



Certified



SUSTAINABILITY REPORT 2023



The future we share



Letter to stakeholders	6
Our key performances	8
<i>1 Sanpellegrino Group</i>	<i>10</i>
1.1 Bringing the values of what it means to be Italian to the world	11
Our sites	11
1.2 Our leadership	12
1.3 Our foundations	13
How we define our mission and values: our priorities	14
Sanpellegrino joins the B Corp Movement	14
1.4 Listening to our stakeholders and the materiality of impacts	15
1.5 Alliances and partnerships	18
<i>2 People</i>	<i>20</i>
2.1 People: our greatest asset	20
Relationships with unions	22
2.2 We train and engage our people	22
Capability Building and career paths	23
Every person counts	25
2.3 We promote diversity and equal opportunities	25
Gender Balance a continuing journey	26
A path to Gender Empowerment	26
Disability	26
Sexual orientation and the LGBTQ+ community	27
2.4 We invest in the well-being of our people	27
FAB (Flexible, Adaptable and Balanced) Working	27
Work-life balance: parenting	28
2.5 We protect occupational health and safety	28
We measure employees' well-being	31
<i>Communities and territories</i>	<i>32</i>
<i>3 NWI Local Acceptability Index: trend</i>	<i>33</i>
3.1 Looking after water resources	34
The springs	34
Alliance for the Water Stewardship	36
3.2 How we protect natural resources in our territories	36
Water regeneration for our communities	37
More than just water...citrus fruits and the countryside	38
Not just territories but communities of ideas	39
S.Pellegrino supports gastronomic excellence	40

<i>4 Our environmental impacts</i>	<i>42</i>
4.1 The environmental performance of our facilities	42
The environmental data of our sites and brands in brief	43
Energy consumption and emissions	44
The life cycle of our products and the Carbon Trust certification	46
Water resource management in the facilities	47
Waste management	47
4.2 Our product packaging	48
The circular economy approach	48
<i>5 Supply chain and logistics</i>	<i>52</i>
5.1 Supply chain management: collaboration, sustainability and transparency	52
5.2 Logistics: The journey from source to table	54
<i>6 Customers and consumers</i>	<i>56</i>
6.1 A healthy and sustainable offer	57
6.2 Quality and transparency of our products	57
6.3 Communicating responsibly	59
6.4 The Consumers of the future: education on proper hydration and recycling	60
6.5 Sustainability alongside our customers	60
6.6 Listening to customers and consumers	61
<i>7 Governance, ethics and integrity</i>	<i>62</i>
7.1 Sanpellegrino Group Governance	62
ESG Tracker	63
7.2 The principles for managing a responsible business	64
The Organisation, Management and Control Model	64
The Code of Ethics and the Code of Business Conduct	65
Anti-corruption	65
Risks and opportunities	65
Protecting privacy	66
7.3 Sanpellegrino as a player in the Italian economy	66
The shared economic value study	66
Disbursements and Donations	67
Tax Responsibility and tax management	67
<i>8 Appendix</i>	<i>68</i>
8.1 Appendix	68
8.2 List of policies adopted by Sanpellegrino	83
8.3 Methodological note	85
8.4 GRI Content Index	86



“

I am proud to be leading Sanpellegrino Group, a company with a 125-year-long history that brings Italian quality and the Italian way of life in the over 150 countries where our products are distributed.

I and another 1,450 people who work with me are responsible for safeguarding, managing in the best way possible, and underlining the value of a precious resource – water – that flows from some of the most important and historic springs of our country.

We have the honour and have been entrusted with the responsibility to guide this company towards the future, preserving its original spirit characterised by the culture of the territory, an international outlook, and great passion for what we do.

That is why we wished to be part of a community that recognises and shares the same principles and the same desire as Sanpellegrino Group: the **B-Corp Movement**.

A Movement with which we identify, because it promotes sustainable growth that starts with people and the community; aware of the fact that, without intense daily effort and the love for natural resources that will ensure they are passed on to the generations to come, there can be no future.

Like the companies that form part of the B-Corp Movement, we are firm believers in collaboration: no one can face the challenges for a sustainable future alone. We must work together to reach common goals.

To do this, we need to stand up and be counted, be transparent with regards to the results obtained and the goals still to be reached.

It is in this spirit that we share our Sustainability Report, a summary of the work done for a more equitable, more inclusive, and more sustainable future, hoping that we can make a concrete contribution to the B-Corp community that welcomed us with open arms.

Happy reading!

Michel Beneventi

CHAIRMAN OF THE BOARD OF DIRECTORS
AND CEO

”

Our key performances

Our people

21

Average training hours per employee per year

79%

of eligible second parents took advantage of the paid leave policy (Nestlé Baby Leave) with a satisfaction rating of 4.9/5.

98%

Permanent contracts

72%

High engagement rate revealed by the Beaconforce Survey measuring the well-being of our People

39%

Women in executive positions

over 17

programmes in place for the promotion of people's health and well-being

Communities and territory

84-88/100

Local Acceptability Index

our establishments scored high in local acceptance

1.1 million euros



of investments to support communities

Our environmental impacts

100%

of electricity purchased from renewable sources



100%

recovered waste



0.07 l

average consumption per litre of bottled water¹



7,246

tonnes of R-PET (recycled PET) used in our bottles (55.5% more than in 2021)



¹ During 2022, this figure was restated by excluding the amount of bottled water from the value of water consumed

Supply chain and logistics

83%

local suppliers



100%

of suppliers operates in compliance with responsible procurement policies



21%

products transported by rail



17%

transported products by sea



39%

of the 62% of products transported by road, 24% travels on low environmental impact vehicles (LNG and BIO LNG)



1^o electric truck dedicated to Levissima (launched in 2023)

Customers and consumers

-24%

complaints received compared to 2021



397,552



students involved in the project on proper hydration and recycling A School of Water (over its 9 editions)

19

engagement projects with customers on sustainability issues



Governance and business ethics

0

Cases of corruption



3,141



hours of training provided on compliance and anti-corruption in 2022 (+ 20% compared to 2021)

0

cases of privacy violation



96%

of the economic shared value generated (corresponding to 0.13% of the GDP) is distributed to all stakeholders

Certifications and recognitions



01. The Sanpellegrino Group

Sanpellegrino Group is currently one of the major companies in the beverage industry in Italy. Thanks to its very high quality products and its history, it has become one of the symbols of Made in Italy across the world.

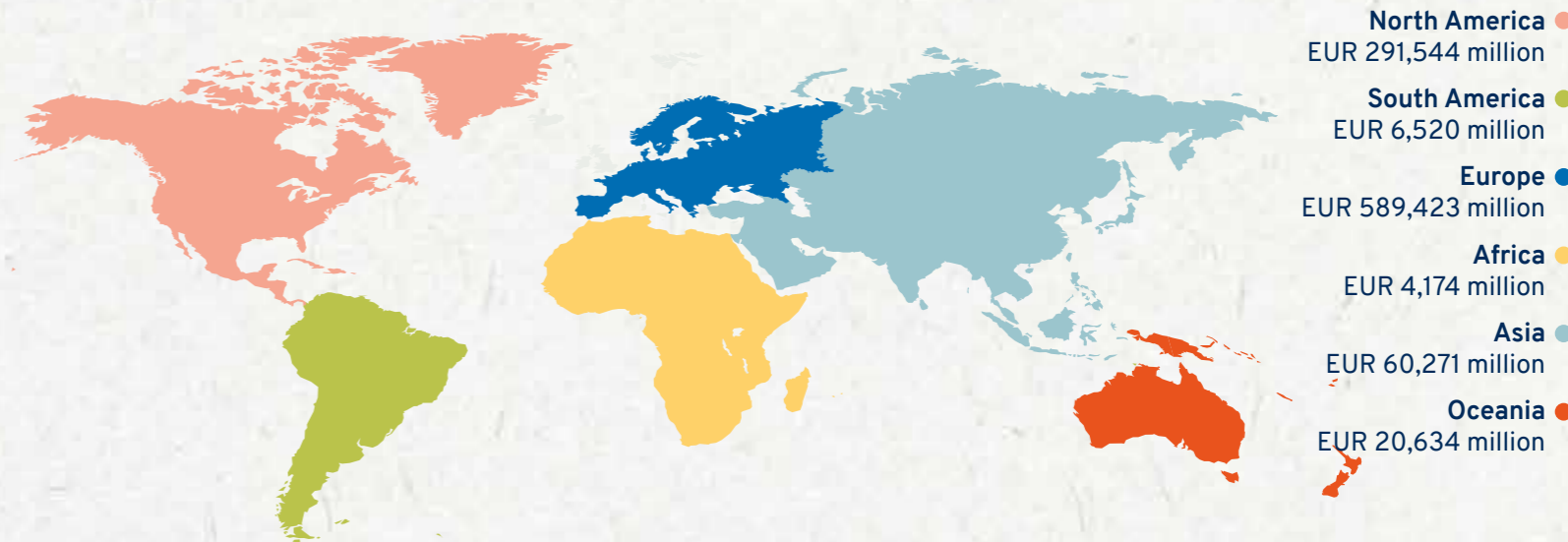
Sanpellegrino Group holds a diversified product portfolio composed of mineral waters, flavoured and functional waters, soft drinks and aperitifs, distributed in suitable packaging and formats for every occasion of consumption and life style. There are 4 mineral water brands: S. Pellegrino, Acqua Panna, Perrier and Levissima. On top of these there is a broad assortment of soft drinks and aperitifs: Sanpellegrino soft drinks, made with Italian citrus fruit, the historical Sanbittèr and Gingerino aperitifs, Acqua Brillante Reocoaro. Plus, completing the range of trademarks, is the effervescent digestive Diger Selz.



For over 120 years, S.Pellegrino water has been exported around the world and is distributed, along with Acqua Panna and Sanpellegrino Soft Drinks, in more than 150 countries. In 2021, its role as ambassador of Italian Style was confirmed: it entered the "Kantar BrandZ" Top 30 of Most Valuable Italian Brands.



01. / 01 Bringing the values of what it means to be Italian to the world



Our sites

Assago	Head Quarter	Milan	Offices	2014	No. of employees 229
San Pellegrino Terme	S.PELLEGRINO	Bergamo	Mineral water	1899	No. of employees 522
Madone	Flavorint & Magazzino	Bergamo	Depot	1991	No. of employees 32
Cepina Valdisotto	LEVISSIMA	Sondrio	Natural mineral water	1959	No. of employees 243
Scarperia (Fi)	ACQUA PANNA	Florence	Natural mineral water	1927	No. of employees 193
San Giorgio in Bosco	SANBITTÈR, SANPELLEGRINO LE BIRRE ITALIANE	Padua	Mineral water, soft drinks, aperitifs, preforms	1879	No. of employees 234

Aside from the 4 production and bottling sites, 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 Assago (MI) headquarters are also active. Plus, the brands Acqua Brillante (only part of the production) and Gingerino are produced at the Recoaro Terme plant, sold a few years ago to Refresco Group.

01. / 02 Our leadership

*Sanpellegrino Group is a Nestlé Group legal entity, part of the Nestlé Waters Strategic Business Unit.
In April 2023, Sanpellegrino Group bid farewell to Stefano Marini as CEO to welcome Michel Beneventi.*



Marco Travaglia
Nestlé Market Head
for Italy and Malta and
member of the BoD



Michel Beneventi
Chairman of the Board
of Directors and Chief
Executive Officer



Stefano Bolognese
Business Director
International Unit



Ilenia Ruggeri
Marketing Director
and Innovation Local
Business Unit



Marco Mazzucchelli
Sales Director
Local Business Unit



Giuliano Dal Fo'
Finance and Control
Director



Fabiana Marchini
Sustainability Director



Cristiana Passerini
Director, Supply
Chain



Salvatore Sbriglione
Technical Director



Manuela Kron
Corporate Director
Affairs



Gian Luca Dodero
Director, Human Resources
and Organisation

Since 2020, Sanpellegrino Group has a **Sustainability department**, coordinated by the Head of Sustainability, who reports directly to the CEO and ensures both the implementation of the commitments defined on Group level, as well as the definition of an autonomous sustainability strategy aligned with local priorities and the expectations of national and local stakeholders.

01. / 03 Our foundations

Our mission

To 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



Focus on the true
"motor" of all
internal and external
projects

Growth in respect
of the environment
and resources

Search for new
and advanced
development
models

Guarantee of
healthy
and quality
beverages

Our business operating model is based on **Creating Shared Value** for individuals, communities, and the planet, with the aim of improving people's quality of life and contributing to a healthier and more sustainable future.

Individuals → be a "Force for Good" through our brands and promote hydration and mineral water quality

Community → adopt virtuous business practices to support local communities and communities of ideas

Planet → reduce our environmental impact with respect for present and future generations and ensure the protection and regeneration of mineral water.

Indeed, we operate as **Good Citizens** to be a **force for good** and to make our contribution to achieving the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda.



How we define our mission and values: our priorities

1. Doing business by generating a Positive Impact

Our values and practices enable our daily sustainability journey by creating value for people, communities, and the planet. To make our actions in this direction even more concrete, we embarked on a long journey that led us to take part in the B Corp Movement by obtaining B Corp Certified company status.

2. Brands as actors of change

Our brands make their sustainability promise tangible through concrete initiatives to generate a positive impact and contribute to collective activism.

3. Reduce our ecological footprint and generate a positive impact on the planet

We pursue a path of reducing carbon emissions, we promote circular economy actions, we ensure the regeneration of water cycles, we engage in activities in favour of regenerative agriculture and we enhance the natural capital by protecting biodiversity.

4. The sustainability culture that makes the difference

To have a real impact we need the involvement of all stakeholders starting with employees, consumers and customers in a common sustainability journey. We will strengthen this connection by acting as mentors for the organisation and by facilitating the transition to a “sustainable by design” approach.

Sanpellegrino joins the B Corp Movement



Sanpellegrino Group has been recognised as a B Corp, joining an international Movement of almost 7,500 companies, which operate in accordance with high standards of social and environmental performance, transparency and accountability. B Corp status was awarded after a rigorous evaluation process by the non-profit network B Lab, which is transforming the global economy for the benefit of people, communities and the planet, and is attributed to companies that put the creation of shared value at the heart of their mission by integrating sustainability goals into their business model.

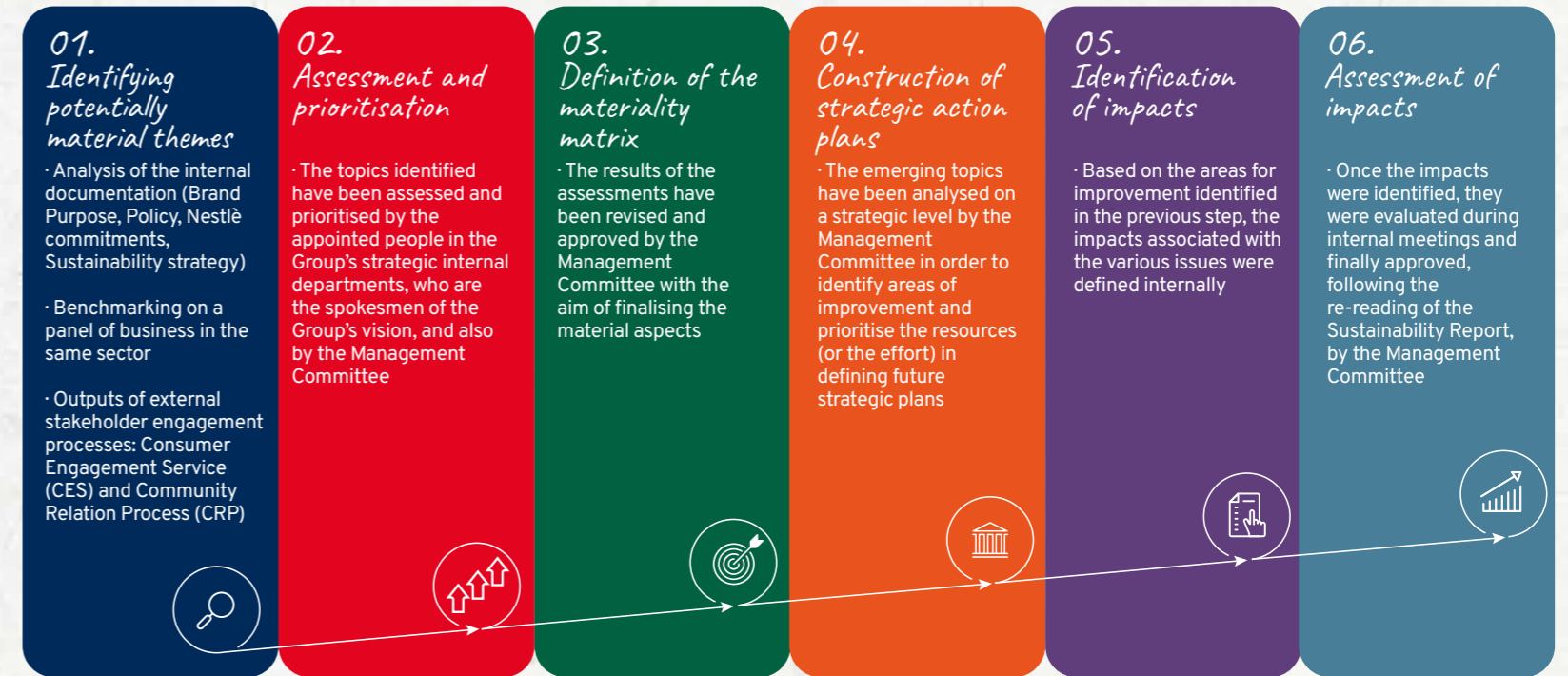
Indeed, B Corporations are goal-driven companies that create benefits for all stakeholders, not just shareholders. B Lab’s B Impact Assessment measures a company’s positive impact on five key areas: **governance, employees, the environment, community, and customers and consumers.** Sanpellegrino Group has proven that it meets the high standards required to become a Certified B Corp with areas of strength, such as its commitment to people and the planet. In relation to people, one example is the comprehensive **employee benefits** programme, which shows a determination to improve the well-being of people working in the company. In addition, Sanpellegrino Group’s focus on diversity and inclusion policies, and on family-centred policies - such as paid leave for eligible second parents, offering summer programmes for employees’ children and reimbursing school expenses - are among the tangible examples of the importance of work-life balance, supporting employees’ family needs and contributing to a more inclusive and sustainable economy.

B Lab also positively recognised the practices implemented by Sanpellegrino to **reduce the environmental impact** of its activities, such as the use of environmentally friendly biofuels such as **LNG and BIO-LNG**, the partnership with logistics service providers to reduce **greenhouse gas emissions** or the use of **recycled PET** for its bottles alongside virgin PET. In fact, Sanpellegrino’s investment in biofuels is proof of a proactive approach to reducing greenhouse gas emissions in its logistics network. Meanwhile, the commitment to reducing the use of virgin materials, promoting a circular economy and conserving valuable resources for the planet is considered by B Lab as a positive example for the industry to minimise waste.

For Sanpellegrino, being part of the B Corp community therefore means sharing a **belief in a business that is a force for good within society, being part of a movement of virtuous companies** working together synergistically towards a common goal, and **continuing to be committed to measuring its environmental and social performance** in favour of a fair and inclusive economic system with a view to continuous improvement.

01. / 04 Listening to our stakeholders and the materiality of impacts

In addition, Sanpellegrino, in line with the GRI Standards¹, this year extended the Materiality exercise by carrying out an impact assessment. The assessment of the most relevant material topics for the business and its stakeholders was supplemented with the relevant **impacts generated on the economy, people and the environment** (potential and current) - with an inside-out process - and an evaluation of these impacts was carried out in terms of significance (on a scale from 1 - low to 4 - high) and in terms of probability of occurrence (only for potential impacts, on a scale of 1 to 4 where 1 is unlikely and 4 is very likely). Lastly, an overall index was calculated in order to identify the significance of each impact (as a product of magnitude and probability) and to be able to prioritise.



Also with a view to contributing to the achievement of the UN Sustainable Development Goals (SDGs), the Group has integrated them into its Impact Materiality. Below please find the reconciliation table:

ESG-related	Material theme	Description of impacts	How we manage the impacts	SDGs	Inside-Out Evaluation
	Community support and engagement	Sanpellegrino participates in the creation of jobs and local upstream and downstream activities in the territories where it operates, through its suppliers. In addition, the Group adopts practices aimed at supporting the community and the local area with positive impacts in terms of value creation for the territory and economic inclusion.	<ul style="list-style-type: none"> Sponsorships and gratuities Donations Agreement with Municipalities Listening activities to calculate the Local Acceptability Index 	 	●
	Climate actions	The activities carried out by Sanpellegrino directly or indirectly require energy and, consequently, generate greenhouse gas emissions.	<ul style="list-style-type: none"> 100% Electricity purchased from renewable sources Increased production process efficiency Sustainable logistics plans Investment in packaging with reduced environmental impact Valorisation of the natural capital 	 	●
	Water management	Sanpellegrino envisages specific measures to manage the use of water resources more efficiently in order to contribute to a positive water balance.	<ul style="list-style-type: none"> Water regeneration plan AWS certification 		●

¹the new GRI Universal Standards 2022, specifically GRI Standard 3 - Material Topics, envisage the identification of one's material topics through an assessment of the impacts generated by the company and the prioritisation of the latter.

ESG-related	Material theme	Description of impacts	How we manage the impacts	SDGs	Inside-Out Evaluation
	Sustainable packaging and the Circular Economy	Sanpellegrino products use packaging that can have an impact on the environment if not properly designed and managed. This is why the Group is committed to designing products with circular economy in mind and to raising awareness among consumers and end users by promoting actions to reduce the environmental impact of products at the end of their entire life cycle.	<ul style="list-style-type: none"> R-Pet roadmap; Targets for the use of recycled glass and aluminium; Co-founding and supporting Coripet 	RESPONSIBLE CONSUMER AND PRODUCTION LIFE ON LAND	●
	Caring for people	Sanpellegrino Group focuses on safeguarding work-life balance and respecting working hours and overtime, and on creating a safe working environment with positive impacts on employee motivation and satisfaction.	<ul style="list-style-type: none"> Nestlé policy FAB model Total reward statement 100% of employees covered by a health and safety management system 	GOOD HEALTH AND WELL-BEING DECENT WORK AND ECONOMIC GROWTH	●
	Promoting healthy lifestyles and nutrition education	The Group's focus on consumers and end users is also given concrete form in the dissemination of sustainable and balanced lifestyles, with positive impacts in terms of safeguarding people's health and safety.	<ul style="list-style-type: none"> Launch of new products that contribute to people's well-being Projects to reduce added sugars Projects with schools for education on proper hydration and recycling 	ZERO HUNGER GOOD HEALTH AND WELL-BEING PARTNERSHIPS FOR THE GOALS	●
	Product traceability/transparent labelling	Sanpellegrino Group focuses on the traceability of its products in terms of identifying the origin of raw materials, the actors involved, and the supply chain as a whole, with positive impacts in terms of improving customer and consumer awareness and satisfaction.	<ul style="list-style-type: none"> Guaranteed origin of the raw materials Quality checks 	RESPONSIBLE CONSUMER AND PRODUCTION	●
	Corporate advocacy / stakeholder engagement	Sanpellegrino Group promotes a culture based on communication, ethics and transparency with positive impacts in terms of increased shareholder, employee and collaborator trust and satisfaction.	<ul style="list-style-type: none"> Public affairs plans Corporate activities that protect legally protected categories 	QUALITY EDUCATION PARTNERSHIPS FOR THE GOALS	●
	Working conditions and industrial relations	Sanpellegrino Group engages in constant dialogue with trade union representatives in order to generate positive impacts on working conditions within the organisation.	<ul style="list-style-type: none"> 100% of employees covered by collective bargaining agreements 	DECENT WORK AND ECONOMIC GROWTH	●
	Sustainable supply chain management and logistics optimisation	Sanpellegrino Group is aware of the impacts of its supply chain in relation to environmental and social aspects and therefore works to reduce them through constant monitoring and dialogue and collaboration on specific projects.	<ul style="list-style-type: none"> Sustainable logistics plans: rail, ship and environmentally friendly vehicles (LNG and BIO LNG powered) Pilot project of lorries 100% powered with electricity Responsible sourcing standard Promoting the local procurement of raw materials 	DECENT WORK AND ECONOMIC GROWTH RESPONSIBLE CONSUMER AND PRODUCTION CLIMATE ACTION	●
	Biodiversity and deforestation	Sanpellegrino Group is a direct actor in the local areas through the activities it carries out, which is why it focuses on safeguarding biodiversity and ecosystems with positive impacts through the adoption of specific business practices.	<ul style="list-style-type: none"> Biodiversity monitoring, protection and enhancement plan Regenerative agriculture project Project Vaia 	LIFE ON LAND	●

ESG-related	Material theme	Description of impacts	How we manage the impacts	SDGs	Inside-Out Evaluation
	Human Rights	The Group is committed to providing its workers and collaborators with working conditions based on respect for the fundamental human rights, international Conventions and the applicable laws.	<ul style="list-style-type: none"> Nestlé policy; Dedicated training course for the entire company population Monitoring human rights in the supply chain 	QUALITY EDUCATION DECENT WORK AND ECONOMIC GROWTH REDUCED INEQUALITIES	●
	Diversity and inclusion	Sanpellegrino Group is aware of the importance of pursuing gender equality and equal pay for work of equal value, employment and inclusion of people with disabilities, equal access to training, valuing diversity and taking measures against violence and harassment in the workplace. This is with the aim of avoiding any possible occurrence of discrimination that could have a negative impact on employees.	<ul style="list-style-type: none"> Nestlé policy Investments and initiatives at Group level Disability empowerment plan Fair remuneration systems Coaching and mentoring programmes Parental Policy and Nestlé Baby Leave Programme to empower the female component of the sales and operations population 	GENDER EQUALITY DECENT WORK AND ECONOMIC GROWTH REDUCED INEQUALITIES	●
	Waste management	The Group's activities generate various types of waste, the disposal of which, if not properly managed, could have negative effects on the environment.	<ul style="list-style-type: none"> Zero Waste target on all establishments Agreement with HERA to ensure 100% of the recovered waste 	RESPONSIBLE CONSUMER AND PRODUCTION	●

KEY: ENVIRONMENTAL SOCIAL GOVERNANCE

Very significant and probable impact (overall rating for a value greater than 10 to 16)
 Significant and possible impact (overall assessment for a value greater than 6 to 10 included)
 Moderate and unlikely impact (overall rating for a value greater than 3 to 6 included)
 Minor and rare impact (overall assessment from 1 to 3 included)

Our priorities, the identification of the material topics and of their impacts are then translated into formal commitments made by the Group:

Objective	Target year
Make all packaging recyclable or reusable (see p.48 for more details)	2025
Halve the use of virgin plastic (PET and PE) in our packaging (see p.48 for more details)	2025
Certify all our establishments in accordance with the Alliance for Water Stewardship international standard (see p.36 for more details)	2025
The objective of Water Regeneration is to generate a positive impact by activating projects that make additional quantities of water available to the communities where the Group operates (see p.37 for more details)	2025



01. / 05 Alliances and partnerships



**United Nations
Global Compact**

Sanpellegrino adheres to **Global Compact Network Italy** with which it actively contributed to the drafting of the Position Paper **“Italian Business and Decarbonization: a just and inclusive transition”**, published in early 2022. The Position Paper sets the goal of valorising the commitment of the Italian companies adhering to Global Compact on the theme of decarbonisation, looking into the efforts made and the results recoded to date in support of the objectives of the Paris Agreements and the European ambition to achieve climate neutrality by 2050. Specifically, the document cites about 30 business cases for the pursuit of SDG 13 “Climate action”.

In early 2022, Sanpellegrino CEO Stefano Marini attended the **seventh edition of the Business & SDGs High Level Meeting** organised by the UN Global Compact Network Italy, a hub for top-level discussion and dialogue on sustainable development issues.

The topic at the centre of the round table, that brought together about twenty Chairmen and CEOs of major Italian companies operating in various production sectors, was **“Sustainable supply chain: responsibilities and opportunities for businesses”**. On this occasion, Sanpellegrino Group presented itself with the case **“Sustainable logistics and circular agriculture: BIOGAS as the key solution”**.

DIGITAL CORNER



Sanpellegrino with United Nations Global Compact to contribute to the sustainable management of supply chains

Sanpellegrino Group, with its sustainable logistics best practices, helped draft the UNGCN Italy Position Paper. The Paper aims to recognise the value of the commitment of the Italian companies that adhere to the Global Compact to improve logistics activities, with a special focus on transport, one of the areas of greatest impact in terms of carbon footprint.



Also as part of the collaboration with UNGC Network Italy in 2022, we took part in the **Climate Ambition Accelerator**, a training programme for UN Global Compact member companies to provide the knowledge and skills necessary to set science-based goals for the Climate, foster the exchange of best practices in order to accelerate progress towards a net-zero economy by 2050.

Lastly, in October 2022 we participated in the **Italian Business&SDGs Annual Forum**, also organised by the UNGC with a view to disseminating and raising awareness of the UN Sustainable Development Goals (SDGs) and aimed primarily at fostering a multi-stakeholder exchange of ideas.

The Forum identifies as a laboratory through which ideas oriented towards common goals are produced.

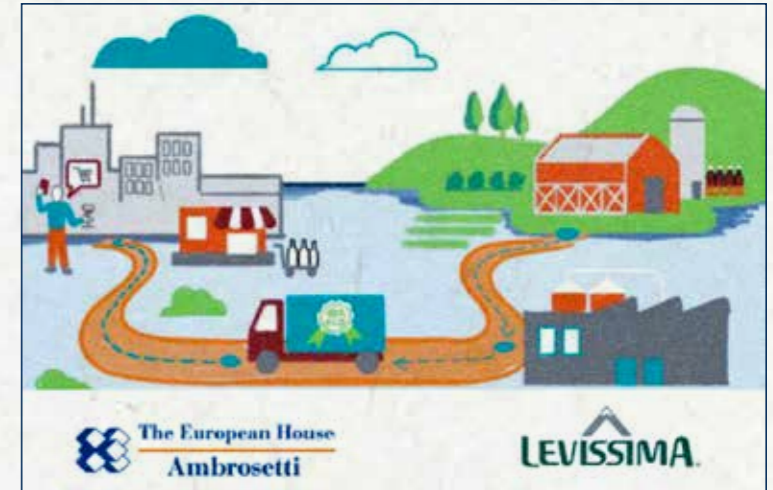
The first output of this workshop was a **Working Table on Sustainable Procurement** which came into being in early 2023 with the aim of conducting an in-depth examination of the topic of sustainable supply chain management. Three meetings are planned for this year, respectively focusing on each of the three ESG (Environmental, Social, Governance) dimensions. The work will conclude with a final, more open, meeting which will also involve suppliers, to triangulate with the actors involved in supply chains.



In June 2022 during the **Ambrosetti Club Food&Beverage Forum**, held in Bormio, the Group presented its sustainability strategy and Levissima supported research on the sustainability of the Italian food supply chain, which was presented at the Forum.

The Forum is chaired annually by The European House and has become an important reference point for the sector in our country, with a great media impact and the presence of more than 350 leading Italian companies and multinationals. It represents the final stage of a journey of meetings, studies and research. The publication is distributed in 50 countries worldwide, to all WPP branches and customers.

*Sanpellegrino also made a strong contribution during 2022 to the dissemination and popularisation of sustainability topics on several **media channels**:*



02.

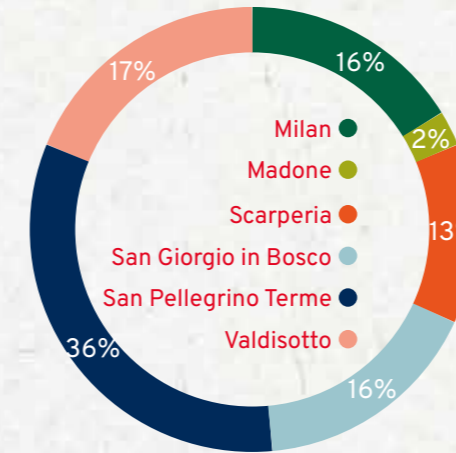
Focus on people

02 / 01 People: our greatest asset

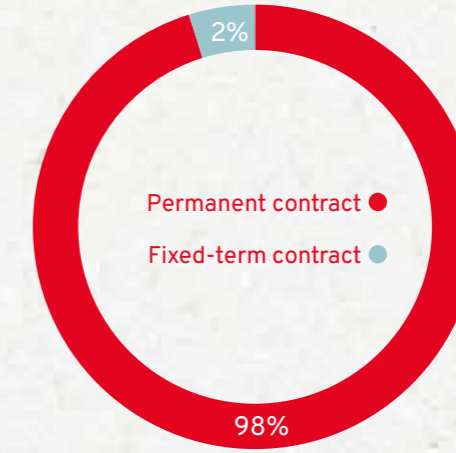
As of 31 December 2022, Sanpellegrino Group had 1,450 employees, a number that increased from the previous year. The labour relationship offered to employees is stable and continuous, with 98% of them being on a permanent employment contract. Part-time contracts, which account for 14%, arise mainly due to the personal needs of workers.

1,450 employees in 2022

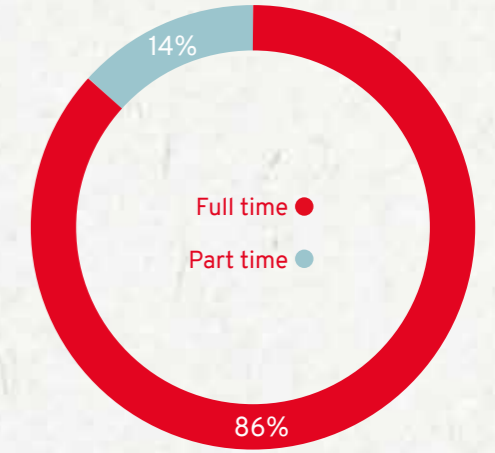
EMPLOYEES BY GEOGRAPHICAL AREA IN 2022



EMPLOYEES PER CONTRACT TYPE IN 2022

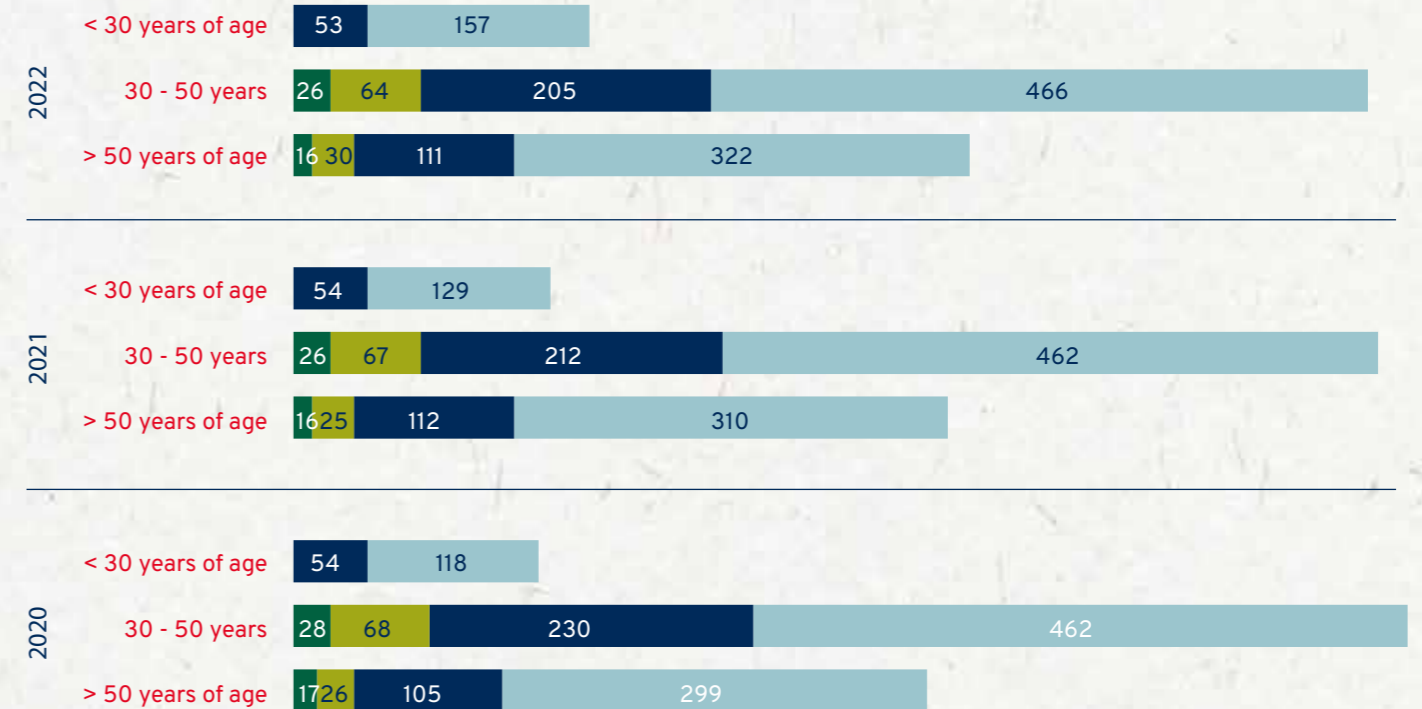


EMPLOYEES PER CONTRACT TYPE IN 2022



In 2022, Sanpellegrino was the youngest company, with 14% of the corporate population being under 30 (up BY 1% in comparison to 2021) and 52% between 30 and 50 years (down BY 2% from 2021).

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE BRACKET

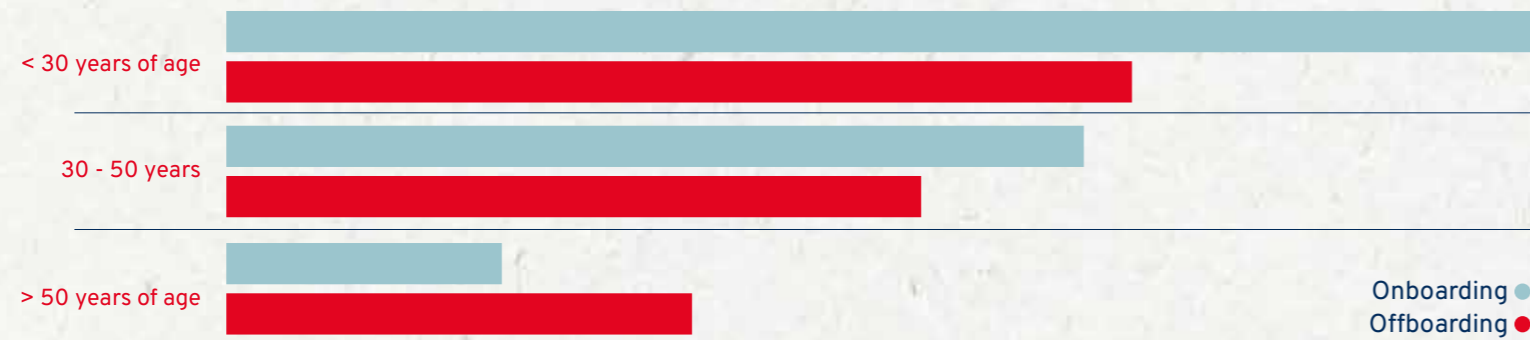


Executives ● Managers ● Office workers ● Production workers ●

Recruitment during 2022 involved 305 people, of whom 25% were women and 54% were under 30 years of age. On the other hand there were 259 off-boardings, 24% more than 2021; specifically there were 32% more than 2021 for those due to end-of-contract and 69% more due to resignations. In general, the turnover related to voluntary resignations stands at 4.1%.

The figure is up on last year, consistent with the phenomenon of the "Big Resignation", which led some workers to make different career choices following the pandemic and other events of recent years, which also involved the Italian market. A project was therefore set up to monitor the reasons for the resignations and to implement improvement actions that could prove useful should the phenomenon continue.

ENTRIES AND EXITS BY AGE GROUP IN 2022



Relationships with trade unions

The Group supports freedom of association and the effective recognition of the right to collective bargaining, believing that dialogue with trade unions and workers' representatives is essential. Every six months, the Group partakes in the union's national coordination in Assolombarda, where the sustainability plan was presented in detail at the last meeting. Plus, at site level, periodic meetings are held with the amalgamated unions to promote not only an ongoing dialogue, but also a proactive cooperation on every major theme, with special focus on safety, training initiatives and sustainability.

100% of the employees are covered by collective bargaining agreements

02. / 02 We train and engage our People

Sanpellegrino promotes a workplace environment where all employees feel personally involved in ensuring that their own skills development and career path is identified, keeping performance and motivation high. Indeed, skill development is a key topic for the Group and is a responsibility shared between the individual employees, the Line Manager and the HR Business Partner.

For each profile/function there is a role table, indicating the key functional and leadership skills, to which is associated a tool for **planning the development pathway**, based on a "70:20:10", a framework used in training processes that helps to identify training actions (10), relationship (20) and improvement through work (70).

"On-the-job" training plays a primary role and is guaranteed thanks to the involvement and commitment of the 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.

Where training is concerned (10), training is available both in the classroom and digitally: there are several course catalogues available for employees to choose from for their own training², as well as free access to the iLEARN platform for self-learning. In recent years, the training offer on iLearn has increased considerably, developing more than 15 Academies dedicated to the development of soft skills, people management, the culture of diversity and inclusion, functional and digital skills, as well as specific functional and category training. A section of the People Academy is dedicated to sustainability issues, which includes the "Sustainability as a Mindset" training course for all Group employees, which aims to convey not only Sanpellegrino's main projects and commitments, but also how sustainability is part of everyone's daily work.

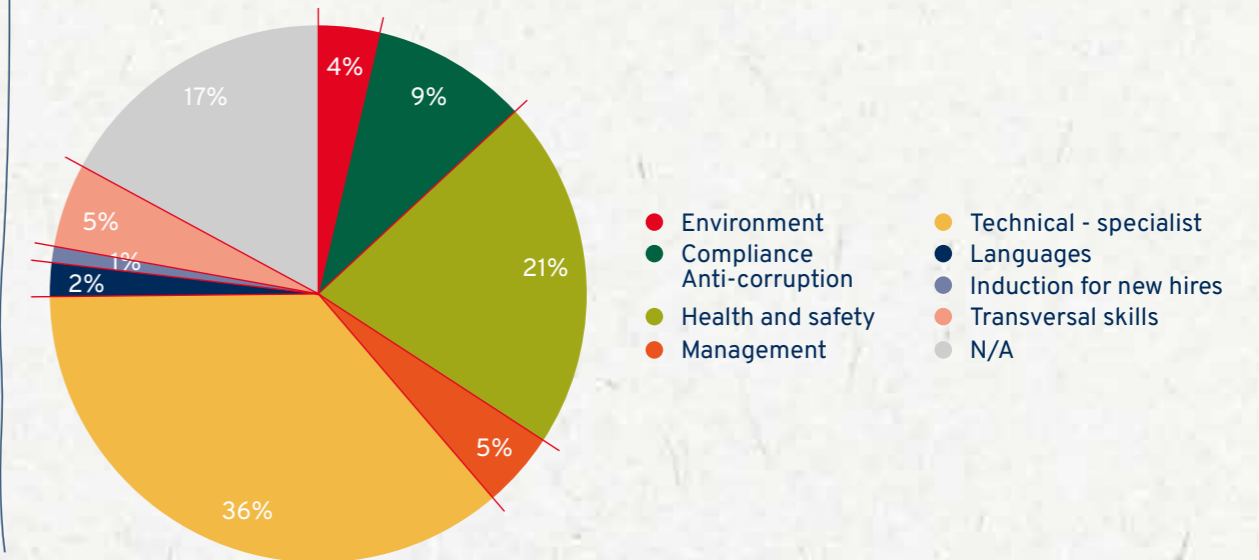
² Employees can enrol for the individual courses directly upon alignment with their Line Manager.

In 2022, 30,227 hours of training were delivered, which translate into an average of 21 hours per employee per year.

23.57% of the training hours were carried out in E-learning

76.43%³ of the training hours were in the classroom

HOURS OF TRAINING BY TOPIC 2022



External training is also provided for all Line Managers: through "The Ambrosetti House_Manager Programme" platform, specific LinkedIn subscriptions and on demand on specific requests. The Group's managerial positions have a vast catalogue available to them, from which to choose the most suitable training for their development.

The management of the training budget follows a structured process, reviewed 3 times during the year. In 2022 the delivered training was partly funded by the company budget (48%) and partly by inter-professional funds, such as Fondimpresa and Fondidirigenti (52%).

Every year the Training Centre gathers the needs of the employees, between July and September, defines the investment, checks feasibility and presents the plan for the next year to the Group's HR Leadership Team. The approval of the Team is usually in November, to begin delivery in January of the following year.

Four types of needs can be identified:

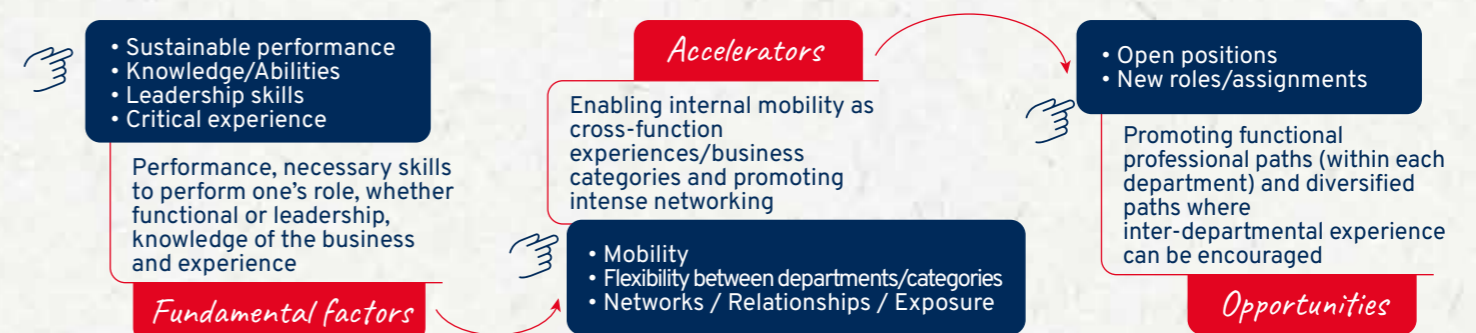


At the end of 2022, the onboarding programme for new hires in the Group in Italy was revised (6 hours in-person/each month). A special session is dedicated to the discussion of the purpose and values with some senior managers of the Group.

Capability Building and career paths

To guarantee the professional development of each worker, the company suggests a "Career Development Process", a model aimed at focusing attention on the many variables that can affect the development programmes, divided into:

THE CAREER DEVELOPMENT PROCESS



³ Of which 71.66% in person and 28.34% on-line.

Everyone at Sanpellegrino has a **skill set and development plan**. The Group also envisages specific events and plenary sessions to explain in detail the approach and tools to support employees; in addition to those already mentioned, **Coaching and Mentoring programmes and comprehensive feedback tools** are also available.

PEOPLE DEVELOPMENT PROCESS AND PERFORMANCE

Check to set performance and development targets

Annual kick-off to define the performance targets aligned to the business, identifying key areas for development



Meeting for sharing and development

Defining the best development actions and plans for success



Calibration of performance

Exchange of ideas with the Managers to assess the achievement of the goals and to calibrate performance indicators



Final outcome

Remuneration review and recommendations



Definition meeting

Definition of learning preferences, natural strong points, the desire to grow, aspirations and mobility



Post-development meeting

Meetings and talks to share feedback in a transparent manner, following Talent Talking, to create quality development plans and ensure correct monitoring



End-of-year meeting

Meeting and encounters to share feedback in a transparent manner, following Performance Calibration, in order to complete and sign the performance form

All Sanpellegrino employees with Executive, Middle Management and White-collar qualifications are involved in the **PDP (People Development Performance) evaluation process**, while for Blue-collar roles there are performance evaluation tools linked to the team they belong to and their contribution to the team's objectives. Linked to these processes is the variable remuneration, envisaged for each employee regardless of qualification (PAV - Annual Variable Bonus).

All key corporate roles also have sustainability-related targets within their PDP; in particular, from the beginning of 2023, all **Group Senior Leadership Teams have formalised within their PDP a sustainability target** related to how each department contributes to the roadmap for achieving the various sustainability commitments.

 100% of Sanpellegrino Managers, Middle Managers and Employees in 2022 received a rating of performance and professional development⁴

⁴This calculation does not take into account the professional category "blue-collar worker".

Every person counts

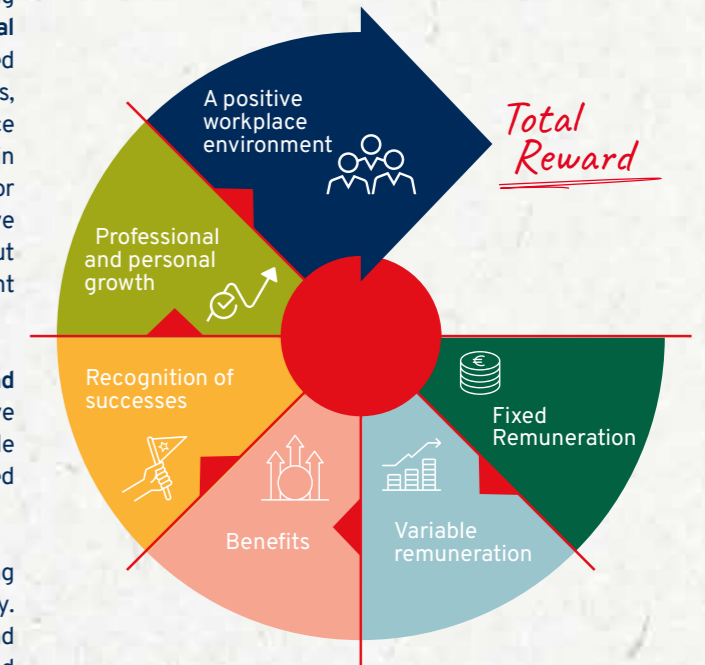
Part of the Group's commitment to the well-being of its People also translates into ensuring that each person is properly valued for their contribution to the company, through **Total Reward** systems tailored to each individual. Much more than remuneration supplemented with benefits: the model includes 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 collective bargaining agreements, ensuring that each collaborator understands their contribution and the benefits associated thereto. The variable incentive system is not limited to the PAV [variable annual bonus], which is granted to everyone, but also envisages different forms of incentive according to professional category, department and level.

Specifically, the **sales force earns incentives based on sales; Managers, Executives and people with medium/high-level positions get a Short Term Bonus** composed of collective company objectives and individual objectives established every year by the PDP (People Development Performance); **everyone else earns PAVs**, i.e. variable annual bonus, based on collective company objectives.

The Group manages remuneration policies aimed at recognising people's merit by following shared rules and principles with a careful eye on the external market and internal equity. Each position within the Group was weighted against the market to define remuneration and incentive parameters. Consistent with this, the **annual salary review process** is managed taking into account performance and the current salary level compared to what happens outside of the company.

In order to ensure **fairness and equal pay**, the remuneration policy was guided by the principle of prioritising resources in improving the benchmark against the external market by reducing gaps. In addition, everyone has direct (online) access to the **Total Reward Statement**, i.e. the summary document of the personal situation with respect to salary and benefit elements, including a comparison with context and market elements.

Line Managers have been trained on how to explain the **Total Reward Policy⁵** to their collaborators and were then involved as key elements in wage policy choices by actively participating in the annual Salary Review process⁶ by entering suggestions directly into the system.




02. / 03 We promote diversity and equal opportunities

The Group is committed every day to promoting a stimulating work environment that is open to diversity, guaranteeing equality in the workplace and equal opportunities.

A policy of zero tolerance applies to all forms of discrimination, violence and harassment at the workplace. 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.

For the celebration of international days, such as **International tolerance day and International Day for the Elimination of Violence Against Women**, Sanpellegrino seizes the opportunity to support the conversation on promoting a **diversified and inclusive culture** and to educate and create awareness on the theme of violence against women and respect in the workplace. In addition, in July, the Ruspino plant committed to a **partnership agreement** with the anti-violence centre Penelope in San Pellegrino Terme to promote temporary paths of reintegration into the labour market by employing women victims of violence on a fixed-term contract, enabling the recovery of social and labour skills and personal empowerment.

In order to strengthen the ability to respond appropriately to sexual harassment, all Group employees completed a compulsory **"Sexual Harassment Prevention"** training programme in e-learning mode.

 Zero episodes of discrimination also during 2022

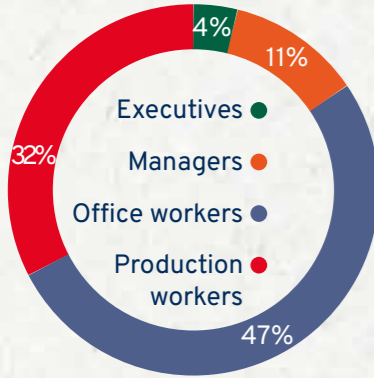
⁵The Nestlé Total Rewards Policy shared on all levels, in order to ensure that each person fully understands what Total Rewards means and how this scheme is applied within the Group. This system aims to fully reflect the company's priorities, especially the performance level required to pursue the Purpose and the objectives, combined with behaviour that is in keeping with the Values and Principles.

⁶For a total of 126 Line managers.

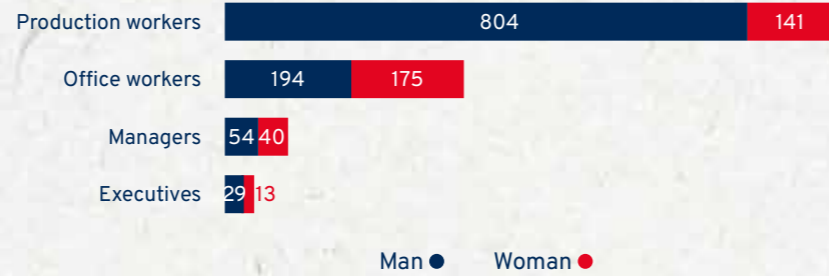
Gender Balance: a continuing journey

To date, 25% of Sanpellegrino people identify as female. A percentage of **39% of top management positions in companies (Executives and Middle Managers) are held by women (in line with 2021), and in general they hold 37% of managerial positions.** 15% of female workers are under the age of 30 (10% higher than 2021) and 61% are under the age of 50 (essentially in line with 2021). Female presence has grown also in sales, where two female Sales Managers were appointed.

THE PRESENCE OF WOMEN IN SANPELLEGRINO IN 2022



THE PRESENCE OF WOMEN IN THE DIFFERENT PROFESSIONAL CATEGORIES IN 2022



In order to reduce the pay gap between women and men, with the end goal of eliminating it, the Group, as a whole, regularly conducts a **process for the assessment of pay equality**. In 2022, there was a slight decrease in the pay differential for the executive category (from 111% at 94%), due to the fact that new management appointments (whose gross annual salary is proportionally lower due to lower seniority in the role) involved more women. For Executives and white-collar workers the differential improved compared to the previous year.

A path to Gender Empowerment

As of 2021, the Group launched a **Gender Balance Roadmap, dedicated to Operation departments** with a lower proportion of women, based on three pillars:

- Inspirational events** aimed at creating an inclusive working environment, promoting women's self-confidence in operations career paths by proposing positive examples to inspire.
- Mentoring programmes** aimed at enhancing the experience and expertise of the internal company resources.
- Projects and initiatives** in cooperation with Universities for the careers and the personal and professional growth of young people by addressing issues such as work-life balance, leadership, diversity and bias.

Even in the Sales department (sales, CDT), there has been an active contribution at company level to raise women in responsible roles, specifically, the sales and CDT organisation was redefined to meet business challenges, cross-functional career paths were created and the Group worked closely with NIM (Nestlé Italiana) to support female talent for the future.



Women's empowerment and gender equality also passes through forms of support to improve work-life balance (see "Parenting Initiatives", p.28)

Disability

The Group is working on various fronts to include an increasing number of people with disabilities, either through direct employment or through Cooperative B contracts (a form of social enterprise, which aims to create value not only for its members but also for the community). During the **International Day of Persons with Disabilities**, the Group also hosted several speakers to talk about the experience of the **Caregiver** of persons with disabilities. At Group level, this occasion was used as a jumping board to launch the **cultural transformation** that we intend to pursue on this topic, "From disabled to differently abled / talent is everywhere" as the underlying concept.

Sexual orientation and the LGBTQ+ community

The Group has promoted and made available in e-learning mode for all employees a course on **Diversity & Inclusion**, aimed at raising awareness and working on creating a mindset that fosters inclusion in its different areas (gender, origin & nationality, religion, disability etc.), and a specific course "Diversity and Inclusion at Nestlé: LGBTQ+ Community", supporting the learning and dissemination of an inclusive culture in the context of the LGBTQ+ community. In addition, the Group created **communities** dedicated to various topics, including LGBTQ+ active in promoting encounters, providing support, including through a four-monthly newsletter. As a partner of Milano Pride, the Group continues to support the LGBTQ+ community so that it always feels integrated, supported and accepted. In fact, as part of Pride Month, the Group shared several initiatives, among which we would like to mention the communities fair, i.e. a monthly lunch for listening, called the **Spring Lunch**, the NIM (Nestlé Italy) meeting with a moment dedicated to the LGBTQ+ community, the internal event of colouring a bench with the colours of the LGBTQ+ flag, the participation in the Milano Pride parade and the Global Webcast Leading Together For LGBTQ+ Inclusion.



02. / 04 We invest in the well-being of our People

FAB (Flexible, adaptable and balanced) working

To improve the quality of life of its workers and contribute to a better and healthier future, one of the levers for improvement of performance and productivity is greater flexibility. The year 2022 showed (through a Survey carried out at the end of 2022 on the entire "White collars" population of NIM - Nestlé Italia) how the choice of applying a **working model based on the FAB concept (flexible, adaptable, balanced) is a winner both in terms of people's satisfaction and well-being and in terms of company performance**. In fact, a high degree of motivation of employees to perform their work in accordance with the FAB model is evident.

Since 2012, the Group has been one of the pioneers in Italy in the application of a hybrid work model (remote and in-presence) aimed at reconciling a performance management culture with the life needs of each individual, and in recent years the FAB has seen a real **cultural change become increasingly consolidated**.

- Promotion of well-being**
 - Flexible working hours and organisation: Agile working, flexible working hours, social part-time, fixed-term contracts for maternity cover, volunteering, allowances and leave
 - Time saving: Dry cleaner's, insurance, bank, tax assistance
- Promoting parenthood and the birth rate**
 - Paternity leave and training on return from parental leave
- Support services to the family**
 - Nursery, products for early childhood and Junior Camp
- Mobility**
 - Contribution to the ATM [Milan Transport Authority] season ticket and car sharing
- Protection of health**
 - Outpatient clinic, Know Your Numbers Programme, tumour prevention, help with stopping smoking, sleep disorders, mental health and stress advice service, ageing of the population, functional and balanced diet, flu jab and sports medicine
- Flexible working hours and organisation**
 - Agile working, flexible working hours, social part-time, fixed-term contracts for maternity cover, volunteering, allowances and leave

To support the success of this corporate change for Line Managers, workshops were organised both to listen and discuss how the application of the new model was taking shape and also workshops to develop new leadership skills that are increasingly important for managing teams in a new context (e.g. workshop on empathy).



DIGITAL CORNER

The Nestlé world: a company in which to nurture ideas, grow and do something good every day
A stimulating, multicultural, inclusive, flexible working environment where employees can express their full potential.

Work-life balance: parenting

Parental leave is recognised to all employees; this is why the Group, as a whole, has promoted the **Parental Policy**⁷, 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 for the promotion of breastfeeding at the workplace. In addition, from 1 April 2022, the Group introduced the “**Nestlé Baby Leave**” policy, which grants three months paid leave at 100% of salary to second parents within the first six months of the birth or adoption of a son or daughter⁸. This very innovative policy not only enables new fathers to be constantly present during the first months of their child’s life, makes for a greater balancing of family loads to further gender equality.

One year after the launch of Nestlé Baby Leave, 79% of second parents have taken advantage of it, and it was found that the degree of satisfaction is 4.9/5. 93% of dads say that balanced load management in the family has improved and 100% of dads would recommend parental leave to their colleagues.

02. / 05 We protect occupational health and safety

Starting from the premise that “**safety is not a negotiable value and even one incident is one incident too many**”, Sanpellegrino 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 the public, in general.

The Health and Safety of people is guaranteed - in all production sites of the 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**⁹ (+14% compared to 2021). The increase is due to the implementation of a pilot project, activated in November 2022 at the Cepina plant, concerning the constant monitoring of Near Misses through the installation of a dedicated “**Safety App**”.

The 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. This 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.

Sanpellegrino has also implemented a **Reward and Recognition programme** that grants small rewards such as fuel bonuses or food vouchers for employees who place greater **attention on the theme of safety**. The rate of recordable occupational accidents has remained constant compared to 2021¹⁰. In addition, no occupational disease reports were recorded in 2022¹¹.

	m.u.	2020	2021	2022
Accidents that can be recorded ¹²		8	10	8
of which accidents with serious consequences ¹³		-	-	-
Deaths		-	-	-
Hours worked	No. of hours	1,611,890	2,371,160	1,787,998
Rate of accidents at work that can be recorded ¹⁴		5	4	4
Rate of accidents at work with serious consequences ¹⁵		-	-	-
Fatality rate ¹⁶		-	-	-

One commuting accident was recorded in 2022. It must also be noted that no cases of occupational disease were reported in 2022, against one case in 2021 and zero cases in 2020. Where self-employed workers are concerned, there were two incidents in 2022, which had no serious consequences.

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.

⁷ The Policy focuses on: paid leave for primary and secondary “caregivers”; protecting health in the workplace; opportunities for flexible work, a work environment that favours breastfeeding and employment protection and non-discrimination.

⁸ Nestlé Italia Group has always placed great importance on parenting, in fact it was the first in Italy, in 2012, to provide two weeks of paid leave for fathers.

⁹ 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.

¹⁰ For the work force that is not under a direct employment contract, over the three-year period, only two injuries occurred in 2021.

¹¹ This occupational disease was reported to INAIL by the company doctor and is still under analysis.

¹² The term “accidents at work that can be recorded” refers to all accidents that may lead to death, days off work, limitations at work, relocation to other tasks, medical treatments beyond first aid, losing consciousness. These are accidents generated by risks and dangers that workers are exposed to at work (e.g. death, amputation, cuts, fractures, hernias, burns, loss of consciousness and paralysis).

¹³ The term “accidents at work with serious consequences” refers to accidents that have led to damage that lasts for more than 6 months, excluding death.

¹⁴ The calculation of the “Rate of accidents at work that can be recorded” is based on 1,000,000 hours worked according to the following formula: (Total accidents at work that can be recorded + Total accidents at work with serious consequences) / Hours worked) * 1,000,000.

¹⁵ 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.

¹⁶ 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.

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 and Coordinator who also covers the function of “**Health Manager**” 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:

Pillars	Programmes implemented
PROMOTION OF A GOOD DIET	Nutrition help service: in person visits, at the Assago site, or online consultations following the compilation of a survey on eating habits, to obtain indications and advice related to their own diet and a measurement of one’s body mass;
	Project Healthy Diet: revision and improvement of the offer and continuous monitoring of the corporate restaurant, by working on portions, reducing salt, reducing saturated fat, introducing wholegrain foods, increasing vegetable quantities and collaborating with Nutrition Foundation Italy. The review of the canteen’s proposals has already involved the Assago and Ruspino sites; the involvement of the other plants is ongoing. Data collection through a standardised questionnaire to track the actual improvement in the nutritional style of the population in scope;
	Webinar: to guarantee an ongoing update on the theme of nutrition. From 2023, publication of a monthly Newsletter on the topic 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]. During 2022, more than 100 sports visits were provided;
	Healthy Break programme: an online platform, with over 100 fitness videos, accessible to all workers, that offers the possibility to choose among functional breaks, desk yoga, mindfulness or fun breaks, created by a scientific partner to support physical and mental well-being and counter a sedentary lifestyle. As of 2022, a weekly meeting via teams open to everyone to take active and healthy breaks together in the workplace is planned;
	Remote ergonomic consulting service: with a posture expert who is available for a remote online consultation on how to best adjust the work station and to provide suggestions on the exercises that are more suited to every situation;
	I feel good if I sit well project: in addition to the ergonomic consultation service online or carried out by a qualified posture expert available for online consultation on how best to adapt the workstation remotely, specific consultation for the sales force to counteract the effects of prolonged car use has also been added. Since 2023, an in-person consultation with a posture expert at the desk has also been active at the Assago location, available to help people make the best use of their workstation and to provide guidance on the most suitable exercises for each situation; a posture consultation with a podiatrist is also active for a complete study of one’s posture with indications on how to improve it in everyday situations;
	Remote -working KIT: a EUR 100 coupon is issued for the purchase of an ergonomic chair, plus it is possible to receive a 27 inch monitor, keyboard and mouse;
	Webinars to guarantee an ongoing update on the theme of posture;

Pillars	Programmes implemented
PROMOTION OF PHYSICAL WELL-BEING	My Health Numbers programme: compilation of a Health Risk Assessment alongside a finger prick blood test for: cholesterol (total and fractioned), 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@work¹⁷: 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 psychotherapy service in presence or remotely: with an psychologist specialising in work and organisational psychology;
	Monthly newsletter: on themes that link stress and work activities, written by the Psychologist and the Coordinating Physician;
	Auto-genic training courses: mindfulness courses starting in 2023;
	Stress management webinar: 2023 saw the start of focus on sleep, through webinars on sleep physiology and pathology and the provision of standardised questionnaires to understand the level of insomnia and possibly access specialist counselling by a doctor dealing with sleep pathology or a psychologist dealing with re-education for the recovery of the correct sleep-wake rhythm;
	#HealthyLives programme: training course that provides practical advice on fundamental topics, such as diet, exercise and sports, and sleep. In 2023, an important collaboration with LILT - Lega Italiana per la Lotta contro i Tumori - began. In addition to three educational webinars on the prevention of skin cancer, lung cancer and prostate cancer, people can access specialist examinations at an advantageous price to be carried out during working hours at the infirmary. The project started for the Assago and Ruspino locations and will involve all locations in 2024. Dermatological examinations, gynaecological examinations with pap smear tests, breast examinations with breast ultrasound or mammograms (depending on age), and urological examinations for men over 50 are planned. An important campaign to raise the awareness of people on the importance of donating blood is also underway, which is why a collaboration with AVIS has been initiated, which will be hosted at all group locations to donate during working hours where possible or for information days and dedicated awareness-raising with simultaneous collection of participation to a type of blood donation that also involves blood testing. The donation will provide access to a free blood test.

¹⁷This is mandatory training to protect health in the workplace



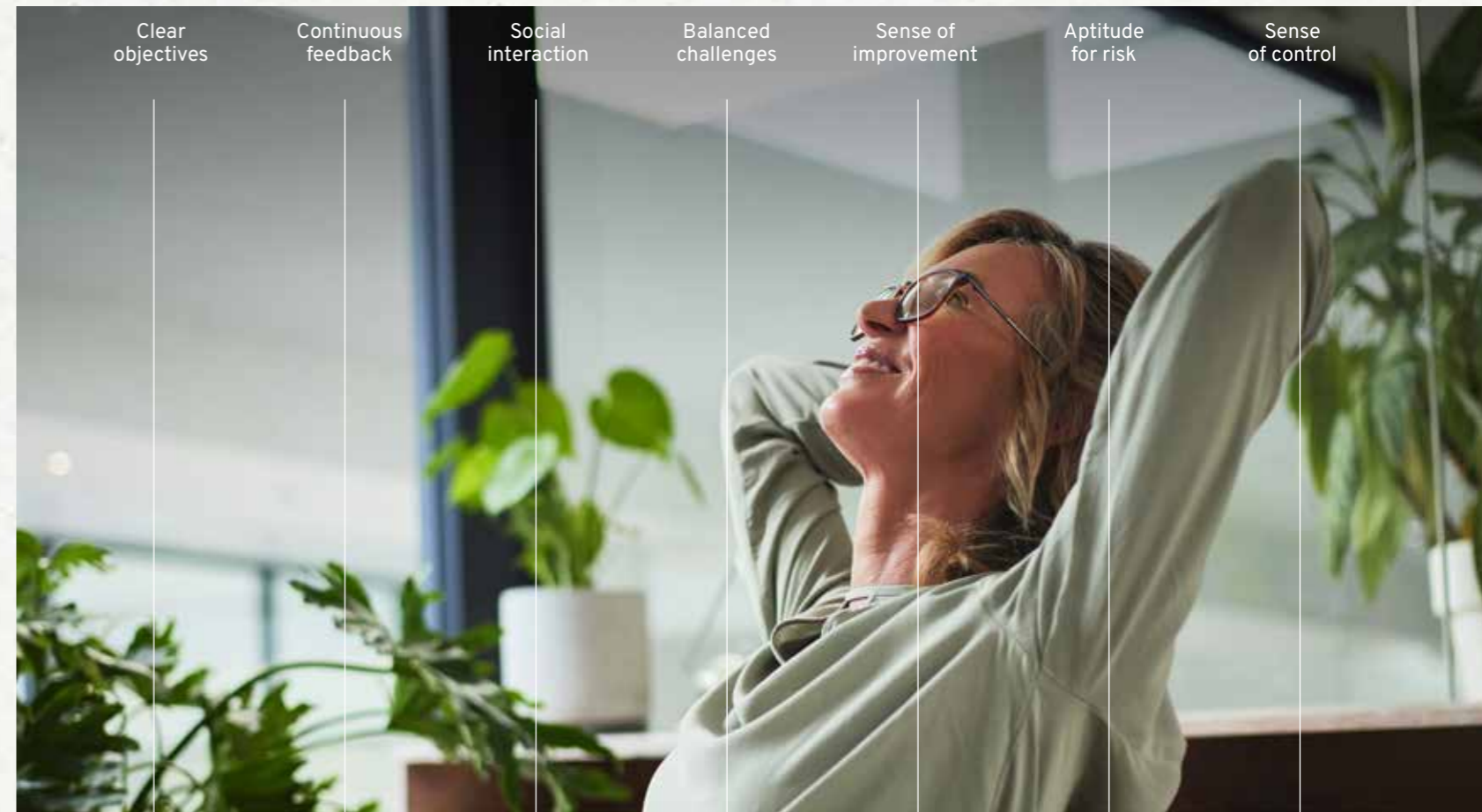
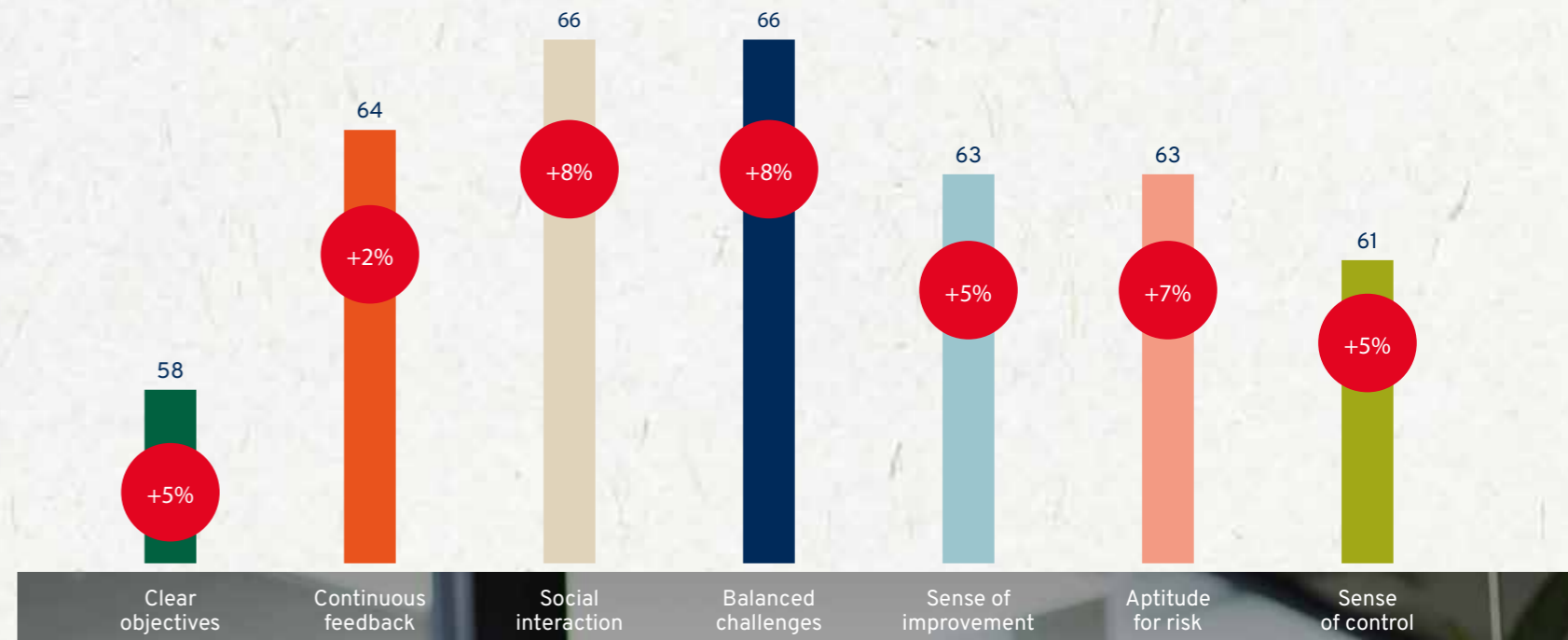
We measure employees' well-being

People's satisfaction is measured by a periodic global survey called "Nestlé & I". The last edition was in 2020 and it will be repeated during the course of 2023.

Sanpellegrino has also, since 2020, monitored employee well-being through a powerful listening tool, the **Beaconforce platform**, a voluntary tool that creates a communication channel between people and company leadership. The degree of satisfaction monitored by the software is based on an individual survey (multiple choice questionnaire) that makes it possible to analyse the following factors: clarity of objectives, continuity of feedback, social interactions, balance of professional challenges, sense of improvement, error culture and attitude to risk, and the feeling of control or autonomy.

The engagement rate measured by the platform in 2022 was 72% (4% higher than the benchmark of the sector).
The results in general show an improving year-on-year trend in all areas.

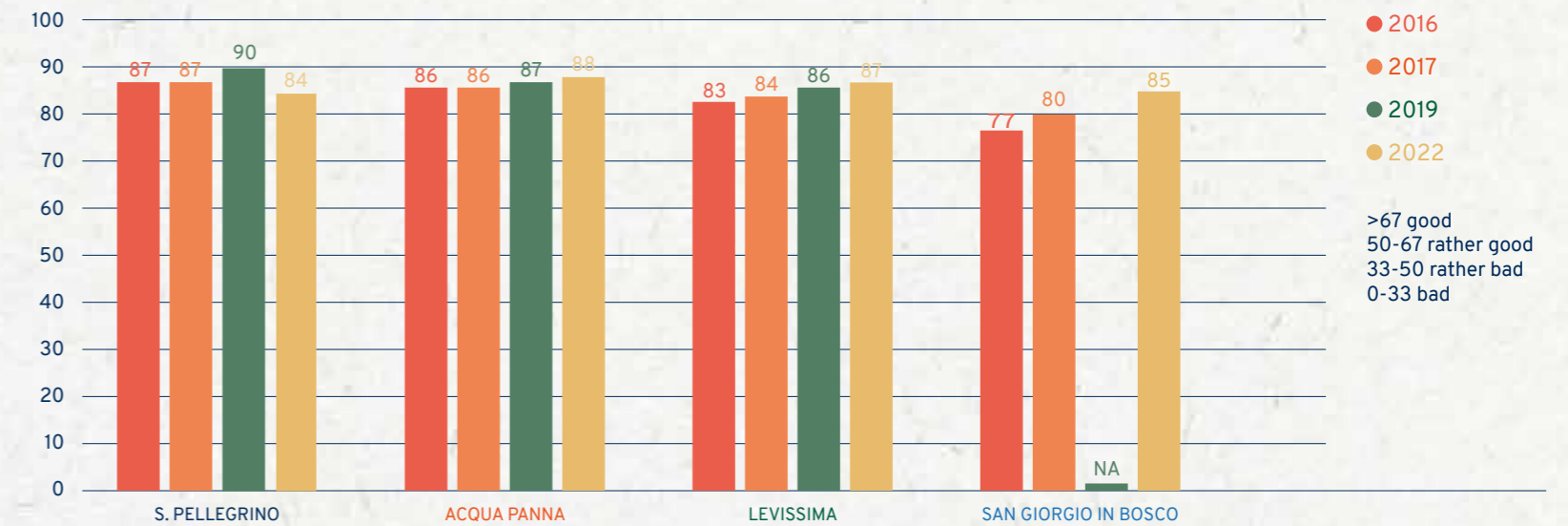
AREAS OF ANALYSIS



03. Communities and territories

Sanpellegrino has always cared about the communities in which it operates. The widespread presence in the territory, the inseparable relationship with the sources and the historicity of its brands, make the Group an active member of its communities.

NWI Local Acceptability Index: trend



The **Community Relation Process** makes it possible to monitor, with detailed measures and a concise index, how the company is perceived by its communities and allows concerns to be captured - and addressed where possible. In the 2022 survey, 50 stakeholders identified as “key” were interviewed and the Municipalities bordering the establishments were involved through 750 interviews with the resident population in four areas of analysis.

WATER RESOURCE MANAGEMENT
Quality and quantity of the water available in the reference territorial context

ENVIRONMENTAL IMPACT
Possible negative effects generated by the establishments

RELATIONSHIP WITH STAKEHOLDERS
Nature of the relationship between the company and the several stakeholders of the local communities

CONTRIBUTION TO LOCAL DEVELOPMENT
Repercussions in terms of the community’s socioeconomic development

The **Local Acceptability Index** summarises this complex analysis. In 2022, the LAI of Sanpellegrino Terme, Scarperia, Cepina and San Giorgio in Bosco scored a representative high level of local acceptance between 84 and 88 (on a maximum scale of 100).

LEVISSIMA AND VALTELLINA: AN EXAMPLE OF A VALUABLE RELATIONSHIP



Levissima has also always been closely linked to the land where it is born. The love for Valtellina is expressed in a constant commitment to safeguarding its resources and promoting its natural and cultural heritage, also through its label, which reserves a dedicated space for the Valtellina logo.

Levissima has been in partnership with the University of Milan since 2007 to support research on the glaciers of Alta Valtellina and has a long-term relationship with the Stelvio National Park. Invests in **tourism promotion of the territory**, through various initiatives developed over time:

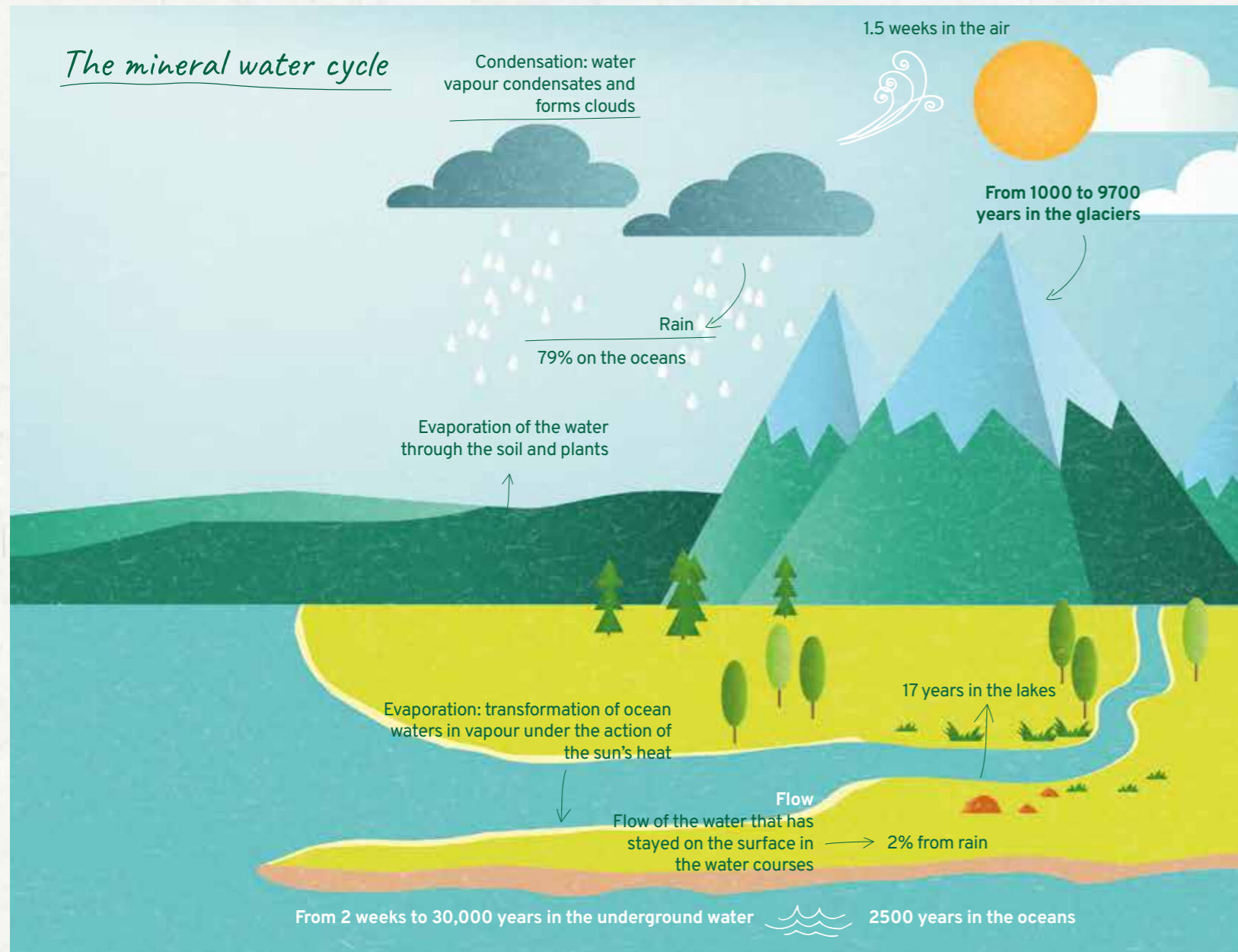
- Since 2018, it has supported the construction of Levissima 3000, a high-altitude chalet built with environmentally friendly materials to enhance the peaks from which the water springs.
- Since 2021 in Cepina, it has been supporting a social cooperative in the management of a regenerated 5,000 square metre agricultural area for the cultivation of essences and vegetables.
- During 2023, in an area earmarked by the municipality of Cepina for a recreational park, Levissima will install a fitness trail made of recycled materials. For the past three years, Levissima has sponsored the Ambrosetti-Community Food and Beverage Forum held in Bormio.

03. / 01 Looking after water resources

Sanpellegrino is committed to maintaining a constant balance between withdrawal and recharge capacity of the water table for each of the sources it cultivates.

The springs

Not all natural mineral waters are equal: their properties depend on the place of origin of the source and the nature of the water table. Mineral salts and trace elements collected in the underground path between the rocks constitute a real fingerprint that guarantees their uniqueness. The abundance of deep water tables, the vast variety of rocks and geological structures found in Italy result in the formation of many special mineral waters that differ from each other, characterised by their exclusive terroir, providing their special signature. Every natural mineral water is therefore the result of the natural environment that it springs from.



Natural mineral water can only come from - as defined by the law - deep underground water tables, naturally protected above and below by a layer of impermeable material. This characteristic naturally protects them from the risks of pollution from the surface. Deep water tables are not directly supplied by atmospheric precipitation but from water soaking into the ground where it is permeable, in an area referred to as "recharging".

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 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 constancy of the composition, the health-related characteristics and maintaining constant the balance between catchment (withdrawal) and reconstitution of the water table. (It. Legislative Decree no. 176/2011).

Pursuant to the regulatory framework, the mandatory requirements of a mineral water are as follows:

- Origin from a water table or an underground and protected deposit
- The original purity and its preservation
- The content in minerals, trace elements, the composition, the temperature and the other essential characteristics that stay constant over time
- Bottling at source
- Possible beneficial properties
- Approval by the (It.) Ministry of Health

Our concessions

The types of rocks present in the territory where the sources are located influence the characteristics of the water and of the catchment process



- Type of Rock
- Sanpellegrino Group Concessions

The Single Environmental Act (Lgs.D. 152/2006) envisages the establishment, around each natural mineral water source, of specific areas to be protected and of related protective measures that are increasingly stringent the closer to the source.

Protection area

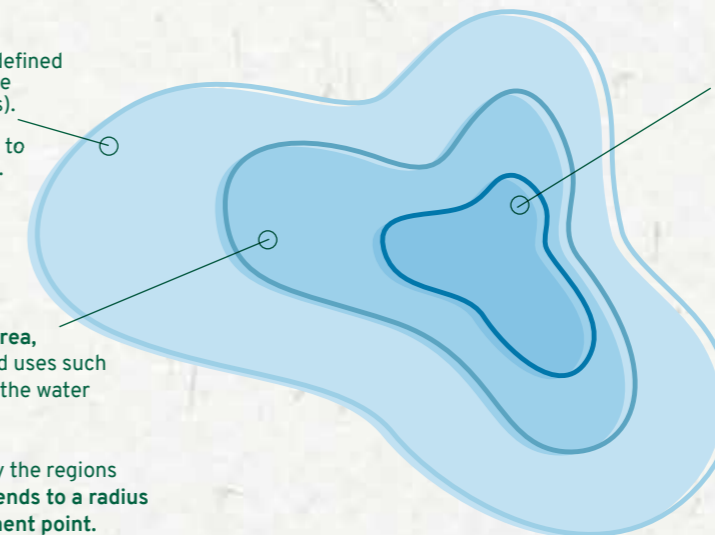
This involves the recharge area and is defined in accordance with the instructions of the regions (or of the autonomous provinces).

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

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 catchment point.



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 catchment operations 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 catchment point.

In terms of the protection measures of the sources and the catchment zones, Sanpellegrino adopts measures that are more stringent than those required by law. In the catchment area, for example, the buildings that protect the source are equipped with armoured doors, the area is monitored through intrusion sensors and video cameras, accessways to catchment facilities are traced and there are additional safety procedures in case of alarm. In addition, Sanpellegrino carries out scientific studies on aquifers and develops partnerships with other operators in the protected areas, from determining areas to be more strongly guarded to identifying crops and agricultural practices that do not endanger the aquifer.



Sanpellegrino Group has embarked on a path towards obtaining the AWS - Alliance for Water Stewardship certification for each one of its production sites, an internationally recognised standard for the promotion of the sustainable management of water as a shared world resource. To date, certification was awarded in 2021 to the San Pellegrino Terme plant and in 2022 to the Scarperia plant. The Cepina establishment will be certified by 2024 and San Giorgio in Bosco by 2025. The certification rewards the manner in which enterprises look after water resources in 5 key areas:

- 1. Good water governance**

The active participation in the effective and sustainable management of local water resources.
- 2. Sustainable water balance**

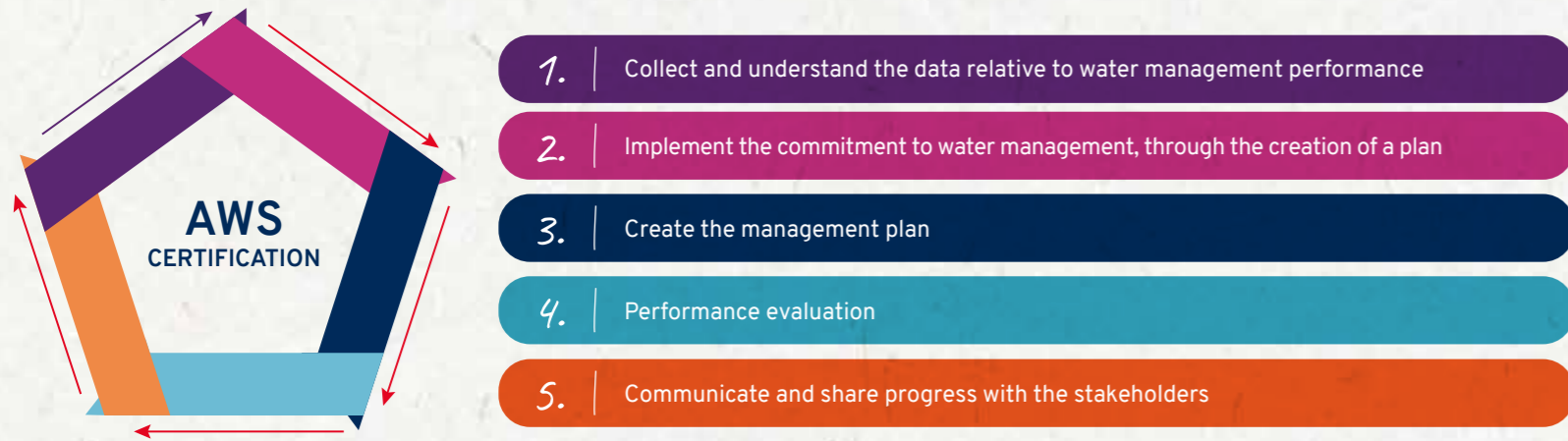
Management of the resource to guarantee that the amount of water used does not exceed the natural recharging capacity of the water table.
- 3. Good water quality**

Specific actions to preserve and improve the quality of available water resources.
- 4. Safeguarding of territories**

Identifying and planning the areas of the water basin that are crucial to the health and sustainability of the local water resources.
- 5. Safe water, sanitation and hygiene for everybody**

Working to improve safe access to water and sanitation.

THE STANDARD WAS ADOPTED THROUGH FIVE FUNDAMENTAL STEPS



DIGITAL CORNER

The Acqua Panna plant has been awarded the Alliance of Waterstewardship

On World Water Day 2023, we took the opportunity to celebrate the award of the AWS certification to the Acqua Panna plant in Scarperia (FI) in November 2022.

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

The Group's sites are generally located in beautiful natural areas characterised by high biodiversity

The activities carried out do not envisage the introduction of species other than those existing in the reference areas and/or pathogenic agents. In addition, there have been no reports of changes to the ecological processes, water, soil and air quality nor of the reduction, alteration and/or loss of natural habitats and fauna caused by the activities carried out.

In addition to not endangering biodiversity, proactive activities are underway. The Acqua Panna estate, for example, located in the Mugello area on the border between Tuscany and Emilia-Romagna, has become a privileged observatory on Biodiversity.

ACQUA PANNA: THE SOURCE OF BIODIVERSITY AND THE "GOOD BEE" PROJECT

The project "The source of Acqua Panna's biodiversity" was born in late 2020, in collaboration with Federparchi, a pathway for the protection and monitoring of biodiversity in particular of the Acqua Panna estate in Scarperia, as part of a broader objective of safeguarding the ecosystem and removing CO2 emissions.

Over the course of 2021 a study was conducted to assess the flora and fauna species existing within the property in order to implement protective actions for those presenting a greater degree of risk.

The estate, which has become a veritable "open air" biodiversity laboratory, turned out to be a rich and heterogeneous ecosystem, with 121 species of vertebrates and plants.

The study identified a series of actions to be implemented to further protect this area of great naturalistic value and strengthen its ecosystem. Among the priorities was also the need to protect pollinating insects.

The "Good Bee" project is therefore the first in a series of initiatives to be developed by Acqua Panna.

The first Bee Hotel, a structure made of wood, bamboo canes, bark and perforated wood that serves as a refuge for bees and diurnal butterflies, allowing the presence of these species in the area to be monitored, was inaugurated.

The protection of biodiversity comes alongside "nature-based" strategies for capturing CO2, with the implementation of forest and farming management aimed at maximising GHG absorption, already significant considering that the property was expanded by 1,300 hectares, approximately 70% of which is forest. Sanpellegrino has signed a partnership with the Scuola Superiore Sant'Anna in Pisa, which has drawn up guidelines for forest management, for an increase in the number of tall trees, including innovative agroforestry practices with the introduction of trees and hedges within fields and the development of ecological corridors to protect biodiversity.

Both the new forest maintenance plan and the first agroforestry operations will be activated in autumn 2023. The planned investment for the project is CHF 2.7 million over 10 years.



DIGITAL CORNER

Acqua Panna: Biodiversity monitoring and the opening of the first Bee Hotel





An important collaboration with Federparchi and the Scuola Superiore Sant'Anna to protect the biodiversity of the Acqua Panna area, which has become a true open-air laboratory.

Water regeneration for our communities

The water protection measures that the Group activates do not only concern the sources, but the entire water basins on which our production sites are located. The objective of Water Regeneration is to generate a positive impact by activating, by 2025, projects that make additional quantities of water available to the communities where the Group operates. This objective will be achieved through regenerating hydro-geological cycles that have an impact on the quantity, quality and accessibility of the resource, to meet the needs of the territory.

Several projects were identified and approved with universities, consortia and other local stakeholders, measured through the World Resources Institute's Volumetric Water Benefit Accounting (VWBA) methodology, while an external committee analysed the relevance and sustainability of the initiatives and gave feedback on their contribution in addressing local challenges and opportunities.

Area / Establishment	Project	Description
Cepina Valdisotto (SO) The territory of origin of Levissima 	Project Vaia	Reforestation activities and soil bioengineering works aimed at restoring forest slopes damaged by storm Vaia, which destroyed around 140 hectares of forest in 2018. The project will increase the groundwater recharge capacity, protect biodiversity and increase the CO2 absorption capacity of the forest.

Area / Establishment	Project	Description
Municipality of Barberino di Mugello (hamlets of Santa Lucia and Monte di Fò) 	The Fonte Voltone project to upgrade the public aqueduct	A former spring owned by Sanpellegrino, called "Voltone", which is currently not used, will be connected to the public waterworks to increase the water supply to mountain hamlets. Sanpellegrino will build the connection pipeline, and undertakes to ensure the periodic maintenance of the intake in the future.
San Giorgio In Bosco (PD)   	The Brenta aquifer recharge project	Sanpellegrino, in collaboration with the Consorzio di Bonifica del Brenta and Etifor, will implement an activity to manage the recharge of the water table, through the creation of two storage and infiltration "ponds" to support agricultural activities during the summer. The project also envisages the reforestation of the area to enrich the landscape, create biodiversity, capture carbon dioxide, and create a pleasant natural space for the local population.

More than just water...citrus fruits and the countryside

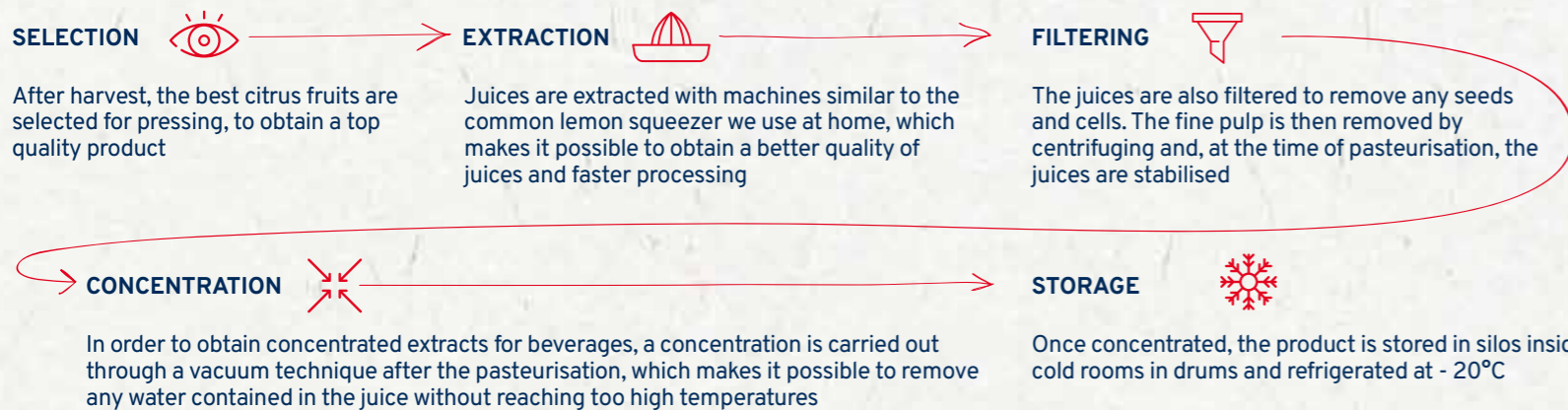
The whole history of Sanpellegrino Soft Drinks is linked to the Italian territory which, with its citrus orchards in Sicily and Calabria, gives life to Mediterranean flavours and aromas, valuable raw materials and inimitable products.

The territory and the area of origin, in fact, impart different characteristics to citrus fruits thanks to specific elements such as the sun, the winds, the availability of water, the conformation of the land, position with respect to the sea and the temperature 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 Soft Drinks is ensured exactly by the use of excellent natural ingredients thanks to which the quality of raw materials is completely transferred to the finished products, thus maintaining the nutritional properties unaltered and offering the consumer a product of the highest quality with a list of ingredients that is as short as possible.

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 time periods and are determined by the individual characteristics of the citrus fruits and depend on 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 industry.

The uniqueness of Sanpellegrino juices lies in the combination of traditional manual harvest methods and innovative machinery for the extraction. The latter is carried out directly by Sanpellegrino partners, just after 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.



SANPELLEGRINO SOFT DRINKS: A REGENERATIVE AGRICULTURE PROJECT

Along the farm supply chain, in collaboration with Carbonsink, Sanpellegrino has conducted a close analysis aimed at verifying how regenerative agriculture farming can aid Sanpellegrino in reaching its climate objectives and at the same time understand and investigate supplier farming practices, thereby identifying potential areas for the reduction and removal of emissions. The aim of the project is to identify regenerative farming projects and scalable sustainable practices in the procurement chain. The analysis was carried out on a sample of 4 companies in the Sanpellegrino supply chain and 2 companies in the Biofarm network and a model was created that summarises the practices implemented by the surveyed farms. The main areas of intervention are:

- 1. Actions to reduce the use of fertilisers or the consumption of fossil fuels (e.g industrial fuels)**
- 2. Removal actions, such as cover crops, keeping the soil protected with plants increasing its fertility and quality that are estimated to reach up to 1 tonne of CO₂ eq./year**
- 3. Harvest residue management, as sources of nourishment for the future crops, while improving the quality of the soil**
- 4. Use of manure, applying it to agricultural soils as a high source of nutrients and a method of improving the soil's organic carbon.**

The project has also led to the identification of Climate Smart practices to further improve the carbon footprint, thereby reaching a mitigation potential of up to 65% of the emissions (reduction + removal) in comparison to the standard scenario, thanks to the support of irrigation methods, alternative energy sources and the transition to efficient machinery (e.g. electric tools) which limit the use of fossil fuels. Sanpellegrino endeavours to place the results of the project at the disposal of the affected farmers and partners, as a tool for spreading and identifying good practices for emissions reduction, with the aim of co-participating in investments for working towards shared objectives in a synergetic manner along the entire supply chain.

Not just territories but communities of ideas



Sanpellegrino Group believes that communities of ideas, including chef communities, is a real cultural movement that can generate social change.

Since June 2021, S.Pellegrino has been a partner of the non-profit organisation Food for Soul, founded by chef Massimo Bottura with the aim of supporting the global mission to reduce food waste, open up new opportunities for social inclusion and encourage a healthy and fair food system¹⁸. The collaboration led to the development of various projects:

In 2022, the second season of the video series "why waste?" was launched on the international digital platform Fine Dining Lovers by S.Pellegrino & Acqua Panna, about how to cook delicious recipes by giving a second life to leftover or discarded food and ingredients. In this second season, Chef Massimo Bottura has involved three international colleagues of his calibre, Dominique Krenn from S.Francisco - USA, César Troisgros from Roanne - FR and Sat Bains from London - UK, who willingly accepted the challenge. The project was communicated on the international digital channels (social and website) of Sanpellegrino and Fine Dining Lovers with an awareness-raising campaign on the topic.

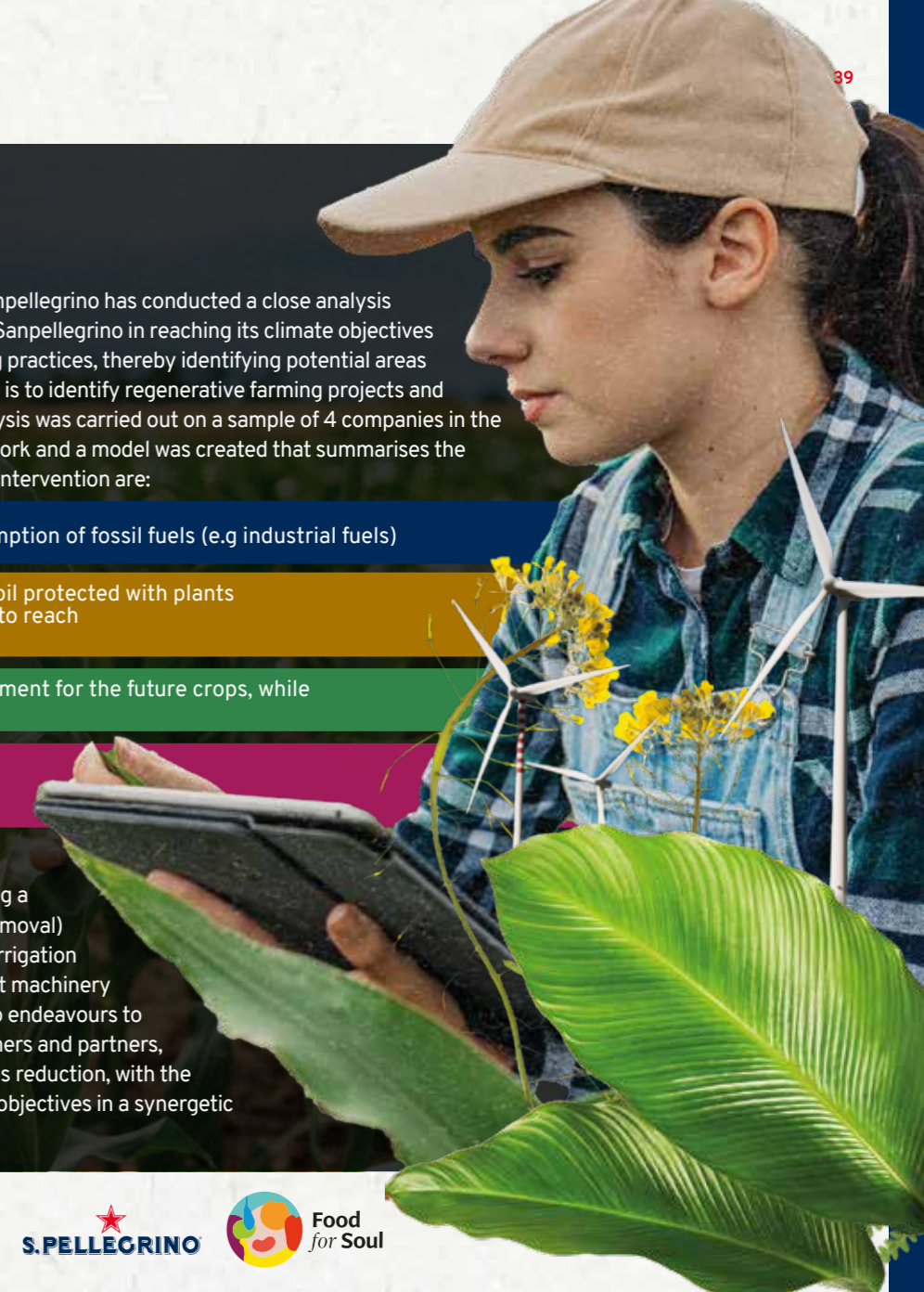
During the latest global competition, S.Pellegrino committed to donating the equivalent amount of food used during the event to the Food For Soul meal centre in the form of citrus fruits by Biofarm, a digital farm that supports local organic farmers in Southern Italy.



DIGITAL CORNER

Watch the second season of "Why Waste" to discover anti-waste recipes
The recipes of Massimo Bottura and his team that transform food waste into flavourful dishes.

¹⁸ For more information, please see: <https://www.foodforsoul.it/it/>



S.PELLEGRINO SUPPORTS GASTRONOMIC EXCELLENCE

The S.Pellegrino Brand is on the front line in promoting and supporting gastronomic excellence around the world. In fact gastronomy has an impact that is able to reach beyond the kitchen in the strictest sense, helping make an important change happen. And if today gastronomy plays a pioneering role in promoting social and environmental change, S.Pellegrino intends to be an active part of this movement with the S.Pellegrino Young Chef Academy project.

The training platform brings together young talents from around the world with the most influential members of gastronomy and supports them thanks to a journey composed of mentoring activities, opportunities for networking and educational moments on various themes, including sustainability and social responsibility.

To be part of this international ecosystem of talents it is necessary to participate in S.Pellegrino Young Chef Academy Competition which, every year since 2015, aims to identify the youth and young chefs of the next generation, the ones that S.Pellegrino considers to be the stars of tomorrow's culinary community. All chefs who participated in the Competition over the years are a permanent part of the Academy.

In brief, the Academy has the following objectives:



Identifying the most talented young chefs in the world, through the S.Pellegrino Young Chef Academy Competition

Encouraging and supporting them through the Academy's educational program, creating collaborations among the members

Creating a global network of talented young and senior chefs to facilitate the exchange of professional and human knowledge and experience

Spreading values such as inclusion and sustainability: in the 2022 edition, webinars on responsible fish consumption, meat consumption, vegan cuisine and on food waste

The 2022- 23 edition - in addition to the title "S.Pellegrino Young Chef Academy Competition" - included three additional prizes, with the aim of recognising the various talents and approaches as to how gastronomy can have a role in transforming society:

Fine Dining Lovers Food for Thoughts Award:

voted by the Fine Dining Lovers community, prize awarded to the young chef which best represents the personal approach to the dish;

S.Pellegrino Award for Social Responsibility:

voted by the recent partnership with Food Made Good, a programme created by the founders of the Sustainable Restaurant Association and designed to promote sustainability within the food industry. The award is dedicated to the dish that best represents the principle of food as a result of socially responsible practices;

Acqua Panna Award for Connection in Gastronomy:

voted by mentors, representing 50 countries worldwide, to offer the award to the recipe that best emphasises the link between different cultures, thus celebrating a global approach to gastronomy

DIGITAL CORNER



S.Pellegrino Young Chef Academy 2022- 23: waiting for the grand finale 2022-2023

The competition, now in its fifth year, is a unique opportunity for young chefs and gives them the chance to rub shoulders with the most influential professionals in the industry. The winners of the regional finals, who will participate in the Grand Finale in October 2023 in Milan, will have their dishes evaluated by a special Grand Jury of Seven International Sages.



04. Our environmental impacts

04. / 01 The environmental performance of our plants

DIGITAL CORNER



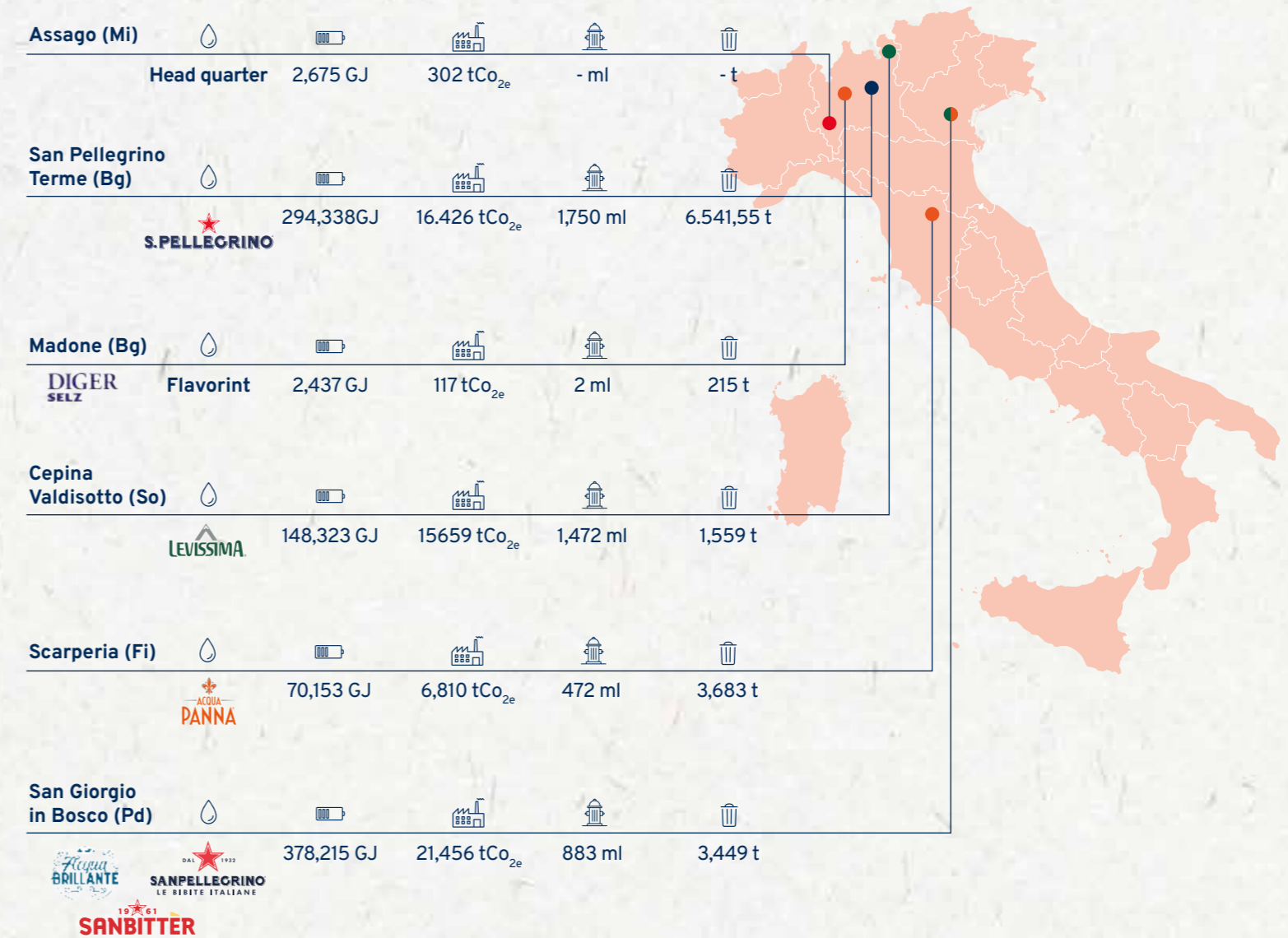
Where Sanpellegrino Group's Mineral Waters are bottled:
our production facilities

Sanpellegrino's industrial process involves bottling mineral water and producing soft drinks through production units set up near springs in northern and central Italy.

For the daily activities of the production sites, in particular, environmental protection is guaranteed by the presence of the NEMS (Nestlé Environmental Management System), certified according to international standards ISO 14001.

The production and bottling processes of all plants aim for the maximum reduction of environmental impacts, pursuing efficiency in every phase of the process, to achieve the goal of “zero waste” and “zero polluting emissions”.
The operational activities of the sites are based on the TPM - Total Performance Management methodology, through which the Group is committed to aiming for drawn water to be equal to bottled water and to reduce energy consumption through alternative sources. The efficiency of each 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.

The environmental data of our sites and brands in brief¹⁹



¹⁹ The data on water consumption and waste for the Assago site are accounted for in Nestlé Italia S.p.A

Energy consumption and emissions

Since 2011, all production sites have been using 100% RECS (Renewable Energy Certificate System) certified electricity purchased from renewable sources, in addition to pursuing its mission of energy efficiency through projects and concrete actions.

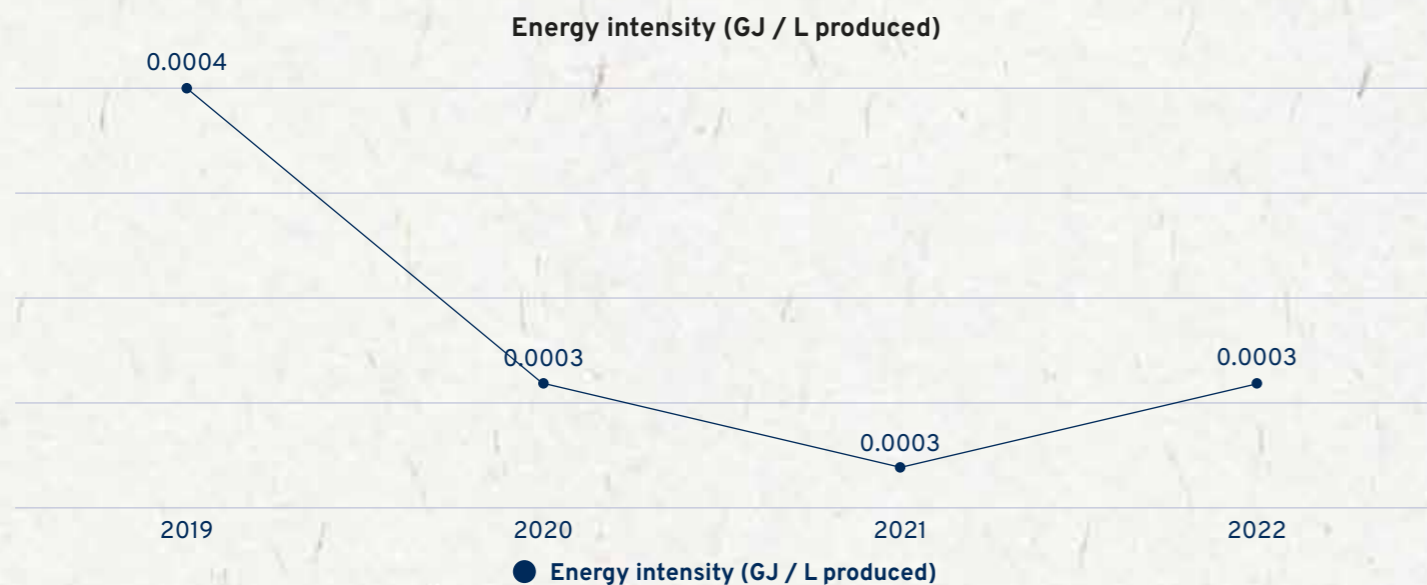
The Cepina factory in 2022 has been included in a global digitisation project called “Project Horizon”, which, using a digital platform developed by the Nestlé Group in recent years called “DMO Energy”, will enable the establishment to improve the monitoring of all energy consumption in the factory, with obvious positive effects in terms of identifying possible inefficiencies and improving energy use.

In December 2022 it was also decided to permanently shut down the plant’s old VAR (returnable glass) line: the effect of this decision on energy consumption will be clearly evident in 2023, where savings are expected especially in terms of LNG consumption (down about 30%), but also in terms of direct electricity consumption. The shutdown will also have positive consequences in terms of reducing indirect emissions related to glass logistics and raw materials.

In general, the Group’s direct and indirect energy consumption in 2022 amounted to **GJ 912,063**, a slight increase (0.68%) in comparison to 2021, in line with the full return of activities following the restrictions to contain the spread of the Covid-19 pandemic. By comparing consumption with the data of 2019, i.e. prior to the pandemic, they were down by 1.3%.

Energy consumption ²⁰	m.u.	2020	2021	2022
Fuels from non-renewable energy sources		696,404	712,652	707,352
Natural gas		646,445	71,490	55,327
LNG		49,959	641,162	652,025
Purchased electricity	GJ	175,346	193,245	204,710
of which certified from renewable energy sources		175,346	193,245	204,710
Total direct and indirect consumption		871,750	905,897	912,063

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 0.000343 GJ/litres produced for 2022, thus registering a slight increase (1%) compared to 2021.



²⁰ Starting from 2021, the data also considers the energy consumption of the Madone plant and the Assago site.

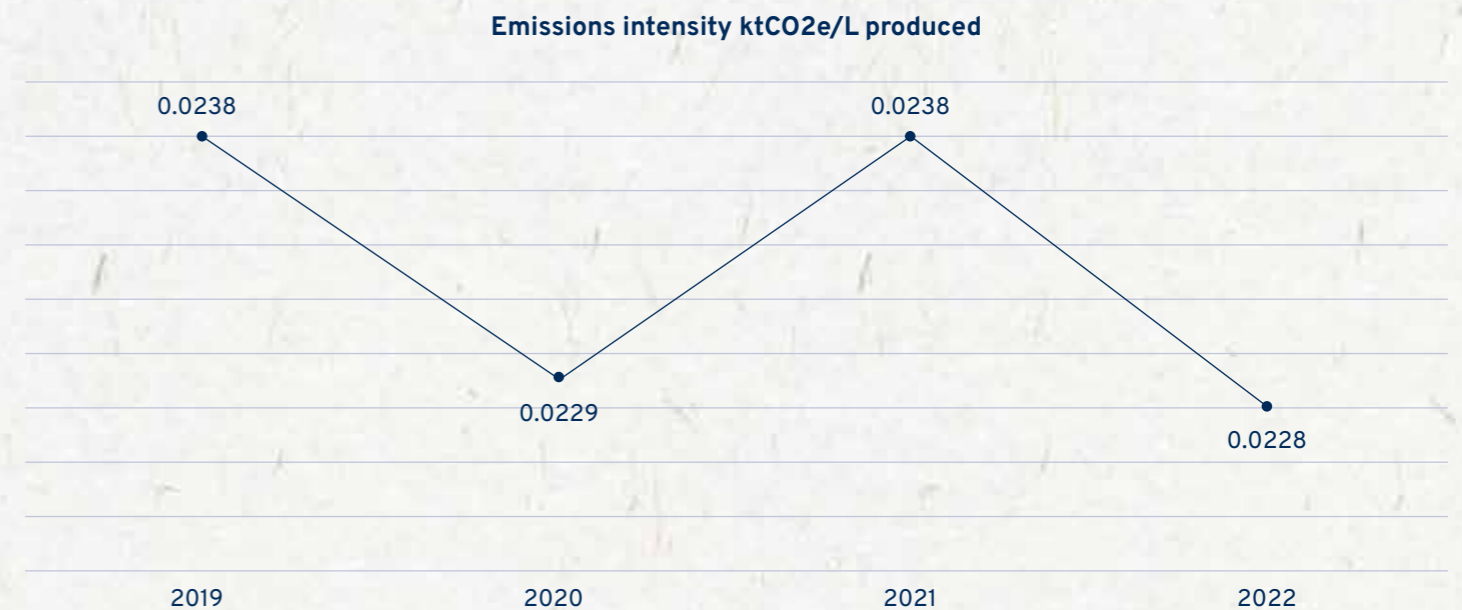
²¹ Natural gas is used for heating as well as for producing electricity through cogeneration plants at the San Giorgio in Bosco and San Pellegrino Terme facilities.

In 2022 the production activity carried out at the Sanpellegrino sites generated, in absolute terms, about **38,958 tCO₂e direct emissions (Scope 1)**, i.e. stemming directly from energy sources used directly as natural gas for heating and cogeneration. **As for indirect emissions (Scope 2)**, i.e. stemming from the energy bought by the company for the production of electricity and heat, the emissions amount to **21,811 tCO₂e**.

The **other indirect GHG emissions (Scope 3)**, generated by car rental consumption in 2022 amount to **25 tCO₂e**. Therefore, there is a slight decrease (-3.9%) in total emissions compared to 2021, mainly due to the reduction in LNG use.

Emissions ²⁶	m.u.	2020	2021	2022
Direct emissions (SCOPE 1)		39,519	41,255	38,958
Indirect emissions (SCOPE 2)-Location-based		18,856	22,041	21,811
Indirect emissions (SCOPE 2)-Market-based	tCO ₂ e	-	-	-
Indirect emissions (SCOPE 3)		24	25	25
Total emissions		58,399	63,321	60,794

The **emissions intensity indicator** also records a slight decrease (-4.2%) compared to 2021; in fact by comparing the total emissions to the Group’s production for 2022 we obtain an indicator of 0.0228 ktCo₂e/L produced, in line with energy consumption and the values of 2020.



²² Starting from 2021, the data also consider the emissions of the Madone establishment and the Assago site.

²³ The factors used in the calculation of the direct Scope 1 emissions, expressed in CO₂ equivalent tonnes, are those included in EnEcoinvent 3.6 in its most updated version. In addition, consumption relating to cars owned by the Group is not relevant for the purposes of calculating Scope 1 emissions.

²⁴ For Scope 2 location-based emissions relative to electrical energy, expressed in CO₂ equivalent tonnes, the emissions factors of the most updated version of EnEcoinvent 3.6 were used.

²⁵ For Scope 2 market-based emissions, considering the acquisition of 100% renewable electrical energy with certificates of guaranteed origin, an emission factor of nil was applied.

²⁶ Indirect Scope 3 emissions, referring to trips in rented cars (diesel and petrol) are calculated using the emission factors published by the Department for Business, Energy & Industrial Strategy (BEIS) in the 2020, 2021 and 2022 editions.



The life cycle of our products and the Carbon Trust certification

The Group measured its environmental impact with the Life Cycle Assessment (LCA) methodology for the first time in 2020 (using 2018 data) and repeated this study in 2021 and 2022 (also with 2018 as a baseline). The objective was to understand which processes have the greatest impact in terms of greenhouse gas emissions (GHGs), for each of Sanpellegrino Group's brands, and to monitor the reductions achieved year after year through projects working in the areas of greatest interest: **production, packaging, logistics**. The 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 stage.

The perimeter for LCA also takes into account scope 1, 2, 3 (full scope) emissions as shown in the figure below:



NOT REPORTED Processing sold products, upstream leased assets, franchises, investments

The perimeter considered for the LCA includes the establishments of Ruspino, San Giorgio in Bosco (for Sanpellegrino soft drinks only) and Cepina²⁷.

With regard to **packaging**, on the other hand, extremely detailed data were considered for each available format, including label weights, cap, % of recycled material, etc.

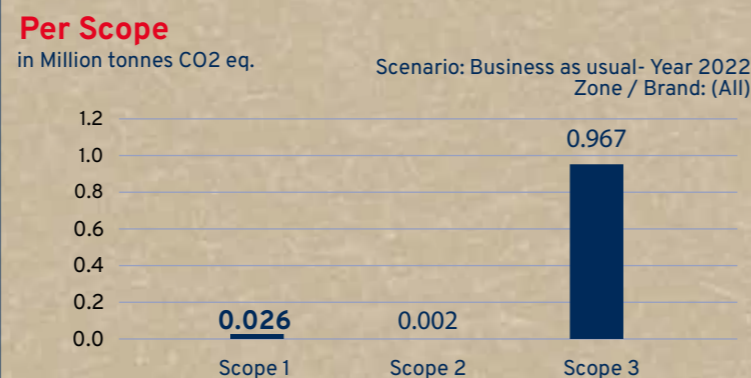
For **logistics**, data were collected not only at the local level but also at market level, in order to quantify the impacts of exporting internationally. Lastly, on the **finance** side, data relative to instrumental goods and services over 2021 were collected.

Packaging (41%) and logistics (35%) emerged from the 2022 results as the most critical phases. The establishments (3%), on the other hand, have a less significant impact thanks to the initiatives for increasing energy efficiency carried out in recent years, which have contributed to a valuable reduction in their emissions. At an emissions level the LCA includes scope 1, 2, 3, the last one representing about 97% of the total emissions. The greatest impacts lie in the logistics and in the packaging, while the manufacturing component only represents 3% of the total emissions.

The results of the LCA guide the Group in the implementation of initiatives and activities aimed at reducing environmental impact all-round, for all of the Brand's products included in the perimeter.

The results of the LCA guide the Group in the implementation of initiatives and activities aimed at reducing environmental impact all-round, for all of the Brand's products included in the perimeter. The LCAs conducted in 2021 and 2022 confirmed that the projects undertaken have enabled us to reduce our emissions intensity (g/l) on the various impact areas. These remarkable efforts were recognised in 2022 with **certification by Carbon Trust** (on LCA 2021 and later recertified on LCA 2022), an independent company and one of the most rigorous leaders in carbon footprint calculation that helps companies effectively measure, manage and reduce their emissions. The certification attests that the Acqua Panna, Levissima and S.Pellegrino brands have measured and reduced their carbon footprint.

The Carbon Trust calculation methodology measures emissions in g/l (or Carbon Intensity), thus making for a concrete view of the interventions on packaging, logistics and manufacturing for each format produced.



Water resource management in the facilities

Sanpellegrino pays particular attention to the protection of water resources through projects and investments to increase efficiency in the use of this resource through a broad approach that is not limited to production activities alone (see p.36).

Responsible and sustainable management of this resource starts with projects to reduce, reuse and recycle the water used in all production activities, which have enabled the Group to save 295 million litres over the last 5 years. The use of industrial water has been significantly optimised over the years, thanks to investments made on the water systems of processing systems. During the bottling process, maximum care is taken to reduce water waste through interventions on filling machines and on regulation mechanisms.

At the Sanpellegrino Terme factory, for example, the drawn industrial water is microfiltered and used to rinse empty glass bottles before filling.

This water is then collected line by line and, after passing through a filtering and chlorinating system, is used to fill pasteurisation, bottle washing and crate washing tanks, for example.

Part of the process and processing water is then returned to surface water courses, after specific purification, straining and pH neutralisation treatments both within the establishments and in the consortium purifiers. Plus, some waters require treatment in specific homogenisation tanks before being sent to the consortium purifier.

Purification treatments and discharge processes, which potentially are the only polluting activities of the Group, are controlled and monitored on a monthly basis (even though AUA²⁸ only requires one annual control) to verify the quality levels of the emission, thus ensuring that no pollutants at all are released into the water (surface, underground, soil, subsoil).

In 2022, this will result in an average withdrawal of 1.71 litres of water for every litre of mineral water bottled. This takes the form of an average consumption - net of discharge and litres bottled - of 0.07 litres of water per litre bottled²⁹, down from the 2021 value of 0.08 litres of water per litre bottled.

The total water drawn of both natural mineral water and of the water necessary for the operation of the plants was 4,579 mega-litres during 2022, thus registering a decrease of 0.45% compared to 2021. 100% of the water withdrawn comes from underground water and never from areas under water stress.

Water consumption	m.u.	2020	2021	2022
Water withdrawals	MI	5,918	4,600	4,579
Water discharges		1,476	1,702	1,721
Bottled water		2,545	2,659	2,668
Total water consumption		1,896	239	190

Waste management

Sanpellegrino implements activities and strategies that are always aimed at recovering useful materials from waste with the purpose of reusing them, thus transforming waste material into a resource. For this purpose the Group has an **agreement with HeraAmbiente which ensures that 100% of waste coming from the factories is sent to recovery³⁰**. This agreement management that is complete, traced and integrated, thus allowing the best quality of the waste recovered and significant cost containment.

The Group ensures **constant monitoring** of the waste generated; in 2022 the total waste generated is 15,447 t³¹, an increase of 5.94% compared to 2021.

Waste generated	m.u.	2020	2021	2022
Hazardous waste	t	506	352	271
Non-hazardous waste		12,116	14,229	15,176
Total waste		12,622	14,581	15,447

Of the waste generated in 2022, only 2% is hazardous waste (down 23% compared to 2021 and 46% compared to 2020), the main ones being treatment sludge, packaging contaminated with hazardous substances, non-ferrous metals, while 98% is non-hazardous waste, including paper, cardboard, plastic, wood and glass packaging.

²⁸ The annual analysis requires the following parameters: pH, sulphates, nitric acid, total phosphorus, surfactants.

²⁹ This figure differs from previous years because in 2022 we update the methodology for calculating the water consumed, which corresponds to the water not discharged into the network and not bottled. The figure for 2021 was recalculated following the methodological update.

³⁰ With the exception of the Madone plant where 66.76 tonnes of non-hazardous waste and 104.71 tonnes of hazardous waste were destined for disposal.

³¹ As of 2021, the reporting scope was extended to the Madone plant, while waste produced at the Assago site are included in the reporting of Nestlé Italia S.p.A.

²⁷ The establishment of Madone and the Assago offices are not included in the calculation.



04. / 02 Our product packaging

THE MATERIALS USED IN 2022

Primary packaging



PLASTIC: PET & R-PET

- Recyclable PET bottles
- Label: recyclable
 - Cap: recyclable
 - Glue: non-recyclable



GLASS

- Recyclable glass bottles
- Label: recyclable
 - Cap: Non-recyclable (aluminium, incl. plastic)
 - Glue: non-recyclable



ALUMINIUM

- Recyclable cans
- Tab: recyclable

Secondary packaging



FILMPACK

- Shrink wrapping in PE or RPE
- 100% recyclable



CLUSTERPACK

- Cardboard packaging that completely wraps the product
- 100% recyclable



FRIDGEPACK

- Cardboard packaging with side opening
- 100% recyclable

The circular economy approach

The circular economy approach to which the Group is committed is based on the **3Rs model: reduce, reuse, recycle.**

> Reduce

We eliminate unnecessary packaging: we use less material by designing lighter packaging and reducing the weight of our bottles, also eliminating unnecessary over-packaging. Lighter packaging not only consumes less material but also results in lower CO₂ eq emissions.

> Reuse

We value our returnable glass: the bottles can be used several times, after use they are sent back to our establishment to be washed and sanitised, and get ready for re-use. For Acqua Panna and S. Pellegrino, returnable glass comprises 40% and 36% of the glass portfolio, respectively.

> Recycling

We increase the content of recycled material in our PET bottles and work with our suppliers to have an increasing percentage of recycled material in glass and aluminium, as well.

PET and RPET

PET is a type of plastic that is mainly used for bottles containing food-grade liquids because of its distinctive characteristics, i.e. it is transparent, safe, light, shock-resistant and also 100% recyclable in addition to being potentially reusable for multiple purposes.

The Group sets ambitious targets for the use of recycled PET (R-PET) for each of its brands and to promote a circular economy. In fact by 2025 we want to ensure that all packaging is fully recyclable or reusable and achieve at least 50% recycled plastic (R-PET and R-PE) in packaging.

This implies making a significant contribution to the development of the entire recycled PET supply chain, as PET can be recycled an almost unlimited number of times, resulting in a plastic material identical in quality, safety and strength to traditional PET, which is also 100% recyclable. This is a challenging job to be done together with suppliers, recycling operators, and institutions, in order to actively contribute to the development of a recycling chain capable of feeding a real recycled PET market.

Over the years, Sanpellegrino has introduced an increasing use of R-PET, or recycled PET, into its plastic bottles, as well as proactively engaging in consumer communication about the 100% recyclability of this packaging.

Levissima, already a pioneer in 2010 with the use of R-PET, was the first brand in Italy to launch a bottle with 100 per cent R-PET as soon as Italian law allowed it in 2021.

The first formats launched were the Litre and 75cl sport bottles. In 2022, 100% R-PET reached two new references, 50cl natural and sparkling, dedicated to the hospitality and catering channel.

In general, we now use recycled plastic on many of our references across all the Group's brands to have by the end of 2023:



At least 25% RPET on all formats (anticipating the legal obligation by 2 years), with already some Hero Sku at 100% R-PET (the Litre, the 75cl and the 50cl bottles)



All references to 30% R-PET



100 cl 100% R-PET } *50 cl 30% R-PET in Italy (50% globally)* } *75 cl 30% RPET* } *33 cl 50% RPET (no Italy)*

In addition, to promote the circularity of our bottles we carry out several initiatives including:



We are founding Members of Coripet, the consortium for the selective collection of PET (and R-PET) to promote bottle-to-bottle recycling (see p.60 for more details)



We raise our consumers' awareness of proper recycling through our brand initiatives

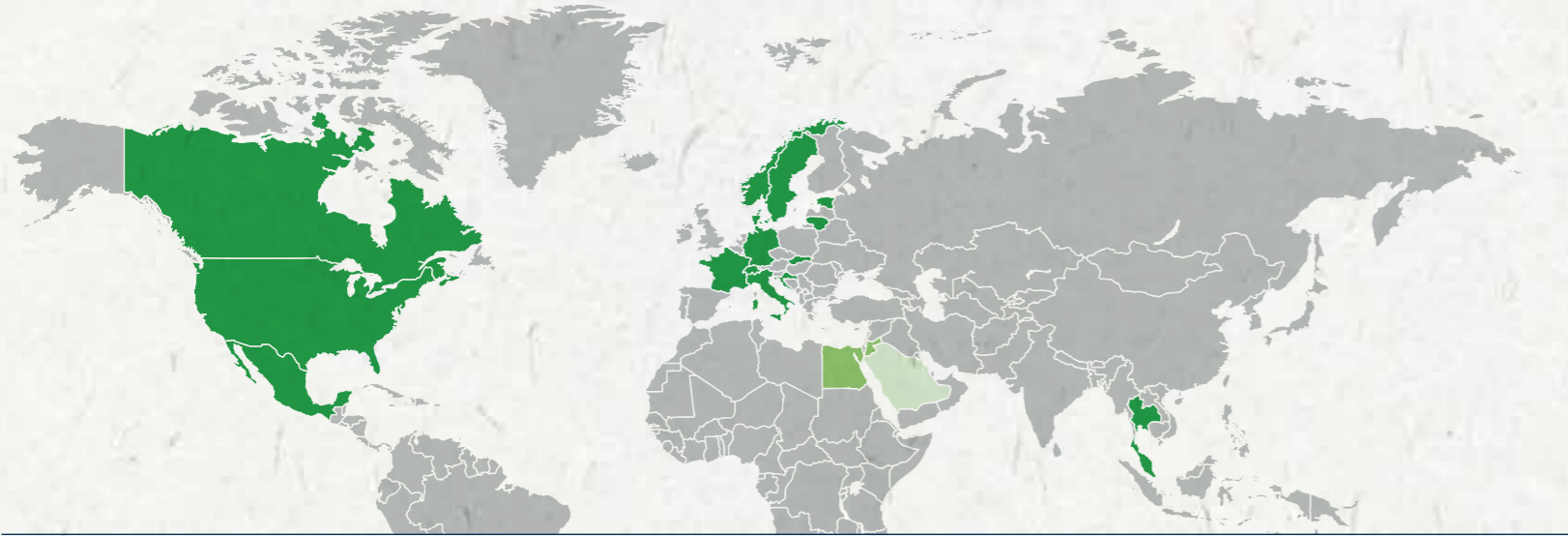


We also educate the consumers of the future through projects in schools



As Nestlé Waters, in other countries where we operate we also take part in initiatives to reduce the impact of product end-of-life, both through projects raising awareness of proper recycling and by collaborating with institutions and by taking part in initiatives to reduce incorrectly managed waste, which often ends up dispersed in the environment.

88% of the product sold abroad is in countries where the Group cooperates in formal recycling initiatives and initiatives to reduce the waste dispersed in the environment.



● Recycling programmes for PET, aluminium and glass ● Recycling programmes for at least one material ● Launching recycling programmes

In 2022, 7,246 tonnes of R-PET were used, 55.5% more than in 2021.

The Group's goals for the use of R-PET are particularly ambitious and are expressed in each Sanpellegrino brand (see p.49). The work needed to achieve circularity goals must be collective, i.e. conducted together with suppliers, recyclers and institutions, in order to actively contribute to the development of a **recycling chain**, capable of feeding a real recycled PET market.

Actually, the contribution in this sense can be 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 maintains the chemical and physical properties that are suitable for the preservation of beverages.

Sanpellegrino aims to achieve increasingly circular packaging

The attention focused on the sustainability of packaging, in terms of recyclability and use of recycled materials, especially plastic, is ever increasing. Sanpellegrino Group is one of the founding members of **Coripet**, a voluntary consortium authorised by the Ministry of the Environment for the selective collection of and preparation for recycling of bottles for food-grade liquids made of PET, a 100% recyclable material.

The Consortium is composed of recycling operators, producers of preforms, companies in the sector of natural mineral waters, soft drinks, milk, and olive oil. Coripet collects PET bottles through two channels: traditional sorted waste collection and the selective collection of PET bottles through eco-compactors set up in areas of high traffic, such as, for example, mass retail stores.

This form of collection ensures the high quality and hygiene standards set forth by the European Food Safety Agency (EFSA) for the production of food-grade recycled PET production, usable for the production of other bottles. This channel therefore represents an important tool for the development of a "bottle to bottle" circular economy.

In addition to this, Sanpellegrino is committed to raising consumer awareness of separate waste collection and the value of PET, which, if collected correctly, is a resource and not a waste.

With this in mind, in 2022 it installed a number of compactors at restaurants and bathing establishments (see also Sustainability together with our customers p.60-61).

Glass

The glass range, mainly Sanpellegrino and Acqua Panna, is mainly intended for the best restaurants, cafés all over the world. There are two types of glass bottles: "disposable glass" and "returnable glass". In the latter case, after being used, the bottles are collected and returned to the plant which will wash and sanitise them in order to make them reusable countless times.

The content of recycled material in glass bottles does not depend on the type of use (returnable or disposable), but on the colour of the glass (for Acqua Panna, green glass corresponds to returnable glass and transparent to disposable glass). **On average, we have 53% recycled glass, divided into 60% for green glass and 45% for clear glass** (the percentage is lower because it is more difficult to find on the market).



Recyclable glass and secondary packaging composed only of cardboard

60% recycled green glass
45% recycled white glass

Aluminium

Aluminium is infinitely and 100% recyclable. Together with virgin aluminium, Sanpellegrino also uses recycled aluminium. Specifically, it requires its suppliers to ensure that production is **aligned with the percentage of recycled materials on the European market, which amounts to 60% on a global level.**



Primary packaging: 100% recyclable cans and zero use of plastic in the secondary packaging: clusterpack or fridgepack, in replacement of plastic shrink wrap

60% recycled aluminium



05. Supply chain & logistics

05. / 01 Supply chain management: collaboration, sustainability and transparency

All Group suppliers must follow an approval and selection process governed by the Vendor Approval Process Standard. In addition, suppliers are required to complete a questionnaire³² for Quality and Responsible Sourcing Standard aspects, and suppliers of raw materials and packaging are required to hold or commit to obtaining a certification recognised by the GFSI (Global Food Safety Initiative), to guard against food safety risks along the value chain. Conversely, 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 Groups' Responsible Sourcing Standard³³ describes the requirements and working methods which are applied to ensure a long-term sustainable supply of materials and services and to achieve the set targets, particularly in the context of constantly reducing the impact on the planet's resources. The requirements apply to the entire upstream chain and are addressed to everyone who has a direct commercial relationship with the Group (so-called Tier 1 Suppliers, and all affiliates), Tier 2 Suppliers (intermediaries) and suppliers of "at source" services, those responsible for the production of raw materials.

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. Within the Sustainable Procurement Programme involving tier 1 suppliers who exceed the turnover threshold of CHF 300,000 (Sustainable Sourcing Tier 1), the Group ascertains conformity with the Standard by its direct suppliers, conducting independent audits by accredited companies which adopt SMETA (Sedex Members Ethical Trade Audit) or ECOVADIS practices which are compulsory for assessing environmental and social sustainability (in relation to work, health and safety, transparency and business ethics standards)³⁴.

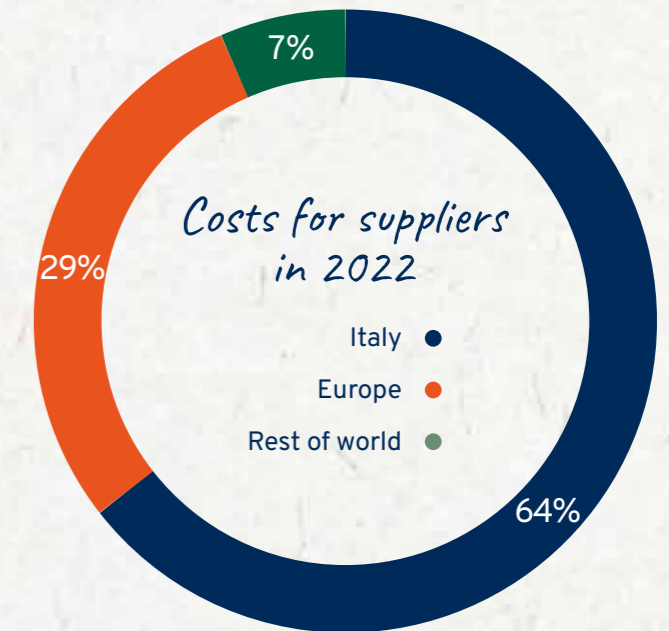
This process makes it possible to identify improvement targets, thus contributing to the design and implementation of dedicated projects. Should non-conformities or gaps be encountered, the supplier must adopt an Action Plan with precise deadlines, the implementation of which will subsequently be verified 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 suppliers assessed based on the Sustainable Procurement programme represent 67% of the Group's total turnover

The Group manages the supply chain by prioritising, whenever possible, collaboration with local suppliers, in view of valorising the local area and supporting excellent local products, especially in relation to juices, which use 100% Italian raw materials.



1,380 suppliers in 2022, of which 83% in Italy



³² Integrated platform for the management of the entire procurement process from the first contact with suppliers to managing orders.

³³ 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.

³⁴ The certificates of this ethical audit are available on the SEDEX (Supplier Ethical Data Exchange) platform.

05. / 02 Logistics: The journey from the source to the table

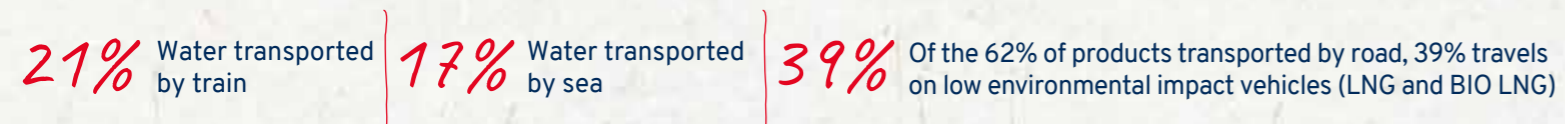
Sanpellegrino is committed to the development of optimised, integrated and innovative logistics, using all tools available for reducing the ecological footprint.

As part of the Life Cycle Assessment³⁵, which aims to measure the ecological footprint of a product over its entire life cycle, the Group has identified logistics as one of the areas generating the greatest impact (around 35% on average), and where there is the **greatest potential for emissions mitigation**. In a national context, which is traditionally based on the logistics of road transport, in fact, the innovation of heavy goods vehicles can be extremely significant, not only on reducing the Footprint of specific products, but also in terms of renewal and creation of opportunities of entire industrial supply chains.

Sanpellegrino monitors the flows by transport mode under various aspects: brands, transported litres, travelled km, etc. The study and constant improvement of flows includes the use of all means of transport as a substitute for “rubber on the road”, with a prevalence of **rail transport** where possible, and the experimentation and application on an increasingly large industrial scale of **alternative fuels** to diesel, such as the switch to LNG (liquefied natural gas) and BIO LNG fuelled vehicles.

Sustainable logistics plans now make it possible to transport Sanpellegrino products by travelling via train, ship and by green vehicles:

Sanpellegrino transports in Italy



Thanks to **ultralight trailers**, which make for an increase in the number of pallets per trip, it was possible to increase the payload and consequently reduce the number of trips. Furthermore, the Group favours rail transport, so much so that the company is now **Trenitalia's largest direct customer in fast-moving consumer goods**.

In 2016, Sanpellegrino began developing projects for goods transport that envisage the use of **LNG (Liquefied Natural Gas) fuelled vehicles**, due to its reduced emissions, when the topic was absolutely pioneering and the infrastructures, such as fuelling stations, across Italy were almost non-existent. In fact, compared to diesel vehicles, the aforementioned vehicles can **reduce carbon dioxide emissions by up to 15%**, reduce **emissions of particulate, including fine, to almost zero**, and reduce **No_x emissions by up to 90%**, thereby also representing an effective solution for pollution on a local level.

In collaboration with one of its Logistics partners, **Maganetti Group**, Sanpellegrino began using a fleet of heavy vehicles fuelled with Liquefied Natural Gas (LNG) for transport leaving the Levissima production plant. The fleet of gas-powered vehicles has gradually grown to account for around 30% today. Similar agreements have since been signed with other logistics partners to cover an increasing share of transport with this type of fuel, for all of the Group's brands.

To date, the distribution of LNG is more extensive, also thanks to an infrastructure that guarantees more than 100 refuelling stations across the country. For the Group, since the launch of the project, it was nevertheless clear that this solution was just a starting point. The natural evolution of the commitments has therefore resulted in the switch to **BIO liquefied natural gas**, introduced at the beginning of 2021: according to a recent CNR study, **LNG-BIO allows a CO₂ reduction of more than 100%**, if the contribution of the gas production process itself is also taken into account.

³⁵ For more information see p.46

In the context of its collaboration with Nestlé, Maganetti Group has signed agreements with a farming cooperative in Piedmont, **Cooperativa Speranza**, which, in 2020, started up a BIO-GAS production plant for automotive use, with a capacity of 1,500 tonnes per year, equivalent to the fuel of about 70 heavy vehicles per year.

To date, the project has saved around 9,000 tonnes of CO₂ by fuelling 80% of Maganetti Group's fleet with BIO GAS, with the aim of increasing quantities up to 100%.

For Levissima, the brand most impacted by the project, this meant the use of more than 1,450 tonnes of BIO LNG in 2022, equivalent to 44% of the total road kilometres leaving the Levissima plant and 49% of the total kilometres travelled by Levissima. To the project with Maganetti Group was added the one with Air Liquide on the Ruspino - Madone shuttles and the Madone complex exits, which in 2022 guaranteed the use of about 350 Tonnes of BIO LNG for the S.Pellegrino Brand, allowing it to reduce about 2,000 tonnes of CO₂. An extension of the project to reach 1,000 tonnes of BIO LNG is planned for 2023.

Another important milestone for sustainable logistics was the inauguration, in April 2023, of the first electric truck dedicated to Levissima. A Maganetti Group vehicle that makes for zero-emission product distribution. This achievement sees Levissima and Sanpellegrino Group among the first in Italy to use 100% electric trucks.

The implementation of these projects was only made possible thanks to the great participation of every player: it was necessary to **involve the local area**, so that the authorities and population were fully aware and on board with the objectives of the initiative, in an actual local process for sustainable development which also has significant economic repercussions, as it enables circular entrepreneurial initiatives to grow, with alliances between big players and young and innovative production companies.

DIGITAL CORNER



The first electric E-Truck dedicated to Levissima for a more sustainable mineral water distribution

The Group is among the first companies in Italy to use a 100% electric truck for heavy transport. This innovation is a testimony to how the synergy of public and private is a key element to sustainable transport and land development.



To implement the use of bio-fuels and always work on extending and broadening sustainable logistics projects to other territories where the company operates, Sanpellegrino plans on investing more than **4 million euros per year** for land and sea transport, also through collaborations with key customers.

06. Customers and consumers

The Group's activities are aimed at customer and consumer satisfaction, with the objective of guaranteeing maximum product quality, safety and transparency. Sanpellegrino's customers include distribution (large and small), wholesalers, OOH (such as bars and restaurants).



06. / 01 A healthy and sustainable offer

Promoting proper hydration for people's health is the first responsibility towards consumers, which is the subject of partnerships with institutions and other industrial businesses in the value chain. An approach with the end goal of improving people's quality of life and contributing towards creating a healthier and more sustainable future.



DIGITAL CORNER



Education about hydration

Sanpellegrino is a spokesman for "hydration education" for the correct and conscious daily consumption of water, linked to different needs and lifestyles.



Alongside proper hydration is a commitment to **responsible consumption** of soft drinks containing sugar. The Group is in constant pursuit of **innovative solutions** that fulfil the growing needs of consumers for healthy products without giving up on the pleasure of taste. Since the early 2000s, Sanpellegrino has been exploring new recipes that are healthier and with less sugar, preferring natural ingredients both in the development of new products and in the reformulation of its historical recipes.

The Group also works in terms of supplier optimisation for ingredients and raw materials to ensure the best quality standards, with a focus on environmental impacts throughout the value chain, also ensuring Kosher³⁶ certification for certain products.

06. / 02 Quality and transparency of our products



The quality of the natural mineral water is monitored through analysis upon bottling in the laboratory, conducted both by the company and by the competent health authorities.

³⁶ Kosher certification identifies all of those foods that are suitable for the diet of consumers who observe Judaism. Research and careful selection of the raw materials and suppliers are necessary to obtain kosher certification, which is granted following checks by a specialised and recognised Rabbinic body. The body oversees production, ensuring that not only the ingredients used to make the food are compliant with the rules of Judaism, but the facilities and packaging process as well.

Quality and components of mineral water

Natural mineral water has a very complex composition, made up of 48 parameters, the set of substances that must be subject to quality audit and control testing that is mandatory so that the product may be placed on the market. The type of parameters is defined by the legislator in the Decree of the (It.) Ministry of Health of 10 February 2015 which establishes the research and determination of both the main components of the water as well as possible contaminants, its chemical and physical-chemical characteristics.

The chemical and physical-chemical analyses, pursuant to Italian legislation, must be updated at least every 5 years; yet once a year the bottling company must nevertheless send analysis certificates to the (It.) Ministry of Health, verifying its composition.

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 is the parameter that expresses the quantity of salts dissolved in a water, which is thus defined as “mineralised”³⁷. 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:

- **minimally mineralised:** (up to 50 mg/L): this type of water is defined as “light”;
- **containing low quantities of minerals:** (50 to 500 mg/L): these are waters with a low sodium content;
- **containing average quantities of minerals:**

The production process is divided into various steps; for each one, the Food Safety Team assesses the meaning of each possible food risk, classifying them into chemical, physical, biological or ingredients with the presence of allergens.

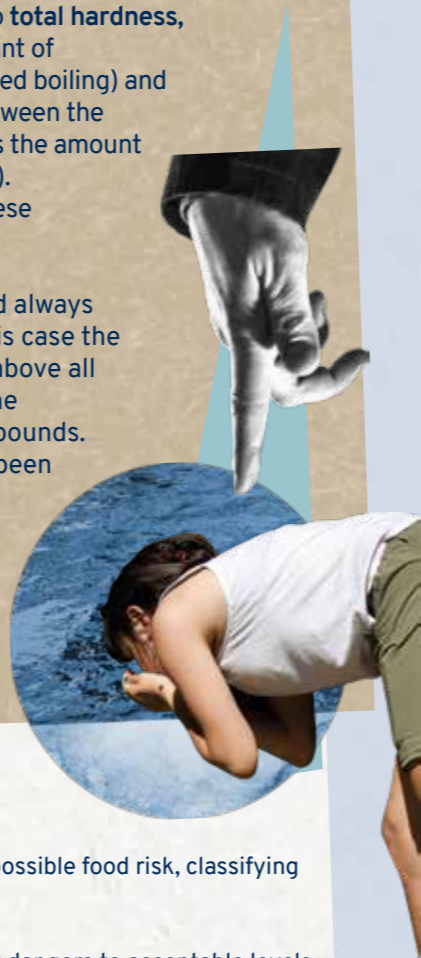
Following the risk assessment, all of the **control measures** to be implemented to prevent, eliminate or reduce significant dangers to acceptable levels are laid down and classified. In addition, for risks classified as critical, specific operational **limits and operational testing standards** of the equipment set up to eliminate the risk, are defined. The entire risk analysis process goes through testing and validation on an annual basis and for every significant change.

This process has made it possible, also over the course of 2022, not to record a single case of non-compliance with the self-regulatory standards and/or codes concerning the impacts on product and service health and safety.

(from 500 to 1500 mg/L): this type of water contains a high percentage of mineral salts.

OTHER GENERALLY SHARED PARAMETERS ARE:

- the **pH**, which measures the acidity of water³⁸; generally in natural mineral waters it is kept between 6.5 and 8.0;
- **Electrical conductivity**, i.e. the possibility of passage of electric current through the salts dissolved in the water. Most mineral waters on the market have conductivity between 100 and 700 µS/cm.
- **Hardness**, linked to the content of calcium and magnesium and referring to **total hardness**, i.e. the sum of **permanent hardness** (amount of cations remaining in solution after prolonged boiling) and of **temporary hardness** (the difference between the previous hardnesses, essentially expresses the amount of bicarbonates in the water before boiling). Waters containing a substantial dose of these minerals are referred to as “hard waters”.
- **Nitrates**, which are a chemical compound always present due to natural phenomena (in this case the quantities are always very modest), but above all as a result of human activities, such as the fertilisation of crops using nitrogen compounds. For this reason, the maximum value has been set to 50 milligrams per litre.



06. / 03 Communicating responsibly

The information on the label of Sanpellegrino products follows a complex and complex verification and authorisation process, in order to ensure maximum transparency and correctness of the information provided.

Certain principles with which products should be promoted are taken into account, depending on the type of target group the communication is aimed at. For children, for example, communication envisages additional principles that take age into account: in fact, it is forbidden to spread advertising messages to children under the age of 6, whereas for children under the age of 12, communication and promotional tools must be limited to healthy and balanced products.

Responsible communication also goes through raising our consumers’ awareness of proper recycling, our core value in the promotion of a circular economy.

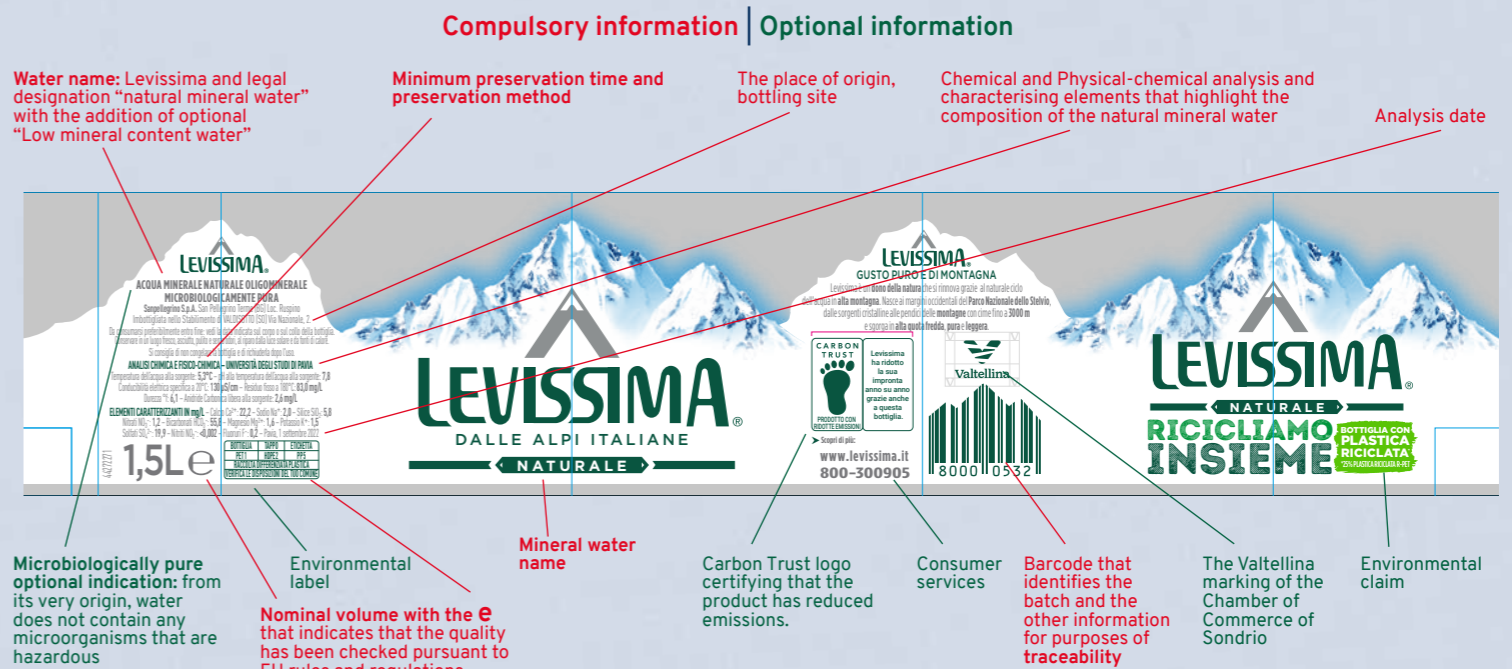
How to read the label: the example of Levissima

The label is the product’s I.D. card and provides the consumer with all of the information required to make a conscientious purchasing choice.

The information on the label firstly provides what is compulsory by law³⁹, with special attention on the specific regulations relative to natural mineral water, and secondly voluntary information, such as health claims, for example.

Not everyone knows that natural mineral water, in order to be defined as such, by law must come from underground aquifers or deposits, must be bottled pure at the source without any changes and must be given special recognition by the (It.) Ministry of Health, bearing the water’s name.

Plus, it is also the (It.) Ministry of Health which, after an assessment of the pharmacological clinical studies, authorises with a Decree of recognition, the indications that are favourable to the health, that can be provided on the label⁴⁰.



³⁷ mandatory as from 1 January 2023.

³⁷ 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.

³⁸ Whether it is acid or alkaline

³⁹ On the mineral water label it is compulsory to provide the information relative to its chemical and physical-chemical characteristics. This information, according to Italian regulations, must be updated at least every 5 years.

⁴⁰ As stated in paragraph 4 of article 12 of (It.) Legislative Decree 176/2011, such as “aids digestion”, for example.

06. / 04 The Consumers of the future: education for proper hydration and for recycling

Sanpellegrino has set up the “Sanpellegrino Observatory”, a consultancy space within which a pool of medical experts in various subjects is committed to disseminating information concerning correct hydration and to promoting, nationally and internationally, research and studies concerning scientific news related to water.



Also thanks to the technical-scientific contribution of the Observatory, “A scuola di Acqua” [Learning about Water] was born, a completely free educational project promoted by Scuolattiva Onlus and implemented with the support of Levissima to raise children’s awareness of the importance of water for health and for the planet. The project is intended for elementary schools across the country and mainly takes place in classrooms with a rich and engaging programme consisting of interactive learning sheets, a survey on hydration and recycling, and a multimedia challenge. The classes that participate are the stars 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. Over the course of its 9 editions, over 4,066 schools and over 397,552 pupils.

06. / 05 Sustainability together with our customers

Growing sustainably with the customers is a benchmark of Sanpellegrino culture, with the two-fold objective of helping companies and concretely and comprehensively improving its performance.

To do this, the Group has prepared information materials to raise customers’ awareness of our sustainability commitments and provide them with stimuli for joint activities (e.g. the folder that is sent to all customers in the retail channel, and the trade deck, a more comprehensive document that we issue to all customers).

In addition, a quarterly newsletter entitled “Sustainability Drops” has been published since 2022 and sent to about 240 customers to inform them about our main sustainability projects. We then implement joint projects in partnership with different types of customers, in particular Office Suppliers (Lyreco and Mondo Office).

With them, we devised an activation plan working on different assets, from sales force training, dedicated newsletters and leaflet distribution, to product placement in the sustainable products section of the customer’s website.



Lastly, Sanpellegrino promotes awareness-raising activities with its customers aimed at all consumers:

For the away-from-home world (bars and fast food restaurants), fridges were customised and Levissima-branded placemats were produced in which we provide information on the value of PET and R-PET plastic and the steps for proper recycling.

Sanpellegrino also activates partnerships directly with customers for the selective collection of PET bottles through eco-compactors.



In the course of 2022, the following were installed:

- 5 compactors at Confesercenti in Rimini* (*association of beach gastrobars)
- 1 compactor at Papeete in Milano Marittima
- 1 compactor at the Fantini Club in Cervia
- 1 compactor at the Cavour Water Park
- 2 compactors at Forte Village Pula



06. / 06 Listening to customers and consumers

Sanpellegrino Group has set up the Consumer Engagement Service (CES), making it possible to manage the activities for listening to its consumers, combining more traditional contact channels, such as the toll free number for complaints 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 receives and directly manages consumer complaints, which are divided into “complaints for which the company is responsible” (well-founded complaints) and “complaints for which the company is not responsible” (unfounded complaints).

The total number of complaints received in 2022 was 1,083, down 24% in comparison to 2021. Plus, to date, no complaints have led to a dispute that required the intervention of the Authorities or bodies outside the Group.

Complaints received

Total complaints received from third parties and assessable, of which

Number of well-founded complaints concerning the product	110	93	26
Number of well-founded complaints concerning the product managed throughout the year	110	93	26
Number of unfounded complaints concerning the product	1,611	1,326	1,057
Number of non-founded complaints concerning the product managed throughout the year	-	-	-

m.u.	2020	2021	2022
	1,721	1,419	1,083
N°	110	93	26
	1,611	1,326	1,057
	-	-	-

07. Governance, ethics and integrity

07. / 01 Sanpellegrino Group Governance

The Company has a “traditional” top-down organisational structure. The Group adopts an administration and control system based on the “traditional” model, including Board of Directors, Board of Statutory Auditors and the Senior Leadership Team (SLT). In order to strengthen and formalise the ongoing commitment to sustainability, the ESG Committee was established.



The Board of Directors consists of four directors, who may or may not be shareholders, appointed by the Shareholders’ Meeting for a maximum period of three financial years, and plays a central role in the corporate governance system, deliberating on transactions of significant strategic, economic, or financial importance.

The Board is vested with the broadest powers for ordinary and extraordinary management and has the authority to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those that the law or the Articles of Association reserve strictly to the exclusive purview of the Shareholders or the Shareholders’ Meeting. Michel Beneventi is the chairman of the board and CEO. The governance and operational control of the business is overseen by a **team of Senior Leaders (SLT)** (see p.12) that reports to the Business Executive Officer (BEO).

The SLT guides operations in the market with the aim of defining strategic directions both at product category and geographical area level, monitors and manages impacts on the economy, environment and people to pursue the achievement of all short- and long-term targets, and reviews and approves the sustainability report. The BEO also covers the role of CEO, which makes it possible to guarantee continuity between the Corporate Governance of the Company and the company’s operational action.

The Board of Statutory Auditors is the body 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 Company’s organisational structure and internal control system.

Lastly, the Auditing Firm is responsible for carrying out accounting checks to ensure that the information is complete and accurate, and to ensure that the company’s financial reports comply with the applicable laws.

Board of Directors

<i>Michel Beneventi</i> Chairman of the Board of Directors and CEO	<i>Giuliano Dal Fo’</i> Managing Director	<i>Marco Travaglia</i> Director	<i>Massimo Ferro</i> Managing Director
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Board of Statutory Auditors

<i>Giovanni Arcelli</i> Chairman of the Board of Statutory Auditors	<i>Egidio Bianchi</i> Standing Statutory Auditor	<i>Claudio Solenghi</i> Standing Statutory Auditor	<i>Filippo Mascia</i> Alternate Statutory Auditor	<i>Emilio Fano</i> Alternate Statutory Auditor
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At Nestlé Group level, the management of social, environmental and governance aspects is entrusted to the ESG Committee, which is responsible for laying down the sustainability strategy with the aim of generating value in the medium to long term for all stakeholders.

The ESG Committee ensures that sustainability activities are controlled and monitored, considering the analysis of the main risks and opportunities, coordinating the management of projects at product category and area level. The sustainability commitments and targets identified are then managed at intermediate level by the **ESG Councils**, that translate them for each area and product category. Lastly, sustainability governance 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 Group⁴¹.

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 Nestlé Group, such as the implementation of the Roadmap to pursue Net Zero.

ESG tracker

In order to trace all sustainability-related projects, over the course of 2021, the Group implemented the **ESG Tracker**, i.e. a system that helps the Group monitor, with a single tool, the costs and benefits of each single project. This tool is essential for identifying which strategic actions to proceed with to achieve the defined priorities, in terms of projects and activities.

The main benefits that the tool takes into account, are extremely customised to Sanpellegrino activities and the relative contributions, and are expressed in terms of CO₂ reduction, savings in virgin plastic and water, and are quantified based on the type of project being accounted.

The matching of actual costs and project benefits defines the **NIV - Net Impact Value**, which varies based on a specific set of KPIs by project category.

These analyses and evaluations form the basis of a very structured process to define which project should be pursued and in what terms. There is also an approval process carried out by the **ESG Council** for projects that require investments of over one million euros, aimed also at assessing the project strategy from a quality-related point of view. The outputs, in addition to being used on a daily basis by the sustainability team, also guide the choices in terms of geographical area and product category.



⁴¹ Sanpellegrino Group has established a Sustainability department, coordinated by the Head of Sustainability, who reports directly to the CEO (see p.12).

TO7. / 02 The principles for managing a responsible business

The Group bases its corporate governance structure on the **Organisation Model**, which consists of the principles set out in the **Code of Conduct**, in the **Code of Ethics** and, more generally, in the **Nestlé Corporate Principles**, the **Disciplinary Code** and the **regulation of the Supervisory Body**. There are also some “**Best Practices**” found in the international arena, combined with the specific features of the organisation and its business.

The Board of Directors, in line with the strategies and objectives set, lays down the guidelines of the internal control system and verifies its proper functioning. All employees of the company are responsible for its functioning and for compliance therewith in the areas of their activities.

The Organisation, Management and Control Model

With the introduction of (It.) Legislative Decree no. 231/01, containing the “Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality”, Sanpellegrino has adopted an Organisation Model in line with the regulatory provisions. By adopting this model and subsequently updating it, the company undertakes to operate under conditions of **fairness and transparency** in the conduct of business.

The provisions of the Model must be complied with by the members of the Board of Directors and the Board of Statutory Auditors, by Employees, Managers, Business Partners, Dealers and Distributors, Agents, Consultants and Collaborators operating in “risk areas”, as well as by all those acting under the direction or supervision of top management within the scope of their assigned tasks and functions. In particular, through the adoption of the Model, the company aims to: make all those who work in the name and on behalf of the company and especially those who operate in the areas of activity found to be at risk of offences aware that they may - in the event of violations of the provisions set out in the Model - commit offences liable to criminal sanctions against them and “administrative” sanctions that may be imposed on the Company; make these persons aware that unlawful conduct is strongly condemned by the Company, since it is always and in any case contrary to the provisions of the law, the corporate culture and the ethical principles adopted as its own guidelines in business activities; enable the Company to intervene promptly to prevent or counteract the commission of offences or, at least, to significantly reduce the damage caused by them; improve corporate governance and the Company’s image.

For the implementation of the Model, the company opted for a collective **Supervisory Body (SB)** composed of three external (one of whom as Chairman) and two internal members. The SB 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 become aware of any related information. The Supervisory Body assesses all reports received and takes the consequent initiatives at its reasonable discretion and responsibility within its purview, possibly hearing the author of the report and the person responsible for the alleged breach.

For the purposes of the effective implementation of the Model and its annexes, the Company ensures to all Addressees proper information and dissemination of the rules of conduct contained therein. Reports may be made by e-mail (organodivigilanza@waters.nestle.com), by voicemail (toll-free number 800.655468) or by post (Organismo di vigilanza di Sanpellegrino S.p.A. c/o Direzione Affari Legali e Societari, Via del Mulino, 6 - 20090 Assago -MI). The Supervisory Body takes into consideration all 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 whistleblowing⁴². In order to guarantee greater effectiveness to the reporting process, the Group has supplemented the communication channels set forth in the Model with Speak Up, a new global channel on Group level, which is accessible both internally and externally, aimed at making it easier to report episodes and/or wrongful behaviour along the value chain. Speak Up is managed independently and reports can be sent in through three channels: a web link, a toll free phone number or a QR code.

The reports are received by the Compliance Manager, as the owner of system application⁴³, who, depending on the nature of the information received, forwards it to the competent bodies⁴⁴. Plus, the user sending in the report has the chance, through authentication, to monitor the development and progress of their report. Sanpellegrino has also set up an “Internal Control” (IC) department that 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 departments and provides them with detailed analyses and risk indicators with a view to improving corporate procedures and promoting preventive actions linked to potential risky accesses to the management system (Segregation of Duty issues). In 2019, Sanpellegrino set up the GRC - Group Risk and Compliance Committee, as a body aimed at coordinating the departments for compliance and integrated monitoring of the company’s major risks, which include Legal, Employment Law, Financial, Reputational, Tax-related, IT, Security, Strategic, Compliance and process.

DIGITAL CORNER



Integrity, honesty and fairness are indispensable factors, that have always accompanied Sanpellegrino and which inspire the Code of Ethics and the Code of Conduct. They are constantly updated to adapt to the changing context and supplement legal systems. They are always available on the company’s Intranet and on production and logistics websites.



The Group also commits itself, by means of an official communication and by explicit reference within the contracts, to **sharing the provisions of its Organisation Model also with its external stakeholders**, such as consultants and collaborators, business partners, agents, suppliers and those working on behalf of the Company in the areas identified as “at risk”⁴⁵.

⁴² Whistleblowing is a system for the prevention of wrongful acts, which protects employees who report wrongful doings that they encounter during work, guaranteeing their anonymity.

⁴³ Pursuant to the rules set forth in the dedicated Policy and Management regulations.

⁴⁴ The SB for crimes under Model 231 and the Public Authority in the cases envisaged by law.

⁴⁵ Sanpellegrino S.p.A. inserts 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 Code of Ethics and the Code of Business Conduct

Integrity, honesty and fairness are indispensable factors that have accompanied Sanpellegrino since its inception. Two important documents were inspired by these fundamental principles, which set out the rules and good standards to be followed for the daily respect of human values and the pursuit of a consistent corporate reputation:

the Code of Ethics, which lays down Sanpellegrino’s ethical commitments and responsibilities in the context of its activities towards customers and within the company’s internal activities, with regard to its Shareholders and its Employees and Collaborators and the Code of Business Conduct, real framework for the evaluation of all activities, to which Sanpellegrino, as part of Nestlé, is committed to worldwide; this documents sets minimum standards and non-negotiable behaviour in the main areas⁴⁶.

The Code is brought to the attention of the corporate bodies and their members, of the Company’s employees, consultants and collaborators, attorneys-in-fact and all those who may act on behalf of the Company, also by being published on the corporate network. There are also specific training courses that explain the content of the Code; violation of the Code’s rules may constitute a breach of the primary obligations of the employment relationship or a disciplinary offence, in accordance with the procedures laid down in art. 7 of the Workers’ Statute, with all legal consequences, including with regard to the preservation of the employment relationship, and may entail compensation for damages arising therefrom.

Anti-corruption

On the basis of the provisions of the Code of Ethics and the Organisation Model, the Group is committed to preventing and combating any offence of corruption, whether public or private, by identifying the set of activities that are sensitive with respect to the aforementioned offence, for example: in terms of managing business activities; suppliers of goods and services; sponsorships; donations and gifts; or the management of financial flows. This translates into constant monitoring of the activities and special attention to relations with counterparties, first of all with regard to the Public Administration and along the entire value chain. In addition, the “Speak up” tool can also be used to report non-compliance with reference to incidents of corruption. 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. **In 2022 the Group’s commitments also confirmed zero episodes of corruption.**



3.141



Training hours on compliance and anti-corruption provided in 2022, +20% compared to 2021

Risks and opportunities

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 risk as an additional source of information for the 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.

The overall responsibility for creating and supervising the Group’s risk management system is assigned to the Board of Directors. The Group’s risk management policies aim to identify and analyse future and uncertain scenarios to which the Group is exposed, to establish appropriate limits and controls, and to monitor their evolution, so as to guarantee a fair appetite for risk while preserving and promoting the achievement of business objectives. These policies and the relative systems are regularly revised in order to take into account any variations to the market conditions and the Group’s activities. The definition of Sanpellegrino Group’s **risk profile**, which dates to November 2021, was updated in late 2022, which brought to light the main macro-issues ranging from contingencies in the transport and logistics sector, exacerbated by the pandemic crisis and the current inflationary context, to questions on future consumption trends related to water, passing through legislative impacts in terms of plastic use and sweeteners, without neglecting aspects such as business growth and search for and retention of people.

This update made it possible to take into account the evolution of the most recent macroeconomic context and to monitor the implementation of the action plans identified to guard against risk scenarios, ensuring full alignment with the company’s strategic targets.

Generally, the risk assessment and the relative re-calibration were typically carried out within a three-year timeframe. Regardless of this, maximum flexibility of the system was guaranteed to allow total alignment with the scenarios in continuous evolution in this timeframe.

In its risk profile, Sanpellegrino also takes into account the **ESG risks** that the Group is exposed to the most. Of these, particular importance is assigned to the risks linked to climate change and the consequences on the Group’s assets, which represent crucial aspects in terms of production and maintenance management and scheduling.

⁴⁶ Both documents can be found at <https://www.sanpellegrino-corporate.it/it/identita>

Specific significance is placed on the risk linked to the evolution of regulations concerning the contained use of plastic for packaging, in particular the PPWR, and the related impacts on the Group. In this sense, Sanpellegrino aims to minimise the environmental impact of its activities, in line with a circular vision. Moreover, Nestlé Group in Italy, to which Sanpellegrino belongs, launched a project in 2023 aimed at integrating its strategic risk management model with the key initiatives promoted in the ESG sphere, with the conviction that this integration work will be an important lever for increasing focus on sustainability initiatives, thanks to a greater awareness of the relative risks and opportunities.

Protecting privacy

Sanpellegrino information systems are certified in accordance with ISO 27001:2013, an international standard that lays down the requirements for an Information Safety Management System (ISMS). In addition to this, Sanpellegrino trains all of its employees on **GDPR requirements**, and on themes of **data protection** (classification, phishing, malware, cloud, etc.). All websites, protected by WAF systems⁴⁷, are regularly checked to find any vulnerabilities so as to promptly eliminate them; in addition to a regular analysis of risks to identify or improve any safety checks in order to mitigate said risks. Lastly, all company PCs and servers are checked every day to update antiviruses and security fixes. To this end, a **central dashboard** was developed to **monitor more than 80 security parameters on a daily basis** to ensure timely intervention. With this system in place, **no reports of customer privacy violations or loss of customer data were filed in 2022.**

07. / 03 Sanpellegrino as a player in the Italian economy

Creating value, for Sanpellegrino, means not only taking care of the water resource but also building a positive relationship with its stakeholders and contributing to their growth through the sharing of economic value created both directly, through disbursements, and indirectly, through the socio-economic spin-offs generated by the Group's activities.

The shared economic value study

With the aim of monitoring the Group's contribution to the economic development and well-being of the country, starting in 2020 and on an annual basis, Sanpellegrino has conducted the study "Sanpellegrino crea valore per l'Italia [Sanpellegrino creates value for Italy]" prepared by Althesys Strategic Consultant[1], which analyses the social and economic repercussions that Sanpellegrino Group's activities have on the country, on the areas where it operates and along the entire production/consumption chain to **quantify the shared economic value** generated by the company.

The adopted 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 academically consolidated. In particular, 47.3% of the **shared economic value** is made up of **Value Added** (calculated as the sum of workers' remuneration, company taxes and the remuneration of other factors) distributed mainly to workers in the form of wages and contributions, 20% from **VAT and indirect and induced spillovers** (33%).

This showed a result of 2.5 billion in 2022, an impressive +10% over 2021, or almost 3 times the turnover of the Group and 0.13% of the Italian GDP in 2022. Of this generated value, around 96% is distributed to external stakeholders (Government, workers and other companies in the chain).



Highlights

Value shared in 2022 2,492 million €	Every euro of shared value created during production generates 5.8 euros in the entire production and supply chain	For each of its people, the company indirectly and inductively generates about 21 jobs in the supply chain, and 29 jobs in allied industries, for a total of 44,180 jobs created	96% of the value generated by Sanpellegrino is shared between the Government, workers and other companies in the chain
0.13% of the 2022 GDP			
2.5 times the value of the Sanpellegrino production			

⁴⁷ WAF, i.e. Web Application Firewall, is a technology that increases the protection of the company's web applications and helps organisations adequately protect themselves against various types of cyber attacks, safely protecting data and in many cases blocking said attacks.

Employees along the supply chain

20.9 employed per production worker
1x21
32,615 employees in the supply chain = 0.13% employed in Italy 2022

1x28.7
with employees in downstream activities

Employed per production worker



Disbursements and Donations

However, Sanpellegrino is also committed to generating value for the communities in which it operates. In this sense the company has adopted two procedures, "Procedure for making Donations" and "Procedure for contributions to the Public Administration, Associations and Territorial Bodies" which lay down the principles of the relationships with the Communities, also identifying the engagement and authorisation process of the internal stakeholders. The procedures on donations and investments intended for the Communities, updated in early 2022 to ensure their alignment with the company's priorities, set forth a clear criterion for classification and measurement, with a view to transparency. In these procedures the company has adopted the guide lines of the international **B4SI (Business for Social Impact) standard**⁴⁸.

Investments in communities in 2022 amount to EUR 1.1 million, to support Communities, promote and provide technical and scientific support to research activities on environmental projects.

Investments in the community

	m.u.	2020	2021	2022
Contributions to the Public Administration, Associations, Territorial Bodies		45,520	29,500	69,200
Liberal donations	Thousands of €	1,206,949	1,111,480	1,040,338
Total⁴⁹		1,252,469	1,140,980	1,109,538

Moreover, in 2022 Sanpellegrino donated 1,154,000 euro of Sanpellegrino mineral waters, soft drinks, juices and aperitifs, 630,000 euro of which went to the Food Bank, based on a framework agreement and ongoing collaboration with the Red Cross.

Tax Responsibility and tax management

Over the past few years, as part of its **long-term tax strategy**, Sanpellegrino has developed **principles of responsible and sustainable tax management**, which are based on the assumption that taxation represents an integral element of the Group's social responsibility and said principles aim for tax compliance and 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 the tax-related risk** is assuming an increasingly important role in corporate governance, considering the consequences of tax violations on assets and reputation.

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 why companies are required to effectively update their organisational models in order to avoid substantial financial penalties and interdiction measures.

The Tax Control Framework

Nestlé Italia Group, with the objective of guaranteeing an **increasingly more defined and structured system for monitoring** all company processes, has implemented the "Tax Control Framework" (TCF). This makes it possible to ensure that all activities are carried out by mitigating the risk of operating in violation of tax rules as much as possible, or in any way counter to the principles or aims of the legal system. The 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 system⁵⁰.

The Framework was structured based on specific data sheets which define, for each individual company process, the tax guidelines that need to be followed in the operational stages. Accordingly, specific **Roles and Responsibilities** have been assigned for all business or corporate departments, and in some cases, on multiple levels.

In addition, in 2018 the Framework was presented to the Italian Revenue Agency to request access to the new collaborative compliance scheme, whereby it is possible to have a constant and transparent exchange with the Agency with benefits in terms of greater certainty of the law⁵¹ and lower penalties in case of errors. In 2019 the Agency deemed our management system to be suitable and admitted us to the preferential interaction system⁵².

⁴⁸ B4SI is a global standard for measuring and classifying Corporate Community Investments, aimed at assessing the impacts that the contributions may generate on the community. The assessment is carried out based on the 3 pillars of the framework: Inputs, Outputs and Impacts.

⁴⁹ Donations also include annual agreements signed with the Municipalities in support of the projects of the Communities

⁵⁰ The essential requirements that the system must have are listed below: Tax strategy; Roles and responsibilities; Procedures; Monitoring; Adaptability to the internal and external context and Reporting to the management bodies.

⁵¹ Also thanks to the possibility of submitting queries, with quicker response times.

⁵² Effective from tax year 2018.



08. Annex

08. / 01 Appendix

Chapter 1: The Sanpellegrino Group ECONOMIC VALUE GENERATED AND DISTRIBUTED GRI Standard 201-1

Direct economic value generated and distributed	m.u.	2020	2021	2022
Economic value directly generated		832,561	893,226	1,014,176
Economic value distributed		729,573	824,871	986,361
Operational costs		625,971	662,824	799,962
Compensation and benefits		87,187	88,381	87,622
Payments to capital providers	€	22,626	1,838	2,410
Payments to the Public Administration		28,972	34,674	27,911
Value distributed to shareholders		50,231	35,457	66,974
Investments in the Community ⁵³		1,773	1,697	1,481
Economic value retained		102,988	68,355	27,815

⁵³This number differs from p.67 as it also includes the association fees of 556 thousand euros.

Chapter 2: People

WORKFORCE BY TYPE OF CONTRACT AND GENDER⁵⁴ GRI Standard 2-7

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Permanent contract		1,011	356	1,367	1,002	349	1,351	1,065	361	1,426
Milan		98	140	238	86	132	218	87	131	218
Madone		18	14	32	19	17	36	18	14	32
Scarperia		158	29	187	151	28	179	158	33	191
San Giorgio in Bosco		164	45	209	177	43	220	179	48	277
San Pellegrino Terme		370	85	455	370	85	455	428	91	519
Valdisotto		203	43	246	199	44	243	195	44	239
Santo Stefano Quisquina		-	-	-	-	-	-	-	-	-
Castrocielo		-	-	-	-	-	-	-	-	-
Permanent contract	No.	29	11	40	29	11	40	19	8	27
Milan		8	9	17	3	9	12	3	5	11
Madone		1	-	1	-	-	-	-	-	-
Scarperia		1	-	1	6	-	6	2	-	2
San Giorgio in Bosco		14	1	15	13	4	17	7	-	7
San Pellegrino Terme		2	1	3	2	-	2	1	2	3
Valdisotto		3	-	3	17	8	25	3	1	4
Santo Stefano Quisquina		-	-	-	-	-	-	-	-	-
Castrocielo		-	-	-	-	-	-	-	-	-
Total employees		1,040	367	1,407	1,043	370	1,413	1,081	369	1,450

EMPLOYEES PER CONTRACT TYPE GRI Standard 2-7

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Full-time		922	272	1,194	946	283	1,229	971	277	1,248
Part-time	No.	118	95	213	97	87	184	110	92	202
Total employees		1,040	367	1,407	1,043	370	1,413	1,081	369	1,450

⁵⁴ This number only includes Sanpellegrino employees as at 31.12.2022. The number of interns as at 31.12.2022 is 3.

WORKERS WHO ARE NOT EMPLOYEES⁵⁵

GRI Standard 2-8

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Milan	No.	-	-	-	-	-	-	-	-	-
Madone		-	-	-	1	-	1	1	-	1
Scarperia		1	-	1	28	14	42	45	22	67
San Giorgio in Bosco		14	5	19	18	12	30	17	16	33
San Pellegrino Terme		31	6	37	47	7	54	10	5	15
Valdisotto		-	-	-	-	-	-	-	-	-
Santo Stefano Quisquina		-	-	-	-	-	-	-	-	-
Castrocielo		-	-	-	-	-	-	-	-	-
Total workers who are not employees		46	11	57	94	33	127	73	43	116

DIVERSITY OF EMPLOYEES BY PROFESSIONAL CATEGORY

GRI Standard 405-1

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Executives	No.	30	12	42	30	12	42	29	13	42
Under 30 years of age		-	-	-	-	-	-	-	-	-
Between 30 and 50 years of age		16	10	26	16	10	26	17	9	26
Over 50 years of age		14	2	16	14	2	16	12	4	16
Managers		47	45	92	47	45	92	54	40	94
Under 30 years of age		-	-	-	-	-	-	-	-	-
Between 30 and 50 years of age		29	38	67	29	38	67	33	31	64
Over 50 years of age		18	7	25	18	7	25	21	9	30
Office workers		196	182	378	196	182	378	194	175	369
Under 30 years of age		26	28	54	26	28	54	28	25	53
Between 30 and 50 years of age	101	111	212	101	111	212	96	109	205	
Over 50 years of age	69	43	112	69	43	112	70	41	111	
Production workers	770	131	901	770	131	901	804	141	945	
Under 30 years of age	107	22	129	107	22	129	127	30	157	
Between 30 and 50 years of age	384	78	462	384	78	462	389	77	466	
Over 50 years of age	279	31	310	279	31	310	288	34	322	
Total employees	1,043	370	1,413	1,043	370	1,413	1,081	369	1,450	
Under 30 years of age	133	50	183	133	50	183	155	55	210	
Between 30 and 50 years of age	530	237	767	530	237	767	535	226	761	
Over 50 years of age	380	83	463	380	83	463	391	88	479	

⁵⁵ Workers who are not employees are hired on a temporary contract as production workers to cover production peaks.

DIVERSITY OF EMPLOYEES

GRI Standard 405-1

	m.u.	2020	2021	2022
Employees belonging to vulnerable categories	No.	60	58	62
% Employees belonging to vulnerable categories		4%	4%	4%

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER⁵⁶

GRI Standard 401-1

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Number of new recruits	No.									
Under 30 years of age		79	30	109	76	30	106	127	37	164
Between 30 and 50 years of age		81	14	95	71	30	101	74	33	107
Over 50 years of age		18	7	25	18	3	21	28	6	34
Total recruits		178	51	229	165	63	228	229	76	305

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Incoming turnover rate	%									
Under 30 years of age		59	60	60	49	55	58	82	67	78
Between 30 and 50 years of age		15	6	12	13	13	13	14	15	14
Over 50 years of age		5	8	5	5	4	5	7	7	7
Total		17	14	16	15	16	16	21	21	21

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Number of new recruits by geographic area	No.									
Milan		8	13	21	7	16	23	13	12	25
Madone		2	-	2	1	3	4	1	-	1
Scarperia		20	10	30	21	4	25	27	18	45
San Giorgio in Bosco		34	2	36	24	5	29	14	8	22
San Pellegrino Terme		63	14	77	67	14	81	149	26	175
Valdisotto		39	11	50	45	21	66	25	12	37
Santo Stefano Quisquina		9	-	9	-	-	-	-	-	-
Castrocielo		3	1	4	-	-	-	-	-	-
Total recruits		178	51	229	165	63	228	229	76	305

⁵⁶ Infra-group movements are included in the turnover calculation.

Number of people whose contract was terminated - including due to natural expiry	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Under 30 years of age	No.	58	27	85	57	9	66	87	26	113
Between 30 and 50 years of age		89	23	112	55	24	79	54	34	88
Over 50 years of age		52	15	67	42	11	53	45	13	58
Total terminations		199	65	264	154	44	198	186	73	259

Outgoing turnover rate	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Under 30 years of age	%	44	68	49	43	18	36	56	47	54
Between 30 and 50 years of age		16	9	14	10	10	10	10	15	12
Over 50 years of age		14	18	15	11	13	11	12	15	12
Total		19	18	19	15	12	14	17	20	18

Number of people whose contract was terminated by geographic area	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Milan	No.	15	16	31	16	10	26	9	16	25
Madone		2	1	3	1	-	1	2	3	5
Scarperia		12	11	23	21	5	26	21	13	34
San Giorgio in Bosco		14	1	15	11	3	14	18	6	24
San Pellegrino Terme		71	19	90	69	14	83	93	17	100
Valdisotto		39	10	49	36	12	48	43	18	61
Santo Stefano Quisquina		26	3	29	-	-	-	-	-	-
Castrocielo		20	4	24	-	-	-	-	-	-
Total recruits		199	65	264	154	44	198	186	73	259

Number of terminations by type	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Death	No.	4	-	4	3	-	3	1	-	1
Expiry		124	40	164	104	26	130	125	47	172
Resignation		50	19	69	27	9	36	45	16	61
Dismissals		7	2	9	10	5	15	6	5	11
Retirement		14	4	18	10	4	14	9	5	14
Total termination		199	65	264	154	44	198	186	73	259

COLLECTIVE BARGAINING AGREEMENTS AND TRADE UNION REPRESENTATION

GRI Standard 102-41

	m.u.	2020	2021	2022
Number of employees covered by collective bargaining agreements	No.	1,407	1,413	1,450
% of employees covered by collective bargaining agreements	%	100%	100%	100%

WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

GRI Standard 403-8

Employees	m.u.	2020	2021	2022
Number of employees covered by a health and safety management system	No.	1,407	1,413	1,450
% of employees covered by a health and safety management system	%	100%	100%	100%

Workers who are not employees	m.u.	2020	2021	2022
Number of self-employed workers covered by a health and safety management system	No.	446	453	509
% of self-employed workers covered by a health and safety management system	%	100%	100%	100%

INJURIES AT WORK OF EMPLOYEES AND INJURY INDICATORS⁵⁷

GRI Standard 403-9

	m.u.	2020	2021	2022
Accidents that can be recorded⁵⁸		8	10	8
of which accidents with serious consequences ⁵⁹	No.	-	-	-
Deaths		-	-	-
Hours worked	hours	1,611,890	2,371,160	1,857,072
Rate of accidents at work that can be recorded⁶⁰		5	4	4
Rate of accidents at work with serious consequences⁶¹		-	-	-
Fatality rate⁶²		-	-	-

⁵⁷ In 2022, 1 accident during the commute was recorded. Please also note that no cases of occupational disease were reported in 2022. With regard to self-employed workers, there were 4 accidents in the workplace in 2022.

⁵⁸ The term "accidents at work that can be recorded" refers to all accidents that may lead to death, days off work, limitations at work, relocation to other tasks, medical treatments beyond first aid, losing consciousness. These are accidents generated by risks and dangers that workers are exposed to at work (e.g. death, amputation, cuts, fractures, hernias, burns, loss of consciousness and paralysis).

⁵⁹ The term "accidents at work with serious consequences" refers to accidents that have led to more than 6 months of consequences, excluding death.

⁶⁰ The calculation of the "Rate of accidents at work that can be recorded" is based on 1,000,000 hours worked according to the following formula: (Total accidents at work that can be recorded + Total accidents at work with serious consequences) / Hours worked * 1,000,000.

⁶¹ 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.

⁶² 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.

OCCUPATIONAL DISEASES AMONG EMPLOYEES

GRI Standard 403-10

	m.u.	2020	2021	2022
Cases of occupational disease	No.	-	1	1

AVERAGE HOURS OF ANNUAL TRAINING DIVIDED BY PROFESSIONAL CATEGORY⁶³

GRI Standard 404-1

	m.u.	2020		2021		2022	
		Total hours	Average hours	Total hours	Average hours	Total hours	Average hours
Executives	hours	341	8	753	18	1,379	133
Managers		1,243	13	1,095	20	2,669	28
Office workers		4,445	11	2,926	21	8,091	22
Production workers		11,767	13	18,312	20	17,481	18
Total		17,796	13	28,978	21	29,619	20

AVERAGE HOURS OF ANNUAL TRAINING DIVIDED BY GENDER

GRI Standard 404-1

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Total training hours	hours	13,479	4,318	17,796	19,377	9,601	28,978	20,502	9,725	30,277
Average training hours		13	12	13	19	26	21	19	26	21

HOURS OF TOTAL TRAINING DIVIDED BY TOPIC

	m.u.	2020	2021	2022
Environment	hours	279	2,907	524
Compliance - Anti-corruption		1,750	2,627	3,141
Health and safety		4,584	6,424	7,248
Management		390	570	759
Technical - specialist		9,492	13,880	15,083
Languages		990	551	1,046
Induction for new hires		264	144	461
Transversal and digital skills		1,116	1,876	1,964
Total		18,914	28,978	30,225

⁶³The division of training hours by gender for all professional categories is the result of an estimate generated directly by the tool used for monitoring the data based on the history.

PERCENTAGE OF EMPLOYEES RECEIVING A PERIODIC PERFORMANCE AND PROFESSIONAL DEVELOPMENT EVALUATION

GRI Standard 404-3

	m.u.	2020			2021			2022		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Executives	%	84	64	78	93	67	86	100	100	100
Managers		82	93	87	94	98	96	100	100	100
Office workers		90	90	90	99	100	100	100	100	100
Production workers		-	-	-	-	-	-	-	-	-
Total termination		24	60	33	26	63	35	25	61	34

RATIO OF BASIC SALARY (RAL) TO TOTAL REMUNERATION (INCLUDING THE VARIABLE PART) OF WOMEN COMPARED TO MEN, BROKEN DOWN BY PROFESSIONAL CATEGORY

GRI Standard 405-2

	m.u.	2020	2021	2022
Executives	%	101	111	94
Managers		96	94	95
Office workers		98	93	95
Production workers		97	86	87

	m.u.	2020	2021	2022
Executives	%	99	115	94
Managers		96	92	93
Office workers		96	91	94
Production workers		97	88	88

Chapter 3: Communities and territories

INVESTMENTS IN THE COMMUNITY

	m.u.	2020	2021	2022
Sponsorships	Thousands of €	45,520	29,500	69,200
Gratuities ⁶⁴		1,206,949	1,111,480	1,040,338
Total		1,252,469	1,140,980	1,109,538

⁶⁴Donations also include annual agreements signed with the Municipalities in support of the projects of the Communities.

Chapter 4: Our environmental impacts

ENERGY CONSUMPTION WITHIN THE ORGANISATION⁶⁵ GRI Standard 302-1

	m.u.	2020	2021	2022
Fuels from non-renewable energy sources		696,404	712,652	707,352
Natural gas ⁶⁶		646,445	641,162	652,025.30
LNG ⁶⁷		49,959	71,490	55,327.00
Purchased electricity⁶⁸	GJ	175,346	193,245	194,273.28
of which certified from renewable energy sources		175,346	193,245	194,273.28
Total direct and indirect consumption		871,750	905,897	901,626

ELECTRICITY SOLD⁶⁹

	m.u.	2020	2021	2022
Electricity sold	GJ	33,564	33,487	23,273

ENERGY INTENSITY

	m.u.	2020	2021	2022
Energy intensity	GJ/ litres produced	0.000343	0.000341	0.000343

TOTAL EMISSIONS⁷⁰

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

	m.u.	2020	2021	2022
Direct emissions (SCOPE 1)⁷¹		39,519	41,255	38,958
Natural gas		36,299	36,013	35,392
LNG		3,220	5,242	3,565
Indirect emissions (Scope 2)⁷²-Location based		18,856	22,041	21,811
Electricity from renewable energy sources		23,740.3	19,966.9	21,812
Indirect emissions (Scope 2)⁷³-Market based	tCO ₂ e	-	-	-
Electricity from renewable energy sources		-	-	-
Indirect emissions (Scope 3)⁷⁴		24	25	25
Emissions from diesel-fuelled rental cars		24	25	25
Emissions from gasoline-fuelled rental cars		0.0	0.0	0.0
Total emissions		58,399	63,321	60,796

⁶⁵ Starting from 2021, the data also consider the energy consumption of the Madone plant and the Assago site. The conversion coefficients that were used were those available in their latest version Department for Business, Energy & Industrial Strategy (BEIS) respectively in versions 2019, 2020 and 2021.

⁶⁶ Natural gas is used for heating as well as producing electricity through cogeneration plants at the San Giorgio in Bosco and San Pellegrino Terme facilities.

⁶⁷ This figure also includes a 620 GJ consumption of LPG at the Scarperia plant, for the canteen, kitchen and indoor heating.

⁶⁸ This figure was restated, following the refinement of the data collection modes and does not consider the consumptions of the Assago headquarters, as these are included in the reporting and monitoring of Nestlé Italia S.p.A. performance.

⁶⁹ The figure differs from what was published in last year's edition of the Sustainability Report, because starting this year it included the electrical energy sold from the Ruspino plant for 2020 and 2021 thanks to the data collection refinement process.

⁷⁰ Starting from 2021, the data also consider the emissions of the Madone plant and the Assago site.

⁷¹ The factors used in the calculation of the direct Scope 1 emissions, expressed in CO₂ equivalent tonnes, are those included in EnEcoinvent 3.6 in its most updated version. Consumption relating to cars owned by the Group is not relevant for the purposes of calculating Scope 1 emissions, since it amounts to 0.40 tCO₂e for 2021.

⁷² For Scope 2 location-based emissions relative to electrical energy, expressed in CO₂ equivalent tonnes, the emissions factors of the most updated version of EnEcoinvent 3.6 were used. It is also necessary to consider that Scope 2 emissions relative to the Assago site where part of the Sanpellegrino Spa offices are located, are directly reported by Nestlé Italiana Spa.

⁷³ For Scope 2 market based emissions, considering the acquisition of 100% renewable electrical energy with certificates of guaranteed origin, an emission factor of nil was applied.

⁷⁴ Indirect Scope 3 emissions, referring to trips in rented cars (diesel and petrol) are calculated using the emission factors published by the Department for Business, Energy & Industrial Strategy (BEIS) in the 2018, 2019, 2020 and 2021 editions.

COMPOSITION OF THE COMPANY FLEET, BY TYPE OF VEHICLE, POSSESSION AND POWER SUPPLY⁷⁵

	m.u.	2020			2021			2022		
		Own	Rental	Total	Own	Rental	Total	Own	Rental	Total
Trucks		4	-	4	4	-	4	-	-	-
Cars		8	118	126	8	116	124	-	132	132
Total vehicles, of which										
Gasoline-fuelled	No.	3	-	3	3	-	3	-	-	-
Diesel-fuelled		9	107	116	9	100	109	-	114	114
Electric		-	11	11	-	16	16	-	16	116
Hybrids		-	-	-	-	-	-	-	2	-
Total		12	118	130	12	116	128	-	116	132

INTENSITY OF GHG EMISSIONS

GRI Standard 305-4

	m.u.	2020	2021	2022
Emissions intensity	ktCO ₂ e / l produced	0.0230	0.238	0.0227

WATER WITHDRAWALS⁷⁶

GRI Standard 303-3

	m.u.	2020	2021	2022
SANPELLEGRINO GROUP				
Groundwater		5,918	4,598	4,577
fresh water (≤1,000 mg/L of total dissolved solids)		5,918	4,598	4,577
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Third-party water resources		-	2	2
fresh water (≤1,000 mg/L of total dissolved solids)	mL	-	2	2
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Total water withdrawals		5,918	4,600	4,579
fresh water (≤1,000 mg/L of total dissolved solids)		5,918	4,600	4,579
other types of water (>1000 mg/l of total dissolved solids)		-	-	-

Ruspino factory

	m.u.	2020	2021	2022
Groundwater		1,650	1,780	1,750
fresh water (≤1,000 mg/L of total dissolved solids)	mL	1,650	1,780	1,750
other types of water (>1000 mg/l of total dissolved solids)		-	-	-

⁷⁵ Consumption relating to cars owned by the Group is not relevant for the purposes of calculating Scope 1 emissions, since it amounts to 0.40 tCO₂e for 2021.

⁷⁶ The published data vary in comparison to what was published in the 2020 edition of the Report as the data collection method was refined. The perimeter was also extended, which began to include the Madone site starting from 2021 and for the three-year period it also considers the San Giorgio in Bosco factory, previously excluded for the factory's production transition from natural mineral water to Sanpellegrino soft drinks. It is specified that Sanpellegrino Group does not withdraw water from areas under water stress. The Assago plant is excluded from the water data, as it is already considered in the Nestlé Italia Report.

	m.u.	2020	2021	2022
Scarperia factory				
Groundwater		312	390	472
fresh water (≤1,000 mg/L of total dissolved solids)	mL	312	390	472
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
San Giorgio in Bosco factory				
Groundwater		2,486	857	883
fresh water (≤1,000 mg/L of total dissolved solids)	mL	2,486	857	883
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Cepina factory				
Groundwater		1,468	1,571	1,472
fresh water (≤1,000 mg/L of total dissolved solids)	mL	1,468	1,571	1,472
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Madone factory				
Third-party water resources		-	2	2
fresh water (≤1,000 mg/L of total dissolved solids)	mL	-	2	2
other types of water (>1000 mg/l of total dissolved solids)		-	-	-

WATER DISCHARGES⁷⁷
GRI Standard 303-4

	m.u.	2020	2021	2022
SANPELLEGRINO GROUP				
Surface water		1,476	1,700	1,628
fresh water (≤1,000 mg/L of total dissolved solids)		1,476	1,700	1,628
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Third-party water resources		-	2	93
fresh water (≤1,000 mg/L of total dissolved solids)	mL	-	2	93
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Total water withdrawals		1,476	1,702	1,721
fresh water (≤1,000 mg/L of total dissolved solids)		1,476	1,702	1,721
other types of water (>1000 mg/l of total dissolved solids)		-	-	-

⁷⁷ Sanpellegrino does not draw water from areas under water stress. In addition, during the reporting process for the financial year 2022, the data reported in the table "Water Discharges" were restated, excluding the amount of bottled water from the value of water consumed.

	m.u.	2020	2021	2022
Ruspino factory				
Surface water		742	836	713
fresh water (≤1,000 mg/L of total dissolved solids)	mL	742	836	713
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Scarperia factory				
Surface water		125	79	91
fresh water (≤1,000 mg/L of total dissolved solids)	mL	125	79	91
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
San Giorgio in Bosco factory				
Surface water		282	314	356
fresh water (≤1,000 mg/L of total dissolved solids)	mL	282	314	356
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Cepina factory				
Surface water		428	341	417
fresh water (≤1,000 mg/L of total dissolved solids)	mL	428	341	417
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Madone factory				
Third-party water resources		-	-	2
fresh water (≤1,000 mg/L of total dissolved solids)	mL	-	-	2
other types of water (>1000 mg/l of total dissolved solids)		-	-	-

WATER CONSUMED⁷⁸
GRI Standard 303-5

	m.u.	2020	2021	2022
SANPELLEGRINO GROUP				
Total water consumption		2,948	4,442	191
fresh water (≤1,000 mg/L of total dissolved solids)	mL	2,948	4,442	191
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Ruspino factory				
Total water consumption		827	908	113
fresh water (≤1,000 mg/L of total dissolved solids)	mL	827	908	113
other types of water (>1000 mg/l of total dissolved solids)		-	-	-

⁷⁸ In 2020 the San Giorgio in Bosco factory switched from Nestlé Vera natural mineral water production to Sanpellegrino soft drinks production, a business that requires greater water consumption. Over the course of 2021 the Nestlé Vera trademark was sold to a third party and this has implied a substantial drop in production, which is therefore reflected in water consumption. In fact, if you consider that the drop in water withdrawals of the San Giorgio in Bosco factory is 66% compared to 2020. In addition, during the reporting process for the financial year 2022, the data reported in the table "Water Consumption" were restated, excluding the amount of bottled water from the value of water consumed.

	m.u.	2020	2021	2022
Scarperia factory				
Total water consumption		312	233	0
fresh water (≤1,000 mg/L of total dissolved solids)	mL	312	233	0
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
San Giorgio in Bosco factory				
Total water consumption		758	2,173	78
fresh water (≤1,000 mg/L of total dissolved solids)	mL	758	2,173	78
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Cepina factory				
Total water consumption		1,053	1,127	0
fresh water (≤1,000 mg/L of total dissolved solids)	mL	1,053	1,127	0
other types of water (>1000 mg/l of total dissolved solids)		-	-	-
Madone factory				
Total water consumption		-	-	0
fresh water (≤1,000 mg/L of total dissolved solids)	mL	-	-	0
other types of water (>1000 mg/l of total dissolved solids)		-	-	-

	m.u.	2020	2021	2022
SANPELLEGRINO GROUP				
Water consumed per litre produced	L / litres produced	1.74	1.08	0.07
RUSPINO FACTORY				
Water consumed per litre produced	L / litres produced	1.02	1.03	0.12
SCARPERIA FACTORY				
Water consumed per litre produced	L / litres produced	1.00	1.00	0
SAN GIORGIO IN BOSCO FACTORY				
Water consumed per litre produced	L / litres produced	5.17⁷⁹	1.29	0.18
CEPINA FACTORY				
Water consumed per litre produced	L / litres produced	1.12	1.08	0

⁷⁹ As previously stated, the 2020 number is very high in comparison to the plant's trend due to the transition in production from natural mineral water to Sanpellegrino soft drinks, a business which requires greater water consumption, thereby the plant's performance cannot be compared for the three-year period.

WASTE NOT EARMARKED FOR DISPOSAL⁸⁰

GRI Standard 306-4

	m.u.	2020	2021	2022
Waste not destined for disposal				
Hazardous waste	t	553	506	352
Non-hazardous waste		13,926	12,116	14,229
Total waste to be recycled		14,479	12,622	14,581

Chapter 5: Supply chain and logistics

DESCRIPTION OF THE SUPPLY CHAIN AND TYPE OF SUPPLIERS⁸¹

GRI Standard 102-9

	m.u.	2020	2021	2022
Suppliers in Italy				
Materials		68	103	56
Services		1,179	1,061	1,088
Suppliers in Europe				
Materials	No.	33	44	37
Services		96	104	118
Suppliers in the rest of the world				
Materials		8	7	10
Services		84	86	71
Total suppliers		1,468	1,405	1,380

PROPORTION OF EXPENDITURE TO LOCAL SUPPLIERS

GRI Standard 204-1

	m.u.	2020	2021	2022
Suppliers in Italy				
Materials		47	51	59
Services		53	49	41
Suppliers in Europe				
Materials	%	53	49	41
Services		47	51	59
Suppliers in the rest of the world				
Materials		55	67	90
Services		45	33	10

⁸⁰ Since 2021 the reporting perimeter has been extended to the Madone factory, while the waste produced at the Assago site has been included in the Nestlé Italia S.p.A. reporting. Sanpellegrino Group has 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. It is specified that for 2021, for the Madone plant, the 125.9 t of non-hazardous waste (equal to 0.8% of the total) was sent to disposal.

⁸¹ The figure for the number of suppliers broken down by Materials and Services has been counted only once if it belongs to both categories.

Chapter 6: Our customers and our consumers

NUMBER OF COMPLAINTS RECEIVED AND HANDLED THROUGHOUT THE YEAR DIVIDED BY WELL-FOUNDED AND UNFOUNDED COMPLAINTS

	m.u.	2020	2021	2022
Total complaints received from third parties and assessable, of which		1,721	1,419	1,083
Number of well-founded complaints concerning the product	No.	110	93	26
Number of well-founded complaints concerning the product managed throughout the year		110	93	26
Number of unfounded complaints concerning the product		1,611	1,326	1,057
Number of unfounded complaints concerning the product managed throughout the year		-	-	-

Chapter 7: Governance, ethics and integrity

COUNTRY BY COUNTRY REPORTING⁸²

GRI Standard 207-4

Size	m.u.	2020	2021	2022
Number of employees	NO.	1,407	1,413	1,450

Tax data	m.u.	2020	2021	2022
Revenue from sales to third parties	€	450,992	405,494	478,413
Revenues from intragroup transactions with other tax jurisdictions		430,689	478,776	535,691
Profits/losses before taxes		57,604	102,401	81,468
Tangible assets other than cash and cash equivalents		354,498	384,885	393,639
Income taxes defined on the basis of the cash criterion		1,488	9,245	2,525
Income taxes of companies accrued on profits/losses		21,705	24,882	24,671

DIVERSITY IN GOVERNING BODIES - BOARD OF DIRECTORS

GRI Standard 405-1

MANAGEMENT AND CONTROL BODIES	Role	Age group
BOARD OF DIRECTORS⁸³		
Michel Beneventi	Chairman and Chief Executive Officer	Over 50 years of age
Marco Travaglia	Director	Over 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 Auditors	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

⁸² The data refer only to Sanpellegrino S.p.A.

⁸³ All Directors of the Board are linked to Sanpellegrino S.p.A. through a contract of employment which includes taking on positions.

08. / 02

List of policies adopted by Sanpellegrino

MATERIAL TOPIC	POLICY	POLICY DESCRIPTION
<ul style="list-style-type: none"> • Climate actions • Waste management • Water management • Biodiversity 	Environmental management system certified UNI EN ISO 14001:2015	
	Quality Policy	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.
<ul style="list-style-type: none"> • Promoting healthy lifestyles and nutrition education 	Nestlé Waters Operational Standard	This standard applies to all units that develop, produce or distribute Nestlé Waters products. This includes all of those standards that are fundamental for: maintaining and improving the quality of Nestlé Waters product; managing the water resources; maintaining a management that is in line with local agreements and accepted by local communities (relations with the community). The standard guarantees the creation of safe products that are compliant with regulations; the acceptance and pursuit of good relations with local communities where the company operates; the reduction of complaints and defects as well as management costs and the destruction of materials and defective products.
	Quality certifications, including UNI EN ISO 9001:2015 and FSSC 22000 vers.5, specific to food product safety	
<ul style="list-style-type: none"> • Product traceability/transparent labelling 	Consumer Communication Policy	The basis of these processes is the Consumer Communication Policy which defines the principles that need to be taken into consideration and 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. For children, the Policy involves additional principles that take age into account: in fact, it is forbidden to spread advertising messages to children under the age of 6, whereas for children under the age of 12, communication and promotional tools must be limited to healthy and balanced products. More specifically, they must not be misleading or encourage incorrect behaviour, nor question parental authority.
	Donations procedure	The procedures lay down the principles of relations with communities, also identifying the process of involvement and authorisation of internal stakeholders.
<ul style="list-style-type: none"> • Community support and involvement 	Procedure for contributions to the Public Administration, Associations, Territorial Bodies	The procedures on donations and investments intended for the Communities, updated in early 2022 to ensure their alignment with the company's priorities, set forth a clear criterion for classification and measurement, with a view to transparency. In these procedures the company has adopted the guide lines of the international B4SI (Business for Social Impact) standard.
	Nestlé Purpose, Values eBusiness Principles	Procedure that lays down the fundamental principles for the Group, including "Helping to develop prosperous Communities that are able to react to change and allow better living conditions for those who live and work with us".

08. / 03
Methodological note

MATERIAL TOPIC	POLICY	POLICY DESCRIPTION
<ul style="list-style-type: none"> • Sustainable management of the supply chain • Sustainable packaging and the Circular Economy 	Responsible Sourcing Standard	<p>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.</p> <p>The Standard is divided into 5 main sections: the first is dedicated to sourcing practices, the second to the management of Tier 1 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 1 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.</p>
<ul style="list-style-type: none"> • Working conditions and industrial relations • Diversity and inclusion • Human rights • Caring for people 	Nestlé People Policy	<p>The Nestlé People Policy outlines the fundamental company principles that underlie shared behaviour-related rules, objectives and the main drivers of development. This 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. This 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.</p>
	Total Reward Policy	<p>The Nestlé Total Rewards Policy shared on all levels, in order to ensure that each person fully understands what Total Rewards means and how this scheme is applied within the Group. This system aims to fully reflect the company's priorities, especially the performance level required to pursue the Purpose and the objectives, combined with behaviour that is in keeping with the Values and Principles.</p>
	Parental Policy	<p>The Policy focuses on: paid leave for primary and secondary "caregivers"; protecting health in the workplace; opportunities for flexible work, a work environment that helps breastfeeding and employment protection and non-discrimination.</p>
	Nestlé Baby Leave Policy Occupational Health and Safety management system UNI EN ISO 45001:2018	<p>Policy that makes it possible for new fathers to be constantly present during the first months of a child's life and enables a greater balancing of family loads to further gender equality.</p> <p>In detail, the Policy grants three months paid leave at 100% of salary to fathers or second Caregivers within the first six months of the birth or adoption of a son or daughter.</p>

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

The objective is to provide all stakeholders with a clear and complete representation of the main goals, 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 9/10/2023 by the Senior Leadership Team, is prepared in compliance with the GRI Standards, with an "In accordance with GRI" level of application. The GRI Standards, published by the Global Reporting Initiative (GRI) in 2021, today represent the most recognised and widespread non-financial reporting standard, to date, 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 the reference page of the Report or of other corporate documents, where the content can be found, is shown for each material aspect.

The principle of materiality, a characteristic of the GRI Standards, guides the range and quality of non-financial reporting. The topics covered in the report are in fact those that, following internal workshops, represent the Group's most significant impacts on the environment, people, and the economy (for more details see section 01.04 Listening to our stakeholders and materiality of impacts).

The reported data and information refer to the financial year 1 January - 31 December 2022, 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 (2018-2022) 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, were estimates used.

The scope of the information included in the Sustainability Report refers to the Company Sanpellegrino S.p.A. Any limitations to the perimeter are stated in the "GRI Content Index" and rare cases of restatement, i.e. corrections or changes to what was published in the previous version of the Report, have always been carefully marked in the notes near the data.

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 of 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

08. / 04 GRI Content Index

Statement of use		Sanpellegrino reported in accordance with GRI Standards for the period 1 January 2022 - 31 December 2022				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		N/A				
GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1 Organisational details	Sanpellegrino Group (pp. 10-19)				
	2-2 Entities included in the organisation's sustainability reporting	Methodological note (p.85)				
	2-3 Reporting period, frequency and contact point	Methodological note (p.85)				
	2-4 Restatements of information	Methodological note (p.85)				
	2-5 External assurance	The Sustainability Report is drawn up on a voluntary basis and is not subject to external assurance.				
	2-6 Activities, value chain and other business relationships	Supply chain management: collaboration, sustainability and transparency (pp. 52-53)				
	2-7 Employees	People: our greatest asset (pp. 20-22)				
	2-8 Workers who are not employees	People: our greatest asset (pp. 20-22)				
	2-9 Governance structure and composition	Sanpellegrino Group Governance (pp. 62-63)				
	2-10 Nomination and selection of the highest governance body	The members of the BoD are appointed at the shareholders' meeting and hold office for a maximum period of 3 financial years, as stipulated in the letter of appointment. The members of the SLT are selected on the basis of their expertise and are validated by the Parent Company.				
	2-11 Chair of the highest governance body	The Chairman of the BoD is not an Executive Officer of the Organisation				
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Leadership (p.12); Sanpellegrino Group Governance (pp. 62-63)				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Although not formally delegated, the SLT has the responsibility to manage impacts				
	2-14 Role of the highest governance body in overseeing the management of impacts	Sanpellegrino Group Governance (pp. 62-63)				
	2-15 Conflicts of interest	Sanpellegrino Group Governance (pp. 62-63). In order to prevent and mitigate possible conflicts of interest, the Group undertakes to comply with the law				
	2-16 Communication of critical concerns	No reports or communications of critical concerns were received during the year				
	2-17 Collective knowledge of the highest governance body	During 2022, SLT-specific training sessions were held in order to increase their knowledge of sustainable development				
	2-18 Evaluation of the performance of the highest governance body	We train and engage our people (pp. 22-25);				
	2-19 Remuneration policies	We train and engage our people (pp. 22-25);				
	2-20 Process to determine remuneration	We train and engage our people (pp. 22-25);				
	2-21 Annual total compensation ratio	The annual salary of the organisation's highest-paid individual increased by 5% from 2021 to 2022, while the median salary increased by 2%. The ratio of the highest-paid individual's salary to the median is 6.59 in 2022.				
	2-22 Statement on sustainable development strategy	Letter to the stakeholders (p.7);				
	2-23 Policy commitments	Listening to our stakeholders and the materiality of impacts (p.17);				
	2-24 Embedding policy commitments	Listening to our stakeholders and the materiality of impacts (pp. 14-17)				
	2-25 Processes to remediate negative impacts	Listening to our stakeholders and the materiality of impacts (pp. 14-17);				
	2-26 Mechanisms for seeking advice and raising concerns	The principles for managing a responsible business (pp. 64-66)				
	2-27 Compliance with laws and regulations	There were no non-compliances with laws and regulations during the year				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
GRI 2: General Disclosures 2021	2-28 Membership associations	Listening to our stakeholders and the materiality of impacts (pp. 14-17) Alliances and partnerships (pp. 18-19)				
	2-29 Approach to stakeholder engagement	Listening to our stakeholders and the materiality of impacts (pp. 14-17)				
	2-30 Collective bargaining agreements	All employees are covered by a Collective Bargaining Agreement				
	3-1 Process to determine material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17)				
	3-2 List of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17)				

MATERIAL TOPIC – CORPORATE ADVOCACY / STAKEHOLDER ENGAGEMENT

GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Our sustainability priorities for the future (p.17); The shared economic value study; The principles for responsible business management (pp. 64-66); The Organisation, Management and Control Model (p.64); Anti-corruption (p.65); Tax Responsibility and tax management (p.67)				
	201-1 Direct economic value generated and distributed	The shared economic value study (p.66; Annex Chapter 1: The Sanpellegrino Group (p.68)				
	203-2 Significant indirect economic impacts	The shared economic value study (p.66)				
	205-1 Operations assessed for risks related to corruption	Anti-corruption (p.65)				
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption (p.65); The Code of Ethics and the Code of Business Conduct				
	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In 2022 legal actions (underway or concluded) are not included in the reporting concerning anti-competitive behaviour and violations of the anti-trust rules and relative monopoly practices, in which the organisation has been identified as a participant				
	207-1 Approach to tax	Tax Responsibility and tax management (p.67)				
	207-2 Tax governance, control, and risk management	Tax Responsibility and tax management (p.67)				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
GRI 3 - Material Topics 2021	207-3 Stakeholder engagement and management of concerns related to tax	Tax Responsibility and tax management (p.67)				
	207-4 Country-by-country reporting	Annex Chapter 7: Governance, ethics and integrity (p.82)				
	307-1 Penalties for non-compliance with environmental laws and regulations	During 2022, there were no significant instances of non-compliance with laws and regulations.				

MATERIAL TOPIC – CORPORATE ADVOCACY / STAKEHOLDER ENGAGEMENT

GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Energy consumption and emissions (pp. 44-46); Annex Chapter 4: Our environmental impacts (pp. 76-81)				
	302-1 Energy consumption within the organization	Energy consumption and emissions (pp. 44-46); Annex Chapter 4: Our environmental impacts (pp. 76-81)				
	302-3 Energy intensity	Energy consumption and emissions (pp. 44-46); Annex Chapter 4: Our environmental impacts (pp. 76-81)				
	302-4 Reduction of energy consumption	The environmental performance of our facilities (pp. 42-47)				
	305-1 Direct (Scope 1) GHG emissions	Energy consumption and emissions (pp. 44-46); Annex Chapter 4: Our environmental impacts (pp. 76-81)				
	305-2 Energy indirect (Scope 2) GHG emissions	Energy consumption and emissions (pp. 44-46); Annex Chapter 4: Our environmental impacts (pp. 76-81)				
	305-3 Other indirect (Scope 3) GHG emissions	Energy consumption and emissions (pp. 44-46); Annex Chapter 4: Our environmental impacts (pp. 76-81)				
	305-4 GHG emissions intensity	Energy consumption and emissions (pp. 44-46); Annex Chapter 4: Our environmental impacts (pp. 76-81)				

MATERIAL TOPIC - WATER MANAGEMENT

GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and materiality of impacts (pp. 14-17); Water resource management in the establishments (p.47); Looking after water resources (pp. 34-36); The Springs; Alliance for the Water Stewardship (pp. 34-36)				
	303-1 Interactions with water as a shared resource	Water resource management in the establishments (p.47); Looking after water resources (pp. 34-36); The Springs; Alliance for the Water Stewardship (p.36)				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
GRI 3 - Material Topics 2021	303-2 Management of water discharge-related impacts	Water resource management in the establishments (p.47); Annex Chapter 4: Our environmental impacts (pp. 76-81)				
	303-3 Water withdrawal	Water resource management in the establishments (p.47); Annex Chapter 4: Our environmental impacts (p.77);				
	303-4 Water discharge	Water resource management in the establishments (p.47); Annex Chapter 4: Our environmental impacts (pp. 78-79);				
	303-5 Water consumption	Water resource management in the establishments (p.47); Looking after water resources (pp. 34-36); The springs; Alliance for the Water Stewardship (p.36);				
MATERIAL TOPIC - BIODIVERSITY AND DEFORESTATION						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and impact materiality (pp.14-17); Highlights (pp. 15-16); Our sustainability priorities for the future; How we protect natural resources on our territories (pp. 36-41); More than just water...citrus fruits and the countryside (pp. 38-39)				
	304-1 Operational sites owned, leased, managed in (or adjacent to) protected areas (either wholly or in part) and in areas of high biodiversity value outside protected areas	Highlights (pp. 37-38); Our sustainability priorities for the future; How we protect natural resources on our territories (pp. 36-41); More than just water...citrus fruits and the countryside (pp. 38-39)				
	304-2 Significant impacts of activities, products and services on biodiversity	How we protect natural resources in our territories (pp. 36-41); More than just water... citrus fruits and the countryside (pp. 38-39)				
MATERIAL TOPIC - WASTE MANAGEMENT						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Waste management (p.47)				
	306-1 Waste generation and significant waste-related impacts	Waste management (p.47); Annex Chapter 4: Our environmental impacts (p.81)				
	306-2 Management of significant waste-related impacts	Waste management (p.47); Annex Chapter 4: Our environmental impacts (p.81)				
	306-3 Waste generated	Waste management (p.47); Annex Chapter 4: Our environmental impacts (p.81)				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
GRI 3 - Material Topics 2021	306-4 Waste diverted from disposal	Waste management (p.47); Annex Chapter 4: Our environmental impacts (p.81)				
	306-5 Waste directed to disposal	Sanpellegrino Group has 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				
MATERIAL TOPIC - SUSTAINABLE PACKAGING AND THE CIRCULAR ECONOMY						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Our product packaging (pp. 48-51); The life cycle of our products and the Carbon Trust certification (p.46)				
MATERIAL TOPIC - EMPLOYMENT AND LABOUR RELATIONS						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Highlights (pp. 15-17); People: our greatest asset (pp. 20-22); Relationships with trade unions (p.22)				
	401-1 New employee hires and employee turnover, by age, gender and region	People: our greatest asset (p.22); Annex Chapter 2: People (pp. 71-72)				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by main activities	We invest in the well-being of our people (pp. 27-28); Every person counts (p.25); We protect occupational health and safety (pp. 28-31)				
	402-1 Minimum notice periods regarding operational changes with the indication of whether these conditions are included in the collective bargaining or not	All significant organisational changes are communicated with a notice period compliant with the law, according to the National Collective Bargaining Agreement.				
MATERIAL TOPIC - CARING FOR PEOPLE						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and materiality of impacts (pp. 14-17); Highlights (p.28-30); We protect occupational health and safety (pp. 28-31); Annex Chapter 2: People (p.73)				
	403-1 Occupational health and safety management system	Highlights (pp. 28-30); We protect occupational health and safety (pp. 28-31); Annex Chapter 2: People (p.73)				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
GRI 3 - Material Topics 2021	403-2 Hazard identification, risk assessment, and incident investigation	We protect occupational health and safety (pp. 28-31)				
	403-3 Occupational health services	We invest in the well-being of our people (pp. 27-28); We protect occupational health and safety (pp. 29-30)				
	403-4 Worker participation, consultation, and communication on occupational health and safety	We protect occupational health and safety (pp. 28-31)				
	403-5 Worker training on occupational health and safety	We protect occupational health and safety (pp. 28-30); We train and engage our people (pp. 22-25)				
	403-6 Promotion of worker health	We invest in the well-being of our people (pp. 27-28); We protect occupational health and safety (pp. 28-31)				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	We protect occupational health and safety (pp. 28-31)				
	403-8 Workers covered by an occupational health and safety management system	We protect occupational health and safety (p.31); Annex Chapter 2: People (p.73)				
	403-9 Work-related injuries	We protect occupational health and safety (p.28); Annex Chapter 2: People (p.73)				
	403-10 Work-related ill health	We protect occupational health and safety (pp. 28-31); Annex Chapter 2: People (p.74)				
	404-1 Average hours of training per year per employee	We train and engage our people (p.23); Annex Chapter 2: People (p.74)				
404-2 Percentage of employees receiving regular performance and career development reviews, divided by gender and by employee category	We train and engage our people (pp. 22-25); Annex Chapter 2: People (p.75)					
MATERIAL TOPIC - DIVERSITY AND INCLUSION						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Highlights (pp. 15-17); Our sustainability priorities for the future (p. 17); People: our greatest asset (pp. 20-22); We train and engage our people (pp. 22-25); We promote diversity and equal opportunities (pp.25-27)				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
GRI 3 - Material Topics 2021	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 (pp. 25-27); Sanpellegrino Group Governance (pp. 62-63); Annex Chapter 2: People (pp. 70-71); Annex Chapter 7: Governance, Ethics and Integrity (p.80)				
	405-2 Ratio of basic salary and remuneration of women to men	We promote diversity and equal opportunities (pp. 25-27); Chapter 2: People (p.75)				
MATERIAL TOPIC - HUMAN RIGHTS						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Highlights (pp. 15-17); Our sustainability priorities for the future (p. 17); People: our greatest asset (pp. 20-22); We train and engage our people (pp. 22-25); We promote diversity and equal opportunities (pp. 25-27)				
	406-1 Incidents of discrimination and corrective actions taken	There were no episodes of discrimination throughout 2022				
	412-1 Total hours of employee 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 engage our people (p.23)				
MATERIAL TOPIC - PROMOTING HEALTHY LIFESTYLES AND NUTRITION EDUCATION						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Highlights (pp. 15-16); Our sustainability priorities for the future (p.17); Our customers and consumers (pp. 56-61); A healthy and sustainable offer (p.57); Quality and transparency of our products (pp. 57-58); Communicating responsibly (p.59); Listening to customers and consumers (p.61)				
	416-2 Total number of incidents of non-compliance concerning the health and safety impacts of products and services during their life cycle	There were 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 throughout 2022				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
MATERIAL TOPIC - DIVERSITY AND INCLUSION						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Our sustainability priorities for the future (p.17); Our customers and consumers (pp. 56-61); Communicating responsibly (p.59); Quality and transparency of our products (pp. 57-58)				
	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	There were no incidents of non-compliance in relation to the information concerning the product or service in the labelling throughout 2022.				
	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no cases of non-compliance with regulations or voluntary codes in relation to the Group's marketing activities throughout 2022.				
MATERIAL TOPIC - RESPONSIBLE MARKETING AND ACTIVE BRAND COMMUNICATION						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Our sustainability priorities for the future (p.17); Our customers and consumers (pp. 56-61); Communicating responsibly (p.59); Quality and transparency of our products (pp. 57-58)				
	417-3 Incidents of non-compliance concerning marketing communications	There were no cases of non-compliance with regulations or voluntary codes in relation to the Group's marketing activities throughout 2022.				
MATERIAL TOPIC - INNOVATION AND DIGITALISATION						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Our sustainability priorities for the future; Our customers and consumers (pp. 56-61); A healthy and sustainable offer (p.57); Sustainability together with our customers (pp. 60-61); Protecting privacy (p.66)				
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protecting privacy (p. 66)				

GRI standard / other source	Disclosure	Location	Omission			GRI sector standard ref. no
			Requirement(s)	Omitted reason	Explanation	
MATERIAL TOPIC - COMMUNITY SUPPORT AND INVOLVEMENT						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Our sustainability priorities for the future (p.17); Communities and territories (pp. 32-41); The consumers of the future: education on proper hydration and recycling (p.60); S.Pellegrino supports gastronomic excellence (pp. 40-41)				
	413-1 Operations with local community engagement	Communities and territories (pp. 32-41); The consumers of the future: education on proper hydration and recycling (p.60); S.Pellegrino supports gastronomic excellence (pp. 40-41)				
MATERIAL TOPIC - SUSTAINABLE SUPPLY CHAIN MANAGEMENT AND LOGISTICS OPTIMISATION						
GRI 3 - Material Topics 2021	3-3 Management of material topics	Listening to our stakeholders and the materiality of impacts (pp. 14-17); Our sustainability priorities for the future; Supply chain management: collaboration, sustainability and transparency (pp. 52-53); Logistics: The journey from the source to the table (pp. 54-55)				
	204-1 Proportion of spending on local suppliers	Supply chain management: collaboration, sustainability and transparency (pp. 52-53); Annex Chapter 5: Supply chain and logistics (p.81)				



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