guaranteeing safe products and services of the **highest quality**, compliant with and responding to the **consumers’ preferences**. The Policy summarises all the **essential elements** to achieve the Group’s ambition, i.e. being reliable and recognised for offering products that **improve quality of life** and contribute to a **healthier future**; these elements are as follows:

- Drawing inspiration from a culture of quality to develop, produce and supply products and services that are free of defects, that encourage the trust and accommodate the preferences of individuals and families, ensuring

healthier and better lifestyles;

- Always complying with the applicable laws and regulatory frameworks and acting in line with internal regulations;
- Promoting learning through constant evaluations of the system’s goals and results in order to improve its management, guaranteeing the maximum safety of products and preventing qualitative issues and defects;
- Encouraging participation by everyone (internally and externally) to promote widespread responsibility on quality matters through standards, education programmes, training, coaching and effective communication.



The quality of natural mineral water is thoroughly monitored with tests, during production and in the laboratory, conducted both by the company and by the competent health authorities. The other raw materials used in the Sanpellegrino soft drinks, such as citrus fruit, are also subject to regular physical, chemical, microbiological and organoleptic testing, conducted by the suppliers and monitored by the Group along the entire production and supply chain.

⁷ Certificate no. IT2 33274/UK expiring on 31/12/2021

⁸ Certificate no. IT304027/1 expiring on 06/01/2022

*Did you know that...
there are differences between natural mineral water,
tap water and filtered water*

Water consumption habits in Italian homes and restaurants privilege the consumption of natural mineral water, chosen both for its taste and because it is thought to be safer than tap or filtered water. It is, therefore, important to be aware of the differences between the three types of drinking water available.

| | Natural mineral | Tap | Filtered |
|----------------------|--|---|--|
| Origin | Underground, from naturally protected deep aquifers, not directly fed by rain | Diversified from lakes, rivers, ground and underground water tables | Diversified from lakes, rivers, ground and underground water tables |
| Natural Protection | Mandatory, pursuant to (It.) Legislative Decree of 8 October 2011 no. 176 and protected by “safeguard” areas | Not indicated in (It.) Legislative Decree of 2 February 2001, no. 31 | Not indicated in (It.) Legislative Decree of 2 February 2001, no. 31 |
| Treatments | Disinfection treatments or treatments that modify the microbiologically pure composition “at source” are forbidden | Treatments to make the water fit for drinking, usually disinfection with chlorine | Filtration that separates certain pollutants and can modify the saline composition |
| Typical composition | Unique and consistent over time, by the very definition of natural mineral water | Not required, may vary | Not required, may vary |
| Effects on health | Hydration and possible advantages for health if recognised and authorised by the (It.) Ministry of Health | Hydration | Hydration |
| Distribution systems | Bottling at the source with stainless steel piping compliant with the rules and regulations on contact with food | The state of the distribution network varies from Municipality to Municipality | Depends on the state of the pipes at the entrance to the filtering equipment |

Innovation and product development

Since the early 2000s, in the development of its products, Sanpellegrino seeks new recipes that are healthier and contain less sugar, thanks to sugar reduction processes and the definition of new formulas for its historic soft drinks. Over time, there has been an overall reduction of the sugars contained in juice-based soft drinks, like the Aranciata or the Limonata. All new recipes envisage an increase in the quantity of the fruit juice earmarked for inclusion in citrus-fruit-based soft drinks; the quota of 20% was reached as early as 2016, very much in advance compared to the subsequent regulatory requirements of the non-alcoholic soft drinks sector.

In addition, the portfolio of Sanpellegrino includes products with a reduced or zero percentage of sugars, such as the “zero” range with an average of 0.4 g of sugar⁹.



Aranciata Zero
only has 1.1 g of
sugar and 80 kJ of
calories per 100 ml



*The mythical
Chinò*
has 0.1 g of
sugar and only
13 kJ of calories



Cocktail Zero
has 0 g of sugar
and only 7 kJ of
calories

#SUPPORTRESTAURANTS AND THE OTHER INITIATIVES IN SUPPORT OF THE CATERING INDUSTRY

The Group's efforts to support its customers has intensified as a result of the SARS Cov-2 pandemic, due to the high impact it has had on the catering industry. Precisely in order to support the crisis-stricken sector, during 2020 Sanpellegrino in fact launched **#SupportRestaurants**, an international call to action addressed to the consumers of 150 countries where the Brand is distributed, to ask them to share the pleasure of good food, thanks to the dedicated hashtag. At the same time, the Group supported the **50 Best Recovery** programme with an important initiative for the collection of funds and created a programme of digital content dedicated to the relaunch of activities. In Italy, Sanpellegrino opted for supporting the reopening of restaurants by donating 1 million euros in **free products**, as a concrete sign of solidarity to the bars and restaurants with which the Group has established a long-standing and long-term relationship. In September, conscious of the importance of creating

synergies to implement valuable initiatives, the **#SupportRestaurants** initiative reached its “stage 2”: for two months, Sanpellegrino played an active role in expanding to the approximately 3,000 Italian companies who took part the campaign “Ritorno al Ristorante” [Return to the Restaurant] promoted by **The Fork**, a leading booking platform. In 2021, the Group launched “Social Menu for #SupportRestaurants”, the new international campaign for the catering industry that aims to make the best use of the real assets of every restaurant: talent, skills and the human capital.



⁹ All values expressed in grams are intended as the average of the grams of sugar in 100 ml of product.

02. / 06

Supply chain management: collaboration, sustainability and transparency

Sanpellegrino's Vendor Rating system is certified by **SEDEX** (Supplier Ethical Data Exchange) and requires that all suppliers subscribe to a performance assessment system with a view to - social and environmental - sustainability (with regard to working standards, health and safety, transparency and ethical business).

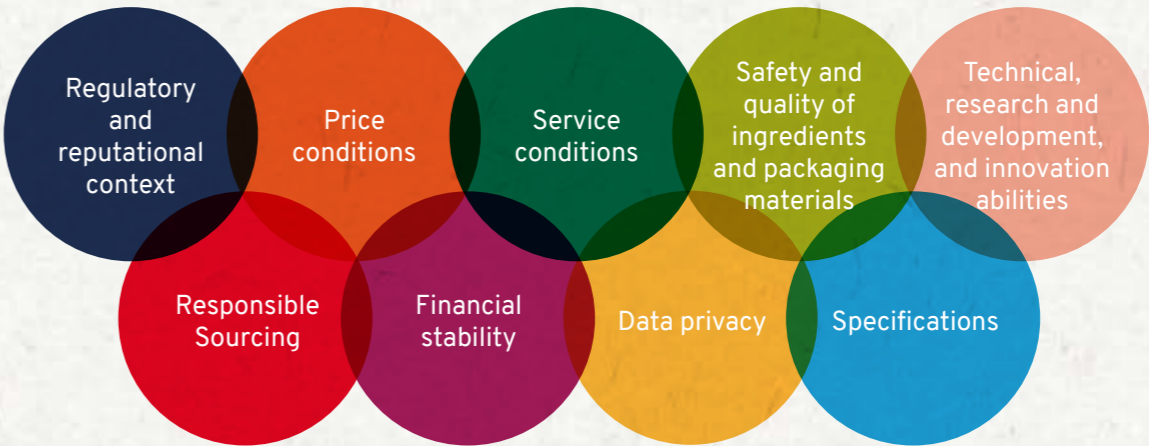
The approach is based on the Nestlé Procurement Policy that sets forth the fundamental principles that apply to all sourcing activities and lays down a series of principles and standards to enable all subjects involved in a sourcing activity to better understand the basic Procurement principles at Nestlé.



*1,468 suppliers in 2020,
of whom 85% in Italy*

SUPPLIER SELECTION PROCESS

The approval process for suppliers of raw materials, packaging materials, promotional articles or other materials that come into indirect contact with the food products is governed by the Vendor Approval Process Standard. Moreover, suppliers of raw materials and packaging materials are required to hold or endeavour to obtain a **certification recognised by the GFSI** (Global Food Safety Initiative), that monitors the risks to food safety along the value chain. All new suppliers are subject to regular conformity audits by the Quality Team, at all production sites from which materials and products will be delivered.



The Group's Responsible Sourcing Standard describes the **requirements and the working means** that are applied to guarantee **long-term sustainable supply of materials and services and to reach preset goals**, in particular with a view to constantly reducing the impact on the planet's resources. The requirements apply to the entire upstream chain and are mostly addressed to the Group's procurement Team and to everyone who has a direct commercial relationship with the Group (so-called Tier I Suppliers, and all affiliates), Tier II Suppliers (intermediaries) and to suppliers of "at source" services, those responsible for the production of raw materials.

All (100%) Sanpellegrino suppliers operate in compliance with the defined procurement policies, subscribe to and apply the principles contained in the "Nestlé Responsible Sourcing Standard".
The Standard contributes to the implementation of the Group's commitment to the OCSE Guidelines for multinational enterprises, the ILO fundamental Conventions and the United Nations' SDGs.

THE GROUP'S RESPONSIBLE SOURCING STANDARD

The Standard is divided into **5 main sections**: the first is dedicated to sourcing practices, the second to the management of **Tier I suppliers** with regard, for example, to compliance matters, the protection of human rights, health and safety, the workplace environment, the conservation of nature and of the territory, as well as the commitment to Plastic Packaging Stewardship. A third chapter is dedicated to **intermediaries upstream the supply chain**, i.e. any entity involved in the manufacture, procurement or production of services or materials that has a contract with the Group via Tier I suppliers, in particular with regard to the obligations of transparency and due diligence in relation to the management of people, the protection of the environment and of animals. The fourth chapter concerns **due diligence with regard to the origin of raw materials, packaging materials and services**, i.e. in relation to the primary production site or the collection of materials (forest, land, or sea) and, for services, the entity tasked with creating or making the physical delivery of the services contracted by the Group. Lastly, the last chapter deals with **performance reporting** in terms of initiatives implemented in favour of constant improvement and any violations.

In the context of the Sustainable Procurement Programme that involves Tier I suppliers, the Group checks the compliance of direct suppliers with the Standard, **envisaging independent audits carried out by accredited companies** that adopt the mandatory **SMETA** (Sedex Members Ethical Trade Audit) practices.
This process makes it possible to identify improvement targets, thus contributing to the design and implementation of dedicated projects. Should non-conformities or gaps be encountered, the supplier must adopt an Action Plan with precise deadlines, the implementation of which will subsequently be verified by the auditor. Any failed improvements by the suppliers or failure to take part in the audits may also result in their exclusion from the Group's supplier panel (so-called delisting).

The Supplier Portal

The Group's **Supplier Portal** is an **online platform** in support of effective and efficient collaborations between the Group and its supplier base around the world.

The portal grants active suppliers secure access to important processes and tools, such as information related to the contracts, to the tools to manage sustainable procurement activities, or even offers, orders, deliveries and payment.

From the Portal, suppliers access the **mandatory evaluation Programme KYS**, which aims to guarantee a higher level of supply chain transparency, through digital due diligence processes: the compliance Programme, in fact, makes it possible to assess the supplier's exposure to risks with regard to international sanctions, fraud, regulatory matters, corruption or other criminal actions, terrorism and money laundering, financial assessment and stress.

Furthermore, the Portal offers a space for estimating the **environmental impact**, in particular in terms of emissions, of the components of the raw materials supplied.

Aside from checking the compliance of direct suppliers with the Standard, the Group has identified a list of **15 raw materials**, whose management and procurement may potentially be of higher risk in an ESG context. For this purpose, together with the suppliers and direct partners, the Group has drawn up a map of upstream procurement chains, to then perform assessments of the companies concerned. In many cases, the process launched has led to the identification of issues that require significant and long-term interventions to render them effective and efficient and generate a truly positive impact.

The Group manages the supply chain prioritising, as much as possible, **collaboration with local suppliers**, with a view to **empowering the territory and supporting local excellence**: think, of example, of the virtuous relationships with the Castrorao farm in Sicily, between Paternò and Giardini Naxos, which, for over 60 years, has been the exclusive supplier of the bitter oranges from which the famous Soft Drink is extracted; or the collaboration with Canditfrucht, that works with Sanpellegrino for the transformation and extraction of juices (in concentrate form) that are essential for the production of some recipes for the Group's soft drinks.



During the spread of the SARS Cov-2 pandemic, Sanpellegrino offered economic/financial support to the local logistics system, ensuring the widespread application of “Reverse Factoring” to shorten the actual payment timeframes of suppliers, where it found itself in agreement with the supplier on this practice.



*From tradition
to tradi-action*
Francesco Misitano

Proprietary of the Castrorao farm

We have been Sanpellegrino partners for over 60 years. A story of relationships between people rather than just companies. The collaboration started with my grandfather, was continued by my father and was passed on to my sister Alessandra and me. Bitter orange trees are our strong point; they are harvested in just one production from mid-October to mid-November. In a context that makes the best of the flavour of these true jewels: our farm is in fact located in the centre of the Alcantara valley and is built on an ancient lava flow formed approximately 10,000 years ago, which originated from an Etna channel/cone and reached Naxos. The bequest of that eruption is the typical volcanic soil, rich in phosphates, nitrates, potassium and calcium, precious elements that each year nourish our bitter oranges. The farm also enjoys a particular microclimate, thanks to the exposure to the tramontana wind, which makes it possible for the fruits to mature two weeks earlier than other crops. We are lucky to be working in an exceedingly favourable context and it is our duty to continue to preserve it, always seeking to combine tradition and innovation. The main evolutions have been in the irrigation and fertilisation of the citrus fruits. For example, in our farm, as well, we have installed pipes with self-compensating

pressure regulators, that make it possible to always distribute the same quantity of fertiliser to the plant. The conscious and balanced use of natural resources is also helped by drip irrigation, which, compared to the old spray irrigation, enables us to prevent water wastage and to harmonise the irrigation of the various plants. Water obtained from the slopes of the volcano is the star of a ‘circular’ lifecycle - and thus fully sustainable - as, once it has been sprayed, it once more penetrates the soil and is naturally recovered. Today we are trying to implement these good practices, also with the help of Sanpellegrino. And, from this point of view, the voluntary certifications play and will always play a more central role in providing transparent and objective information to the stakeholders. With this in mind, we are about to complete the process for obtaining conformity with the GLOBALGAP standard to offer consumers and the market quality, safe products that can be traced through documentation, and the GRASP (GLOBALG.A.P Risk Assessment on Social Practice) which supplements the previous standard with aspects dedicated to occupational health and safety. We remember where we started; we never betray our principles and we always look ahead.

03. *Communities and territories*

Sanpellegrino focuses on communities and promotes the joint design of sustainable development. The Group endeavours to be a partner for the social and economic growth of the communities in which it operates, while protecting the environment. It supports and believes in the growth of the territory, protecting the environment in which it operates. From the springs to the production sites, protection is the first guarantee for safe operations with a view to future growth. Protecting the communities and the territories contributes to the future of Italy and of the planet.

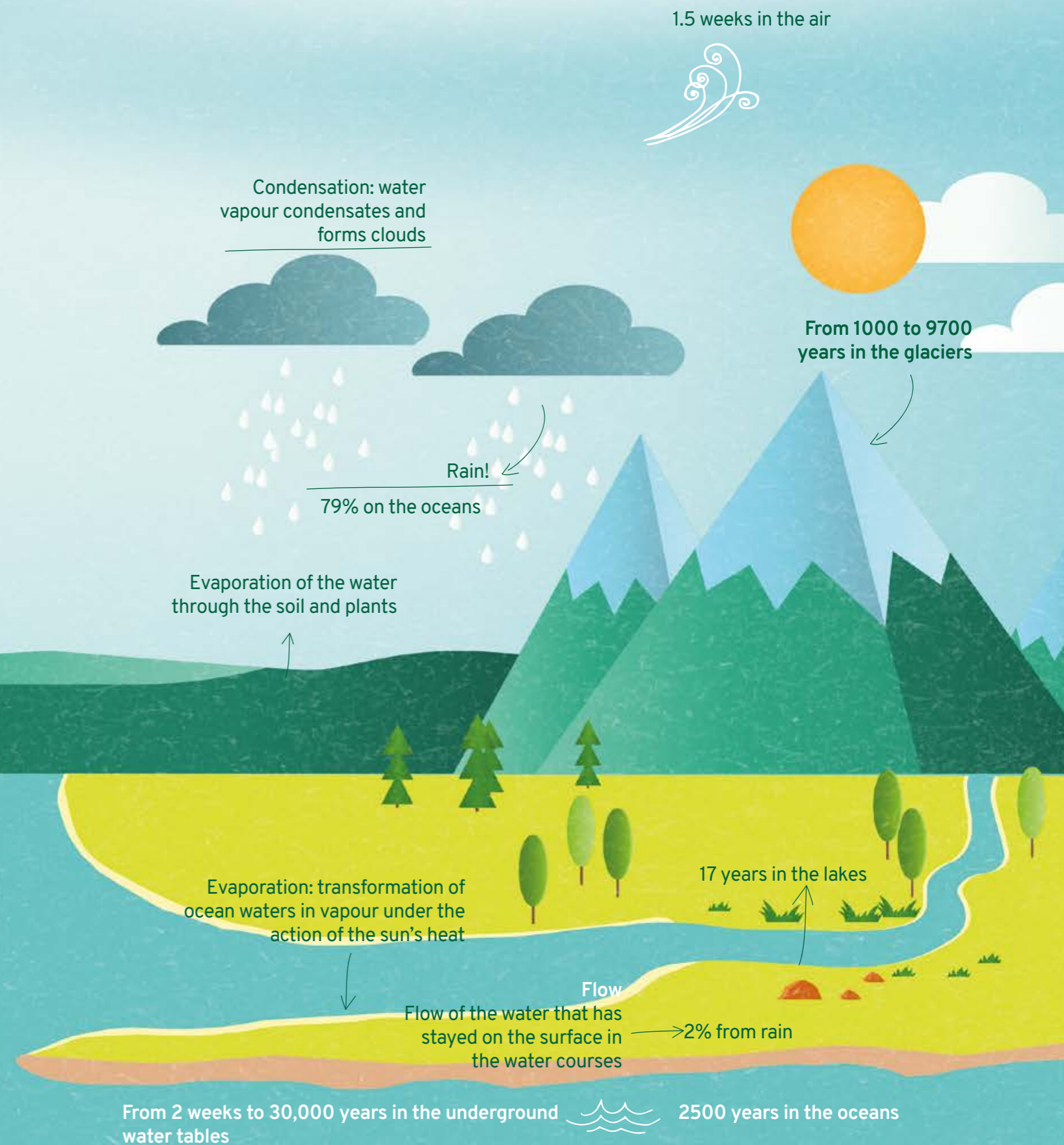
03. / 01 Looking after water resources

Sanpellegrino protects, with great diligence, the territories where the water resources are generated, preserving a constant balance between collection and the water table's ability to recharge.

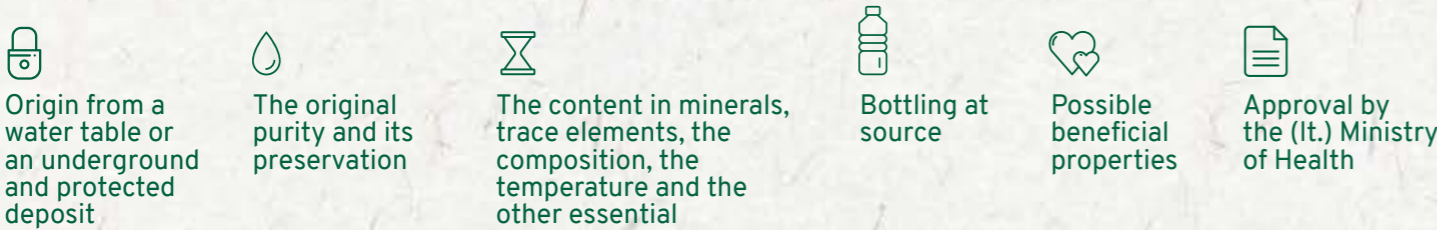
As far as the company is concerned, sustainability means the protection and best use of water resources, the reduction of the environmental impact of industrial and distribution processes, focusing on the well-being of consumers. All this in order to create and spread a truly shared water culture.

THE SPRINGS

Natural mineral waters stand out by the properties (in terms of mineral salts and trace elements) that they acquire along their underground path, which is why every natural mineral water is the fruit of the environmental and natural context in which it springs from the earth.

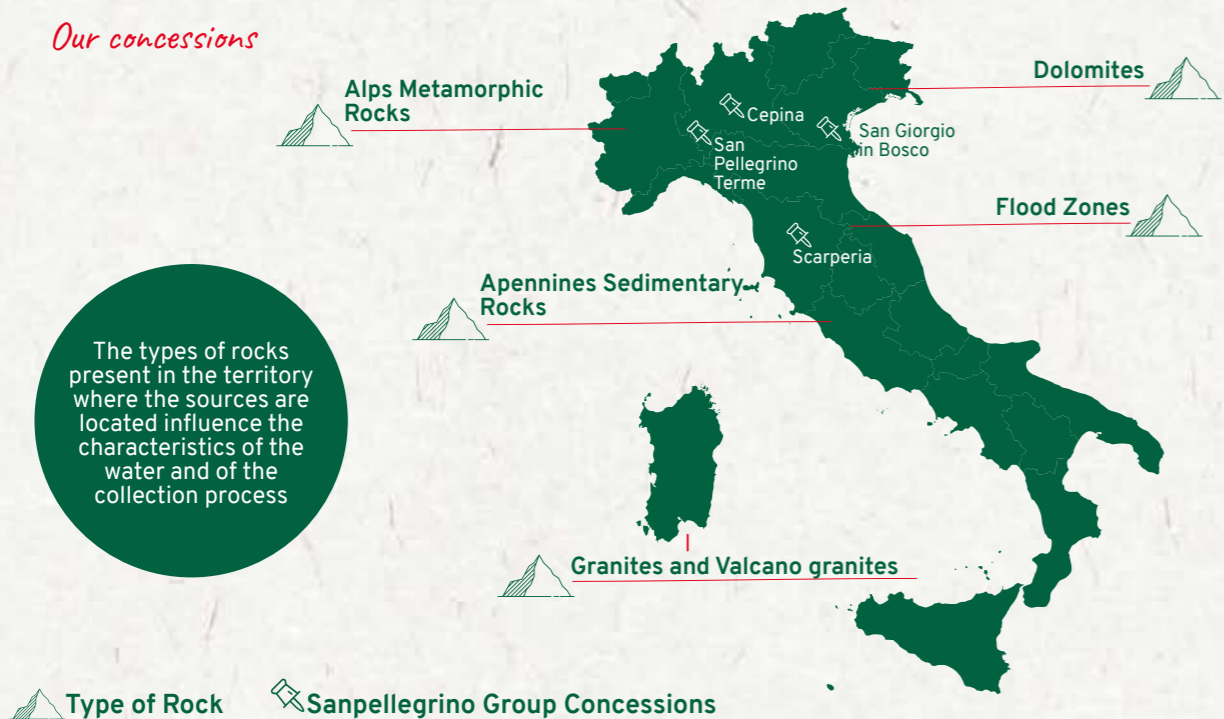


(It.) Legislative Decree no. 176 of 2011 sets forth the following mandatory requirements of natural mineral water:



Italian law envisages that, in order to be able to perform their activities, all natural mineral water bottling companies must hold the official authorisation to use one or more springs. This is known as a “mining licence” issued, for the areas where the springs are located, only to companies that can prove that they are able to manage the industrial cycle necessary for extracting, bottling and distributing the water preserving its original purity, the regularity of the composition, the health-related characteristics and maintaining constant the balance between collection (retrieval) and reconstitution of the water table. (It. Legislative Decree 176/2011). Given the interdependence of the economic activity of extracting

and bottling with the hydro-geological context in which the sources are located, it is of fundamental importance that the Group **protect and constantly monitor the development of the territory in which it operates**. The Single Environmental Act (It. Legislative Decree 152/2006), in fact, envisages the establishment, around each natural mineral water source, of specific **areas to be protected** and of related protective measures to be implemented. These areas, identified based on thorough geological and hydro-geological assessments, should ideally be overlapping and lay down restrictions and protections that increase the closer we get to the sources.



03. / 02 How we protect natural resources on our territories

Protection area

It involves the idea of recharge and is defined in accordance with the instructions of the regions (or of the autonomous provinces).

It is subject to intended use restrictions to ensure the protection of the water basin.

Absolute protection area

It consists of the area that immediately surrounds the catchments or derivations. It must be adequately protected and must be earmarked exclusively for collection works and service infrastructures.

In the case of underground waters, and, where possible, for surface waters, it must have a radius of at least ten metres from the collection point.

Respect area

It is made up of the portion of territory surrounding the absolutely protected area, to be subject to restrictions and intended uses such as to protect the quality and quantity of the water resources collected.

In the absence of specific instructions by the regions (or by the autonomous provinces) it extends to a radius of at least 200 metres from the point of collection.

Also with regard to the measures for the protection of the sources and of the catchment areas, Sanpellegrino implements more stringent measures than those laid down by law: it implements additional security measures for the structures, such as armoured doors, intrusion sensors, and video cameras.

The proper and sustainable management of the water resources cannot, obviously, be separated from the preservation of ecosystems and biodiversity. This is another reason why, due to the interdependence of the economic activity with the hydro-geological context, **constantly monitoring and protecting the ecosystems and biodiversity** is of fundamental importance for Sanpellegrino.

No Group establishments are located in protected areas or areas with a high biodiversity value outside the protected areas, although, in several cases, the areas surrounding the sites are in zones that stand out due to their great biodiversity. For example, the Levissima mineral water concession is located to the West of the Adda River, East of which is the Stelvio National Park, but there is no interference between the activities carried out and the Park's flora/fauna, while the establishment of Sanpellegrino Terme is near the River Brembo whose high-quality water plays host to indigenous species, such as

the brown trout; this is an indicator of the river's health, confirming the proper discharge activities of Sanpellegrino. In carrying out its activities, Sanpellegrino complies with all rules and regulations with regard to hydro-geological restrictions, to ensure the correct management of all types of operations that affect the territory. None of the activities carried out envisage the introduction of species other than those present in the areas of reference and/or of pathogens; no modifications in the ecological processes, in the quality of the water, of the soil and of the air have ever been reported, nor have there been reports regarding the alteration and/or loss of natural habitats and fauna caused by the activities carried out. With a view to contributing to the well-being of the inhabitants of the establishments' communities and of the Community in a wider sense, Sanpellegrino also undertakes to make its knowledge and skills available by various means and on various occasions, also through long-term collaboration relationships with local administrators and other strategic partners.

ACQUA PANNA and the Source of Biodiversity

In this sense, the Acqua Panna plant, located in the Mugello area on the border between Tuscany and Emilia-Romagna, has become a true privileged observatory of Biodiversity, thanks to the agreement between the Sanpellegrino Group and Federparchi. The agreement's goal is to combine the powers and skills of Federparchi with the International Acqua Panna Brand to sensitise the national and international public opinion on the importance of biodiversity and its protection as a fundamental element for contributing to the fight against climate change.

Looking after and safeguarding biodiversity, in fact, are very intimately linked to and able to exert a positive influence on the productivity of any ecosystem, as well as food and energy safety, vulnerability to natural disasters, the level of health, the cultural traditions and, obviously, also the availability and quality of water resources. More concretely, the project will consist in the thorough and regular monitoring of the animal species and of the variety of plants in the territory.

LEVISSIMA supports research on glaciers

In the same way, Sanpellegrino promotes the glaciers project in partnership with the University of Milan. Levissima natural mineral water is born in the water basins of the glaciers of the Dosdè-Piazzì Alpine group and in the Forni Glacier in the Stelvio Park, locations that the Group endeavours to conserve and enhance, thanks to the collaboration with the University of Milan. In fact, since 2007, Levissima has endeavoured to turn the Forni Glacier and the Eastern Dosdè Glacier into true privileged observatories with regard to the health status of the Italian "cryosphere" (snow, ice and permafrost). For over ten years, Levissima and the University of Milan have collected precious data, images and information to be shared with various research laboratories for the development of strategies for the mitigation of and adaptation to climate change.

In fact, the glaciers project aims to collect data on the glacier, on the snow cover, on the water originating from nival-glacial fusion, and on the permafrost. The study originally concentrated on the Dosdè-Piazzì glacial basin, at the high altitudes of the Valtelline valley, characterised by small and average-sized glaciers, from where springs the extremely pure Levissima natural mineral water, with the goal of extending the methodologies applied experimentally to this area to wider glacier zones. Since 2014, the research has also extended to the Forni Glacier, located at the heart of the Stelvio Park. The New Cadastre of Italian Glaciers has been available and constantly updated since 2015. This a true atlas of Italian glaciers, that contains data and information on the 903 glaciers present in our mountains.

The protection of water from the source

Guglielmina Diolaiuti

Associate Professor, Faculty of Environmental Sciences, University of Milan



The Piazzì summit, in the high altitudes of the Valtelline valley, is the mountain that proudly appears on all Levissima water bottles. The subject of my degree thesis was the study of this gorgeous ice-covered area of the Alps. It is therefore no surprise, for those who believe in the Dharma, i.e. in the path that our heart has always known and that is in harmony with the universe, that, in 2007, I started collaborating with the working group of Prof. Smiraglia on a project suggested by Levissima itself: measuring the effectiveness of the geotextile cover of natural glaciers, an approach that had never been explored before. The star of the project is the Eastern Dosdè, that belongs to the Piazzì Group, and is near the sources of Levissima water. At the start of the project, the company had prioritised the focus on the territory, as it wanted to be better informed on how to safeguard the health of what we - as fellow lovers of natural mineral water - can call a cultivar.

Since then, the collaboration has become closer every year to increasingly investigate the impact of climate change on the cryosphere: the changes in the permafrost on the southern

slopes of the Piazzì, to assess the degradation of the frozen rock, that acts as glue for the mountain; the by now historic "glacier cadastre" of 2015, that, after 50 years, updated the map of the more than 900 glaciers of our mountains and that acted as momentum for the Italian scientific community to perform additional studies on a regional scale. This process led, in the most recent past, to the study of the so-called darkening of the glaciers, essentially caused by the particulates generated by diesel engines without a DPF and by forest fires. The Stelvio Park is always at the heart of our research, a true open-air laboratory, where we have discovered virtuous bacteria that demolish the pollutants in the snow and found the notorious micro-plastics that, yes, do exist but are mostly caused by low-cost textile fibres.

Without forgetting our "floating laboratories" on the Forni glaciers, which, for the past 16 years, have been monitoring - the only ones for the World Meteorological Organization in Italy - the climate in extreme conditions and in real time. Thanks to these mini climate stations - that also serve to control the effectiveness of prediction systems - we know that, for example, in the summer the temperature does not fall below 0 °C, even during the night (which means that, for over 60 days every year, the ice melts 24/7!) and that the average temperature is of +12, 14 °C during the day. Alas, glaciers, the times are hard...

But we do not give up. We forge ahead with our studies and investigations. Day after day. We are not yet at the end of the road. But this journey and these all-important projects would not have been possible without Levissima. And, what's more, we would not have had fellow adventurers - researchers and technicians - who are so willing to learn and to collaborate, thanks to the scholarships available.



“Caring for water” but also for biodiversity

Marco Frey

Director of the Sustainability Research Laboratory (SuM)
of the Sant'Anna University of Pisa.

About a year ago, I met the CEO of Sanpellegrino, Stefano Marini, during the presentation of the collaboration with Federparchi for the protection of the biodiversity in the Scarperia natural reserve - where Acqua Panna springs; this occasion immediately engendered an opportunity for collaboration. On the one hand, because the company was looking for scientific partners to render the project more methodologically robust and, on the other hand, because we, as a Research University that has always worked on topics related to sustainability, were immediately very interested in the possibility of being able to operate and research this amazing Natural Reserve.

Following that encounter, we sought to identify the areas in which our University could be of help with this project which, starting with the protection of the area's biodiversity, had all the characteristics for becoming part of the decarbonisation strategies promoted by the Nestlé Group, and, in particular, by Sanpellegrino in order to comply with the objectives set by the Paris Agreement. We succeeded in setting an innovative work methodology with regard to current developments in Italy and internationally, which aims to make the best use of inseting,

i.e. of the virtuous practice that aims to reduce emissions through the absorption of CO2 directly in the territories and context in which the company operates.

Today, almost a year from the start of our collaboration, we have shared two important results with Sanpellegrino. The first was the identification of the baseline, i.e. of the current absorption capacity that the Natural Reserve can guarantee, which amounts to approximately 1200 tonnes of CO2 every year. The second result, instead, consists in a series of targeted actions that we suggested and which, closely related to the protection of biodiversity, can increase this absorption capacity.

Starting with the analysis of the data collected in Scarperia, the collaboration goes ahead also for the establishment of Cepina and Ruspino, where the sources of Levisima and S.Pellegrino are situated. We have barely begun our activities in these areas but we have already found that there are several connections with the commitment to managing the water resources and maintaining their quality in the future.

We have only just begun.



Sanpellegrino embarked on a path towards obtaining the AWS - Alliance for Water Stewardship certification, an internationally recognised standard for the promotion of the sustainable management of water as a shared world resource. The certification rewards the manner in which enterprises look after water resources in 5 key areas:

1 - Good Water Governance

To the extent that there is a system for the responsible and transparent management of water, the company plays an active role in the management of local water resources.

2 - Sustainable water balance

The management of quantities and use times of water is compatible with the ability to naturally recharge the water table.

3 - Good water quality

The water's quality must comply with the national and international regulatory requirements in order to maintain biodiversity and human uses.

4 - Preservation of territories

The management of the water basin areas is crucial to safe the health and sustainability of local water resources.

5 - Safe water, sanitation and hygiene for everybody

The company aims at improving safe access to water and sanitation, besides basic hygiene practices.

IN 2020 THE CERTIFICATION WAS GRANTED TO THE PLANT OF RUSPINO, WHILE THE PLANT OF ACQUA PANNA WILL BE CERTIFIED WITHIN 2022 AND THE PLANTS OF LEVISSIMA AND SANPELLEGRINO SOFT DRINKS WILL BE CERTIFIED WITHIN 2023.

* The Alliance for Water Stewardship is the international organization made up of members of leading companies, non-profit, public sector agencies and academic institutions that cooperate with each other with the aim of preserving the environmental sustainability of water basins worldwide. www.a4ws.org

Not only water... citrus fruits and the countryside

The Group identified some key factors which, jointly, are successful and crucial to ensure the uniqueness of Sanpellegrino Soft Drinks:



Such factors subsist in an accurate selection of ingredients and in the proximity to the agricultural world which finds its ultimate expression in the **protection of the territory** and in the close **relationship** that has linked Sanpellegrino to its suppliers for generations, thus allowing the Group to carefully follow the whole **process of the production of products**, starting from the moment in which the citrus fruit grows on the plant until the moment in which beverages are served.

The whole history of Sanpellegrino Soft Drinks is linked to the **Italian territory** which, with its citrus orchards in Sicily and Calabria, gives life to Mediterranean flavours and aromas, valuable raw materials and inimitable products. The territory and the area of origin, in fact, give different characteristics to citrus fruits thanks to specific elements such as the sun, winds, availability of water, conformation of the land, position with respect to the sea and thermal range. The variation of even one of the aforementioned elements results in different properties,

such as different degree of ripeness, brightness, acidity, different colour, flavour and size of the fruit.

The high **quality** of Sanpellegrino beverages is ensured exactly **by the use of excellent natural ingredients** thanks to which the quality of raw materials is completely transferred to finished products, thus maintaining the nutritional properties unaltered and offering the consumer a product of the highest quality with a list, as short as possible, of 100% natural ingredients.

The respect for the **natural cycles and seasonality** of citrus fruits and the harvest methods are key factors to guaranteeing the highest quality and excellence of Sanpellegrino soft drinks. Specifically, the harvest times vary in the countryside and are determined by the individual characteristics of the citrus fruits and on the basis of the function and destination of the soil, for example those that are intended for the harvest of best quality products or those intended for the harvest of industrial products.



The harvest periods of our citrus fruits

Blooms occur three to four times a year, thus ensuring that the lemons are constantly present. They stably maintain their own smell, aroma, colour and taste.

Blond oranges, for Sanpellegrino products, are harvested in two different periods of the year, from mid-November to the end of March, with excellent levels of acidity and ripeness, and from April to the end of June, with greater ripeness (sweeter taste) and lower acidity, resulting in an excellent juice. **Blood oranges, again for Sanpellegrino products**, are harvested from the end of January to April. This time frame allows the development of the natural compounds that are responsible for the red pigmentation.



Sanpellegrino which, as an exclusive, has a cultivation of about **9,000 plants of chinotto** (bitter oranges) on the slopes of Etna, collects these citrus fruits from the end of October to December and that is a crucial moment, being it the only harvest period of the whole year for Sanpellegrino Soft Drinks, differently from other citrus fruits. From the very first moment, they are grown and treated in a completely natural way, with no addition of pesticides. In addition, chinotto (bitter oranges) are harvested by hand to protect and preserve the quality of each single fruit.

The uniqueness of Sanpellegrino juices lies in the combination of traditional manual harvest methods and innovative machinery for the extraction, carried out directly by the partners of Sanpellegrino after the harvest. Expert hands wisely combine raw materials and manage any differences between fruits having different aromas and organoleptic characteristics, depending on the season, thus constantly ensuring that unique taste in every single drop over time.

The process of making juices

SELECTION 

In order to obtain a product of the highest quality, citrus fruits are visually selected after the harvest and the damaged and irregular ones are discarded, so that juices are extracted only from those fruits that are suitable for being squeezed

EXTRACTION 

Juices are extracted with machines similar to the common lemon squeezer we use at home, which allows to obtain a better quality of juices and faster processing

FILTERING 

Juices are also filtered and this allows to remove any seeds and cells. The fine pulp is then removed by centrifuging and, at the time of pasteurisation, juices are stabilised

CONCENTRATION 

In order to obtain concentrated extracts for beverages, a concentration is carried out through a vacuum technique after the pasteurisation, which allows to remove any water contained in the juice without reaching too high temperatures

STORAGE 

Once concentrated, the product is stored in silos inside cold rooms in bottles and refrigerated at - 20°C

Throughout the whole process, the Group **continuously and constantly monitors** supplies and raw materials; subsequently, a screening of all productions is carried out in order to standardise and guarantee the quality and unique taste of Sanpellegrino Soft Drinks, as well as to ensure careful management of any non-conformities of the product or of any complaints and reports.



In the first months of 2021, Sanpellegrino launched an innovative project with the purpose of enhancing the territory of origin and the life-cycle of one of the main raw materials used in its Soft Drinks: Sicilian orange peels.

By using unused organic materials - the so-called “pastazzo” - and thanks to strategic partnerships and to a strong technological and innovative approach, in 2021 the Group launched a design collection that puts orange peels back into circulation in the form of design objects (table lamps, glacette, trays) without letting them lose their clear recognisability. An actual revolution that started in Sicily and, with the limited edition of Sanpellegrino Soft Drinks, reached the houses and tables of all the Italian people!





*Waste shall never...
be wasted.*

Ivan Calimani

CEO and Co-Founder of Krill Design

Therefore, Krill Design originated from a pretty simple consideration: what if we used organic production waste to create eco-design objects? In fact, our process is based on the reuse of by-products that, thanks to a patented process, are transformed into natural and compostable biopolymers, capable of replacing plastics of petrochemical origin.

We started by processing corn and then continued with other products rich in starch - whose characteristics are similar to petrochemical-derived plastics in terms of stability, lightness and barrier properties - such as potato skins. Then we try with coffee dregs and egg shells. Furthermore, fruits could not be omitted and, specifically, the orange, queen of citrus fruits, which has the colour of a soul in love with beauty, according to Garcia Lorca. Considering this vision, we started to set up the project Sicily's (Revolution with Sanpellegrino and with two other exceptional subjects: Fratelli Branca - one of the most important producers in Sicily - and Seletti who "closed the circle" by creating a table lamp, a glacette and a tray, with shapes, colours and textures typical of "pepite dell'Etna", starting from our biopolymers derived from waste orange peels.

Therefore, beauty becomes increasingly crucial for sustainability since, after all, the difference between ethics and aesthetics - even from a linguistic point of view - is really minimal... And numerical data are to be considered: the average saving of 1 kg of CO₂ for each new product created.

It must be said:

from trash to treasure

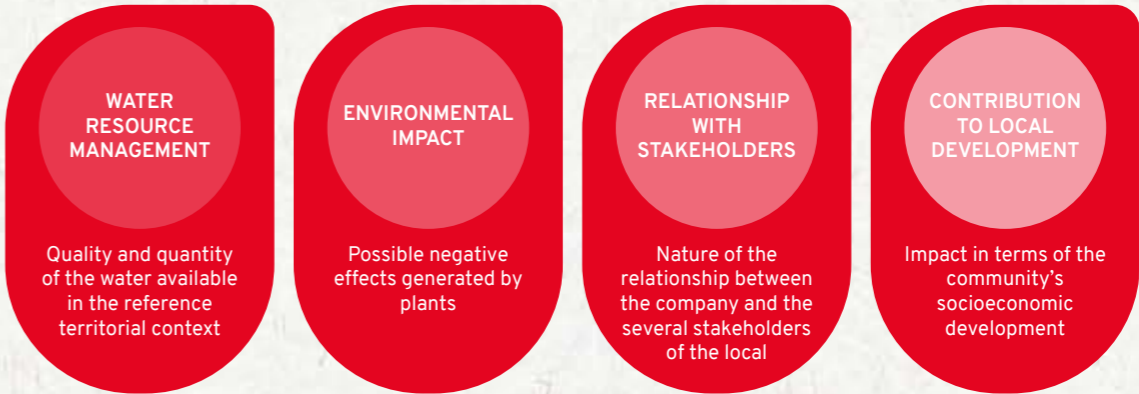
Specifically, EXPO 2015 represented a turning point in terms of international credibility for Italy and for Milan but, above all, the perspective to a new development model for the benefit of sustainability. Said universal exhibition represented an actual sliding door for me too when I joined the team that managed the organisation in 2009. I saw potentially disruptive process and product innovations that - in my opinion - had a single but crucial defect. In fact, they were sporadic initiatives disconnected from each other.

Thus, by meeting Martina Lamperti and Yack Di Maio, I had the material possibility of connecting the dots, starting from the needs of companies and consumers in order to then putting all the components of the value chain into a system.

Martina and Yack, experts from design and 3D printing and formerly founders of a digital manufacturing hub, were the link between the idea and reality, since they turned a common ideal into a production methodology that is sustainable and functional to the creation of a circular supply chain.

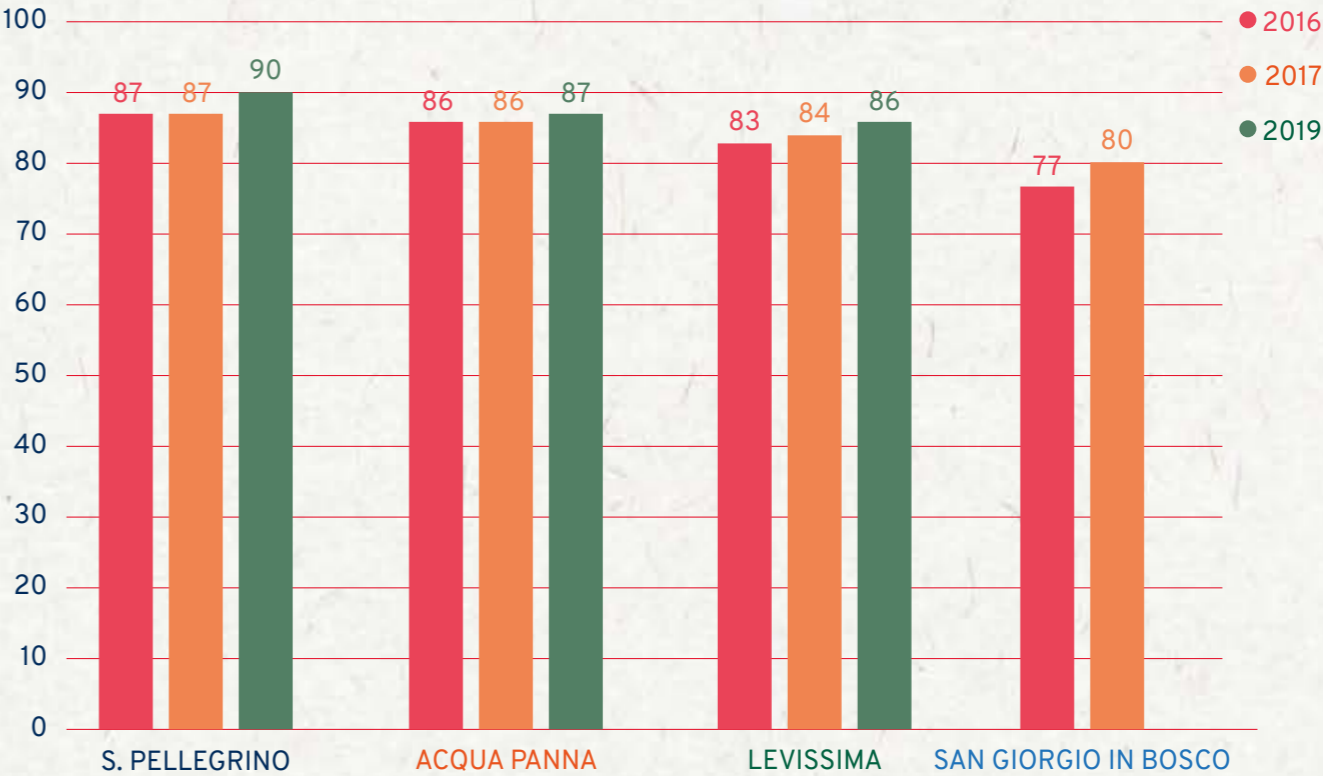
*03. / 03
We listen to our communities
in order to grow with them*

Sanpellegrino periodically carries out **external surveys** as part of the Community Relation Process. In 2019 the municipalities adjacent to the plants were involved in the survey through **1,000 interviews**¹⁰ with the resident population, concerning four areas of analysis:



Results were analysed in order to identify any critical areas and any needs of the communities and, as a consequence, in order to assess the investments and projects to be implemented.

The effectiveness of the relationship with the communities is assessed even through the **Local Acceptability Index**. The LAI of Sanpellegrino, Acqua Panna and Levissima obtained a score between 86 and 90 in 2019, thus proving that the added value created was well perceived by the communities.



¹⁰ Including the inhabitants of the Municipalities where the Nesitè Vera plants were located

WHAT CITIZENS THINK ABOUT...

...the water resource management

As part of the Community Relation Process 2019 (for any further details please see xx), local communities were heard in relation to their perception of the water resource management by the Group's plants. Results have always been positive in relation to the sample interviewed. Averagely speaking, answers are "quite good" and "very good" in 73% of the cases.

...the fact that the plant is located within the community

Furthermore, the survey conducted in 2019 focused on what they think about the fact that plants are located within their community. Active participation in the territories where plants are located and the contribution it may offer are essential aspects for the Sanpellegrino Group.

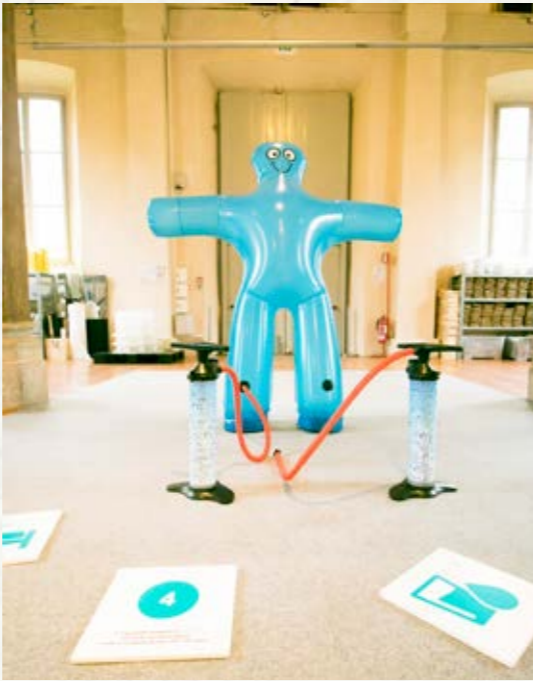
...the plant's contribution to local development

Among the aspects analysed by the survey, the Group studied the communities' perception in relation to the fact that its plants are located in the area and may be a driving force for the local development in terms of employment, induced activities, support for local projects or events. Results showed a general positive perception, with about 50% of participants acknowledging the active role of the establishment in local development.

H2OTTO WITH THE MUBA OF MILAN

The Group started a partnership with MUBA of Milan, a centre for the development and dissemination of cultural projects dedicated to children.

For several years they have been offering the workshop "H2Otto, feeling good is as easy as drinking a glass of water... or better...eight!", aiming at making children understand the importance of proper hydration by investigating the functions of water within our body. The workshop includes three different activities that alternatively involve games, observation and exchange in order to lead children to discover the fundamental role of water for our body and for all the living beings.



LEARNING ABOUT WATER...AND RECYCLING!

Raising youngest people's awareness on how water is important for our health and for the planet by paying attention to recycling and to the protection of the environment. This is the purpose of the project "A Scuola di Acqua (Learning about water)" created by Levissima and the Sanpellegrino Group in collaboration with ScuolAttiva Onlus.

"A Scuola di Acqua (Learning about water)" is addressed to primary schools throughout the whole national territory. It mainly takes place in classrooms and involves a rich and engaging program consisting of interactive learning sheets, a survey on hydration and recycling and a multimedia challenge. The classes that participate are protagonists of a challenge that involves them in issues that are dear to Levissima, such as **correct hydration and separate collection of waste**, to be reintroduced into the production cycle.

In order to monitor the benefits generated, the "Diario dell'Acqua" ("Diary of Water") has been compiled by the participants since 2018, which is a weekly diary indicating attendance, number of glasses of water per day, time frame and moments of the day dedicated to hydration, as well as recycling habits of each school.

Within the survey conducted during the last edition of the project, the students were asked how important it is for them to have an **active and positive approach towards the environmental protection: the answer was very much for 93% of the interviewees and quite enough for 7% of the interviewees**. In addition, daily hydration has been investigated and it came up that more than 86% of children drink frequently at school and outside school. This demonstrates the pursuit of the project's purposes: transmitting the fundamental values of hydration and recycling by supporting the development of critical thinking in relation to the separate collection of waste. Thanks to the use of an app, all the schools participating in the challenge merged into a national ranking aimed at the participation in the final prize, which will be the redevelopment of a green area inside the school, conceived and designed by children, that will be implemented in a sustainable way and by using recycled material.

Goals achieved

NUMBERS OF THE 7 EDITIONS

(2014/2015) - (2015/2016) - (2016/2017) - (2017/2018) - (2018/2019) - (2019/2020) - (2020/2021)

scuolattiva
EDUCATION FOR THE FUTURE

7.604
PARTECIPATING
TEACHERS

3.189
PARTECIPATING
SCHOOLS

15.642
PARTECIPATING
CLASSES

350.931
PARTECIPATING
STUDENTS



The lightness of sustainability

Cinzia Cattoni

President of the MUBA Foundation

Through these lines, I am trying to tell the story of a magnificent encounter. A meeting between people, and not between two entities, who think that teamwork and education for well-being are inseparably linked. MUBA has existed for 25 years and brought to Italy the model of the interactive game exhibition that is typical of the Anglo-Saxon world. We were developing edutainment at the time and we didn't even know it. A pioneering approach, an actual challenge that was first accepted by Triennale and then, in 2013, by the Municipality of Milan, which offered us a venue after winning a public tender: the Rotonda della Besana, which is perfect in its circular, inclusive and 'embracing' shapes.

To a certain extent, 2013 was a magical year because our path crossed that of Sanpellegrino exactly 8 years ago. And we have to say we had some concerns. The big company, maybe dispersive, with the mindset of a sponsor, not of a partner. This is what we thought. But we were proved to be wrong. We found a cohesive, collaborative working group, with clear ideas, that thought - and still thinks - in the medium and long term and not in terms of "hit and run". Proper hydration was our mantra for the first few years, first with the localisation of an international project and then with H2Otto, an initiative that was thought and created in

Italy. Over the years, the proposal has gradually expanded to the wide issue of sustainability and as of today we are working on two projects that aim at making circular economy more and more material - and even joyful.

An eco-compactor will be installed in the museum and its contents made of PET bottles will be used as raw material to build a playground, created with recycled material, in the garden of the Rotonda. What could be better than letting children be in contact with the "recycling cycle" in order to involve them?

And then the issue of Agenda 2030, which is difficult even for many adults. Speaking of which, we were wondering: what if we represented it with comics, illustrations, small installations, thus leveraging the figurative arts? And we have the help of the set designer and model maker Isadora Bucciarelli and her platform Flatopolis which, as the famous novel Flatland by Reverend Abbott, helps us have evolving perspectives. A book? A MUBA box? A traveling exhibition? We don't have a pretty clear vision yet. But we will soon meet our colleagues from Sanpellegrino: Ilaria, Manila, Prisca and something beautiful will surely happen.

Sanpellegrino's contribution to local communities and territories for the Covid-19 emergency

During the SARS Cov-2 pandemic, the Sanpellegrino Group, in collaboration with local and national authorities, took action to ensure material support to the communities located on the territories in which the Group operates, with particular attention to health facilities first, but to the catering sector as well, which was strongly affected by the lockdown measures aimed at containing the spread of the contagion.

In March 2020, the Group allocated Euro 250,000 to the **Bergamo Health Protection Agency**, which was one of the most affected areas, in order to support out-of-hospital social and health activities in the area, such as reception facilities aimed at the management of patients who survived intensive care or patients with other pathologies, as well as to support home-visiting healthcare professionals operating in the areas surrounding Bergamo and in Val Brembana. Furthermore, Sanpellegrino donated approximately 10,000 face masks and other personal protective equipment (disposable gowns, goggles and visors) to the healthcare personnel in the area and guaranteed the supply of water to those who were directly involved in the emergency situation, both in terms of healthcare personnel and patients.

Similarly, **Levissima**, the Group's brand historically present and active in Valtellina, donated a contribution of the value of **Euro 200,000** to **ATS della Montagna** (Agenzia di Tutela della Salute - Health Protection Agency) and **ASST Valtellina e Alto Lario** (Azienda Socio-Sanitaria Territoriale - Agency promoting Health and Social care in the territory), to be invested in the

province of Sondrio. More specifically, the amount of **Euro 100,000** in support of ATS della Montagna is intended to support health and social care activities on the territory of its competence, specifically in Alta Valtellina; while the remaining amount of **Euro 100,000** is donated to Morelli di Sondalo which, in addition to being the reference hospital for the Covid-19 emergency in the whole province, deals with intensive and sub-intensive hospital treatment and with the surveillance stay of patients in hospitals, with the aim of managing the post-emergency phase as well, specifically in order to take care of those patients who survived the most acute phase but still need to remain in isolation. Levissima undertook to ensure the supply of water to patients and personnel of these facilities and to the most fragile population of Alta Valle.

Sanpellegrino intervened with a donation of Euro 50,000 in the Tuscan territory as well, specifically in favour of the Borgo San Lorenzo hospital and in order to cover any costs associated with the pandemic. An additional amount of **Euro 55,000** was distributed in the other communities in which the company operates.

S.Pellegrino supports gastronomic excellence

The S.Pellegrino brand is on the front line in promoting and supporting **gastronomic excellence** around the world. Thanks to the growing media attention and to the role of the chefs as communicators at an international level, gastronomy acquired an impact capacity that is able to go well beyond cooking in the narrow sense and that helps determine an important change. And if gastronomy plays a pioneering role in promoting social and environmental change today, by focusing on issues such as seasonality, waste recovery, supply chain care, just to name a few, S.Pellegrino wants to be an active part of this movement through the launch of the S.Pellegrino Young Chef international competition - in 2015 - and of the S.Pellegrino Young Chef Academy project in 2020. The purpose is that of boosting a long-term engagement

and networking platform and developing an international ecosystem of talents that are invited to have an exchange with the most influential and representative members of the gastronomy world in relation to all issues, including sustainability and social responsibility.

The S.Pellegrino Young Chef Academy welcomes young talents who stood out in the competition, including Alessandro Bergamo (sous chef of Carlo Cracco, in the running for the international SPYC title - 4th edition) and the Italian finalists of special awards Davide Marzullo, Antonio Romano and Tommaso Tonioni, who shared their own experience.

GASTRONOMY IN SUPPORT OF FOOD SUSTAINABILITY:

Why Waste?

According to the Food Waste Index Report 2021 of the UN Environment Program (UNEP), 17% of available food is wasted every year. For this reason the three-star chef Massimo Bottura - founder of Food For Soul and recently appointed Goodwill Ambassador of Unep - in collaboration with Fine Dining Lovers (international digital food magazine supported by S.Pellegrino and Acqua Panna), decided to make his mastery available in order to share simple recipes in which food waste is used and turned into tasteful dishes.

The project is called "Why Waste?" and consists in a series of videos hosted on the magazine "Fine Dining Lovers". The protagonists are four young international chefs of the Bottura Team who are giving their precious advice.



Alessandro Bergamo, Davide Marzullo, Antonio Romano, Tommaso Tonioni

S.Pellegrino Young Chef

Participating in an international project, such as the one proposed by S.Pellegrino, was an authentic exercise of awareness since it opened our eyes to the value of our profession. Not only did it make us **understand the global dimension** of our job but it made us figure out the importance of the kitchen as a **place of change**.

The concept of sustainability is complex and goes far beyond the walls of a restaurant. If you have a **long-term project**, you pursue it, you consider training as a permanent process and you are able to involve your collabora-

tors and get customers enthusiastic, then you are part of the change. It is a common ambition that we share with many colleagues with which we deal every day. A sustainable future requires a responsible way of thinking and an open-minded vision. Whatever is served on the table can no longer be a mere exercise in style.

"Sustainable" cooking means expressing a simple, but long neglected, concept: what is to be considered the best choice from an environmental point of view is also the healthiest, most palatable and most convenient choice."

04. Planet

According to Sanpellegrino, looking after the Planet means contributing to sustainable development in terms of natural resources available, starting with the - very precious - resource that is the basis of the Group's business: water.

The strategy in this field consists in a series of priority commitments that the company shares with its stakeholders and business partners.



04. / 01

Our path towards the Carbon Neutrality

Achieving Carbon Neutrality means achieving a balance between emissions and carbon absorption, through a gradual process of reducing, removing and offsetting emissions. In order to achieve this ambitious goal, the Group is intervening in four key areas of its own business: production, packaging, logistics and natural capital. According to the outlined Roadmap, the first step is **reaching carbon neutrality within 2022, for the international brands**, i.e. are S.Pellegrino, Acqua Panna, Sanpellegrino Soft Drinks and Levissima, and the second one is expanding it to **the entire product portfolio** of the company **within 2025**.

This path is part of a longest journey undertaken by Nestlé Global towards the Net zero emissions target for 2050, as it was announced in 2019. Through the definition of the Roadmap it was possible to outline the path towards the reduction of emissions within 2025. In order to become carbon neutral, emissions that cannot be reduced will be offset by means of an offsetting strategy. Such offsetting strategy, which is currently being defined for Sanpellegrino, will lead the Group to have its projects aligned with the purpose of the Brand in different parts of the world.



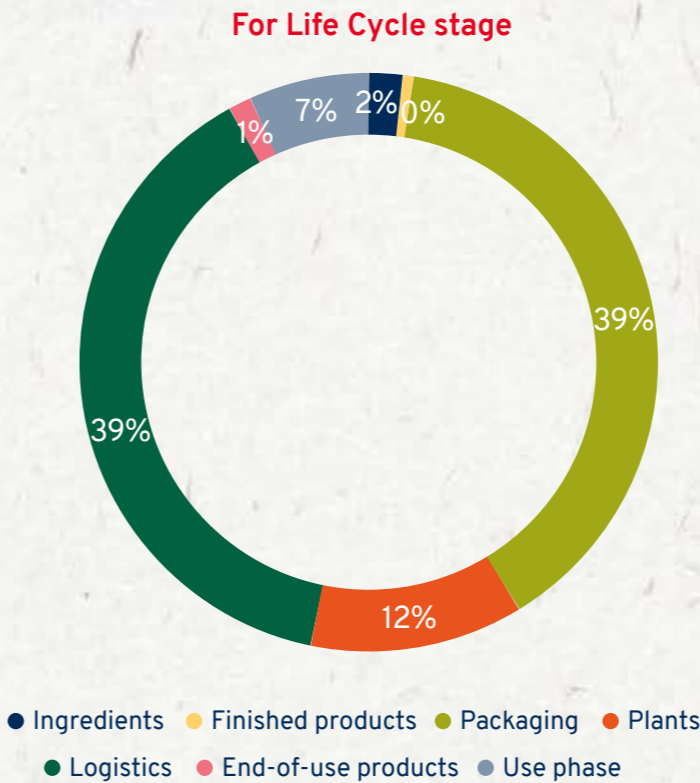
THE ENVIRONMENTAL SUSTAINABILITY POLICY

The Sanpellegrino Group adopted the Environmental Sustainability Policy which describes its commitment to the environmental protection and to the careful management of the product life cycle along the entire supply chain: from harvest to consumers. The environmental policy is based on three fundamental principles: responsibility towards the current and future society; willingness to satisfy consumers; dependence on a sustainable environment that would offer the excellent resources that are needed to produce quality food and beverages.

The Policy takes into account directives concerning the environment laid down in the “Global Compact” convention of the United Nations and addresses its commitment to operate in full compliance with the current regulations and the internal standards (often stricter), by constantly increasing the commitment to environmental protection through the integration of ecological principles, programs and procedures in every activity and by promoting eco-innovation of products and activities. All the phases of the process pursue efficiency, in order to encourage the use of renewable resources managed according to the principles of eco-sustainability and to reach the aim of “zero waste” and “zero polluting emissions”. The priority areas of intervention in relation to the management of water resources, the selection of raw materials, the production, distribution and packaging. The Policy is implemented through the NEMS environmental management system (Nestlé Environmental Management System), which is compliant with the ISO 14001 international standard and for the implementation of which the local management is responsible.



In order to outline the milestones that are to be achieved, the Group conducted detailed analyses on the life cycle of each product (**Life Cycle Assessment of the Group**) with the purpose of understanding which processes would have been most impacting for each San Pellegrino Brand in terms of climate-altering emissions.



¹¹ Life Cycle Assessment is an objective method of assessing and quantifying energy and environmental loads and potential impacts associated with a product/process/activity throughout the whole life cycle, starting from the acquisition of raw materials up to the end-of-life phase. The data shown hereby refer to the year 2018, the starting baseline.

Specifically, the activities carried out by each Sanpellegrino Brand were assessed and it emerged that **packaging** and **logistics** are the most critical phases. Plants, on the other hand, have a less significant role thanks to the energy efficiency initiatives implemented in the recent years, which contributed to a valuable reduction in their emissions.

Then the analyses allowed to identify the **main areas of intervention** on which to act as a priority in order to reduce the quantities of equivalent CO₂: specifically, we should focus on the growing use of **recycled raw materials** in packaging (R-PET and recycled glass and aluminium), on investments in **logistics** and on **innovative production projects**.

Furthermore, according to the analysis by Life Cycle Assessment, the **effective use of new raw materials** and the **circular economy** play a fundamental role. As far as this is concerned, the need to listen and intercept the growing **consumers' awareness** concerning circular economy, especially in relation to plastic materials, cannot be neglected.

A regenerating mural painting? Levissima did it!

In the first months of 2021, on the occasion of the launch of the new line Natura, Levissima created a **mural painting** in the centre of Milan which, thanks to the use of innovative paint, **contributes to the reduction of pollution at the same level of 43 square meters of forest**. The mural painting is an actual urban work of art, made entirely by hand, which perfectly combines the strong visual impact with a material commitment to the environment. Said initiative is part of the ambitious **REGENERATION** program by Levissima - circular economy purposes to support the environment - which promotes sustainable lifestyles by actually offering its own contribution to the territory.

The mural painting was made with **Airlite**, a paint able to actually reduce pollution: such paint is activated with natural or artificial light and is able to purify the air of certain pollutants (nitrogen oxides, VOC and formaldehyde) up to 88.8%.



The commercial with a low environmental impact by Levissima

The film and television industry can also play its part in the protection of the environment.

“Albert” is an environmental organisation founded in 2011 by the BBC and promoted by Bafta, which aims at encouraging and leading the world of film and TV productions to minimise waste and its ecological footprint through a series of tools, including a protocol of rules. With Albert, Levissima grew the interest of communication activities, such as the creation of the new TV commercial, in the environmental impact.

At each stage of the creation of the commercial, the production teams kept track of the waste management, of the energy used and of other information concerning suppliers. In order to further promote its material commitment, moreover, Levissima decided to launch an initiative in favour of the community and the territory of Valtellina, where the commercial was filmed.

04. / 02 The contribution of our production plants

In order to effectively contribute to the achievement of its sustainability aims, Sanpellegrino wanted to take action primarily in relation to **production and bottling processes of the products**. These processes, in fact, aim at the maximum reduction of the environmental impacts generated by the operational activities of the plants, according to the “**zero waste**” approach, as understood in the Group’s business management model, based on the TPM methodology (for any further details please see “We protect occupational health and safety” on page 37).

Within such context, the efficiency of a plant is measured according to the **Asset Intensity index**: a synthetic element behind which lies the optimisation of the generality of processes and of production times. This is achieved thanks to a corporate culture aimed at reducing waste and, as a consequence, costs, thus guaranteeing a lower environmental impact and fewer problems in relation to the delivery of goods, by always aiming at an increasingly great quality and safety of the products.

In order to achieve the energy efficiency aims and in line with the Roadmap for Carbon Neutrality, the Group has always focused on progress and innovation, which are two variables that have been allowing it to achieve the first significant results in terms of energy efficiency and environmental impact since 2011.

MAIN INVESTMENTS

San Giorgio in Bosco & San Pellegrino Terme

New **cogeneration plants** and implementation of new energy efficiency projects that have made it possible to significantly reduce equivalent CO2 between 2018 and 2020



Cepina

In 2018, a **heat pump for room heating** was installed in order to reduce consumption and emissions. Powered by certified green electricity, it is characterised by high performance for every 1 unit of incoming electricity, its yield is 3-4 units of thermal energy. This investment also led to a reduction in consumption and emissions compared to 2019.



Scarperia

Since 2016 the **LNG* plant** has provided 100% of the energy to the production site which, thanks to the properties of LNG, ensures significantly lower emissions of carbon dioxide and nitrogen oxides and the total absence of sulphur dioxide and particulates



*only 3% fuelled by LPG

04. / 03
Energy consumption

The investment plan developed over the years has allowed the Group to optimise its energy consumption, with a consequent reduction in climate-changing emissions, thanks to the more sustainable energy supply mixes. Since 2011 all plants have used **100% purchased electricity** from **renewable sources** certified in accordance with the RECS (Renewable Energy Certificate System).

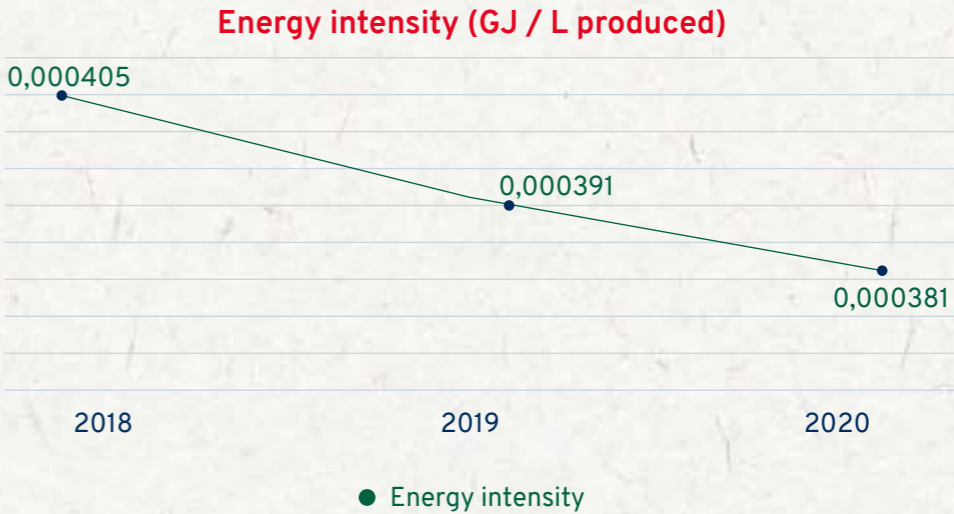
The plants in San Giorgio in Bosco and San Pellegrino Terme make use of a mix of purchased energy and self-produced energy, as it is generated by cogeneration plants, which are fuelled by methane. Eventually, methane is used for room heating.

Direct and indirect energy consumption amounted to **GJ 756,154** in **2020**, thus registering a decrease of 6% compared to 2019.



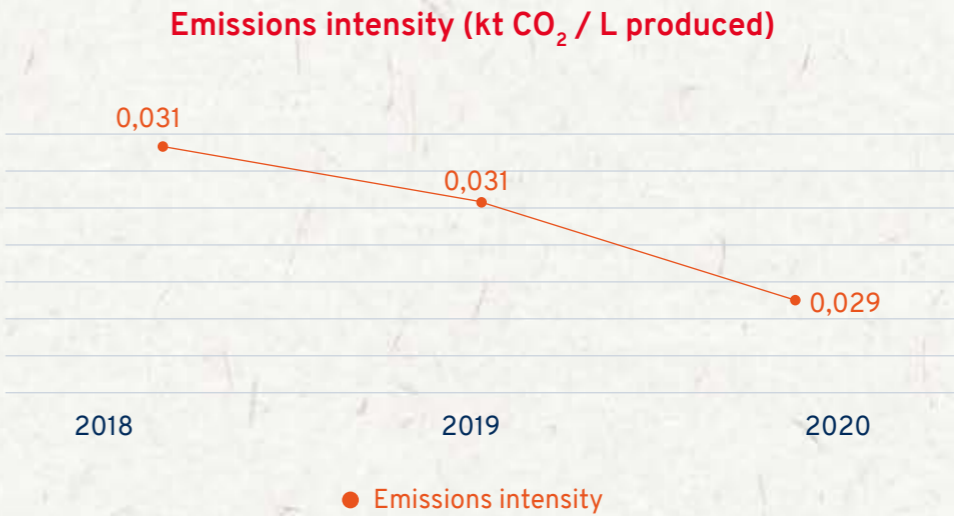
| Energy consumption | u.m. | 2018 | 2019 | 2020 |
|--|------|---------|---------|---------|
| Fuels from non-renewable energy sources | | 758.400 | 714.468 | 696.404 |
| Natural gas ²³ | | 687.363 | 658.625 | 646.445 |
| LNG | | 71.037 | 59.843 | 49.959 |
| Purchased electricity | GJ | 71.182 | 85.937 | 59.750 |
| of which certified from renewable energy sources | | 71.182 | 85.937 | 59.750 |
| Total direct and indirect consumption | | 829.582 | 800.405 | 756.154 |

²³ Natural gas is used both for heating and to produce electricity.



In a general sense, by comparing the total energy consumption (direct and indirect) to the Group's production, we obtain an energy intensity indicator equal to 0.000381 GJ/litres produced for 2020, thus registering a decrease of 3% compared to 2019. In 2020, Sanpellegrino reduced its emissions (including scope 3) by 7% compared to

emissions in 2019. Furthermore, there is a decrease of 4% in the emission intensity indicator as well: by comparing the total emissions to the Group's production for 2020, in fact, an indicator of 0.029 ktCO₂/ L produced is obtained.



04. / 04

Excellence in water management

The Group ensures the **regeneration and restoration of hydrological cycles** in the areas in which it operates. The work performed in collaboration with local authorities is customised according to the specific areas, needs and problems and adopts a wider approach that is not limited solely to its production activities.

The use of industrial water has been significantly optimised over the years, thanks to investments made on processing systems of water systems. During the bottling process, maximum care is taken to reduce water waste through interventions on filling machines and on regulation mechanisms. The average consumption per litre of bottled water¹² was 1.1 litres in 2020.

The cogeneration system implemented, besides ensuring the reduction of consumption and emissions, allowed a decrease in water used for cooling the plants and for washing lines and returnable bottles, thanks to the possibility of reusing waste heat¹³, thus reducing an amount of consumption corresponding to several mega litres of cubic metres of water.

Part of the process and processing water is then returned to surface water courses, after specific purification and pH neutralisation treatments within plants and in the consortium purifiers, for dirty water.

Purification treatments and discharge processes, which potentially are the only activities of the Group generating pollution, are constantly controlled and directly monitored to verify the quality levels of the emission, thus ensuring that no pollutants at all are released into the water (surface, underground, soil, subsoil). To date, there were no episodes that compromised the quality of water and of the surrounding ecosystems.

“WE ARE THE GUARDIANS OF NATURAL WATER”

Sanpellegrino adheres at Group level to the “**We Are the Guardians of Natural Water**” project of the **European Federation of Bottled Water (EFBW)**. The EFWB - which is the voice of the water industry - was founded in 2003 with the purpose of protecting the unique qualities of natural waters and promoting the reference sector and, as of today, it brings together several national European associations that operate in the bottled water sector (mineral waters, spring waters and table waters). The “Guardians of Natural Water”, thanks to their work, have been supplying natural water for generations, by safeguarding its passage from the source to the consumer; they work with local communities in order to protect sources and the surrounding environment while, at the same time, they create jobs and support local economies. In their taking action, sustainability should be fully integrated. In becoming a “Guardian of Natural Water”, the Group is committed to protecting and respecting water, its sources and the local communities in which it operates from an environmental, economic and social point of view. Safeguarding sources is only one part of the company’s purposes which, every day, is in the front line to optimise water consumption, reduce CO2 emissions and preserve biodiversity. The economic and social commitment then results in the creation of new jobs, in the support for local and agricultural communities and in improving access to water in cases of emergency.

¹² For the purposes of the calculation of the average consumption per litre of bottled water, the consumption generated by the plant in San Giorgio in Bosco and the related litres produced was not considered.

¹³ This heat is used as hot water and steam.

The total **water withdrawal** of both natural mineral water and of the water necessary for the operation of the plants was equal to **5,918 megalitres** during 2020. 100% of the water withdrawn comes from underground water and never from areas under water stress. Increases in the volumes of withdrawals and consumption are attributable to the change in the production system of the plant in San Giorgio in Bosco, which is responsible

for 42% of withdrawals and 49% of total consumption. In 2020, the plant increased the production and bottling of Sanpellegrino Soft Drinks, a business that requires a greater use of water¹⁴, thus making the plant’s performance not comparable with the performance of plants producing mineral water, where most of the water flows into products¹⁵.

| <i>Water consumption</i> | <i>m.u.</i> | <i>2018</i> | <i>2019</i> | <i>2020</i> |
|--------------------------------|-------------|--------------|--------------|--------------|
| Water withdrawals | MI | 3.975 | 4.654 | 5.918 |
| Water discharges | | 1.817 | 1.706 | 1.476 |
| Total water consumption | | 2.158 | 2.949 | 4.441 |

04. / 05

The journey: from the source to the table

1 - Use of rail transport and loading optimisation

Using less polluting vehicles and making the most of the potential of all the individual transports carried out, thus guaranteeing the optimisation of loads and the number of trips.

2 - Creation of logistical partnerships in order to reduce the environmental impact together

Establishing virtuous partnerships with customers and logistics operators, thanks to which the company has already reached important milestones. Specifically, the careful use of logistics operators guarantees the use of vehicles in line with EU rules and regulations (Euro5 and Euro6) and makes it possible to reduce GHG emissions.

3 - Education for road hauliers

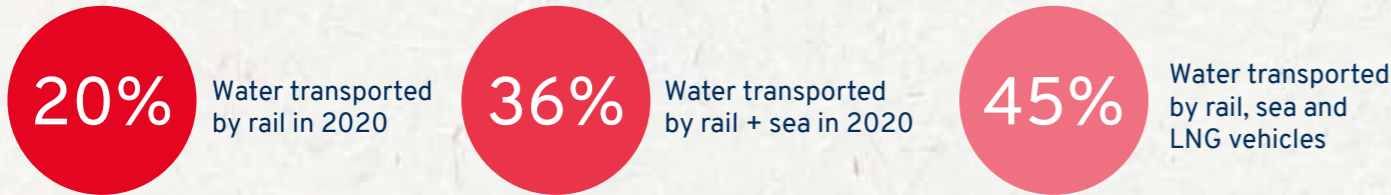
Promoting training activities aimed at teaching behavioural rules for safe and less polluting driving.

In order to optimise route planning, over the years Sanpellegrino has implemented technological innovations that allowed to reduce the environmental impact deriving from transport, thus going from traditional road transport to rail or short sea shipping, transitioning to LNG-fuelled vehicles (liquefied natural gas) or using fossil fuels with lower carbon intensity.

¹⁴ For Sanpellegrino soft drinks, water is also used in the washing processes, as production waste of syrups and beverages, as waste for the production of monofiltered water necessary for production.

¹⁵ It should be pointed out that the trend in water consumption will not be properly comparable in the years 2021 and 2022.

With this in mind and through the Life Cycle Assessment of logistics, the Group analyses the transport flows involving the products, starting from the moment in which they leave production plants to the moment they reach customers. Flows are broken down by mode of transport and are monitored under several aspects, such as Brand, litres transported, km travelled, and the values for transport modes are directly proportional to the km travelled and to the tons transported. Through several investments aimed at increasing sustainable logistics, Sanpellegrino products travel by rail, sea and through vehicles that run on LNG:



Thanks to **ultralight trailers**, which allow an increase in the number of pallets each trip, it was possible to increase the payload and consequently reduce the number of trips. Furthermore, the Group favours rail transport, so much that the company is now **Trenitalia's largest direct customer in consumer goods**. In addition, since 2018 the Group has been developing projects involving the use of **vehicles fuelled by LNG** (Liquefied Natural Gas). Compared to diesel vehicles, the aforementioned vehicles can reduce carbon dioxide emissions by up to 15%, reduce emissions of particulate, even fine particles, to almost zero, and reduce Nox emissions by up to 90%.

In the future, Sanpellegrino will increasingly work on the extension and expansion of logistics with a lower environmental impact, by means of further collaborations with key customers, with whom the LNG fleet is to be shared. Sanpellegrino plans to invest more than Euro 4 million a year in the use of biofuels, both for road and sea transport.

The Group's Responsible Sourcing Standard

An innovative project, implemented with the Koiné Group's logistical support and with the technology of Scania vehicles, that allows Sanpellegrino to reach a new important milestone in favour of sustainability. Since the first months of 2019, in fact, the Group has launched a new fleet fully composed of vehicles fuelled by Liquefied Natural Gas (LNG) for the transport of products from the plant in Ruspino to the hub in Madone, from which natural mineral water, beverages and aperitifs are then distributed in over 150 countries. In this way, the 30 km section allows to save 500 tons of carbon dioxide every year.

²⁸ The Koinè Group is an Italian company based in Levate (BG). It is an established Italian company that has operated in the transport and logistics sector for over 50 years, managing a network of operating bases located throughout Italy and key European airport Hubs.

04. / 06 *Our commitment to circular economy*

In developing its path in the field of promoting the Circular Economy, the Group aims at three objectives:



For Levissima and Acqua Panna the goal is 50% of R-PET

In order to pursue these purposes, by combining the product functionality and safety with the reduction of the environmental impact, Sanpellegrino is committed to the study of new materials, processes and innovative technologies. Thanks to such research activities, the Group outlined several lines of action: from an increase in the percentage of **recycled material** in bottles and packaging¹⁶, to a **constant lightweighting** of bottles and cans, also minimising the elements composing the packaging¹⁶, up to the promotion of awareness-raising activities **for consumers concerning the correct recycling of plastic**. Citizens' concern for plastic emerges from the survey **conducted by Gfk** in 2021; the issue was already consolidated as one of the most sensitive in public opinion and was not even mitigated by the Covid-19 emergency. The percentage of the ones interviewed who say

¹⁶ Shrink film 50% recycled within 2025.

to be "worried" increased from 66% to 74% from December 2019 to December 2020. Moreover, the same study shows that plastic bottles containing food liquids rank second in the ranking of the main causes of plastic waste and that, on the sample of Italian Shoppers, 37% (the highest percentage) state that **manufacturing companies** are the ones who can make the biggest difference in controlling and limiting environmental damage. With the evolution in the context, Sanpellegrino manufactures its products by limiting the use of packaging as much as possible, by using 100% recyclable materials and by increasing recycled materials more and more.

Plastic



BOTTLES MADE FROM RECYCLABLE PET

Label: recyclable
Cap: recyclable
Glue: not recyclable

Glass



GLASS BOTTLES MADE FROM RECYCLABLE GLASS

Label: recyclable
Cap: Not recyclable (aluminium, including plastic)
Glue: not recyclable

Aluminium



CANS ARE RECYCLABLE

Tab: recyclable



RECYCLABLE FILMPACK



RECYCLABLE CARDBOARD



RECYCLABLE PACKAGING

Pet

PET (polyethylene terephthalate) is a type of plastic that is mainly used for bottles containing food liquids because of its distinctive characteristics: transparency, safety, lightness, impact resistant, 100% recyclable and reusable for multiple purposes. As anticipated, however, PET is the material that raises the greatest concerns in public opinion in terms of environmental pollution of seas, rivers and lakes but also of the earth's surface. For this reason, over the years, **aside from proactively committing in communicating the 100% recyclability of these packaging materials to consumers**, Sanpellegrino has introduced an increasing use of R-PET in its plastic.

R-Pet

The Group's purposes for the use of recycled PET are particularly ambitious and are expressed in each Sanpellegrino brand. Actually, the contribution in this area can become very significant if we consider that PET may be **recycled for an almost unlimited number of times** and, through the current processes of mechanical recycling and mixing with a percentage of virgin material, it may maintain the chemical and physical properties that are suitable for the preservation of beverages.

The work that is necessary to achieve circularity purposes is hard and collective: it must be performed by suppliers, recyclers and institutions altogether in order to actively contribute to the development of a **recycling chain** capable of powering an actual recycled PET market. In 2021 the Group's products with recycled plastics are the following:



ACQUA PANNA 0.5 L AND 1.5 L BOTTLES: 25% R-PET



S.PELLEGRINO 0.5 L BOTTLE: 25% R-PET



LEVISSIMA 0.5 L AND 1.5 L BOTTLES, STILL AND SPARKLING: 30% R-PET



LEVISSIMA 0.75 L** AND 1 L BOTTLES: 100% R-PET

Within this context, the most important collaborations are with Coripet (voluntary non-profit consortium, recognised by the Ministry of the Environment between producers, converters and recyclers of PET bottles) and Corepla (National Consortium for the Collection, Recycling and Recovery of Plastic Packaging).

Glass

Glass is the material par excellence for the preservation of beverages and, in fact, the range of glass containers of S. Pellegrino and Acqua Panna is mainly intended for the best restaurants, hotels and cafes around the world. Glass bottles can be of two types: "Disposable glass" (white) and "returnable glass" (green). In the case of "returnable glass", after being used bottles are collected and returned to the plant which will wash and sanitise them in order to make them reusable for countless times.

the entire amount of glass of Levissima is composed of returnable glass. The bottles made from this material, besides being infinitely recyclable, saw a use of 52% of glass resulting from the recycling process in 2020.

Aluminium

Aluminium is infinitely recyclable and 100%, with reduced consumption of electricity. Together with virgin aluminium, Sanpellegrino uses recycled aluminium too. Specifically, it requires its suppliers to ensure that production is aligned with the percentage of recycled materials on the market, which amounts to 65% on a global level.

CORIPET

Coripet, definitively recognised on 28 July 2021 by the Ministry of Ecological Transition, is the voluntary Consortium for the recovery and recycling of PET containers for liquid foodstuffs. The Consortium is composed of mineral water bottling companies, including Sanpellegrino, and other food categories, such as milk and oil, as well as PET recycling companies. Coripet collects PET and sends it off to be recycled in two ways: the “traditional” separate collection of waste and the collection with the use of eco-compactors located, as an example, in large-scale retail outlets where consumers can exclusively deliver PET bottles receiving rewards in exchange.

The Consortium is an essential tool for the development of a circular “bottle to bottle” economy, since it aims at managing the “end-of-life” phase of PET containers made with post-consumption plastic for liquid foodstuffs and at sending them for recycling in order to produce RPET that is suitable for direct contact with food and, therefore, for the production of new bottles.

In 2020 an agreement was signed between Coripet and Anci (National Association of Italian Municipalities) and technical-operational and economic rules regarding the relations between the Municipalities that organise separate collection of waste and Coripet were established. Besides introducing innovations and competition in the current separate collection of waste flow, the agreement governs the flow of selective collection of PET bottles through the installation of eco-compactors on public and private soil, with the aim of contributing to the pursuit of the collection and recycling purposes of the European directive in relation to single-use plastics, which envisages the collection of at least 77% of PET bottles within 2025 and of at least 90% within 2029.



04. / 07
Waste management

The Group signed an agreement with HeraAmbiente which ensures that **100% of the waste** produced by Sanpellegrino is to be **recovered**. This agreement not only ensures collection but also complete, traced and integrated management, thus allowing the best quality of the waste recovered and significant cost containment.

The set of activities and strategies that Sanpellegrino implements is always aimed at recovering useful materials from waste with the purpose of reusing them, thus transforming waste material into a resource.

Therefore, the Group ensures continuous monitoring of the waste generated and, at the same time, a constant commitment to determine a process aimed at containing waste generation: in fact, in 2020 Sanpellegrino registered a decrease by 13%, compared to 2019. Among the waste generated in 2020, only 4% is made up of hazardous waste, mostly sludges from treatment, packaging contaminated with hazardous substances, and non-ferrous metals, while 96% are non-hazardous waste, such as paper, cardboard, plastic, wood and glass packaging.

100% of the waste produced is recovered
-13% of the waste produced in 2020 compared to 2019



| Waste not destined for disposal | | m.u. | 2018 | 2019 | 2020 |
|---------------------------------|--|------|--------|--------|--------|
| Hazardous waste | | | 598 | 553 | 506 |
| Non-hazardous waste | | T | 13.058 | 13.926 | 12.116 |
| Total waste to be recycled | | | 13.656 | 14.479 | 12.622 |

waste may be a resource for everyone

In December 2019, Levissima presented **Regeneration**, a project that aims at promoting sustainable lifestyles in a circular economy logic, in order to actively contribute to a world in which natural resources are used in a shared and responsible way and the culture of recycling is promoted.

Regeneration involves the whole **water value chain**: the protection and preservation of glaciers, responsible management of water resources, respect for biodiversity and the continuous research for innovations aimed at reducing the environmental impact. With a view to circular economy, the Group is actively committed to projects and initiatives aimed at reducing the environmental footprint of plastic; through Regeneration we wish to remind all of us of the value of plastic as a resource, by promoting a “**regeneration**” **culture** and by giving new value to one of the most significant discoveries of the last century, in order to create a positive impact for the benefit of the entire community. For the purposes of said objectives, Levissima carries

out a series of initiatives, of various kinds, that are disseminated and enhanced in a dedicated platform. Among such initiatives, Levissima took part in Gazzetta MarathONE on 4 and 5 July 2020 and, in its capacity of Regeneration Partner, turned the event into an actual resource for the environment by “regenerating” a plastic bottle for each kilometre run by the runners: that means more than **47,000 bottles**. With the virtually collected plastic and in continuity with last year, the Group is committed to enhancing an asset of the Municipality of Milan, in which the fitness trail of Parco Sempione in Milan was regenerated: 15 stations enriched with new workout tools and explanatory signs made with recycled plastic.

Levissima was sponsor of MyDeejay Ten as well, the virtual running race that took place on 11 October. Even on this occasion Levissima committed to regenerate a plastic bottle for every kilometre run by each runner who participated. And with all the virtually collected plastic, Levissima will redevelop a public park in the participants’ favourite city.

SUSTAINABILITY DOES NOT GO ON HOLIDAY

Levissima and the Regeneration project reached the Adriatic coast, thus extending the Brand’s commitment to promoting sustainable lifestyles. In fact, people were encouraged to **recycle** and protect the environment thanks to the new eco-compactors of the **Coripet Consortium**. The initiative will allow the guests of two participating bathing establishments to be active protagonists of the **circular economy** by collecting PET plastic bottles so that these bottles can be properly recycled and re-introduced back into the production cycle for the purposes of producing new bottles according to the “**bottletobottle**” logic.

The same initiative was repeated in the summer of 2021: ten bathing establishments of the Riviera Romagnola were involved, they installed eco-compactors and, in some beaches, even recyclettes, which allow the most willing ones to produce electricity in order to keep cars in function.

It is possible to receive a bag made with the PET obtained from the recycling process every 20 bottles delivered.



05. Governance, ethics and integrity

5/01 The Governance of the Group

The Group's corporate governance system envisages a traditional oligarchic organisational structure. The Board of Directors is responsible for ordinary and extraordinary management activities, is composed of four Directors and plays a central role in the corporate governance system since it resolves on operations that are very significant from a strategic, economic and financial point of view. The Board of Directors was appointed by the Shareholders' Meeting and remains in office for three years until the Shareholders' Meeting¹⁷ called for the approval of the financial statements as at 31 December 2021.

The Board of Statutory Auditors is responsible for supervising compliance with the law and with the Articles of Association, compliance with the principles of proper administration and the adequacy of the Group's organisational structure and internal control system. The Board of Statutory Auditors is appointed by the Shareholders' Meeting as well and remains in office for three years until the Shareholders' Meeting called for the approval of the financial statements as at 31 December 2022.

¹⁷ Resolution of the Shareholders' Meeting dated 10 February 2020.

05. / 02 The principles for managing a responsible business

Sanpellegrino's Corporate Governance structure is based on the Organisation, management and control model (as envisaged by (It.) Legislative Decree no. 231 of 8 June 2001) and on the principles indicated in the Code of Conduct, in the Code of Ethics and, more generally, on the Nestlé Business Principles and on the best practices found internationally, when combined with the peculiarities of the Group in Italy.

THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

The (It.) Legislative Decree no. 231 of 8 June 2001, (Legislative Decree 231/2001) introduced into the Italian legal system the administrative liability of legal persons, companies and associations, including those without legal personality, in case of commission of administrative offences and crimes, for the benefit of the Company, by all those operating in the name and on behalf of the organisation itself or those who have collaborative relationships with the organisation. With the purpose of defining an organic structure of procedures and supervision aimed at preventing the risk of committing the offences covered by the aforementioned Decree and at improving corporate governance, the Sanpellegrino Group adopted its own **Model of organization, management and control**, by resolution of the Board of Directors, thanks to which it undertakes to operate in conditions of fairness and transparency while managing its business model. The adoption of such Model, as well as any of its subsequent updates, resulted from a risk assessment process that ensured the identification of internal rules and protocols, in relation to the main areas of potential risk, and the definition of standards of conduct and control that are suitable to prevent the commission of any possible crimes. The conduct protocols identified by the risk assessment activity are assessed and approved by the **Supervisory Body (SB)**. The SB is composed of five members, of which three external (including the Chairman), and is the body in charge of supervising the actual application of the Model and to whom any violation or suspicion of violation of the ethical and conduct principles, envisaged by the Model, shall be reported by those who get knowledge of any related information.

Reports shall be made by post (Supervisory Body of Sanpellegrino S.p.A. addressed to Legal and Corporate Affairs Department, Via del Mulino, 6 - 20090 Assago -MI-), by e-mail (organodivigilanza@waters.nestle.com) or by voicemail (toll-free number 800.655468). The Supervisory Body takes into consideration any reports received and takes the required consequent measures, being always careful to protect the reporter from any type of retaliation, in line with the provisions of the legislation concerning reporters. In order to ensure greater effectiveness in the reporting process, the Group provided for the integration of the communication channels envisaged by the Model with Speak Up, which is a reporting system adopted by the Group at an international level.

Speak up: a new global channel for compliance along the entire value chain

Speak Up is a new global channel, accessible both internally and externally and useful for reporting any incidents of **non-compliance along the whole value chain**. The purpose is that of facilitating reporting, by all stakeholders, of any unlawful episodes and/or conduct concerning, as an example, cases of discrimination, fraud, corruption, mobbing or any other hypothesis of violation of corporate compliance. This new tool is added to the existing reporting system with the aim of integrating each employee's traditional channels to communicate with the Company.

Speak Up is managed independently by a third party, so that full anonymity is ensured to those who use it, thus confirming the Group's wish to protect all those acting as promoters in reporting unlawful actions as much as possible. The report may be made through three channels: a web link, a free telephone number or a QR code and is received by the Compliance Manager, in its capacity of owner of the system application, according to the provisions included in the dedicated Management Policy and Regulations. Furthermore, the reporter may monitor the report's progress after its authentication. Depending on the nature of the information received, the Compliance Manager shall forward it to the competent bodies (Supervisory Body for any offences envisaged by Model 231, Public Authority in the cases envisaged by law).

Sanpellegrino structured itself, even internally, with an **"Internal Audit" (IA) function**: internal control, in fact, is a continuous and fundamental process of Compliance that supports the long-term strategy, either locally and internationally. The Internal Audit function verifies and promotes the adoption of risk self-assessment methodologies (such as the Risk and Control Self Assessment) and the consequent clarification of the Action Plans; it collaborates with other corporate functions and provides them with detailed analyses and risk indicators with a view to improving corporate procedures and preventing risks. Furthermore, the internal audit function promotes risk prevention actions related to potential risky accesses to the management system (Segregation of Duty issues) and monitors the execution of compensatory audits in case of persistence of conflicting accesses.

Starting from 2019, Sanpellegrino established the **GRC Committee "Group Risk and Compliance Committee"**, as a body aimed at coordinating the corporate compliance functions (of which the Internal Control function is a part)

and at the integrated monitoring of major corporate risks. The GRC, through its own managers, monitors several risk areas, including Legal, Labour Law, Financial, Reputational, Tax, IT Security, Strategic, Compliance and Process.

In addition to the identification of risk areas, the Organisational Model is composed of the **Code of Ethics**, the **Code of Conduct**, the **Business Principles of the Nestlé Group**, the **Disciplinary Code** and Regulations of the **Supervisory Body**. Said documentation is constantly updated and is available on the company Intranet site and/or on the notice boards displayed in production and logistics sites. Sanpellegrino is committed to ensuring the broadest disclosure of the Model and of the Code of Conduct among its stakeholders, in order to ensure their effective implementation. As far as this is concerned, the Group communicates what is envisaged by the Model by means of a specific internal official communication and promotes **periodic information and mandatory information and training sessions**¹⁸.

¹⁸ Unjustified absence from any training sessions is considered to be unlawful conduct, in compliance with the provisions of the Group Sanctioning System.

Specifically, new recruits are given an information set, consisting of Ethical Principles and of the Organisation, Management and Control Model of Sanpellegrino, so that to encourage the sharing of the Group’s guiding principles and values. As far as its collaborators are concerned, the Group envisages training courses dedicated to deepening the regulatory context referred to in (It.) Decree 231, the ethical principles and the Organisation, management and control model (including the Special Part) and the role of the Supervisory Body, as well as the tasks it is entrusted with. Contents and methods of delivery may vary on the basis of the qualification of the recipients, the level of risk

of the area in which they operate and the attribution or otherwise of functions of representation. The Supervisory Body takes care and verifies that training programs are qualitatively appropriate and effectively implemented. Furthermore, through official communication and with expressed reference within contracts, the Group undertakes to **share what is envisaged by its own Model even with regard to its external stakeholders**, such as consultants and collaborators, commercial partners, agents, suppliers and those operating on behalf of the Company in the areas that are identified as “areas at risk”¹⁹.

THE CODE OF ETHICS

In order to create greater satisfaction for its customers, value for its shareholders and professional growth for its employees and collaborators, the Group adopted a **Code of Ethics** that expresses and collects the Group’s commitments and ethical responsibilities within the internal operational activities and in relation to its relationship with external stakeholders, first of all customers.

In performing its activities and operations, Sanpellegrino complies with the principles of **freedom, dignity of the human person and respect for diversity**; it rejects any kind of **discrimination** based on sex, race, language, personal and social conditions, religious and political beliefs. The Code of Ethics includes **all the values that the Group acknowledges and shares**, as well as all the **good rules to follow**: such principles shall inspire operations, conducts and relationships, either internal and external to the Company. Sanpellegrino, due to the role it plays in the Italian and international economic panorama, intends to strengthen its growth by adopting an approach compliant with the values of correctness and loyalty in all the daily processes, thus consolidating the value of innovation that has always characterised its business model.

Therefore, the Code represents a set of principles whose observance, by all those to whom it is addressed, is crucial for Sanpellegrino’s regular functioning, management reliability and reputation. The Code’s contents are updated and developed in order to be adapted to the continuous transformation of the environment in which the Company operates, they are integrated with the principles required by the national legal systems in which it operates and they enrich the concept of “Ethics” disseminated and shared at Group level. For this purpose, an **information and awareness program** concerning the provisions of the Code and its application is envisaged. Furthermore, Sanpellegrino is committed to monitoring compliance with the Code by adopting all the necessary prevention and control tools.

¹⁹ Sanpellegrino S.p.A. provides for the insertion of specific clauses, within contracts entered into with third parties with whom it operates, which envisage the termination of contractual obligations in the event of non-compliance with the established ethical principles.

THE 10 BUSINESS PRINCIPLES


Furthermore, the Group defined the 10 business principles that are the basis of the Group’s corporate culture and that allow to create value for the Company. Compliance with said principles is a crucial element for all Group collaborators and their application is monitored and subject to regular auditing.

| Consumers | Human rights and working conditions | Our people | Suppliers and customers | Environment |
|--|--|---------------------------------------|---|--------------------------------|
| ✓ Nutrition, Health and well-being | ✓ Respect for human rights within our activities | ✓ Leadership and individual liability | ✓ Relationship with suppliers and customers | ✓ Environmental sustainability |
| ✓ Quality assurance and product safety | | ✓ Occupational health and safety | ✓ Agricultural and rural development | ✓ Water resources |
| ✓ Communication to the consumer | | | | |

Anti-corruption

The Group is committed to preventing and fighting any offence of corruption, public and private, by identifying the set of activities that are sensitive to the aforementioned crime (for example in terms of management of commercial activities; suppliers of goods and services; sponsorships, donations and gratuities; management of financial flows). Such responsibility leads to **constant monitoring** of the Group’s activities and to a special attention to relations with counterparties, first of all with regard to the Public Administration but also in the management of the whole value chain.

Each employee of the Group periodically participates in **training courses concerning compliance and anti-corruption** (at the time of hiring and, subsequently, at least once every three years). Also, specific moments of awareness on the aforementioned issues, provided directly by the internal department dedicated to Compliance, are added to these. The Group’s commitment originates not only from a need for corporate protection, but also from the constant willingness to raise stakeholders’ awareness on issues of legality and compliance.

 **1.750**
Hours of training provided in relation to compliance and anti-corruption in 2020

Thanks to the principles implemented, no episodes of corruption were detected throughout 2020.

Tax Responsibility and tax management

As part of its **long-term tax strategy**, Sanpellegrino has developed **10 principles of responsible and sustainable tax management** over the past few years. Said principles are based on the assumption that taxation constitutes an integral part of the Group's corporate responsibility and aim at tax compliance and at a responsible and sustainable planning. In line with the corporate milestones, said principles are transmitted and monitored by the Tax Organisation, at Group and Market level. The **management of tax-related risk** is having an increasingly

important role in corporate governance, considering any equity and reputational consequences of tax violations. To this end, the Group implemented an **increasingly defined and structured risk protection system** on all corporate processes called the **"Tax Control Framework"** (TCF), aimed at ensuring that the Group's activities are performed by minimising any risk of operating in violation of tax-related regulations or in contrast with the principles or purposes of the legal system.

THE TAX CONTROL FRAMEWORK AS A TOOL FOR MANAGING TAX-RELATED RISKS

The **Tax Control Framework** (TCF) is a set of rules, procedures, organisational structures and controls, aimed at allowing detection, measurement, management and control of tax-related risks, understood as any risk of incurring in the violation of tax-related regulations or in the conflict with principles and purposes of the legal system (abuse of law). The system is effective whenever it is able to ensure the company's constant monitoring of tax-related risks.

The essential requirements that the system shall have are listed below: Tax strategy; Roles and responsibilities; Procedures; Monitoring; Adaptability to the internal and external context and Report to the management bodies. Furthermore, after the update of (It.) Legislative Decree no. 231/2001, a significant part of tax offences entered the register of predicate offences for the liability of bodies for administrative offences resulting from crimes, which is the reason why companies are required to effectively update their organisational models in order to avoid substantial financial penalties and interdiction measures.

The Company's Tax Control Framework was structured on the basis of specific forms, which define the tax guidelines to be followed within the operational phases (for each business process), through which **Roles and Responsibilities** for all the business or corporate functions, in some cases articulated on more levels, were established. The company submitted its Tax Control Framework to the Revenue Agency in 2018 and requested access to the new collaborative compliance regime.

Said regime allows for a constant and transparent dialogue with the Revenue Agency, with consequent benefits in terms of greater legal certainty (thanks to the possibility of submitting questions to the Agency and receiving faster replies) and fewer penalties in case of errors.

The Revenue Agency considered our tax risk management system suitable and it approved the admission of Sanpellegrino to this new system of privileged dialogue in 2019, with effect from the tax year 2018.

05. / 03 Our management systems and our certifications

In order to implement internal processes that would be suitable for pursuing the ambitious purposes of reliability, quality, sustainability and transparency, the Group obtained a series of **certifications for its own management systems**. Such certifications allow the Group to improve internal processes, thanks to the constant updating of internal policies and procedures. As far as its socio-environmental performance is concerned, the Group obtained **ISO 14001** (environmental management system) and **ISO 45001** (occupational health and safety management system) certification. Also strategic is the certification linked to Quality (**ISO 9001**).

Management systems related to Occupational Health and Safety, Quality and Environment are certified by third party bodies so that their constant effectiveness is certified.



100% of collaborators (employees and external collaborators), on-site and off-site, are covered by a management system for occupational health and safety

.iso

100% of the sites are certified according to the quality management system and/or **ISO 9001**

.iso

100% of the production sites are ISO 14001 certified





Chapter 1: The Sanpellegrino Group

ECONOMIC VALUE GENERATED AND DISTRIBUTED GRI Standard 201-1

| Economic value directly generated and distributed | m.u. | 2018 | 2019 | 2020 |
|---|------|---------|---------|---------|
| Economic value directly generated | | 954.863 | 937.467 | 832.561 |
| Economic value distributed | | 838.409 | 888.186 | 729.573 |
| Operational costs | € | 643.168 | 690.118 | 625.971 |
| Compensation and benefits | | 91.617 | 89.572 | 87.187 |
| Payments to capital providers | | 6.436 | 46.976 | 22.626 |
| Payments to the Public Administration | | 49.540 | 26.580 | 28.972 |
| Value distributed to shareholders | | 137.890 | 123.116 | 50.231 |
| Investments in the community ³⁶ | | 1.375 | 1.396 | 1.773 |
| Economic value retained | | 116.454 | 49.281 | 102.988 |

³⁶ This data differs from that present in Chapter 2 p. 20, as it also includes associative contributions.

Chapter 2: People

WORK FORCE BY TYPE OF CONTRACT AND GENDER GRI Standard 102-8

| | m.u. | 2018 | | | 2019 | | | 2020 | | |
|-------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Permanent contract | | 1.070 | 384 | 1.454 | 1.029 | 363 | 1.392 | 1.011 | 356 | 1.367 |
| Milano | | 135 | 167 | 301 | 99 | 138 | 237 | 98 | 140 | 238 |
| Madone | | 19 | 18 | 37 | 18 | 17 | 35 | 18 | 14 | 32 |
| Scarperia | | 127 | 26 | 152 | 148 | 31 | 179 | 158 | 29 | 187 |
| San Giorgio in Bosco | | 169 | 44 | 205 | 153 | 44 | 197 | 164 | 45 | 209 |
| San Pellegrino Terme | | 381 | 85 | 464 | 373 | 87 | 460 | 370 | 85 | 455 |
| Valdisotto | | 202 | 38 | 240 | 203 | 40 | 243 | 203 | 43 | 246 |
| Santo Stefano Quisquina | | 18 | 3 | 21 | 18 | 3 | 21 | - | - | - |
| Castrocielo | | 19 | 3 | | 17 | 3 | 20 | - | - | - |
| Fixed term | No. | 27 | 14 | 41 | 30 | 18 | 48 | 29 | 11 | 40 |
| Milano | | 5 | 10 | 15 | 13 | 13 | 26 | 8 | 9 | 17 |
| Madone | | 3 | - | 3 | - | - | - | 1 | - | 1 |
| Scarperia | | 4 | 1 | 5 | 2 | - | 2 | 1 | - | 1 |
| San Giorgio in Bosco | | - | - | - | 3 | - | 3 | 14 | 1 | 15 |
| San Pellegrino Terme | | 1 | 2 | 3 | 8 | 3 | 11 | 2 | 1 | 3 |
| Valdisotto | | 14 | 1 | 15 | 4 | 2 | 6 | 3 | - | 3 |
| Santo Stefano Quisquina | | - | - | - | - | - | - | - | - | - |
| Castrocielo | | - | - | - | - | - | - | - | - | - |
| Total employees | | 1.097 | 398 | 1.495 | 1.059 | 381 | 1.440 | 1.040 | 367 | 1.407 |

EMPLOYEES BY TYPE OF EMPLOYMENT GRI Standard 102-8

| | m. u. | 2018 | | | 2019 | | | 2020 | | |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Full-time | No. | 998 | 308 | 1.306 | 948 | 285 | 1.233 | 922 | 272 | 1.194 |
| Part-time | | 99 | 90 | 189 | 111 | 96 | 207 | 118 | 95 | 213 |
| Total employees | | 1.097 | 398 | 1.495 | 1.059 | 381 | 1.440 | 1.040 | 367 | 1.407 |

DIVERSITY OF EMPLOYEES IN TERMS OF PROFESSIONAL CATEGORY
GRI Standard 405-1

| | m.u. | 2018 | | | 2019 | | | 2020 | | |
|--------------------------------|------|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|--------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Executives | No. | 38 | 18 | 56 | 35 | 16 | 51 | 31 | 14 | 45 |
| Under 30 years of age | | - | - | - | - | - | - | - | - | - |
| Between 30 and 50 years of age | | 18 | 13 | 31 | 17 | 12 | 29 | 17 | 11 | 28 |
| Over 50 years of age | | 20 | 5 | 25 | 18 | 4 | 22 | 14 | 3 | 17 |
| Managers | | 56 | 41 | 97 | 50 | 40 | 90 | 51 | 43 | 94 |
| Under 30 years of age | | - | - | - | - | - | - | - | - | - |
| Between 30 and 50 years of age | | 37 | 36 | 73 | 33 | 33 | 66 | 33 | 35 | 68 |
| Over 50 years of age | | 19 | 5 | 24 | 17 | 7 | 24 | 18 | 8 | 26 |
| Office workers | | 238 | 225 | 463 | 203 | 201 | 403 | 199 | 190 | 389 |
| Under 30 years of age | | 24 | 30 | 54 | 25 | 30 | 55 | 28 | 26 | 54 |
| Between 30 and 50 years of age | | 125 | 152 | 277 | 113 | 131 | 244 | 108 | 122 | 230 |
| Over 50 years of age | | 89 | 43 | 132 | 65 | 40 | 105 | 63 | 42 | 105 |
| Production workers | No. | 765 | 114 | 879 | 771 | 124 | 895 | 759 | 120 | 879 |
| Under 30 years of age | | 106 | 9 | 115 | 112 | 17 | 129 | 104 | 14 | 118 |
| Between 30 and 50 years of age | | 263 | 33 | 296 | 406 | 78 | 484 | 387 | 75 | 462 |
| Over 50 years of age | | 396 | 72 | 468 | 253 | 29 | 282 | 268 | 31 | 299 |
| Total employees | | 1.097 | 398 | 1.495 | 1.059 | 381 | 1.440 | 1.040 | 367 | 1.407 |
| Under 30 years of age | | 130 | 39 | 169 | 137 | 47 | 184 | 132 | 40 | 172 |
| Between 30 and 50 years of age | | 443 | 234 | 677 | 569 | 254 | 823 | 545 | 243 | 788 |
| Over 50 years of age | | 524 | 125 | 649 | 353 | 80 | 433 | 363 | 84 | 447 |

EMPLOYEES BELONGING TO PROTECTED CATEGORIES
GRI Standard 405-1

| | m. u. | 2018 | 2019 | 2020 |
|---|-------|-----------|-----------|-----------|
| Employees belonging to vulnerable categories | No. | 55 | 61 | 60 |

NEW RECRUITS AND TURNOVER²⁰
GRI Standard 401-1

| Number of new recruits | m.u. | 2018 | | | 2019 | | | 2020 | | |
|--------------------------------|------|------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Under 30 years of age | No. | 105 | 35 | 140 | 106 | 38 | 144 | 79 | 30 | 109 |
| Between 30 and 50 years of age | | 116 | 36 | 152 | 84 | 25 | 109 | 81 | 14 | 95 |
| Over 50 years of age | | 45 | 4 | 49 | 32 | 3 | 35 | 18 | 7 | 25 |
| Total recruits | | 266 | 75 | 341 | 222 | 66 | 288 | 178 | 51 | 229 |

| Incoming turnover rate | m.u. | 2018 | | | 2019 | | | 2020 | | |
|--------------------------------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Under 30 years of age | % | 81 | 90 | 83 | 77 | 81 | 78 | 60 | 75 | 63 |
| Between 30 and 50 years of age | | 26 | 15 | 22 | 15 | 10 | 13 | 15 | 6 | 12 |
| Over 50 years of age | | 9 | 3 | 8 | 9 | 4 | 8 | 5 | 8 | 6 |
| Total recruits | | 24 | 19 | 23 | 21 | 17 | 20 | 17 | 14 | 16 |

| Number of new recruits by geographical area | m.u. | 2018 | | | 2019 | | | 2020 | | |
|---|------|------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Milano | No. | 10 | 20 | 30 | 18 | 24 | 42 | 8 | 13 | 21 |
| Madone | | 5 | - | 5 | 3 | - | 3 | 2 | - | 2 |
| Scarperia | | 40 | 8 | 48 | 64 | 11 | 75 | 20 | 10 | 30 |
| San Giorgio in Bosco | | 6 | - | 6 | 25 | - | 25 | 34 | 2 | 36 |
| San Pellegrino Terme | | 112 | 21 | 133 | 41 | 8 | 49 | 63 | 14 | 77 |
| Valdisotto | | 85 | 24 | 109 | 57 | 20 | 77 | 39 | 11 | 50 |
| Santo Stefano Quisquina | | 6 | 1 | 7 | 5 | 1 | 6 | 9 | - | 9 |
| Castrocielo | | 2 | 1 | 3 | 9 | 2 | 11 | 3 | 1 | 4 |
| Total recruits | | 266 | 75 | 341 | 222 | 66 | 288 | 178 | 51 | 229 |

| Number of people whose service was terminated - including due to natural expiry of the contract | m.u. | 2018 | | | 2019 | | | 2020 | | |
|---|------|------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Under 30 years of age | No. | 49 | 18 | 67 | 75 | 22 | 97 | 58 | 27 | 85 |
| Between 30 and 50 years of age | | 67 | 26 | 93 | 83 | 34 | 123 | 73 | 20 | 112 |
| Over 50 years of age | | 96 | 12 | 108 | 96 | 16 | 112 | 52 | 15 | 67 |
| Total terminations | | 212 | 56 | 268 | 254 | 72 | 332 | 183 | 62 | 264 |

²⁰ Infra-group movements are included in the turnover calculation.

| Outgoing turnover rate | m.u. | 2018 | | | 2019 | | | 2020 | | |
|--------------------------------|------|------|-------|-------|------|-------|-------|------|-------|-------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Under 30 years of age | % | 38 | 46 | 40 | 55 | 47 | 53 | 44 | 68 | 49 |
| Between 30 and 50 years of age | | 15 | 11 | 14 | 15 | 13 | 15 | 13 | 8 | 14 |
| Over 50 years of age | | 18 | 10 | 17 | 27 | 20 | 26 | 14 | 18 | 15 |
| Total | | 19 | 14 | 18 | 24 | 19 | 23 | 18 | 17 | 19 |

| Number of people whose service was terminated divided by geographic area | m.u. | 2018 | | | 2019 | | | 2020 | | |
|--|------|------|-------|-------|------|-------|--------|------|-------|--------|
| | | Man | Woman | Total | Man | Woman | Totale | Man | Woman | Totale |
| Milano | No. | 19 | 16 | 35 | 47 | 40 | 87 | 15 | 16 | 31 |
| Madone | | 4 | - | 4 | 5 | - | 5 | 2 | 1 | 3 |
| Scarperia | | 12 | 6 | 18 | 46 | 8 | 54 | 12 | 11 | 23 |
| San Giorgio in Bosco | | 43 | 4 | 47 | 38 | 2 | 40 | 14 | 1 | 15 |
| San Pellegrino Terme | | 64 | 15 | 79 | 44 | 5 | 49 | 71 | 19 | 90 |
| Valdisotto | | 62 | 14 | 76 | 64 | 15 | 79 | 39 | 10 | 49 |
| Santo Stefano Quisquina | | 5 | 1 | 6 | 6 | 1 | 7 | 26 | 3 | 29 |
| Castrocielo | | 3 | - | 3 | 9 | 2 | 11 | 20 | 4 | 24 |
| Total recruits | | 212 | 56 | 268 | 259 | 73 | 332 | 199 | 65 | 264 |

| Number of terminations divided by type | m.u. | 2018 | | | 2019 | | | 2020 | | |
|--|------|------|-------|-------|------|-------|-------|------|-------|-------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Death | No. | 3 | - | 3 | 1 | - | 1 | 4 | - | 4 |
| Expiry | | 126 | 28 | 154 | 148 | 37 | 185 | 124 | 40 | 164 |
| Resignation | | 27 | 18 | 45 | 42 | 16 | 58 | 50 | 19 | 69 |
| Dismissals | | 31 | 4 | 35 | 59 | 20 | 79 | 7 | 2 | 9 |
| Retirement | | 25 | 6 | 31 | 9 | - | 9 | 14 | 4 | 18 |
| Total termination | | 212 | 58 | 268 | 259 | 73 | 332 | 199 | 65 | 264 |

COLLECTIVE BARGAINING AGREEMENTS AND TRADE UNION REPRESENTATION
GRI Standard 102-41

| | m.u. | 2018 | 2019 | 2020 |
|---|------|-------|-------|-------|
| Number of employees covered by collective bargaining agreements | No. | 1.495 | 1.440 | 1.407 |
| % of employees covered by collective bargaining agreements | % | 100% | 100% | 100% |

WORKERS COVERED BY OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
GRI Standard 403-8

| Employees | m.u. | 2018 | 2019 | 2020 |
|--|------|-------|-------|-------|
| Number of employees covered by a health and safety management system | No. | 1.495 | 1.440 | 1.407 |
| % of employees covered by a health and safety management system | % | 100% | 100% | 100% |
| Non-employed workers | m.u. | 2018 | 2019 | 2020 |
| Number of non-employees covered by a health and safety management system | No. | 474 | 496 | 446 |
| % of non-employees covered by a health and safety management system | % | 100% | 100% | 100% |

INJURIES AT WORK OF EMPLOYEES AND INJURY INDICATORS²¹
GRI Standard 403-9

| m.u. | | 2018 ³⁹ | 2019 | 2020 |
|---|-------|--------------------|-----------|-----------|
| Accidents that can be recorded ⁴⁰ | | 7 | 10 | 8 |
| of which accidents with serious consequences ⁴¹ | No. | - | - | - |
| Deaths | | - | - | - |
| Hours worked | hours | 2.008.409 | 2.009.437 | 1.611.890 |
| Rate of accidents at work that can be recorded ⁴² | % | 4 | 5 | 5 |
| Rate of accidents at work with serious ⁴³ consequences | | - | - | - |
| Fatality rate ⁴⁴ | | - | - | - |

PROFESSIONAL DISEASES AMONG EMPLOYEES
GRI Standard 403-10

| u.m. | | 2018 | 2019 | 2020 |
|-------------------------------|-----|------|------|------|
| Cases of occupational disease | No. | 3 | 1 | - |

AVERAGE HOURS OF ANNUAL TRAINING DIVIDED BY PROFESSIONAL CATEGORY²²
GRI Standard 404-1

| m.u. | | 2018 | | 2019 | | 2020 | |
|--------------------|-------|-------------|---------------|-------------|---------------|-------------|---------------|
| | | Total hours | Average hours | Total hours | Average hours | Total hours | Average hours |
| Executives | hours | 448 | 8 | 759 | 15 | 341 | 8 |
| Managers | | 2.975 | 31 | 3.055 | 34 | 1.243 | 13 |
| Office workers | | 6.828 | 15 | 4.671 | 12 | 4.445 | 11 |
| Production workers | | 17.591 | 20 | 17.129 | 19 | 11.767 | 13 |
| Total | | 27.842 | 19 | 25.613 | 18 | 17.796 | 13 |

²¹ For the self-employed workforce, there was only one accident in the three years, in 2019.

²² For language training it is not possible to divide hours by gender and professional category; hours amount to a total of 990 in 2020. Furthermore, it should be pointed out that interns were provided with 128 hours of training in 2020.

³⁹ In 2018, two accidents were reported.

⁴⁰ The term “registrable occupational accidents” means all accidents which can result in death, absence at work, restrictions on work, transfer to other duties, medical treatment beyond first aid, and loss of consciousness. These are all accidents caused by risks and dangers to which workers are exposed at the workplace (e.g. death, amputations, lacerations, fractions, hernia, sunburn, loss of consciousness and paralysis).

⁴¹ “Accidents at work with serious consequences” means accidents which have resulted in at least six months, excluding deaths.

⁴² The calculation of the “Adjustable Rate of Accidents at Work” is based on 1,000,000 hours worked, according to the following formula: (Total Registered Accidents at Work + Total Accidents at Work with Serious Consequences) / Hours Worked) * 1,000,000

⁴³ The calculation of the “Rate of accidents at work with serious consequences” is based on 1,000,000 hours worked, according to the following formula: (Total accidents at work with serious consequences / Hours worked) * 1,000,000

⁴⁴ The calculation of the “Fatality rate” is based on 1,000,000 hours worked, according to the following formula: (Total Deaths/ Hours Worked) * 1,000,000

AVERAGE HOURS OF ANNUAL TRAINING DIVIDED BY GENDER
GRI Standard 404-1

| m.u. | | 2018 | | | 2019 | | | 2020 | | |
|------------------------|-------|--------|-------|--------|--------|-------|--------|--------|-------|--------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Total training hours | hours | 19.855 | 7.987 | 27.842 | 18.403 | 7.210 | 25.613 | 13.479 | 4.318 | 17.796 |
| Average training hours | | 18 | 20 | 19 | 17 | 19 | 18 | 13 | 12 | 13 |

HOURS OF TOTAL TRAINING DIVIDED BY TOPIC²³

| m.u. | | 2018 | 2019 | 2020 |
|--------------------------------|-------|--------|--------|--------|
| Environment | hours | 13 | 4 | 279 |
| Compliance - Anti-corruption | | 801 | 570 | 1.750 |
| Health and safety | | 5.281 | 6.021 | 4.584 |
| Management | | 258 | 1.268 | 390 |
| Technical - specialist | | 18.337 | 15.318 | 9.492 |
| Languages | | 750 | 875 | 990 |
| Induction for new hires | | 238 | 286 | 264 |
| Transversal and digital skills | | 3.079 | 2.372 | 1.116 |
| Total | | 28.756 | 26.714 | 18.914 |

PERCENTAGE OF EMPLOYEES RECEIVING A PERIODIC EVALUATION OF
PERFORMANCES AND PROFESSIONAL DEVELOPMENT
GRI Standard 404-3

| m.u. | | 2018 | | | 2019 | | | 2020 | | |
|--------------------|---|------|-------|-------|------|-------|-------|------|-------|-------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Executives | % | 61 | 39 | 54 | 69 | 44 | 61 | 84 | 64 | 78 |
| Managers | | 75 | 76 | 75 | 86 | 85 | 86 | 82 | 93 | 87 |
| Office workers | | 62 | 69 | 65 | 80 | 83 | 81 | 90 | 90 | 90 |
| Production workers | | - | - | - | - | - | - | - | - | - |
| Total termination | | 19 | 48 | 27 | 22 | 55 | 30 | 24 | 60 | 33 |

²³ For language training it is not possible to divide hours by gender and professional category; hours amount to a total of 990 in 2020. Furthermore, it should be pointed out that interns were provided with 128 hours of training in 2020.

RATIO OF THE BASIC WAGE (RAL) AND TOTAL REMUNERATION (INCLUDING THE VARIABLE PART) OF WOMEN
COMPARED TO MEN, DIVIDED BY PROFESSIONAL CATEGORY
GRI Standard 405-2

| Basic wage | m.u. | 2018 | 2019 | 2020 |
|----------------------------|------|------|------|------|
| Executives | % | 89 | 93 | 101 |
| Managers | | 95 | 95 | 96 |
| Office workers | | 96 | 97 | 98 |
| Production workers | | 97 | 97 | 97 |
| Total average remuneration | m.u. | 2018 | 2019 | 2020 |
| Executives | % | 93 | 96 | 99 |
| Managers | | 92 | 94 | 96 |
| Office workers | | 92 | 95 | 96 |
| Production workers | | 97 | 97 | 97 |

OUR CUSTOMERS AND OUR CONSUMERS
Number of complaints received and handled throughout the year divided by well-founded and unfounded complaints²⁴

| | m.u. | 2018 | 2019 | 2020 |
|--|------|-------|-------|-------|
| Total complaints received from third parties and assessable, of which | No. | 2.660 | 2.175 | 1.721 |
| Number of well-founded complaints concerning the product | | 1.038 | 216 | 110 |
| Number of well-founded complaints concerning the product managed throughout the year | | 1.038 | 216 | 110 |
| Number of non-founded complaints concerning the product | | 1.622 | 1.959 | 1.611 |
| Number of non-founded complaints concerning the product managed throughout the year | | - | - | - |

²⁴ It should be pointed out that, starting from 2019, the criterion for the allocation of complaints was changed and the scope was restricted exclusively to those directly attributable to the production sites, so that improvement activities in the plants are focused in a targeted manner, through a deployment of losses contextualised to the production scope.

Supply chain management: collaboration, sustainability and transparency
DESCRIPTION OF THE SUPPLY CHAIN AND TYPE OF SUPPLIERS
GRI Standard 102-9

| | m.u. | 2018 | 2019 | 2020 |
|------------------------------------|------|-------|-------|-------|
| Suppliers in Italy | No. | 1.654 | 1.368 | 1.247 |
| Materials | | 69 | 71 | 68 |
| Services | | 1.585 | 1.297 | 1.179 |
| Suppliers in Europe | | 159 | 141 | 129 |
| Materials | | 35 | 36 | 33 |
| Services | | 124 | 105 | 96 |
| Suppliers in the rest of the world | | 150 | 104 | 92 |
| Materials | | 6 | 8 | 8 |
| Services | | 144 | 96 | 84 |
| Total suppliers | | 1.963 | 1.613 | 1.468 |

PROPORTION OF SPENDING TOWARDS LOCAL SUPPLIERS
GRI 204-1

| | m.u. | 2018 | 2019 | 2020 |
|------------------------------------|------|------|------|------|
| Suppliers in Italy | No. | 84 | 80 | 79 |
| Materials | | 39 | 48 | 47 |
| Services | | 61 | 52 | 53 |
| Suppliers in Europe | | 12 | 14 | 17 |
| Materials | | 71 | 44 | 53 |
| Services | | 29 | 56 | 47 |
| Suppliers in the rest of the world | | 4 | 6 | 4 |
| Materials | | 49 | 72 | 55 |
| Services | | 51 | 28 | 45 |

Chapter 4: Planet

ENERGY CONSUMPTION WITHIN THE ORGANIZATION
GRI Standard 302-1

| | m.u. | 2018 | 2019 | 2020 |
|--|------|----------------|----------------|----------------|
| Fuels from non-renewable energy sources | | 758.400 | 714.468 | 696.404 |
| Natural gas ⁴⁹ | GJ | 687.363 | 658.625 | 646.445 |
| LNG | | 71.037 | 59.843 | 49.959 |
| Purchased electricity | | 71.182 | 85.937 | 59.750 |
| of which certified from renewable energy sources | | 195.323 | 204.896 | 172.329 |
| Total direct and indirect consumption | | 829.582 | 800.405 | 756.154 |

ELECTRICITY SOLD

| | m.u. | 2018 | 2019 | 2020 |
|-------------------------|------|---------------|---------------|---------------|
| Electricity sold | GJ | 15.510 | 20.255 | 22.858 |

ENERGY INTENSITY

| | m.u. | 2018 | 2019 | 2020 |
|-------------------------|---------------------|-----------------|-----------------|-----------------|
| Energy intensity | GJ/ litres produced | 0,000405 | 0,000391 | 0,000381 |

⁴⁹ Natural gas is used both for heating and to produce electricity.

TOTAL EMISSIONS
GRI Standard 305-1, 305-2, 305-3

| | m.u. | 2018 | 2019 | 2020 |
|---|--------------------|---------------|---------------|---------------|
| Direct emissions (Scope 1)⁵⁰ | | 42.846 | 40.342 | 39.285 |
| Natural gas | tCO ₂ e | 38.597 | 36.984 | 36.299 |
| LNG | | 4.249 | 3.359 | 2.986 |
| Indirect emissions (Scope 2)⁵¹-Location based | | 21.295 | 22.253 | 18.856 |
| Electricity from renewable energy sources | | 21.295 | 22.253 | 18.856 |
| Indirect emissions (Scope 2)⁵²-Market based | | - | - | - |
| Electricity from renewable energy sources | | - | - | - |
| Indirect emissions (Scope 3)⁵³ | | 62 | 46 | 24 |
| Emissions from diesel-fuelled rental cars | | 62 | 46 | 24 |
| Emissions from gasoline-fuelled rental cars | | 0,0 | 0,0 | 0,0 |
| Total emissions | | 64.203 | 62.641 | 58.165 |

COMPOSITION OF THE COMPANY FLEET, DIVIDED BY TYPE OF VEHICLE, POSSESSION AND POWER SUPPLY²⁵

| | m.u. | 2018 | | | 2019 | | | 2020 | | |
|---------------------------------|------|-----------|------------|------------|-----------|------------|------------|-----------|------------|------------|
| | | Property | Rental | Total | Property | Rental | Total | Property | Rental | Total |
| Trucks | No. | 4 | - | 4 | 4 | - | 4 | 4 | - | 4 |
| Cars | | 9 | 171 | 180 | 9 | 125 | 134 | 8 | 118 | 126 |
| Total vehicles, of which | | 13 | 171 | 184 | 13 | 125 | 138 | 12 | 118 | 130 |
| gasoline-fuelled | No. | 3 | - | 3 | 3 | - | 3 | 3 | - | 3 |
| Diesel-fuelled | | 10 | 166 | 176 | 10 | 118 | 128 | 9 | 107 | 116 |
| Electric | | - | 5 | 5 | - | 7 | 7 | - | 11 | 11 |
| Total | | 13 | 171 | 184 | 13 | 125 | 138 | 12 | 118 | 130 |

INTENSITY OF GHG EMISSIONS

| | m.u. | 2018 | 2019 | 2020 |
|----------------------------|----------------------------------|--------------|--------------|--------------|
| Emissions intensity | ktCO ₂ e / l produced | 0,031 | 0,031 | 0,029 |

²⁵ Consumption relating to cars owned by the Group is not relevant for the purposes of calculating Scope 1 emissions, since it amounts to 0.39 tCO2 for 2020.

⁵⁰ The factors used for the calculation of direct emissions Scope 1, expressed in tons of CO2 equivalent, are taken from updated Enecoinvent 3.6.

⁵¹ For location-based Scope 2 emissions related to electricity, expressed in tons of CO2 equivalent, the emission factors taken from updated Enecoinvent 3.6.

⁵² For Scope 2 market based emissions considering 100% renewable electricity through certificates of origin, a zero emission factor has been applied.

⁵³ Indirect emissions Scope 3, referring to rental car travel (diesel and petrol), are calculated using the emission factors published by the Department for Business, Energy & Industrial Strategy (BEIS) in the 2018, 2019 and 2020 editions.

WATER WITHDRAWALS²⁶
GRI Standard 303-3

| | m.u. | 2018 | 2019 | 2020 |
|---|------|-------|-------|-------|
| Groundwater | MI | 3.975 | 4.654 | 5.918 |
| fresh water (≤1,000 mg/L of total dissolved solids) | | 3.975 | 4.654 | 5.981 |
| other types of water (>1000 mg/l of total dissolved solids) | | - | - | - |
| Third party water resources | | - | - | - |
| fresh water (≤1,000 mg/L of total dissolved solids) | | - | - | - |
| other types of water (>1000 mg/l of total dissolved solids) | | - | - | - |
| Total water withdrawals | | 3.975 | 4.654 | 5.918 |
| fresh water (≤1,000 mg/L of total dissolved solids) | | 3.975 | 4.654 | 5.981 |
| other types of water (>1000 mg/l of total dissolved solids) | | - | - | - |
| | | | | |

WATER DISCHARGES²⁷
GRI Standard 303-4

| | m.u. | 2018 | 2019 | 2020 |
|---|------|-------|-------|-------|
| Surface water | MI | 1.817 | 1.706 | 1.476 |
| fresh water (≤1,000 mg/L of total dissolved solids) | | 1.817 | 1.706 | 1.476 |
| other types of water (>1000 mg/l of total dissolved solids) | | - | - | - |
| Third party water resources | | - | - | - |
| fresh water (≤1,000 mg/L of total dissolved solids) | | - | - | - |
| other types of water (>1000 mg/l of total dissolved solids) | | - | - | - |
| Total water discharges | | 1.817 | 1.706 | 1.476 |
| fresh water (≤1,000 mg/L of total dissolved solids) | | 1.817 | 1.706 | 1.476 |
| other types of water (>1000 mg/l of total dissolved solids) | | - | - | - |
| | | | | |

²⁶ | ²⁷ Sanpellegrino does not withdraw water from areas under water stress.

WATER CONSUMED²⁸
GRI Standard 303-5

| Total water consumption | m.u. | 2018 | 2019 | 2020 |
|---|--------------------|-------|-------|-------|
| fresh water (≤1,000 mg/L of total dissolved solids) | MI | 2.158 | 2.949 | 4.441 |
| other types of water (>1000 mg/l of total dissolved solids) | | - | - | - |
| Water consumed per litre produced ⁵⁸ | MI/litres produced | 0,7 | 1,1 | 1,1 |

WASTE NOT DESTINED FOR DISPOSAL²⁹
GRI Standard 306-4

| Waste not destined for disposal | m.u. | 2018 | 2019 | 2020 |
|---------------------------------|------|--------|--------|--------|
| Hazardous waste | t | 598 | 553 | 506 |
| Non-hazardous waste | | 13.058 | 13.926 | 12.116 |
| Total waste to be recycled | | 13.656 | 14.479 | 12.622 |

²⁸ Increases in the volumes of withdrawals and consumption (respectively equal to 2,486 megalitres and 2,173 megalitres in 2020) are attributable to the change in the production system of the plant in San Giorgio in Bosco, which is responsible for 42% of withdrawals and 49% of total consumption. In 2020, the plant switched from the production of Nestlé Vera mineral water to the production and bottling of Sanpellegrino soft drinks (and mineral water only in part), that is a business that requires a greater use of water, thus making the plant's performance not comparable with the performance of plants producing mineral water, where most of the water flows into products.

²⁹ The Sanpellegrino Group entered into an agreement with HeraAmbiente which ensures that 100% of the waste produced by Sanpellegrino is destined for recovery and, therefore, there is no waste intended for disposal.

⁵⁸ For the calculation of the average consumption per litre of bottled water, the consumption generated by the San Giorgio in Bosco plant and the corresponding litres produced were excluded from the calculation.

Chapter 5: Governance, ethics and integrity.

COUNTRY-BY-COUNTRY REPORTING³⁰
GRI Standard 207-4

| Size | m.u. | 2018 | 2019 | 2020 |
|---------------------|------|-------|-------|-------|
| Number of employees | No. | 1.495 | 1.440 | 1.407 |

| Tax data | m.u. | 2018 | 2019 | 2020 |
|--|------|---------|---------|---------|
| Revenue from sales to third parties | € | 489.697 | 568.352 | 450.992 |
| Revenues from intragroup transactions with other tax jurisdictions | | 447.780 | 440.034 | 430.689 |
| Profits/losses before taxes | | 163.658 | 69.448 | 57.604 |
| Tangible assets other than cash and cash equivalents | | 289.644 | 343.569 | 354.498 |
| Income taxes defined on the basis of the cash criterion | | 56.168 | 44.853 | 1.488 |
| Income taxes of companies accrued on profits/losses | | 47.162 | 27.855 | 21.705 |

DIVERSITY IN GOVERNING BODIES - THE BOARD OF DIRECTORS
GRI Standard 405-1

| MANAGEMENT AND CONTROL BODIES | Role | Age group |
|--|--|--------------------------------|
| BOARD OF DIRECTORS⁶¹ | | |
| Marco Travaglia | President | Over 50 years of age |
| Stefano Marini | CEO | Between 30 and 50 years of age |
| Massimo Ferro | Director | Over 50 years of age |
| Giuliano Dal Fo' | Director | Over 50 years of age |
| BOARD OF STATUTORY AUDITORS | | |
| Giovanni Arcelli | Chairman of the Board of Statutory Auditor | Over 50 years of age |
| Egidio Bianchi | Auditor | Over 50 years of age |
| Claudio Solenghi | Auditor | Over 50 years of age |
| Filippo Mascia | Alternate Auditor | Over 50 years of age |
| Emilio Fano | Alternate Auditor | Over 50 years of age |

³⁰ Data refer only to Sanpellegrino S.p.A.

⁶¹ All members of the Board Directors of Sanpellegrino have a contract agreement to certain social responsibilities.

Methodological note

The Sanpellegrino Group's Sustainability Report (hereinafter, "the Group"), in its fifth edition, is drawn up on a voluntary basis in order to report with increasing accuracy the Group's performance in terms of ESG (Environment, Social and Governance).

The purpose is, in fact, that of providing all stakeholders with a clear and complete representation of the main objectives, projects and results achieved in social and environmental matters, with the ultimate goal of generating value in the long term. The Sustainability Report (hereinafter, the "Report"), approved on 30/09/2021 by CEO, is prepared in compliance with the GRI Standards, according to an "In accordance - Core" level of application.

The GRI Standards, published by the Global Reporting Initiative (GRI) in 2016, represent the most recognised and widespread non-financial reporting standard, as of today, at an international level. More specifically, the Report refers to the GRI Standards indicated in the correlation table "GRI Content Index" shown in the appendix to the document where, for each material aspect, the reference page of the Report or of other corporate documents, where the content can be found, is shown.

The principle of materiality, a characteristic of the GRI Standards, guides the width and quality of non-financial reporting. The issues dealt with in the reporting are those which, by virtue of the involvement of the Group's main stakeholders, were considered material, as able to represent the social and environmental impacts of the Group's activities and/or to affect its stakeholders' decisions (for any more details please see chapter "Listening to our stakeholders and our sustainability priorities").

The reported data and information refer to the financial year 1 January - 31 December 2020, unless otherwise indicated. Additional data and information referring to the previous years, where available, were reported with the aim

of presenting the performance of the Group over a longer time horizon and of enhancing the projects that were implemented over the last few years. Furthermore, in order to provide an accurate representation of the performance, the inclusion of directly detectable and measurable qualitative and quantitative indicators was preferred and only in some cases, duly reported, estimates were used.

The scope of the information included in the Sustainability Report refers to the Company Sanpellegrino S.p.A.. The information relating to Health, Safety and Environment issues refers to the Group's production plants and any further limitations on the scope are indicated in the correlation table "GRI Content Index".

The reporting process was coordinated by the cross-functional team, dedicated to the creation of shared value of the Sanpellegrino Group, with the technical and methodological assistance by KPMG Advisory S.p.A. and is not subject to verification by third parties. In order to request any further information about the Document herein or to share any comments and observations, please write to: sustainabilityNWI@waters.nestle.com.

07.
GRI Content Index

| Indicator | Description | Paragraph/Notes |
|-----------------------------------|---|--|
| GRI 102: GENERAL INFORMATION 2016 | | |
| ORGANISATION PROFILE | | |
| 102-1 | Name of the organisation | The Sanpellegrino Group (p.8) |
| 102-2 | Activities, brands, products and services | The Sanpellegrino Group (p.8); Our establishments (p.21) |
| 102-3 | Location of the registered office | The Sanpellegrino Group (p.8); Our establishments (p.21) |
| 102-4 | Location of business | Our establishments (p.21) |
| 102-5 | Ownership and legal form | Our leadership (p.12); The Group's Governance (p.103) |
| 102-6 | Markets served | The Sanpellegrino Group (p.8) |
| 102-7 | Size of the organisation | The Sanpellegrino Group (p.8); People: our strength (p.32); Listening to customers and consumers (p.51) |
| 102-8 | Information on employees and on other workers | People: our strength (p.32); Annex Chapter 2: People (p.111) |
| 102-9 | Supply chain | The management of the supply chain: collaboration, sustainability and transparency (p.57); Annex Chapter 2: People (p.111) |
| 102-10 | Significant changes in the organisation and in its supply chain | Methodological note (p.125) |
| 102-11 | Precautionary principle | Risks and opportunities (p.28); Tax Responsibility and tax management (p.108) |
| 102-12 | External initiatives | The principles for managing a responsible business (p.104); The Organisation, Management and Control Model (p.104); The Code of Ethics (p.106); Our management systems and our certifications (p.109); Methodological note (p.125) |
| 102-13 | Membership of associations | Our business model that creates shared value (p.16); We are all one-of-a-kind (p.48); How we protect natural resources in our territories (p.67); The contribution of Sanpellegrino to the local communities and territories for the Covid-19 emergency (p.81); "We Are the Guardians of Natural Water" (p.92); Coripet (p.98) |
| STRATEGY | | |
| 102-14 | Statement from a senior executive | Letter to the stakeholders (p.6) |
| 102-15 | Key impacts, risks and opportunities | Risks and opportunities (p.28) |
| ETHICS AND INTEGRITY | | |
| 102-16 | Values, principles, standards and rules of conduct | The Group's values (p.14); The Code of Ethics (p.106); The 10 Business Principles (p.107) |
| 102-17 | Mechanisms for seeking advice and reporting critical issues concerning ethical issues | The Organisation, Management and Control Model (p.104); SPEAK UP: a new global channel for compliance along the entire value chain (p.105) |

| | | |
|---------------------|---|---|
| GOVERNANCE | | |
| 102-18 | Governance structure | Our leadership (p.12); The ESG Committee (p.13); The Group's Governance (p.103) |
| 102-40 | List of stakeholder groups | Listening to our stakeholders and our sustainability priorities (p.24) |
| 102-41 | Collective bargaining agreements | 100% of employees are covered by collective bargaining agreements. |
| 102-42 | Identification and selection of the stakeholders | Listening to our stakeholders and our sustainability priorities (p.24) |
| 102-43 | Methods of involving the stakeholders | Listening to our stakeholders and our sustainability priorities (p.24); We measure the well-being of our People (p.45); Level of satisfaction of Sanpellegrino customers (p.51); We listen to our communities in order to grow with them (p.77) |
| 102-44 | Topics and critical issues raised | Listening to our stakeholders and our sustainability priorities (p.24) |
| REPORTING PRACTICES | | |
| 102-45 | Subjects included in the consolidated financial statements | Methodological note (p.125) |
| 102-46 | Definition of the report's content and of the scope of the topics | Methodological note (p.125) |
| 102-47 | List of material topics | Listening to our stakeholders and our sustainability priorities (p.24) |
| 102-48 | Review of the information | Methodological note (p.125) |
| 102-49 | Changes in reporting | Methodological note (p.125) |
| 102-50 | Reporting period | Methodological note (p.125) |
| 102-51 | Date of the most recent report | 03/08/2020 |
| 102-52 | Periodicity of reporting | Yearly |
| 102-53 | Contact us to request any information regarding the report | sustainabilityNWI@waters.nestle.com |
| 102-54 | Report on reporting in compliance with the GRI Standards | In accordance Core option |
| 102-55 | GRI content index | GRI Content Index |
| 102-56 | External assurance | |

| Indicator | Description | Paragraph/Notes |
|--|---|---|
| ECONOMIC PERFORMANCE: TOPIC SPECIFIC STANDARDS | | |
| GRI 201: ECONOMIC PERFORMANCE 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Our business model that creates shared value (p.16) |
| 103-3 | Assessment of management methods | Our business model that creates shared value (p.16) |
| 201-1 | Economic value directly generated and distributed | Our business model that creates shared value (p.16); Annex Chapter 1: The Sanpellegrino Group (p.110) |
| GRI 203: INDIRECT ECONOMIC IMPACT 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Our business model that creates shared value (p.16) |
| 103-3 | Assessment of management methods | Our business model that creates shared value (p.16) |

| Indicator | Description | Paragraph/Notes |
|--|--|--|
| 201-1 | Economic value directly generated and distributed | Our business model that creates shared value (p.16); Annex Chapter 1: The Sanpellegrino Group (p.110) |
| GRI 203: INDIRECT ECONOMIC IMPACT 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Our business model that creates shared value (p.16) |
| 103-3 | Assessment of management methods | Our business model that creates shared value (p.16) |
| 203-2 | Indirect and significant economic impacts | Our business model that creates shared value (p.16) |
| GRI 204: PROCUREMENT PRACTICES 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | The management of the supply chain: collaboration, sustainability and transparency (p.57); Supplier selection process (p.57); The Group's Responsible Sourcing Standard (p.58) |
| 103-3 | Assessment of management methods | The management of the supply chain: collaboration, sustainability and transparency (p.57) |
| 204-1 | Proportion of expenditure to local suppliers | The management of the supply chain: collaboration, sustainability and transparency (p.57); Annex Chapter 2: People (p.111) |
| GRI 205: ANTI-CORRUPTION 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | The principles for the management of a responsible business (p.104); The Organisation, Management and Control Model (p.104); SPEAK UP: a new global channel for compliance along the entire value chain (p.105); Anti-corruption (p.107) |
| 103-3 | Assessment of management methods | Anti-corruption (p.107) |
| 205-1 | Actions taken in response to corruption cases | Anti-corruption (p.107) |
| GRI 207: TAXES 2019 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Tax Responsibility and tax management (p.108) |
| 103-3 | Assessment of management methods | Tax Responsibility and tax management (p.108) |
| 207-1 | Approach to taxation | Tax Responsibility and tax management (p.108) |
| 207-2 | Tax governance, risk control and management | Tax Responsibility and tax management (p.108); Annex Chapter 5: Governance, Ethics and Integrity (p.124) |
| 207-3 | Involvement of stakeholders and management of tax concerns | Tax Responsibility and tax management (p.108); Annex Chapter 5: Governance, Ethics and Integrity (p.124) |
| 207-4 | Country-by-country reporting | Annex Chapter 5: Governance, Ethics and Integrity (p.124) |
| ENVIROMENTAL PERFORMANCE: TOPIC SPECIFIC STANDARDS | | |
| GRI 302: ENERGY 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |

| Indicator | Description | Paragraph/Notes |
|--|--|---|
| 103-2 | The management method and its components | Planet (p.84); The Environmental Sustainability Policy (p.86); Our path towards Carbon Neutrality (p.86); Energy consumption (p.90); The journey: from the source to the table (p.93); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | Our path towards Carbon Neutrality (p.86); Energy consumption (p.90); The journey: from the source to the table (p.93) |
| 302-1 | Energy consumption within the organisation | Our path towards Carbon Neutrality (p.86); Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| 302-3 | Energy intensity | Our path towards Carbon Neutrality (p.86); Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| GRI 303: WATER AND WATER DISCHARGES 2018 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Looking after water resources (p.64); Alliance for the Water Stewardship (p.71); Planet (p.84); The Environmental Sustainability Policy (p.86); The contribution of our production plants (p. 89); Excellence in water management (p.92); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | Alliance for the Water Stewardship (p.71); The contribution of our production plants (p.89); Excellence in water management (p.92) |
| 303-1 | Interaction with water as a shared resource | Looking after water resources (p.64); The springs (p.64); Alliance for the Water Stewardship (p.71); Excellence in water management (p.92) |
| 303-2 | Management of impacts related to water discharge | Alliance for the Water Stewardship (p.71); Excellence in water management (p.92) |
| 303-3 | Water withdrawal | Excellence in water management (p.92); Annex Chapter 4: Planet (p.120) |
| 303-4 | Water discharge | Excellence in water management (p.92); Annex Chapter 4: Planet (p.120) |
| 303-5 | Consumed water | Excellence in water management (p.92); Annex Chapter 4: Planet (p.120) |
| GRI 304: BIODIVERSITY 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | How we protect natural resources in our territories (p.67); Planet (p.84); The Environmental Sustainability Policy (p.86); Our path towards Carbon Neutrality (p.86); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | How we protect natural resources in our territories (p.67) |
| 304-1 | Operating sites owned, rented, managed by the organisation located within (or adjacent to) protected areas (either totally or partially) and within areas of high value in terms of biodiversity outside protected areas | How we protect natural resources in our territories (p.67) |
| 304-2 | Significant impacts of activities, products and services on biodiversity | How we protect natural resources in our territories (p.67) |
| GRI 305: EMISSIONS 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |

| Indicator | Description | Paragraph/Notes |
|--|--|--|
| 103-2 | The management method and its components | Planet (p.84); The Environmental Sustainability Policy (p.86); Our path towards Carbon Neutrality (p.86); The contribution of our production plants (p.89); Energy consumption (p.90); The journey: from the source to the table (p.93); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | The contribution of our production plants (p.89); Energy consumption (p.90) |
| 305-1 | Emissions Scope 1 | Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| 305-2 | Emissions Scope 2 | Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| 305-3 | Emissions Scope 3 | Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| 305-4 | Emissions intensity | Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| GRI 306: WASTE 2020 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Planet (p.84); The Environmental Sustainability Policy (p.86); Our path towards Carbon Neutrality (p.86); Our efforts for a circular economy (p.95); Waste management (p.99); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | Our efforts for a circular economy (p.95); Waste management (p.99) |
| 306-1 | Production of waste and significant impacts related to waste | Waste management (p.99) |
| 306-2 | Management of the significant impacts associated with waste | Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| 306-3 | Waste produced | Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| 306-4 | Waste not destined for disposal | Energy consumption (p.90); Annex Chapter 4: Planet (p.120) |
| 306-5 | Waste destined for disposal | The Sanpellegrino Group has entered into an agreement with HeraAmbiente which ensures that 100% of waste produced is destined for recovery and, therefore, there is no waste intended for disposal. |
| GRI 307: ENVIRONMENTAL COMPLIANCE 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Planet (p.84); The Environmental Sustainability Policy (p.86); Our path towards Carbon Neutrality (p.86); The contribution of our production plants (p.89); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | The principles for the management of a responsible business (p.104); Our management systems and our certifications (p.109) |
| 307-1 | Penalties for non-compliance with environmental laws and regulations | There were no significant instances of non-compliance with laws and regulations in 2020 |
| SOCIAL PERFORMANCE: TOPIC SPECIFIC STANDARDS | | |
| GRI 401: EMPLOYMENT 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |

| Indicator | Description | Paragraph/Notes |
|--|---|---|
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The People Policy (p.32); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | Listening to customers and consumers (p.51) |
| 401-1 | Total number and percentage of new recruits and turnover, by age, gender and region | Listening to customers and consumers (p.51); Annex Chapter 2: People (p.111) |
| 401-2 | Benefits in favour of full-time employees that are not provided to temporary or part-time employees, for core business | The initiatives promoted by the Group (p.44); Every person is important (p.146) |
| GRI 402: MANAGEMENT OF INDUSTRIAL RELATIONS 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The People Policy (p.32); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | Listening to customers and consumers (p.51) |
| 402-1 | Minimum notice period for significant operational changes (organisational changes) with the indication of whether these conditions are included in the collective bargaining or not | All important organisational changes are communicated with a notice period, pursuant to the National Collective Bargaining Agreement. |
| GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The People Policy (p.32); We protect occupational health and safety (p.35); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | We protect occupational health and safety (p.35) |
| 403-1 | Occupational health and safety management system | We protect occupational health and safety (p.35); Our management systems and our certifications (p.109); Annex Chapter 2: People (p.111) |
| 403-2 | Hazard identification, risk assessment and accident investigation | We protect occupational health and safety (p.35) |
| 403-3 | Occupational health services | The initiatives promoted by the Group (p.44); We protect occupational health and safety (p.35) |
| 403-4 | Participation and consultation of workers and communication on occupational health and safety | We protect occupational health and safety (p.35) |
| 403-5 | Training of workers in relation to occupational health and safety | We protect occupational health and safety (p.35); We train and involve our People (p.39) |
| 403-6 | Promotion of workers' health | Promotion of a good diet (p.37); Promotion of physical well-being (p.37); Promotion of mental well-being (p.37); The initiatives promoted by the Group (p.44); We protect occupational health and safety (p.35) |
| 403-7 | Prevention and mitigation of any impacts on occupational health and safety within commercial relations | We protect occupational health and safety (p.35) |
| 403-8 | Workers covered by an occupational health and safety management system | We protect occupational health and safety (p.35); Annex Chapter 2: People (p.111) |
| 403-9 | Accidents at work | We protect occupational health and safety (p.35); Annex Chapter 2: People (p.111) |
| 403-10 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |

| Indicator | Description | Paragraph/Notes |
|---|--|---|
| GRI 404: TRAINING AND EDUCATION 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The People Policy (p.32); We train and involve our People (p.39); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | We train and involve our People (p.39) |
| 404-1 | Average annual training hours per employee | We train and involve our People (p.39); Annex Chapter 2: People (p.111) |
| 404-2 | Percentage of employees receiving regular performance and career development reports, divided by gender and by employee category | We train and involve our People (p.39); Annex Chapter 2: People (p.111) |
| GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The People Policy (p.32); We promote diversity and equal opportunities (p.47); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | We promote diversity and equal opportunities (p.47) |
| 405-1 | Composition of the governing bodies and breakdown of personnel by employee categories, sex, age, membership to protected categories and other indicators of diversity | We promote diversity and equal opportunities (p.47); The Group's Governance (p.103); Annex Chapter 2: People (p.111); Annex Chapter 5: Governance, Ethics and Integrity (p.124) |
| 405-2 | Ratio of basic wage and remuneration of women compared to that of men divided by employee category | We promote diversity and equal opportunities (p.47); Annex Chapter 2: People (p.111) |
| GRI 406: NON-DISCRIMINATION 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The People Policy (p.32); We promote diversity and equal opportunities (p.47); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | We promote diversity and equal opportunities (p.47) |
| 406-1 | Discrimination events and actions taken | No episodes of discrimination were recorded during 2020. |
| GRI 412: HUMAN RIGHTS 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The People Policy (p.32); We promote diversity and equal opportunities (p.47); We train and involve our People (p.39); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | We promote diversity and equal opportunities (p.47); We train and involve our People (p.39) |
| 412-1 | Total hours of employees' training on policies and procedures concerning all aspects of human rights that are significant to the organisation's activity and percentage of employees trained | We train and involve our People (p.39) |

| Indicator | Description | Paragraph/Notes |
|--|---|---|
| GRI 413: LOCAL COMMUNITIES 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | We listen to our communities in order to grow with them (p.77); Education for proper hydration and recycling; Sanpellegrino supports gastronomic excellence |
| 103-3 | Assessment of management methods | We listen to our communities in order to grow with them (p.77) |
| 413-1 | Activities that include the involvement of local communities | Acqua Panna and the Source of Biodiversity (p.68); Levissima Supports research on glaciers (p.68); We listen to our communities in order to grow with them (p.77); H2Oto with the MUBA (p.78); Learning about Water...and recycling! (p.79); Sanpellegrino supports gastronomic excellence (p.80) |
| GRI 416: CONSUMERS' HEALTH AND SAFETY 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The Consumer Communication Policy (p.52); The Quality policy (p.54); Innovation and product development (p.56) |
| 103-3 | Assessment of management methods | The Quality policy (p54); Innovation and product development (p.56) |
| 416-2 | Total number of cases of non-compliance with regulations and voluntary codes concerning the impacts on the health and safety of products and services during their life cycle | No cases of non-compliance with regulations and voluntary codes concerning the impacts on the health and safety of products and services during their life cycle were recorded during 2020. |
| GRI 417: LABEL OF PRODUCTS AND SERVICES 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51); The Consumer Communication Policy (p.52); The Quality policy (p.54); Innovation and product development (p.56) |
| 103-3 | Assessment of management methods | The Consumer Communication Policy (p.52); The Quality policy (p.54) |
| 417-1 | Type of information concerning the products and services required by procedures and percentage of significant products and services subject to such information requirements | The Consumer Communication Policy (p.52); The Quality policy (p.54) |
| 417-2 | Incidents of non-compliance in relation to the information concerning the product or service in the labelling | There were no incidents of non-compliance in relation to the information concerning the product or service in the labelling during 2020. |
| 417-3 | Incidents of non-compliance in relation to the information concerning the product or service in the communication and marketing activities | No incidents of non-compliance with regulations or voluntary codes concerning the Group's marketing activity were recorded in 2020. |
| GRI 418: CONSUMERS' PRIVACY 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | Listening to customers and consumers (p.51) |
| 103-3 | Assessment of management methods | Listening to customers and consumers (p.51) |
| 418-1 | Complaints relating to violations of consumers' privacy and to the loss of any data concerning them | No violations of privacy were recorded during 2020. |

| Indicator | Description | Paragraph/Notes |
|---|---|--|
| GRI 419: SOCIO-ECONOMIC COMPLIANCE 2016 | | |
| 103-1 | Explanation of the material issue and its related scope | Listening to our stakeholders and our sustainability priorities (p.24) |
| 103-2 | The management method and its components | The principles for managing a responsible business (p.104); Our management systems and our certifications (p.109) |
| 103-3 | Assessment of management methods | The principles for managing a responsible business (p.104) |
| 419-1 | Significant financial and non-financial penalties due to non-compliance with laws or regulations in the socio-economic area | In 2020, Sanpellegrino recorded two disputes concerning the violation of art. 5 of (It.) Law no. 283/1963, which however did not concern food safety. The two criminal cases were resolved with a cash settlement of €24,000 each, without further consequences. |

