

FRATELLI  
**Carli**

— DAL 1911 —

Fratelli Carli S.p.A. Società Benefit

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# 2023 Sustainability Report

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Our Responsible Progress:  
tradition, excellence, environment

Certified



Corporation

Fratelli Carli S.p.A. Società Benefit

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# 2023 Sustainability Report

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“ In the following pages, you will find an account of our projects and activities, of the commitments we are able to meet every day, thanks to a solid, structured system of sustainability governance, reflected in our Benefit Corporation status and our B Corp certification, a first in Italy.

# Our tradition is excellence, and our future lies in taking care of the present

The presentation of the **Sustainability Report** is always an important occasion for reflection and sharing, and all the more so following such a challenging year as the one that has just ended.

The world of oil has had to deal with another **poor harvest**, due to a **prolonged drought** that severely impacted olive oil production, resulting in an unprecedented spike in prices, particularly for high-quality oil.

The **skills acquired** throughout our **long history** have enabled us to rise to this challenge with the serious, **attentive approach to our customers** we have always been renowned for, without compromising on **quality**, and with a stronger-than-ever focus on sustainability.

So in the pages that follow, you will find an account of the **practical actions adopted with regard to People, Products and Materials, the Supply Chain, Energy and Resources, and the Mediterranean Tradition and Culture**.

We are able to meet these commitments every day, thanks to our **solid, structured sustainability governance**, reflected in our **Benefit Corporation** status and our **B Corp certification, a first in Italy**, which allow us to take effective, shared action aimed at achieving the medium-term goals we have set ourselves.

Welcome to our Sustainability Report: an effective illustration of our **desire to continue** down this road, **engaging our workers, suppliers and customers** in our efforts, in the awareness that our role – as a business and as a family – is to build what we call **Responsible Progress**.

**Claudia, Gian Franco and Carlo Carli**



The image shows three handwritten signatures in black ink, each underlined. From left to right, they are: Claudia Carli, Gian Franco Carli, and Carlo Carli. The signatures are written in a cursive style.



## FRATELLI CARLI

“ Working hard, getting it right. With intelligence, tenacity and humility. No showing off, no getting disheartened. Confident, without being smug, that we’ve always strived to get things right, undertaking to use our experience to do better every day. Always ready, when necessary, to study and to learn something new. In short, our approach to work means trusting in and relying on ourselves and our strengths. \_\_\_\_\_

**Giovanni Carli**

Development plan, 1961



# Fratelli Carli

A family-run business

**Fratelli Carli** is a longstanding Ligurian olive oil company. Since 1911, we have sold our products directly to consumers, with home deliveries both in Italy and abroad. The company is **inextricably linked to its home** in the Imperia area, a time-honored, traditional Italian olive oil production zone. A heritage that Fratelli Carli has been able to preserve over many decades, handing down unique skills and experience from one generation to the next to ensure prime quality.

**Fratelli Carli produces olive oil, traditional Ligurian and Mediterranean preserves and various delicacies, with our olive oil contributing to their excellence. The company is also renowned for its wines and cosmetic products.**



## 20 Emporiums

A signature feature of the company has always been our **distribution model**. Consumers worldwide can place their orders directly by phone, by regular mail or online. Delivery is ensured by a broad-reaching logistics network. The national network is operated by trusted transporters and a fleet of vans with the company livery. Full satisfaction and efficiency are guaranteed.

In the 2000s, we decided to also open a retail channel, with directly run single-brand stores. **Twenty Emporiums have been opened** to date, thus offering customers an omnichannel sales model, and the opportunity to choose how they purchase our products.



“ This is what we have achieved so far... and we plan to do more and better going forward. .

This detailed account reaches out to the public at large, seeking in particular to remind our children and grandchildren how the company began and how it has grown, telling the story of a family whose achievements deserve to be recognized and acknowledged.

**Giovanni Carli**

on the fiftieth anniversary of Fratelli Carli, 1961

## A record of excellence spanning more than a hundred years

Fratelli Carli was **founded in 1911** by Giovanni Carli, who saw a great future in store for the olive-growing tradition of his native Imperia.

The business continues to this day as a repository of unique knowledge and skills handed down over **four generations**, not to mention the love we nurture for **the olive**, part of the company's DNA.

### Oneglia 1911

The power of an idea



This year saw an exceptional harvest in the Carli family's olive grove. The twenty-year-old Giovanni, one of the six children of Carlo Carli, a printer in Oneglia, thought he would offer the abundant olive oil not to local traders, but directly to families residing in the nearby Piedmont region.

### 1920

The creativity that shaped the company's history

The renowned commercial artist, Plinio Codognato, devised the Fratelli Carli logo that accompanied the firm for 87 years.



### 1948

The first post-war price list



The 1943 and 1944 bombing raids destroyed the plant. The young Carlo Carli, Giovanni's son, rebuilt the company, and sales resumed in 1948.

### 1912

The first price list



The family's printing business was key to the success of the enterprise, allowing them to produce price lists in order to reach out to new customers.

### 1936

The first Ricettario Carli cookery book



A year before the company was honored as a Purveyor to the Royal Household, the chef of the Royal Household, Cav. Pettini, penned the first Ricettario Carli (Carli cookery book), enriched with illustrations by Cappadonia. This gift to all Carli customers ushered in a tradition that remains to this day.

### 1965

The first Fratelli Carli vans



In its effort to fully satisfy demand, Fratelli Carli launched its fleet of vans for home delivery, replacing delivery by rail.

## 1972

The leading-edge Data Processing Center



At the heart of the new headquarters, built in 1971, was an innovative Data Processing Center, allowing the company to look ahead to the future.

## 1997

Launch of Mediterranea



The company's hallmark philosophy of well-being prompted the launch of the Mediterranea olive oil cosmetics range.

## 2011

The centenary

100

A celebration of a century of tradition, quality and sustainability, which continues with the fourth generation of the family, who joined the company during the 2000s.

## 2019

Fratelli Carli, a Benefit Corporation



As a testament to the company's commitment to sustainable innovation, the Fratelli Carli articles of association were amended, and it became a Benefit Corporation.

## 1996

E-commerce pioneers



Fratelli Carli was one of the first companies to believe in the potential of internet. After the first website, oliocarli.it, came the platforms in the languages of the countries in which Carli products are sold.

## 2010

First Emporium opened in Imperia



The first Fratelli Carli Emporium opened in the Imperia factory, inaugurating a successful retail format subsequently replicated in the main cities in Italy.

## 2014

B Corp certification



Fratelli Carli was the first Italian manufacturing company to obtain B Corp certification.

## 2022

Toward Carbon Neutrality



Rising to a global challenge, Fratelli Carli has set out a plan to measure and reduce emissions, and has decided to embark on a process to offset them, prioritizing delivery logistics.



Scan the **QR code** to learn about the **key moments in the history** of Fratelli Carli



## Corporate vision

Fostering the culture of the olive and of Italian taste, by engaging directly with our customer base, always under the banners of ethics, quality, and respect for the environment and for people.

### Care, passion, tradition

For over a century, the company has placed importance on the local culture, with a passion for quality and respect for hard work. **On a daily basis, Fratelli Carli enters customers' homes, not just to deliver products, but to convey its vision and values**, with the aim of preserving a unique relationship, which in many cases stretches back decades.

#### Sustainability

We comply with rigorous social and environmental standards, with a keen awareness of our responsibility toward society and the planet.

#### Working to make a difference

Doing good is what we do best. This is the guiding principle that drives us to devote attention to every detail, every day: in our products, our service, and our exclusive relationship with our customers.



#### The hallmark elements of our brand

#### Making every moment at the table a unique taste experience

The accent is on Carli Flavor: the goodness you can serve up any time, with products suitable for both special occasions and everyday fare, making every moment around the table an extraordinarily flavorful experience.

#### A benchmark in the olive world

Our company was established and has grown in sunny Imperia, where the olive is a symbol of culture and a passion for the production of prime-quality oil. For four generations, our skills and knowledge have been preserved, enhanced and nourished, driven by fresh enthusiasm every day.

“ Behind each product lies imagination and hard work, ideas, sacrifices, aspirations – and indeed the pride we take in the end results. These are all truths that deserve to be said and transmitted.

**Giovanni Carli**

Monthly advertising and expansion program, 1971

## Our Products

**Excellence is something our company seeks in all its products:** from our olive oil, which we started off with over a hundred years ago, to the gourmet specialties that are our vocation. Moving on to accompanying our oil with the specialties and cuisine of Liguria and the Mediterranean came naturally to us, driven by a strong desire to share the most authentic, genuine flavors with our customers.

## OLIVE OIL, FROM TRADITIONAL TO ORGANIC

The oil-tasting ritual remains the preserve of Carli family members. **This ensures quality, guaranteed by the selection of the best oils from trusted olive growers in the finest olive-growing zones of the European Mediterranean.** The range includes various extra virgin olive oils and an olive oil, to satisfy a variety of tastes and requirements, both at the table and for cooking.



Olio Carli  
CLASSICO  
POMODORO  
E OLIVA  
EXTRA VERGINE  
DI OLIVA

Olio Carli  
CLASSICO  
POMODORO  
E OLIVA  
EXTRA VERGINE  
DI OLIVA

FRATELLI  
Carli  
CIPOLLE  
BORETTANE  
Originali  
dalla Toscana

FRATELLI  
Carli  
CREMA  
DI CARCIOFI

FRATELLI  
Carli  
PESTO

FRATELLI  
Carli  
ZUCCHINE  
Originali  
dalla Toscana

FRATELLI  
Carli  
CUORI  
DI CARCIOFO

FRATELLI  
Carli  
PATE DI  
OLIVE AGGIASCHE

FRATELLI  
Carli  
OLIVE  
SNOCCIOLATE  
SFRIZIOSE

FRATELLI  
Carli  
PESTO  
DI PISTACCHI

FRATELLI  
Carli  
PESTO  
ROSSO

FRATELLI  
Carli  
SUGO  
POMODORO  
E BASILICO  
con polpa di pomodoro e basilico

FRATELLI  
Carli  
SUGO  
ALLE VERDURE  
con carciofi, zucchine, cipolla

FRATELLI  
Carli  
POMODORI  
ESSICCATI

FRATELLI  
Carli  
CREMA  
DI  
POMODORI  
ESSICCATI

FRATELLI  
Carli  
CLASSICA  
GASTRONOMICA  
ALL'AVO BALSAMICO  
QUODAM TIPS



## FOOD PRODUCTS FROM TRUSTED ARTISANS

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Many Fratelli Carli specialties are produced at the facility located in Gazzelli, a small town set amid the olive groves of the hinterland of Imperia. This facility also defines the quality standards the company develops together with its external suppliers, factoring in the selection of prime raw materials and an ability to seamlessly blend industrial practices with artisanship. The Gazzelli plant and a network of traditional local growers produce a comprehensive range of specialties linked to olive oil and the genuine “pleasures of the table” so typical of Italian households.



“ Moving on to accompanying our oil with the specialties and cuisine of Liguria and the Mediterranean was a natural step forward, driven by a desire to share our passion with our customers.





## ACCOUNTABILITY, ETHICS AND TRANSPARENCY

“ The governance system of Fratelli Carli S.p.A. S.B. is based on a set of rules, practices and processes underpinning and ensuring transparency, efficiency and accountability. ”

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# Accountability, ethics and transparency

The governance system of Fratelli Carli S.p.A. is based on a set of rules, practices and processes underpinning and ensuring **transparency, efficiency and accountability**.

Within the ambit of accountability, governance at Fratelli Carli ensures a work environment conducive to our constant efforts to combat corruption, and underscores the value of legality.

The most senior governance body, appointed by the Shareholders' Meeting, is the Board of Directors.

**The Board of Directors**, made up of one woman and four men, **has a key role in setting strategies and organizational coordination**.

Two members are in the 30-50 year age range, and the others are more senior. Since 2019 there have been no changes to the composition of the Board of Directors of Fratelli Carli.

Gian Franco Carli	Chairman
Carlo Carli	Executive Officer
Lucio Carli	Chief Operating Officer
Claudia Carli	Director
Luciano Benza	Director

The members of the Board of Directors are endowed with all the skills and knowledge necessary to identify and manage sustainability-related issues and impacts within the scope of their management. They are supported by both the **Sustainability Committee (CO.SO.)** and the **Management Committee**, with which they actively cooperate to guarantee sustainable management of the company.



- 1 **Gian Franco Carli** • Chairman
- 2 **Alessandro Anemone** • Purchasing Manager
- 3 **Gino De Andreis** • Product Quality Control Manager
- 4 **Marcello Porro** • Packaging and Warehouse Manager
- 5 **Paolo Arimondi** • Contract Management and Maintenance Manager
- 6 **Marta Gorlero** • Marketing and Food Product Development Manager
- 7 **Claudia Carli** • Corporate Communication Manager
- 8 **Carlo Carli** • CEO
- 9 **Federico Calzamiglia** • Operations Director
- 10 **Sara Vassallo** • Environmental Management and Waste Manager
- 11 **Massimo Belmonte** • HR Manager
- 12 **Patrizia Sacco** • Sustainability & B-Corp Coordinator
- 13 **Giulia Olivero** • Quality Control and HACCP



The **Sustainability Committee** is the body entrusted by the Board of Directors with the **management of sustainable innovation issues**. It was set up in 2013 to propose and advise on possible goals and actions to promote sustainability. The Committee, which **includes representatives of all the corporate functions** and is chaired by a member of the BoD, coordinates and guides the efforts of the company to work toward a new social and developmental model.

The **Management Committee** is responsible for managing the organization's impact on the economy, the environment and people. It is composed of top management figures of the company, and thus offers a global vision of the organization, providing a comprehensive evaluation of the matters submitted to it for attention, considering how they are interconnected and their implications at organizational level.

With regard to remuneration, the **Board of Directors** administers a budget set by the Shareholders' Meeting. The distribution of the budget is defined by the BoD, depending on the positions of the members. For the **executive members**, remuneration is made up of both fixed and variable elements.

---

## 13 members

### The Sustainability Committee

No entry bonus is envisaged, and payment of severance indemnity is complied with. There are no specific contract clauses regarding sustainability performance, but pension benefits and remuneration policies are contemplated, which, although not specifically coded as such, are linked to the achievement of the corporate objectives. The procedure for determining remuneration is updated periodically.

The promotion of responsible conduct within the company is based on two main elements: sustainability and the articles of association. The articles of association make up the key document that guides the company's operations, setting out the efforts and objectives designed to ensure responsible management. Management of issues regarding the pillars of sustainability and the articles of association is entrusted to the pertinent functions in the company.

It is the task of these functions to promptly collect and manage any comments made and issues raised by the stakeholders, assessing whether they are effectively valid, and the magnitude and urgency of any such issues.

This is followed by an assessment of appropriate remedial action to mitigate and solve the issue.

This approach makes it possible to maintain an open dialogue with stakeholders, and to act swiftly to tackle any issues raised.

At 31 December 2023 no conflicts of interest have been reported. Some directors are members of other Boards of Directors: according to the Articles of Association, service on the Board of other companies does not breach the principle of competition.

A whistleblowing channel was set up during the first half of 2023, in compliance with the current regulations, in order to ensure significant issues can be reported safely and confidentially. This system allows employees and other interested parties to report critical issues anonymously, so they are protected.

This allows the company to act promptly on the issues reported, guaranteeing transparency and the responsible management of serious issues. Significant critical issues are promptly reported to the company's top governance body.

In short, the company undertakes to promote responsible conduct, through the commitments set out in the articles of association and in the pillars, and thanks to the tools available to its customers, employees and stakeholders.

Below are the business associations the company belongs to:



MUSEIMPRESA



In the three-year reporting period, there were no significant instances of failure to comply with laws and regulations.







— DAL 1911 —

**Olio Carli**

**CLASSICO**

OLIO  
EXTRA VERGINE  
DI OLIVA



1927 FORNITORI MONTIFICI  
1927 FORNITORI REAL CASA

DA OLIVE COLTIVATE E FRANTE  
NELL'UNIONE EUROPEA

OUR RESPONSIBLE PROGRESS:  
TRADITION, EXCELLENCE, ENVIRONMENT

“ The common good means pursuing one or more positive effects, and/or reducing negative impacts on individuals, communities, the local area and the environment, cultural and social assets and activities, entities and associations, and other stakeholders.

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# Our Responsible Progress: tradition, excellence, environment

## B Corp Certified

In 2014, Fratelli Carli S.p.A. S.B was **the first Italian manufacturing company to be certified as a Benefit Corporation<sup>1</sup>**, with the aim of building a better future for people and the planet.

Being a B Corp means seeking not only to be the best company in the world but also the best company for the world.

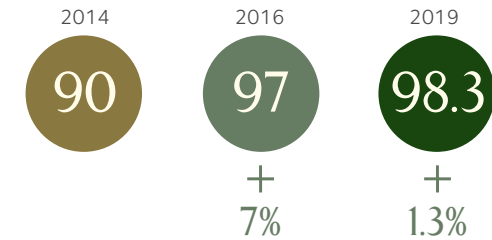
The certification procedure entails a rigorous B Impact Assessment that evaluates the organization's social and environmental impact. Certification requires a minimum score of 80; Fratelli Carli scored 90 in 2014, 97 in 2016 and 98.3 in 2019.

As part of the certification renewal process, which will be completed during 2024, Fratelli Carli underwent the B Impact Assessment this year.

In addition, from 2016 to 2021, Fratelli Carli was acknowledged as one of the best **B Corps in the world in terms of its actions to safeguard the environment** (in the class of companies with more than 250 employees), as a Best For The World – Environment company.

"**B Corporation Certification**" is granted on license by **B Lab**, a private non-profit entity, to businesses, such as ours, that have passed its **B Impact Assessment ("BIA")** and therefore meet B Lab requisites in terms of social and environmental performance, accountability and transparency.

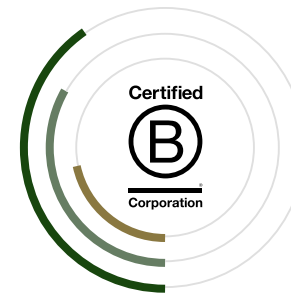
B Lab is not a conformity assessment body pursuant to Regulation (EU) no. 765/2008, or a standardization body pursuant to Regulation (EU) no. 1025/2012, and that the BIA is independent from harmonized standards, and is not ratified by public institutions.



### OVERALL B IMPACT SCORE

# 98.3

Following impact assessment, Fratelli Carli SpA scored a total of 98.3. The average score for participating companies currently stands at 50.9.



<sup>1</sup> More information can be found here: <https://bcorporation.eu/about-b-lab/country-partner/italy>



**B Corporations** (B Corps) are companies that voluntarily abide by rigorous social and environmental standards, without sacrificing “marketplace presence”, but with a keen awareness of their responsibility toward society and the planet.

**These companies see sustainability as a fundamental part of their work and the sole path toward future opportunities.**

## Fratelli Carli has also become a Benefit Corporation

In December 2019, Fratelli Carli chose to adopt the legal form of a “Società Benefit” (Benefit Corporation) according to Italian law, including in its Articles of Association the commitment to pursue the **common good** as well as profit. The common good means pursuing one or more positive effects, and/or reducing negative impacts on individuals, communities, the local area and the environment. **Including this clear commitment in the Articles of Association means making it an integral part of the company**, however it may change and evolve.

**Benefit Corporations (BCs) are “an evolution of the very concept of a company”<sup>2</sup> that with its legal status is committed to the achievement of**

*a dual purpose: the pursuit of profit and of social and environmental responsibility.”* The legal form of “Società di Benefit” was introduced in 2016 in Italy, which became the first country in Europe and in the world – outside the United States – to introduce this legal form. This has enabled companies to align their corporate mission with the pursuit of long-term shared value. Directors and management are in charge of ensuring that the business is conducted with the aim of generating a positive impact and in pursuit of the common good purposes declared in the Articles of Association.

<sup>2</sup> See here for more information: <http://www.societabenefit.net/cosa-sono-le-societa-benefit/>.

Through the **B Corp** framework, companies undertake to create value for both their shareholders and all stakeholders. The fundamental principle of the B Corporations is interdependence, i.e. an awareness that we all depend on each other and therefore are all accountable to all stakeholders and to future generations. B Corps are key players in a world capable of creating the right balance between consumption, well-being, wealth creation, and respect for people and the ecosystem.

**B Impact Assessment** (BIA) is the rigorous B Corp certification control model. It enables companies to gauge their economic, environmental and social impacts. If they score more than 80 points, on a scale of 0 to 200, they can be **B Corp Certified**.

**+8,600**  
B Corps worldwide

**+3,600**  
Benefit Corporations in Italy

## The Pillars of Sustainability

Fratelli Carli's longstanding commitment takes the form of the five Pillars of Responsible Progress, listing the company's fields of engagement.

These pillars are the cornerstones of Fratelli Carli's actions. On becoming a Benefit Corporation, these pillars were officially incorporated into the Articles of Association, setting forth the common good purposes the company seeks to pursue.

COMMON GOOD PURPOSES

Providing customers with outstanding products and services, responding to their needs in a timely manner and with due care and attention.

Motivating people who work with Fratelli Carli and contributing to its success on a daily basis, thanks to a relationship inspired by respect for others and acknowledgement of diversity as a value, while prioritizing the safety and rights of employees and collaborators.

Furthering widespread well-being, in full awareness of the social role of companies and their responsibilities as a part of society at large.

Analyzing and enhancing sustainability at each stage of the life cycle of Fratelli Carli products: from cultivation of the raw materials through to consumption.

Increasing the use of eco-friendly, recyclable, biodegradable and renewable materials, especially by decreasing the amount of packaging used for products.

Ensuring optimal food safety, quality, genuine flavor and natural goodness for Fratelli Carli products.

Sharing the values and goals of Fratelli Carli with collaborators and suppliers, to help create a new model for development.

Promoting sustainable agricultural practices that respect the ecosystem and landscape heritage.

Turning to best account our local assets and economic and industrial fabric, with particular attention paid to small farmers.

Cutting back constantly on the use of non-renewable natural resources, with particular reference to energy sources

Reducing the amount of waste generated by production and ensuring correct disposal of recyclable waste.

Fostering a widespread culture of sustainability and a new model of a regenerating society, both inside and outside the company.

Promoting good practices for a correct dietary culture aligned with Mediterranean tradition and inspired by health and wellbeing.

PILLARS

PEOPLE



MATERIALS AND PRODUCTS



SUPPLY CHAIN



ENERGY AND RESOURCES



MEDITERRANEAN CULTURE AND TRADITION



Our business practices are guided by and oriented toward the common good purposes of the company, which annually plans its impact goals, the actions necessary to gradually achieve them and the criteria for assessing the impact generated.

## Sustainable Development Goals (SDGs)

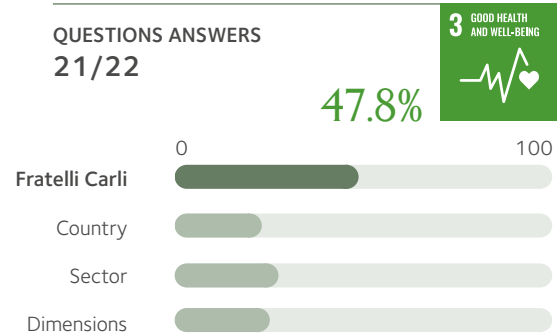
By pursuing the common good, Fratelli Carli also undertakes to work in order to achieve the Sustainable Development Goals (SDGs) approved by the United Nations in 2015. Specifically, the common good purposes indicated in the Articles of Association aim toward attaining the following SDGs:



Through its **SDG Action Manager**, able to gauge the company’s impact by collating B Lab’s B Impact Assessment guidelines and the ten principles of the United Nation’s Global Compact, **Fratelli Carli has calculated its impact on the reference SDGs**. By these means, the noteworthy corporate actions are flagged and developed, also via benchmarking, conducive to ongoing improvement of the positive impacts on various Sustainable Development Goals.

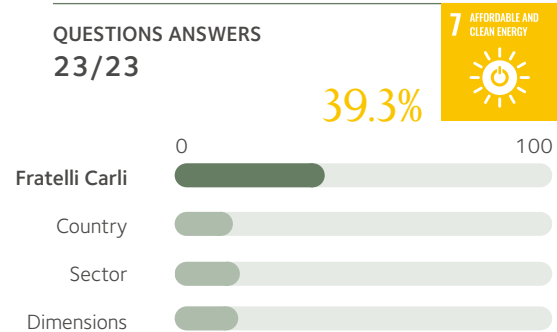
The assessment has also highlighted the positive impact of Fratelli Carli on all the SDGs, and not only the reference goals. This is an important indication of the commitment and sensitivity demonstrated by the company in its everyday operations.

## SUSTAINABLE DEVELOPMENT GOALS



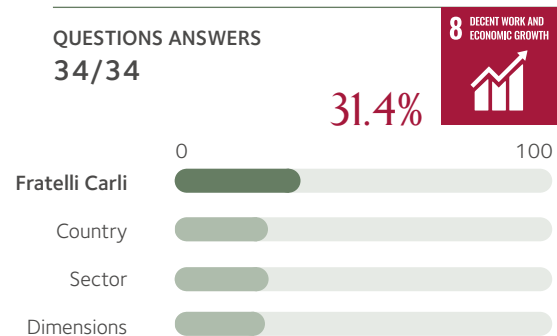
### SDG 3 Good health & well-being

The assessment considers how the company can contribute to everyone’s health and well-being, for example by providing occupational health cover and safety programs for all operators.



### SDG 7 Affordable and clean energy

The assessment considers how the company can take steps to provide clean and affordable energy for all, for example through the use of low-impact renewable energy, or by improving energy efficiency.



### SDG 8 Decent work and economic growth

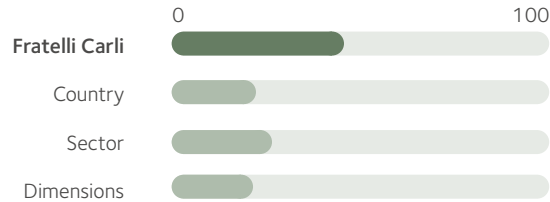
The assessment considers how the company can take steps to deliver decent work and economic growth, such as paying a living wage and ensuring fair development conditions for workers in its operations and supply chain.

# SUSTAINABLE DEVELOPMENT GOALS

## THE OTHER SDGs

QUESTIONS ANSWERS  
22/22

50.4%



### SDG 12 Responsible consumption and production

The assessment considers what the company can do to keep production and consumption at responsible levels, such as adopting the principles of the circular economy and conducting assessments on the impact of suppliers on the consumption of resources.

24.4%



19.7%



12.2%

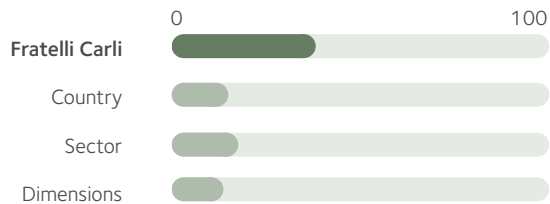


15%



QUESTIONS ANSWERS  
29/29

38.9%



### SDG 14 Life below water

The assessment considers how the company can conserve and use the oceans, seas and marine resources sustainably, e.g. by conducting an assessment of the company's impact on the health of the oceans.

18.2%



17.2%



14.3%

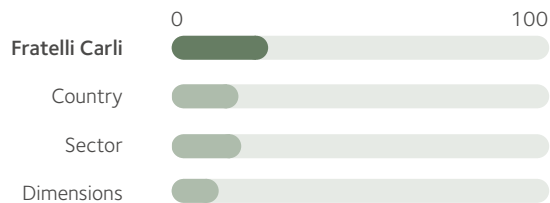


33.4%



QUESTIONS ANSWERS  
21/21

27.5%



### SDG 15 Life on land

The assessment considers how the company can protect, restore and promote sustainable use of ecosystems, with actions such as sustainable land use practices, and environmental management screening.

33.4%



19.7%









## MATERIALITY ASSESSMENT: THE KEY ISSUES

“ The procedure for materiality analysis is deployed as a starting point for reporting on sustainability as transparently, clearly and effectively as possible. \_\_\_\_\_

# Materiality assessment – the key issues

In continuity with 2021 and 2022, Fratelli Carli also conducted a **materiality analysis** for 2023, as a first step to identifying the sustainability issues of greatest relevance for the company, in economic, environmental and social terms. The analysis was carried out using the new methodology introduced by the Global Reporting Initiative Standards (GRI 2021).

This new methodological approach is based on the concept of impact, defined as the effect an organization has (*actual impact*) or could have (*potential impact*) on the economy, environment, people and human rights. In addition, impacts may be positive if they contribute to the sustainable progress of people, local communities and the environment, or negative if they cause damage to them.

The **materiality analysis** is therefore used as a starting point for the development of sustainability reporting that is as **transparent, clear and effective** as possible, taking into account the entire value chain of Fratelli Carli, and thus considering not only the core business activities, but also everything that occurs upstream and downstream from the company.

With a view to identifying the **significant sustainability issues**, a preliminary analysis was conducted, as in previous years, to illustrate the context Fratelli Carli operates in. This analysis regarded a number of sources, both internal and external, aimed at understanding the sustainability trends and comparing them with the performance of companies operating in sectors similar to Fratelli Carli's business.



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The new methodological approach introduced by the GRI Standards 2021 is based on the concept of impact, defined as the effect an organization has or could have on the economy, environment, people and human rights.



Lastly, a **mean analysis** was conducted again to identify the external pressures coming from the main communication channels. Based on the information collected and taking account of all the phases that make up the value chain, the actual or potential **impacts** generated by Fratelli Carli were **identified**: the new analysis highlighted a number of additional issues compared to the previous year, which were taken into consideration for the subsequent phase of assessment of the significance of each impact.

The impacts were then assessed, taking into consideration:

- The **severity** of the impact, defined in turn by the scope (how frequently and widely it occurs along the value chain), the scale (i.e. the severity of the impact that occurs), and the irremediable nature (the possibility of limiting the damage caused and restoring the situation prior to the occurrence of the impact),
- and the **likelihood** of it happening.

The prioritization of the impacts according to the methodology described here above therefore made it possible to identify the impacts that are most significant and therefore worthy of attention: in addition to the 2022 issues, the analysis confirmed a further **two new issues** that are the focal points of the company's actions.

# The Fratelli Carli value chain

Upstream

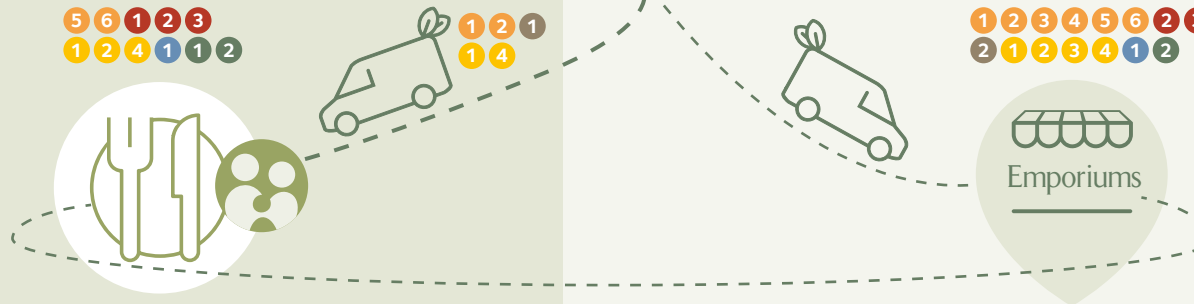


Direct

Fratelli Carli



Downstream





## People

### EMPLOYEES' SAFETY AND RIGHTS

- 1 Damage to the health and safety of workers caused by failure to comply with regulatory obligations
- 2 Discrimination and breaches of human rights due to inadequate safeguarding practices.

### PERSONAL WELL-BEING AND DEVELOPMENT

- 3 Development of employees' skills through training activities

### DIVERSITY AND EQUAL OPPORTUNITIES

- 4 Failure to respect diversity and ensure equal opportunities due to inadequate D&I practices

### CUSTOMER SATISFACTION AND SAFETY

- 5 Safeguarding customer satisfaction levels with a dedicated assistance service
- 6 Protecting customers through transparent communication



## Materials and products

### FOOD SAFETY

- 1 Protecting customers by developing healthy, wholesome products

### PRODUCT QUALITY AND EXCELLENCE

- 2 Development and production of quality products thanks to the use of excellent raw materials

### SUSTAINABLE MATERIALS AND PRODUCT ECO-DESIGN

- 3 Development of products with sustainable packaging



## Supply chain

### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

- 1 Development of a network of trusted suppliers, by monitoring and controlling the supply chain

### ENHANCING LOCAL COMMUNITIES

- 2 Creation of economic and cultural value for local communities



## Energy and resources

### CLIMATE ACTION

- 1 Contribution to climate change due to greenhouse gas emissions

### REDUCING THE IMPACTS OF PRODUCTION

- 2 Damage caused to the environment by incorrect disposal of waste produced
- 3 Impoverishment of water resources due to inefficient use of sources of water
- 4 Reducing waste
- 5 Damage to biodiversity



## Mediterranean culture and tradition

### ENCOURAGING HEALTHY LIFESTYLES BY PROMOTING THE MEDITERRANEAN DIET

- 1 Promoting a healthy lifestyle by developing recipes belonging to the Italian tradition



## Ethical business conduct

### ETHICAL BUSINESS CONDUCT


- 1 Consequences of unfair business practices on the social and economic system

### SAFEGUARDING PRIVACY



- 2 Breach of privacy caused by inadequate IT control systems




The table summarizes the material issues and the impacts associated with them. In addition, a brief description is provided for each impact.

SUBJECT	MATERIAL ISSUE	IMPACT	TYPE OF IMPACT	DESCRIPTION OF IMPACT AND COUNTERMEASURES ADOPTED	VALUE CHAIN
 People	EMPLOYEES' SAFETY AND RIGHTS	Damage to the health and safety of workers caused by failure to comply with regulatory obligations	Negative Potential	<b>Description:</b> damage to the health and safety of workers caused by failure to comply with regulatory obligations.  <b>Countermeasures adopted:</b> Fratelli Carli has always implemented measures for the management and safeguarding of workers' health and safety. The company has also implemented an Integrated Environmental and Occupational Health and Safety Management System for even closer control over this question <sup>3</sup> .	Upstream Direct Downstream
		Discrimination and breaches of human rights due to inadequate safeguarding practices	Negative Potential	<b>Description:</b> Failure to protect and safeguard human rights in direct and indirect activities could lead to cases of discrimination among employees and along the supply chain.  <b>Countermeasures adopted:</b> Fratelli Carli undertakes to comply with international measures regarding human rights and discrimination <sup>3</sup> .	Upstream Direct Downstream
	PERSONAL WELL-BEING AND DEVELOPMENT	Development of employees' skills through training activities	Positive Actual	<b>Description:</b> to guarantee employees' professional growth, it is essential to promote the development of specific skills, offering the necessary resources and training. Fratelli Carli provides valuable, customized training for its employees.	Direct
	DIVERSITY AND EQUAL OPPORTUNITIES	Failure to respect diversity and ensure equal opportunities due to inadequate D&I practices	Negative Potential	<b>Description:</b> the absence of practices for the protection of diversity and the promotion of inclusion among employees could have a negative impact on respect for human rights, on well-being in the company and on the ability to attract and retain talent.  <b>Countermeasures adopted:</b> respect for diversity and guaranteeing equal opportunities is one of the founding principles of Fratelli Carli. The company undertakes to guarantee gender equality and an inclusive workplace that fully respects human rights <sup>3</sup> .	Upstream Direct



<sup>3</sup> For further information on the countermeasures adopted by the company, see Chapter 5 Energy and Resources.

SUBJECT	MATERIAL ISSUE	IMPACT	TYPE OF IMPACT	DESCRIPTION OF IMPACT AND COUNTERMEASURES ADOPTED	VALUE CHAIN
	<b>CUSTOMER SATISFACTION AND SAFETY</b>	Safeguarding customer satisfaction levels with a dedicated assistance service	<b>Positive</b> <b>Actual</b>	<b>Description:</b> customer satisfaction is one of the main objectives of Fratelli Carli. The high quality of the services offered, together with the various channels provided for customers to interact with the company, offer a brand experience able to satisfy all kinds of needs.	<b>Direct</b> <b>Downstream</b>
 <b>Materials and products</b>	<b>FOOD SAFETY</b>	Protecting consumers by developing healthy, wholesome products	<b>Positive</b> <b>Actual</b>	<b>Description:</b> Fratelli Carli prioritizes the protection of its customers' health and safety, by constantly and carefully monitoring aspects of product safety and quality.	<b>Direct</b> <b>Downstream</b>
	<b>PRODUCT QUALITY AND EXCELLENCE</b>	Development and production of quality products thanks to the use of excellent raw materials	<b>Positive</b> <b>Actual</b>	<b>Description:</b> Fratelli Carli uses only the finest-quality raw materials for its products. Control over the entire supply chain and a lasting, personal relationship with suppliers allows for a careful selection of ingredients.	<b>Upstream</b> <b>Direct</b> <b>Downstream</b>
	<b>SUSTAINABILITY OF MATERIALS AND PRODUCT ECO-DESIGN</b>	Development of products with sustainable packaging	<b>Positive</b> <b>Actual</b>	<b>Description:</b> Fratelli Carli undertakes to use increasingly biodegradable, renewable and recyclable packaging.	<b>Upstream</b> <b>Direct</b> <b>Downstream</b>
 <b>Supply chain</b>	<b>RESPONSIBLE SUPPLY CHAIN MANAGEMENT</b>	Development of a network of trusted suppliers, by monitoring and controlling the supply chain	<b>Positive</b> <b>Actual</b>	<b>Description:</b> the company has always involved its suppliers in its pathway toward Responsible Progress, also by means of the Sustainability Codes created along with the various Districts in the supply chain, to offer increasingly sustainable products right along the value chain.	<b>Upstream</b> <b>Direct</b> <b>Downstream</b>
	<b>ENHANCING LOCAL COMMUNITIES</b>	Creation of economic and cultural value for local communities	<b>Positive</b> <b>Actual</b>	<b>Description:</b> Fratelli Carli provides direct and indirect support to the communities and the areas it operates in.	<b>Upstream</b> <b>Direct</b>



SUBJECT	MATERIAL ISSUE	IMPACT	TYPE OF IMPACT	DESCRIPTION OF IMPACT AND COUNTERMEASURES ADOPTED	VALUE CHAIN
 Energy and resources	<b>CLIMATE ACTION</b>	Contribution to climate change due to greenhouse gas emissions	<b>Negative</b> <b>Actual</b>	<b>Description:</b> the activities carried out by Fratelli Carli and in its value chain generate CO <sub>2</sub> emissions.  <b>Countermeasures adopted:</b> Fratelli Carli undertakes to use energy from renewable sources in all its premises, Emporiums and warehouses. In addition, the company has obtained Carbon Neutrality certification for its entire delivery logistics chain in Italy <sup>4</sup> .	<b>Upstream</b>  <b>Direct</b>  <b>Downstream</b>
	<b>REDUCING THE IMPACTS OF PRODUCTION</b>	Reducing waste	<b>Positive</b> <b>Actual</b>	<b>Description:</b> efficient management of transport and the adoption of suitable product conservation practices during the logistics phases enable a reduction of possible waste at the various stages of the value chain.	<b>Upstream</b>  <b>Direct</b>  <b>Downstream</b>
		Impoverishment of water resources due to inefficient use of sources of water	<b>Negative</b> <b>Potential</b>	<b>Description:</b> inefficient use of water resources could lead to a deterioration of the resources, to the detriment of local communities and ecosystems.  <b>Countermeasures adopted:</b> The company monitors its water consumption constantly. Management of water resources is also supervised by Fratelli Carli's suppliers <sup>4</sup> .	<b>Upstream</b>  <b>Direct</b>
		Damage caused to the environment by incorrect disposal of waste produced	<b>Negative</b> <b>Potential</b>	<b>Description:</b> if not disposed of/recovered correctly, waste could cause negative impacts on both ecosystems and local communities.  <b>Countermeasures adopted:</b> waste management and proper waste delivery is governed by dedicated internal procedures, in full compliance with the regulations in force <sup>4</sup> .	<b>Upstream</b>  <b>Direct</b>  <b>Downstream</b>
		Damage to biodiversity	<b>Negative</b> <b>Actual</b>	<b>Description:</b> the activities involved in the production of Fratelli Carli products, such as farming and fishing, pose a threat to biodiversity as a result of air pollution, deforestation, soil erosion and the conversion of natural ecosystems.  <b>Countermeasures adopted:</b> choosing suppliers carefully and involving them in the value chain through activities focused on ESG issues helps Fratelli Carli to reduce its impact in this area.	<b>Upstream</b>  <b>Direct</b>

<sup>4</sup> For further information on the countermeasures adopted by the company, see Chapter 5 Energy and Resources.

SUBJECT	MATERIAL ISSUE	IMPACT	TYPE OF IMPACT	DESCRIPTION OF IMPACT AND COUNTERMEASURES ADOPTED	VALUE CHAIN
 Mediterranean culture and tradition	ENCOURAGING HEALTHY LIFESTYLES BY PROMOTING THE MEDITERRANEAN DIET	Promoting a healthy lifestyle by developing recipes belonging to the Italian tradition	<b>Positive</b>  <b>Actual</b>	<b>Description:</b> Fratelli Carli undertakes to promote top-quality traditional Italian food products rooted in the Mediterranean culture and tradition.	<b>Direct</b>  <b>Downstream</b>
	 Ethical business conduct	ETHICAL BUSINESS CONDUCT	Consequences of unfair business practices on the social and economic system	<b>Negative</b>  <b>Potential</b>	<b>Description:</b> the absence of adequate checks along the value chain could expose the company to the risk of unfair business practices.  <b>Countermeasures adopted:</b> Fratelli Carli's governance system is founded on the principles of accountability, ethics and transparency. This is why the company undertakes to implement a series of actions aimed at ensuring constant control <sup>5</sup> .
		SAFEGUARDING PRIVACY	Breach of privacy caused by inadequate IT control systems	<b>Negative</b>  <b>Potential</b>	<b>Description:</b> data breach episodes could have negative consequences in terms of the violation of the personal data of employees and consumers.  <b>Countermeasures adopted:</b> management of privacy, security and protection when processing personal data is a priority concern in all fields of corporate activity. Fratelli Carli has ISO 27001 certification regarding existing and prospective customer data <sup>5</sup> .

<sup>5</sup> For further information on the countermeasures adopted by the company, see the Paragraph "Accountability, Ethics and Transparency".

## Our stakeholders

Fratelli Carli believes that on-going, active dialogue with its stakeholders is fundamental for maintaining relations based on the principles of collaboration, honorability and mutual respect. On a day-to-day basis, the company is committed to reaching out to all stakeholders, seeking to fulfil their expectations and generate value throughout the value chain.

The company has identified its key stakeholders with a desk analysis, from which the following main categories emerged: local communities, trade unions, regulatory bodies, sector and B Corp organizations, suppliers, customers, trade associations and employees. Upstream and downstream from the company, the stakeholders involved are mainly suppliers, farmers, logistics operators, self-employed transporters and customers.

A close relationship with the company's stakeholders is essential for product quality. Fratelli Carli and its stakeholders have therefore developed a solid, enduring relationship of collaboration and consultation.

Fratelli Carli has always sought stakeholder involvement through a variety of communication channels and modes of engagement.

The following table outlines the key elements:

STAKEHOLDERS	MODES OF ENGAGEMENT
<b>Employees</b>	Presentations and training on sustainability issues Communications from top management Communications posted on the corporate Intranet notice board
<b>Customers</b>	Institutional website Handling of complaints Customer Care Communication campaigns Factory visits
<b>Suppliers</b>	Institutional website Presentations and questionnaires on sustainability issues Meetings and joint events regarding the Code
<b>Regulatory bodies</b>	Institutional website Certifications
<b>Trade unions</b>	Contractual negotiations Participation in meetings/events
<b>Local communities</b>	Institutional website External communication Press releases Collaboration with external bodies
<b>Trade associations</b>	Institutional website Participation in meetings/events
<b>Sector and B-Corp organizations</b>	Institutional website Participation in B-Corp community events Specific initiatives

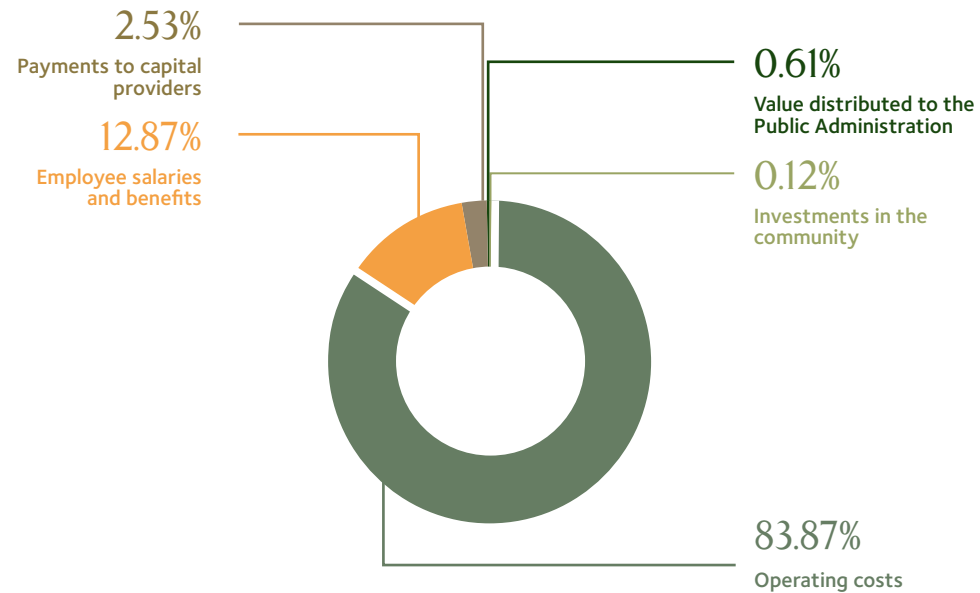
Every year, the company reports on wealth creation and distribution to its stakeholders. It illustrates the impact of the company's economic and financial performance on stakeholders and the local community.

The value generated by Fratelli Carli is largely redistributed locally, and mainly within Italy, by creating employment and choosing local suppliers.

In 2023, the economic value directly generated stood at € 138 million, down 15% compared to the previous year. The economic value retained stood at around € 5 million, an increase compared to the previous year.


The following graph shows the economic value distributed (€132.5 million): specifically, 84% is accounted for by operating costs and 13% by personnel costs (salaries and benefits), while the rest is accounted for by investments in the community (sponsorships), and payments to capital providers and the Public Administration.

Economic value distributed (2023)



€138 million

Economic value directly generated in 2023



“ The actions we will be presenting below illustrate the real significance and commitment of Fratelli Carli to pursuing its common good purposes as a Benefit Corporation.

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**Patrizia Sacco**  
Sustainability & B-Corp Coordinator

## A LONG-TERM VISION

“ Viewing matters from the long-term angle means focusing largely on our ideals, above all to modify those aspects that cannot be tackled as short-term issues. We therefore chose not to limit ourselves to an account of our performance in these fields, but embarked instead on a three-year plan to sustain our Pillars of Sustainability and orient them toward specific ends conducive to the common good. \_\_\_\_\_

# A long-term vision

For Fratelli Carli, adopting a long-term vision means looking to the future, starting out from our roots and the solid foundations patiently constructed over the years. This is why the company has made an effective commitment to invest in continually enhancing our business practices. This commitment has allowed us both to become one of the most attentive Italian companies with regard to ESG (Environment, Social, Governance) issues and to receive widespread recognition also within the B Corp community, as we carefully and publicly monitor the progress we are making with regard to all prospective activities.

The strategy developed by Fratelli Carli for responsible business development is implemented through the definition of a medium-term Sustainability Plan, which includes both a report on performance and a plan setting forth the company's commitment to sustainability over the next three years.

The plan is based on the Pillars of Sustainability, which clearly outline the common good purposes, as well as the impact generated on the material issues and on the pertinent sustainable Development Goals (SDG).

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The strategy developed by Fratelli Carli for responsible business development is implemented through the definition of a medium-term Sustainability Plan, with a plan setting forth the company's commitment over the next three years.

This solid, shared work base highlights the importance and depth of the sustainability issues in each area of the company's operations.

The Sustainability Committee has confirmed its effective guiding role in directing the company's efforts regarding ESG issues and in constructing the medium-term Sustainability Plan in a shared and participatory manner.

The actions we will be illustrating below are indicative of the true significance of Fratelli Carli's efforts to pursue its common good purposes as a Benefit Corporation.

“ The plan is based on the Pillars of Sustainability, which clearly outline the common good purposes, as well as the impact generated on the material issues and on the pertinent Sustainable Development Goals (SDG).





Reconciliation table

SDG

Material issues

Pillars

2023-2025 Sustainability Plan

SDG



MATERIAL TOPICS

- **Employees'** safety and rights
- **Personal** well-being and development
- Diversity and **equal opportunities**
- **Customer** satisfaction and safety



- **Product** quality and excellence
- Sustainable **materials** and product **eco-design**
- Food **safety**



People

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2023 - 2025 TARGETS

- Promoting occupational health.
- Developing customer care to make it a special, interactive experience for customers
- Implementing a new welfare plan for employees.
- Maintaining the highest standards of customer care.
- Increasing the hours dedicated to training, above all sustainability training.
- Constantly implementing the services offered and keeping contact channels with the company open for all customers, in step with technological evolution.
- Facilitating equal opportunities at all corporate levels
- Contributing to projects designed to help the disadvantaged, facilitating access to water, treatment and research.
- Meeting the needs of local communities, also by donating products.



Materials and products

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2023 - 2025 TARGETS

- Continuing to offer new Mediterranean food specialties, lovingly prepared in the traditional way, using just a few simple, top-quality ingredients.
- Constantly renewing the primary and secondary packaging of our products and free gifts, with a view to continual improvement in terms of sustainability.
- Increasing to 55% the amount of product ranges analyzed using the Life Cycle Sustainability Assessment (LCSA), which quantifies their environmental, social and economic impact.
- Increasing the percentage of materials, raw materials and food specialties with sustainability certification and/or produced by B Corp certified companies or Benefit Corporations.
- Carefully and constantly monitoring the nutritional, safety and quality aspects of our products, to offer our customers top levels of excellence.

SDG

MATERIAL TOPICS



- Responsible **supply chain** management
- Enhancing **local communities**



- **Climate Action**
- Reducing the **impacts of production**
  - **Refuse** and **waste** management
  - **Water** management
  - Management of impacts on **biodiversity**



- Encouraging **healthy lifestyles** by promoting the **Mediterranean diet**



Supply chain

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Energy and resources

page 103



Mediterranean culture and tradition

page 119

2023 - 2025 TARGETS

- Turning the Goodness District into a Benefit District.
- Opening up the Transport District to new suppliers of logistics services.
- Bringing the Transport District on board the "Carbon Neutrality" project.
- Working with the entire supply chain to gather all the shared sustainability KPI into the pertinent codes, using the tools established.
- Increasing the percentage of major suppliers involved in the Codes and assessed according to environmental and social criteria to 55%.

2023 - 2025 TARGETS

- Updating and validating Scope 1, Scope 2 and Scope 3 emissions inventories.
- Defining measurable actions to mitigate the company's impact on climate change.
- Implementing and extending the scope of the new integrated safety and environmental management system.
- Offsetting the environmental impact of all home deliveries to Italian customers.
- Designing an Ecodrive course for our primary transport drivers.
- Keeping the percentage of total waste sent for recovery above 90%.

2023 - 2025 TARGETS

- Promoting the culture of olives and olive oil and the Mediterranean tradition
- Spreading the culture of Sustainability





# People

Customers, Employees, Communities



Our main desire is to become a large community of people, customers and employees, with a set of aspirations, motivations and abilities able to create value. Special people we meet and work with every day, to shape a major shared project designed to contribute to a social model founded on shared wellbeing, respect for rights and participation in community life.

Massimo Belmonte  
HR Manager



## 2023 - 2025 Targets/Results

### EMPLOYEES



- Promoting **occupational health**
- Implementing a new **welfare plan** for employees
- Increasing the **hours dedicated to training**, above all sustainability training
- Facilitating **equal opportunities at all corporate levels**

CONTINUING

2023



2024

2025

IN PROGRESS

2023

2024

2025

CONTINUING

2023



2024

2025

CONTINUING

2023



2024

2025

### CUSTOMERS



- Developing all aspects of **customer care** to make it a special, **interactive experience** for customers
- Maintaining the **highest standards** of **service** quality for customers
- Constantly **implementing** the **services** offered and keeping **contact channels** with the company open **for all customers**, in step with technological evolution

CONTINUING

2023



2024

2025

CONTINUING

2023



2024

2025

CONTINUING

2023



2024

2025

### COMMUNITIES



- Contributing to projects designed **to help the disadvantaged**, facilitating access to water, treatment and research
- **Supporting** the needs of local **communities**, also by donating products

CONTINUING

2023



2024

2025

CONTINUING

2023



2024

2025

Target **achieved**Target **not achieved** due to delays attributable to the Coronavirus pandemicResult **unchanged**

## 2023 Highlights

### EMPLOYEES

More than **1,100** cancer prevention **examinations** conducted **free of charge** on the company premises since 2016

Almost **45%** of our employees have used our **corporate welfare service**

**+67%** **hours of training** dedicated to **sustainability**

**52%** the percentage of **women** in the company (+2% since 2021)

**378** employees at 31.12.2023

### CUSTOMERS

**1,700** **hours of training** at the **Orders Hub** to meet the needs of our customers increasingly effectively

**9,009** **chat-mode exchanges** with customers from all countries served

**60** female operators at our **Orders Hub** for Italy and Abroad

**99.26%** of **home deliveries** of our products made with no errors or delays

### COMMUNITIES

**2,268,000** liters of **drinking water** guaranteed for **water projects** worldwide

**+40** **associations supported** with donations of our products

**+9** tons of **food products** donated

## Our employees: family members.



### Italy's Best Employers 2024

Fratelli Carli has always been aware that our people are the secret of our success, sharing aspirations and needs with them and keeping a constant, careful eye on their health and safety.

In 2023, this earned the company a place, for the second consecutive year, among the top 20 list of "Italy's Best Employers", drawn up by Corriere della Sera and Statista to reward those businesses with the highest level of satisfaction among their employees. Fratelli Carli was ranked third.

Thanks to on-going development and a stimulating environment, Fratelli Carli staff are renowned for their skills and their passion for sustainability. For years now, the company has thus adopted an **ethical, attentive approach to human resources management**, striving to strike a healthy work-life balance by offering a series of welfare benefits to its employees and protecting their **health and safety**.

Thanks to a rich training offer, Fratelli Carli employees have access to both **bespoke courses** organized based on the needs of the various functions in the company and training aimed at everyone in the company, such as sustainability training.

In order to ensure optimal personnel management by combining economic efficiency and expertise, certain HR activities, including salary operations, have been outsourced to a third party. For some time now, the company has been utilizing IT tools by means of which metrics are constantly verified and monitored.

**89.6%** of employees have  
an open-ended work  
contract



**52%** of employees are women (+ 2% since 2021). This is indicative of the importance Fratelli Carli continues to place, year after year, on the presence of women in the company.

At the end of 2023, 378 people were working for Fratelli Carli, 377 of them employed directly and just one on an agency contract, fewer than in 2022. This is indicative of the importance Fratelli Carli continues to place, year after year, on the presence of women in the company.

The principles of **non-discrimination, equal opportunities and equal dignity and inclusion** are the cornerstones of Fratelli Carli's approach to diversity. An analysis of the contracts of those working for Carli immediately shows the attention paid to them by the company: at 31 December 2023, in line with the previous year, **89.68% of employees were on an open-ended contract, while 66.4% were working full time**, compared to 73% the previous year.

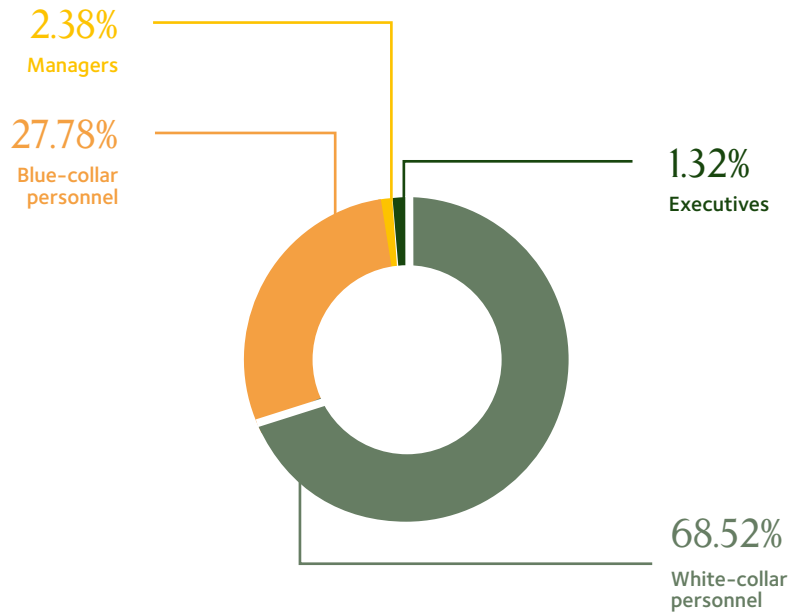
#### Employees by gender (2023)





The graph shows that most Fratelli Carli employees are white or blue collar workers, while managers and executives account for around 4% of the total.

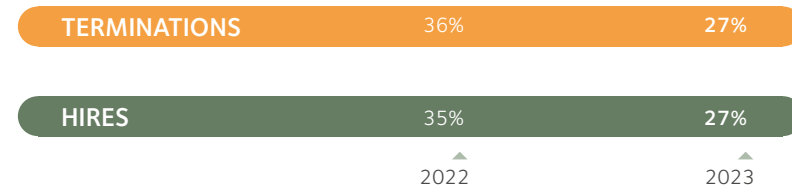
Employees by professional category (2023)



The relationship between Fratelli Carli and its employees is founded on mutual, lasting trust, evident from the long time they remain with the company. Thanks to this stability, our staff have a sound skills base for handling everyday operations. It is important to note that **139 of our employees have been with us for over 20 years**.

Turnover rates show a trend in line with previous years. Recruitment is influenced both by seasonal work and the opening of new Emporiums, while most workers leaving the company do so because their temporary contract has expired, or because they are seasonal workers. The trend with regard to new recruitment shows a continual rise in the number of female workers in the company (+1.59% compared to 2022, +2% compared to 2021).

Turnover (rates of hires and terminations)



**36%** of employees have been with the company for more than 20 years

Almost **45%** have used corporate welfare

## Quality of life: something we all need

For the **seventh consecutive year**, Fratelli Carli has constantly strived to guarantee the well-being of its staff, with the "**Liberi di... Welfare**" program. This plan, based on flexible benefits, offers a range of customized services to make everyday life easier for its employees and boost their spending power. Benefits include the reimbursement of expenses sustained for treatment and children's education, assistance for non-sufficient family members and medical prevention and check-up systems. In addition, vouchers can be generated for medical treatments, travel and wellness centers, as well as shopping vouchers that can be used at our partner stores locally. The company undertakes to guarantee a broad, diversified range of welfare benefits, including the signing of agreements with medical and sports facilities and wellness centers in the city of Imperia. 2023 saw a rise in the use of corporate welfare, with almost 45% of our workers using the services offered, and **the percentage of welfare credits converted – and therefore spent – amounted to 39%, up 3% compared to 2022**. This increase is also due to the training provided regarding how the welfare system works, in order to encourage staff to use the services available.

More than **1,100** cancer screening examinations for employees conducted free of charge on the company premises since 2016

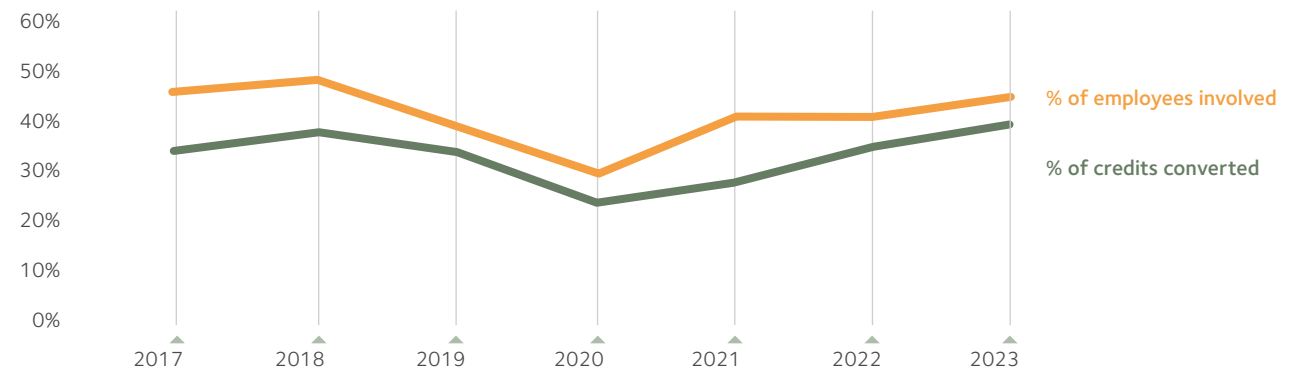
Fratelli Carli acknowledges the need to safeguard employee health and actively work toward the well-being of the local community, and for many years has been offering its employees medical examinations and tests free of charge, collaborating with associations and bodies such as **FIDAS**, the **Imperia Province Blood Donors' Association**, and the cancer associations **LILT Lega Italiana Lotta Tumori** (in Sanremo) and **ANT (Associazione Nazionale Tumori)**. Since 2016, a "**Prevention Week**" has been organized, during which preventive medical examinations are offered free of charge, directly in the workplace.

In 2023, the examinations were organized in collaboration with **ANT Associazione Nazionale Tumori**, which carried out more than 100 cancer prevention examinations free of charge for the company's workers (in particular for the detection of melanoma and thyroid cancer).

In addition, during 2023, the company joined the national project "Workplace Health Promotion" (WHP).

This program, developed in the local area with the support of the **ASL 1 Liguria Regional Health System**, aims to create a role for workplaces in active health promotion, by raising awareness of the importance of prevention and of maintaining a healthy lifestyle.

Fratelli Carli Welfare Platform



## Health and safety: a top priority

The company has completed the process required for the implementation of a corporate organizational model to adopt an Occupational **Health and Safety Management System** aligned with UNI-INAIL Guidelines. This system – implemented voluntarily, thus attesting to the attention paid by the company to health and safety issues – entails periodic internal and third-party audits to objectively assess the compliance, functionality and efficacy of the system adopted. By means of a periodic review process, this management system enables Fratelli Carli to constantly monitor its occupational health and safety performance, and to identify any possible shortfalls, with a view to continual improvement.

Generally speaking, the procedures that Fratelli Carli has implemented for management of health and safety issues impacting its employees comply with national legal provisions. The tasks of monitoring and supervision are entrusted to the various corporate functions, each with specific competences and responsibilities updated and upgraded via specific training programs.

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**With a view to ongoing improvement, Fratelli Carli undertakes to promote and support all the actions required to ensure prevention and protection for employees.**

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The risk assessment procedures, for example, are conducted by Fratelli Carli health and safety managers, or officers with a similar role, assisted by third-party experts. In compliance with current regulations, inspections and consultations are carried out, with employee involvement, to promptly pinpoint risks, complete the necessary assessments and, where necessary, propose measures to mitigate risks and prevent future accidents.

The same procedure applies to accidents at work, depending on the seriousness of the event. The Occupational Health and Safety Management System also includes a procedure for the analysis of near-misses, if reported by employees, who are in any case encouraged to play an active role, and are protected against any risk of repercussions.



## In 2022, Fratelli Carli consolidated its management of health and safety issues by combining the Environmental Management System and the Safety Management System into a single Integrated Management System.

The Workers' Safety Representatives play a vital role that links all the levels in the health and safety management chain. They have access to all documentation and are consulted for the purposes of risk assessment and the adoption of prevention and protection measures.

In compliance with the law, and in the light of the company's organizational structure, a number of company physicians have been recruited, one of whom is the medical coordinator of the staff, an integral part of the corporate health and safety management practices and procedures. The company physician takes part in risk assessment and guarantees the confidentiality of any information that may emerge during the regular inspections with employees, in observance of the privacy regulations. The medical fitness examinations conducted by the company physician are structured based on a dedicated health protocol drawn up for the various tasks; this is essential to eliminate risks.

In 2022, Fratelli Carli consolidated its management of health and safety issues by combining the **Environmental Management System** and the Safety Management System into a single **Integrated Management System**.

These management systems are based on requisites defined by standards recognized at international level, guaranteeing a consistent approach that is compliant with best practices regarding health, safety and the environment. The integration of the two management systems was the result of effective collaboration and the sharing of the skills and knowledge of the pertinent corporate functions. The integrated approach adopted has allowed us to maintain close, effective control across all these critical aspects, thus enabling an improvement in company performance.

The control guaranteed by the company over issues regarding occupational health and safety has allowed us to keep our workplace injury rate very low: in 2023, just three (non-serious) injuries occurred in the company.

## FRATELLI CARLI AND THE PROTECTION OF HUMAN RIGHTS

Fratelli Carli considers attention and respect for human rights an essential, necessary part of its everyday operations.


In addition to guaranteeing the health and safety of its employees, Fratelli Carli undertakes to comply with international human rights provisions. Accordingly, it supports freedom of association and the right to collective bargaining, and opposes forced labor, child labor and discrimination. In this regard, no cases of discrimination were noted during the three-year reporting period.

## Professional development

Fratelli Carli is committed to offering its staff a stimulating working environment, offering real opportunities for professional growth and enhancing the skills of each individual. To achieve this objective, the company carries out customized assessments of its employees, in accordance with practices that have been consolidated and perfected over the years. This process allows for premiums and promotions to be granted, as well as the identification of areas of improvement to focus on. The creation of synergies among employees at all levels ensures reliable, constantly updated assessments, thus helping the company to make decisions that acknowledge the skills and value of each individual.

In addition to specific technical training courses, in line with the mandatory training required by Legislative Decree 81/08, Fratelli Carli took steps in 2023 to further structure its training plan, envisaging specific training courses for the main company functions, which involved the CRM, Retail, Customer Management and IT Systems teams.

In addition to specific technical training courses, in line with the mandatory training required by Legislative Decree 81/08, Fratelli Carli took steps in 2023 to further structure its training plan, envisaging specific training courses for the main company functions, which involved the CRM, Retail, Customer Management and IT Systems teams.

In continuity with 2022, Fratelli Carli has seen the realization of a valuable training offer for its resources in many areas. In **Customer Care**, specific skills have been developed, such as those relating to **interaction with customers on social media, or those designed to build and share a Community of Practices**. The **Empathy Map**  tool has been used to work on further improving customers' experience in their dealings with the company. In the marketing area, new tools have been introduced, such as **Mural** and the **Experience Map**.


**The OKR (Objectives and Key Results) framework with which Fratelli Carli's strategic objectives are managed as of 2023**, has led to the adoption of innovative tools and methods to manage the actions implemented to achieve the objectives set.

Close attention was also paid to training regarding the risks posed by phishing, on cybersecurity, how to deal with emotions in managerial activity and coaching regarding the key figures in the various departments.

In line with the previous year, in 2023 Fratelli Carli continued **to increase training hours** for its employees, reaching a total of **5,767.35 hours**, compared to 4,357.55 hours in 2022, a rise of around 32%.

The company ensured full compliance with regulatory health and safety training requirements, as well as updates regarding the technical training of plant operators and data and privacy management.

**5,767** hours of training  
for employees

 To find out more about the Empathy Map, see the paragraph "Sustainability Stories: empathetic, caring customer service" on page 70.

**Sustainability training has become increasingly important** for Fratelli Carli: 2023 saw a **67% increase** in the hours devoted to it compared to 2022, and we also put a great deal of work into offering innovative tools and methods for delivering content.

In terms of average hours of training, women benefited from 18 hours each, while the average for men was 12 hours.



## SUSTAINABILITY STORIES

## Innovating our in-house sustainability training


**Claudia Carli**

Head of Corporate Communications

**Federico Calzamiglia**

Operations Director

**Patrizia Sacco**

Sustainability &amp; B-Corp Coordinator

### The challenge we have risen to

Training has always played a fundamental role in our corporate strategy. Investing in the development of skills and awareness not only allows us to rise to the challenges we face today; it also gives us an active role in shaping the future of the company. On the strength of this conviction, we have strived over the years to constantly boost in-house training on ESG issues (**+67% hours in 2023**) and to make it increasingly effective and exhaustive. But how can we make it more stimulating and engaging for all our employees and those who work with us? This challenge has prompted us to innovate the way we design and deliver in-house sustainability training.

**+67%** Hours of in-house training on ESG issues

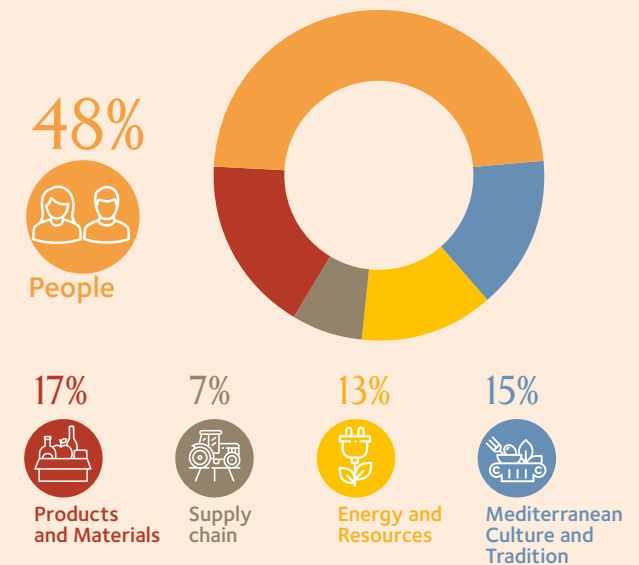
### The change we have made

This year, the Sustainability Committee has endeavored to bring a new look to training encounters, involving participants both before and during training sessions.

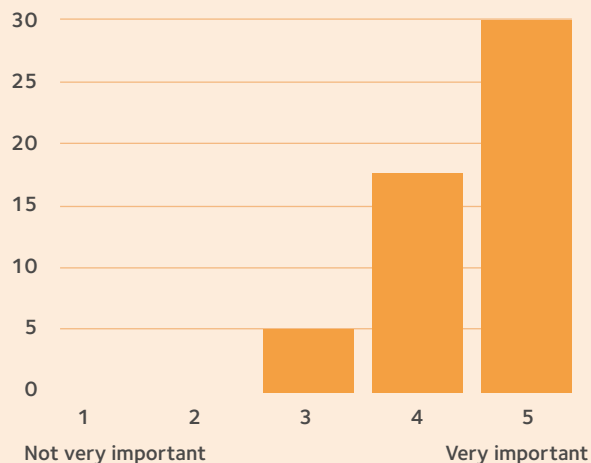
The questionnaire entitled “**Our Responsible Progress: your opinion matters!**” sought to collect impressions, opinions and suggestions from workers on the company’s Sustainability Report and on the activities and objectives in the Sustainability Plan. These questions were then discussed together during the various training encounters.

### Employee responses to the questionnaire

Which of our five pillars of sustainability were you most interested in?



**How important do you think sustainability is for the future of Fratelli Carli?**



The more we are able to tell our people the stories behind the projects and activities under way and explain the obstacles faced and the progress made, the more effective we will be at creating a culture of sustainability and awareness.

**What we have learned**

The adoption of a new way of sharing the activities of our Responsible Progress strategy with our people has allowed us to make the concepts more accessible and more tangible. We have realized how the use of a properly structured narrative, engaging our employees and asking for their feedback have all inspired a strong sense of belonging and participation. These ingredients are essential for us to tackle future challenges together.

But we went a step further. Classroom **training** was prepared **using a storytelling approach**, rather than a more traditional method. This allowed us to transmit, in an accurate and engaging way, the may fundamental interconnections between the various functions and departments necessary to achieve the company’s sustainability objectives, which often exceed expectations.





## The community, our world



Fratelli Carli shows its commitment to the communities it operates in through solid, lasting, high-quality links with the local areas, also reflected in the choice of local personnel for each site. The company's relationship with the local areas is based on dialogue and constant attention to peoples' needs, actively supporting the various local communities through cooperation with workers, farmers and the company's stakeholders.

Fratelli Carli's awareness of its responsibilities toward the local context also emerges in initiatives and activities that support and sustain communities, aimed at creating positive impacts for these communities while fostering a spirit of collaboration and trust and remaining a point of reference for the area at all times.

In 2023, the company confirmed its **commitment to the local community by donating a total of over 9 tons of its products to some 40 associations, parishes and charities.**

### WAMI Water. Water with a mission

Both for the lunches served at the Emporium in Imperia and in all the company's reception rooms, **WAMI Water is the water of choice.** WAMI is a B Corp that builds aqueducts worldwide, and a contribution can be made to its mission simply by drinking its water: each WAMI bottle means a donation of 100 liters of water to a community involved in its water projects.



The QR code on the label allows the consumer to immediately see the family that has been guaranteed water, and to find out more about the countries involved. Thanks to this collaboration, in 2023, Fratelli Carli contributed to **getting 2,268,000 liters of water to communities** that did not have access to it.

**2,268,000** Liters of drinking  
water guaranteed  
for water projects

## Informafood Project

Within the framework of the **Informafood project**, which envisages actions aimed at promoting the collection and distribution of leftover food in the city of Imperia, the company contributed to the **purchase of a vehicle to be donated to the local Caritas charity organization** for the distribution of foodstuffs to the needy.

The **Diana cooperative**, which coordinated the project, worked on raising awareness among local shopkeepers regarding the redistribution of food left over at the end of the day, as well as organizing a series of encounters and workshops to encourage young people to reflect on responsible use of food to prevent waste.

## Christmas presents for our employees' children

For many years now, the **Christmas gifts for employees' children** have been chosen not only to bring joy, but also **in the spirit of solidarity**.

Starting from 2021, we decided to support more than one organization, paying particular attention to children's needs. This year, the Christmas gifts have contributed to the activities of the Lega del Filo d'Oro association, **the Dynamo Camp Foundation, the CUAMM Medici con l'Africa Association, and Unicef**.

## Our Customers

Our aim is to be part of a large community of people in which everyone's needs are listened to, understood and given the attention they deserve. **Fratelli Carli strives daily to maintain a direct link with its customer base.**

This is ensured through the home distribution model that has always been the hallmark of the company, and through our 20 single-brand stores: two sales channels that allow Fratelli Carli to establish a close, **family relationship with each customer**.

The **attention** paid to customers' needs and desires allows us to meet their requirements, visiting their homes **as an old friend** might. For over a century, the Customer Care team has developed a relationship of trust based on experience and the "spirit" of Fratelli Carli, which today is also rewarded by the most modern web evaluation systems, such as Trustpilot, where the company has an "Excellent" rating on all markets.

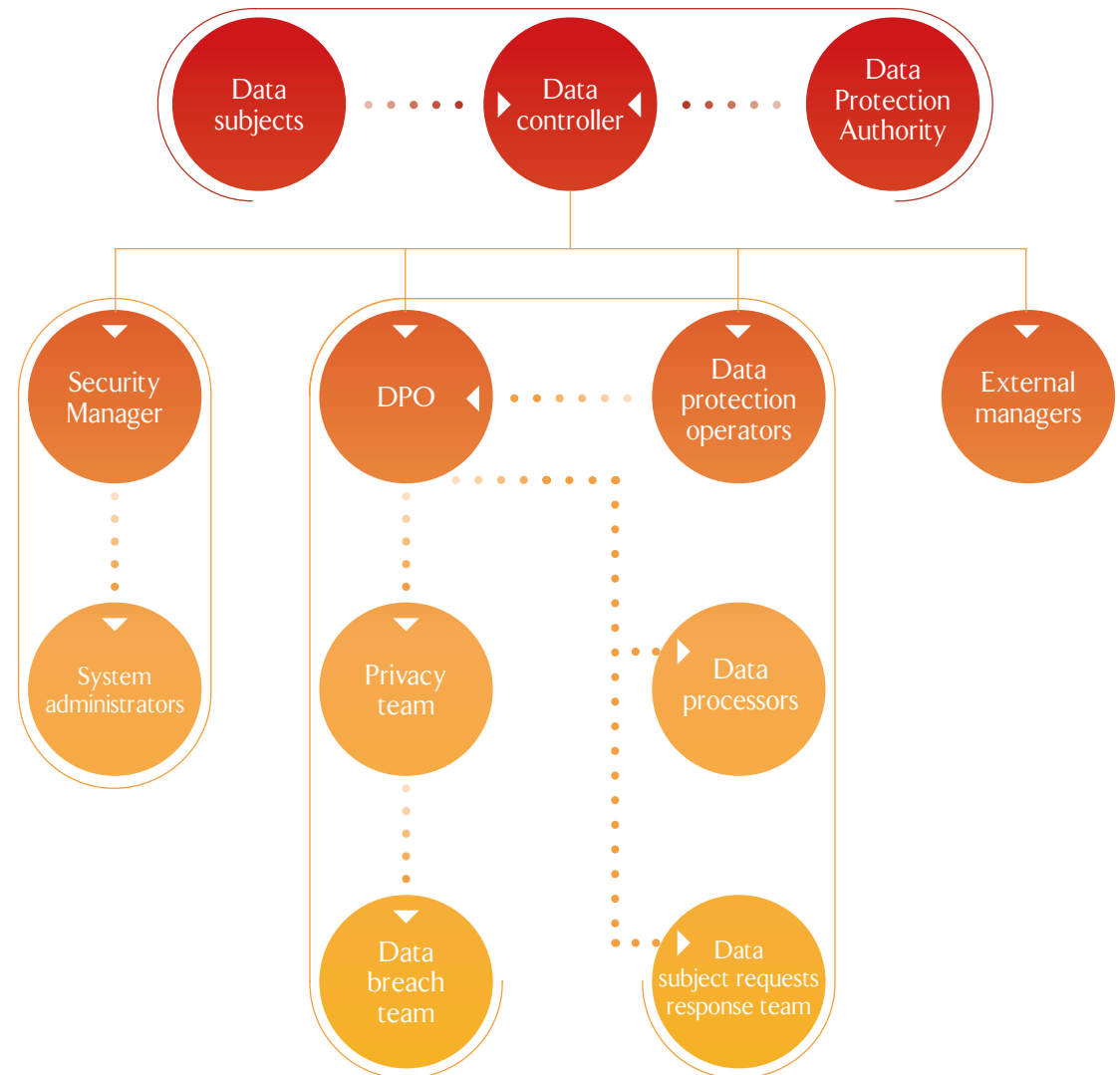


## A certified relationship

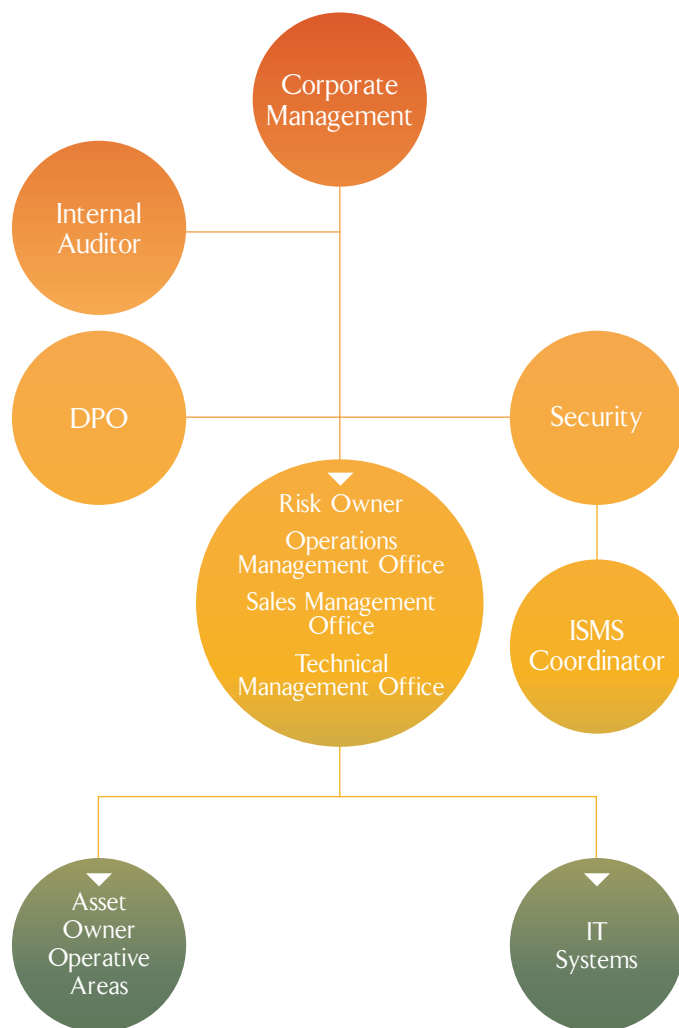
Protection of privacy and the security of personal data is a priority concern in all fields of corporate activity. Since 2005, Fratelli Carli has held ISO 27001 certification, guaranteeing customers optimal security standards, while safeguarding data confidentiality, availability and integrity. This choice reflects the company's ongoing attention to processing customer data. Fratelli Carli has always complied with strict rules and procedures, which were promptly adjusted to GDPR standards.

The Company also has the Net-Comm seal, awarded to e-commerce websites that offer transparency, quality and reliability in their dealings with consumers. Fratelli Carli also has the World E-commerce Quality Mark.

Fratelli Carli privacy organizational model



ISMS organization chart



## A customer experience unlike any other

**Eight websites, each with an innovative design and fully responsive technology**, are the online calling card Fratelli Carli presents to customers in each market it operates in. This is a core element of the broader transformation Fratelli Carli has embarked on, with a view to **creating a brand experience that meets all the needs of our customer base**. With this in mind, a study is under way for the redesign of all the corporate websites, to make them even more innovative and complete in terms of the services and content provided.

The aim of this process is an increasingly efficient integration of the traditional and digital channels of contact, ranging from telephone calls to the internet, e-mails, online chat services and text messages, as well as our local Emporiums, offering services able to move with the times, while remaining soundly anchored to the company's traditions.

Fratelli Carli has embarked on a process aimed at creating a brand experience able to satisfy all the needs of its customers. This technological and management change has involved the corporate organization at all levels.

**This technological and management change has involved the corporate organization at all levels**, and has included a new partnership with Salesforce for the CRM system, which manages all aspects of relations with customers.

To further improve service, in 2023, Fratelli Carli extended the range of payment methods available by adding the Klarna instalment payment system, as well as the Apple Pay and Amazon Pay electronic payment systems.

Fratelli Carli is aware, however, that technological evolution must go hand in hand with maintaining the excellent relationship it has developed with its customer base over the years. One of the key elements of our corporate approach is the skillful blend of innovation and tradition: a winning combination that makes the company strong and creates a unique customer experience.

## Customer Care

Fratelli Carli has always been part of an extended family for its customers, thanks both to the home delivery service and the direct, daily contact, based on shared values: **by phone, by post, by e-mail, and now, thanks to the new websites, by online chat service.**

Every day, the **60 members of our Customer Care team are on hand** to receive orders from customers, respond to requests, and arrange efficient deliveries, or, in the rare event it is requested, carry out a simple, swift return process that is guaranteed for 90 days. All this helps ensure an excellent purchasing experience.

**Calls to the Call Center last about three minutes on average.** While some customers are quick to place an order, many others call to ask for advice or information from a company they consider as family.

To maintain an excellent ability to respond to the needs and requests of customers in all countries, whatever the channel used to contact us, **Fratelli Carli has continued to enhance and improve the skills of our Customer Care team.**

This outstanding service earned Fratelli Carli a place on the list of Italy's Best Customer Service 2023-2024, drawn up by Corriere della Sera and Statista.



**67,778** replies to customers via mail or e-mail

**60** Customer Care operators

With a view to responding increasingly promptly and effectively to the new needs of customers who interact with the company through digital channels, the company has embarked on an innovative Marketing Automation project.

## Our 2023 e-mail marketing plan

Given the high levels of customer retention, Fratelli Carli engages with both “traditional” consumers who like to be contacted by post and more “modern”, digital customers.

**To respond to customers’ needs also with regard to channels for contact and interaction, Fratelli Carli combines the sending of price lists by post with an e-mail marketing plan**, in order to boost sales and promote the brand.

Since 2021, Fratelli Carli’s e-mail marketing plan has been complemented by **a monthly communication focused on sustainability issues**, with an editorial plan designed to update customers on the company's efforts in this area, as well as encouraging them to reflect on the importance of a sustainable approach to their own activities.

In addition, 2022 saw the continuing of the e-mail marketing **pilot project** initiated in Germany and in Italy, designed to **gradually replace postal communications with mainly digital communications**.

The plan also aims to broaden the range of communication channels with customers, with the accent on more direct, constant exchanges: both e-mail marketing and price lists sent by post **invite customers to visit the websites, which are able to offer a broader, more engaging account of sustainability than the individual means of contact**. During the reporting year, this project gathered speed, particularly in Italy, where positive results were recorded.

With a view to responding increasingly promptly and effectively to the new needs of customers who interact with the company through digital channels, the company has embarked on an **innovative Marketing Automation project**, which will be developed over the coming months. The aim is to optimize all the marketing processes, allowing us to reach out to customers at just the right time, with an offer and a service able to meet their expectations in full.

## SUSTAINABILITY STORIES

## Empathetic, caring customer service



**Gianpietro Forte**  
Customer Manager

**Federico Calzamiglia**  
Operations Director

### The challenge we have risen to

Empathy is key to outstanding customer service. In an increasingly digital world, Customer Care has a crucial role to play in customer satisfaction and retention, and this is no easy task. Over the last two years, we have used innovative methods and tools to enhance the skills of our Customer Care team in both professional and human terms.

Their role is played out in the collective, unifying dimension of a “**Community of Practices**”, sharing tools and experiences. One of the most effective tools for boosting empathy toward customers is the use of **Empathy Maps** that represent them. **The map is divided into 4 quadrants** that improve our understanding of **what the customer thinks, says, does and feels** when they interact with our Customer Care team.

The Empathy map is divided into **4** quadrants, based on what the Customer Says, Thinks, Does and Feels.

### The change we have made

Integrating this tool into our everyday operations has posed a number of challenges: here's how we've tackled them. We have set up **training workshops**, involving our **Customer Care operators**, in particular those who are in direct contact with customers over the phone. During these workshops, the operators analyzed their experiences in dealing with customers, processing the emotions and motives of the people who contact Customer Care.

Our operators have worked as a team, exchanging experiences, and with the help of the Empathy Map, they have succeeded in customizing the approach to customers to ensure their experience with the world of Fratelli Carli is wholly positive.

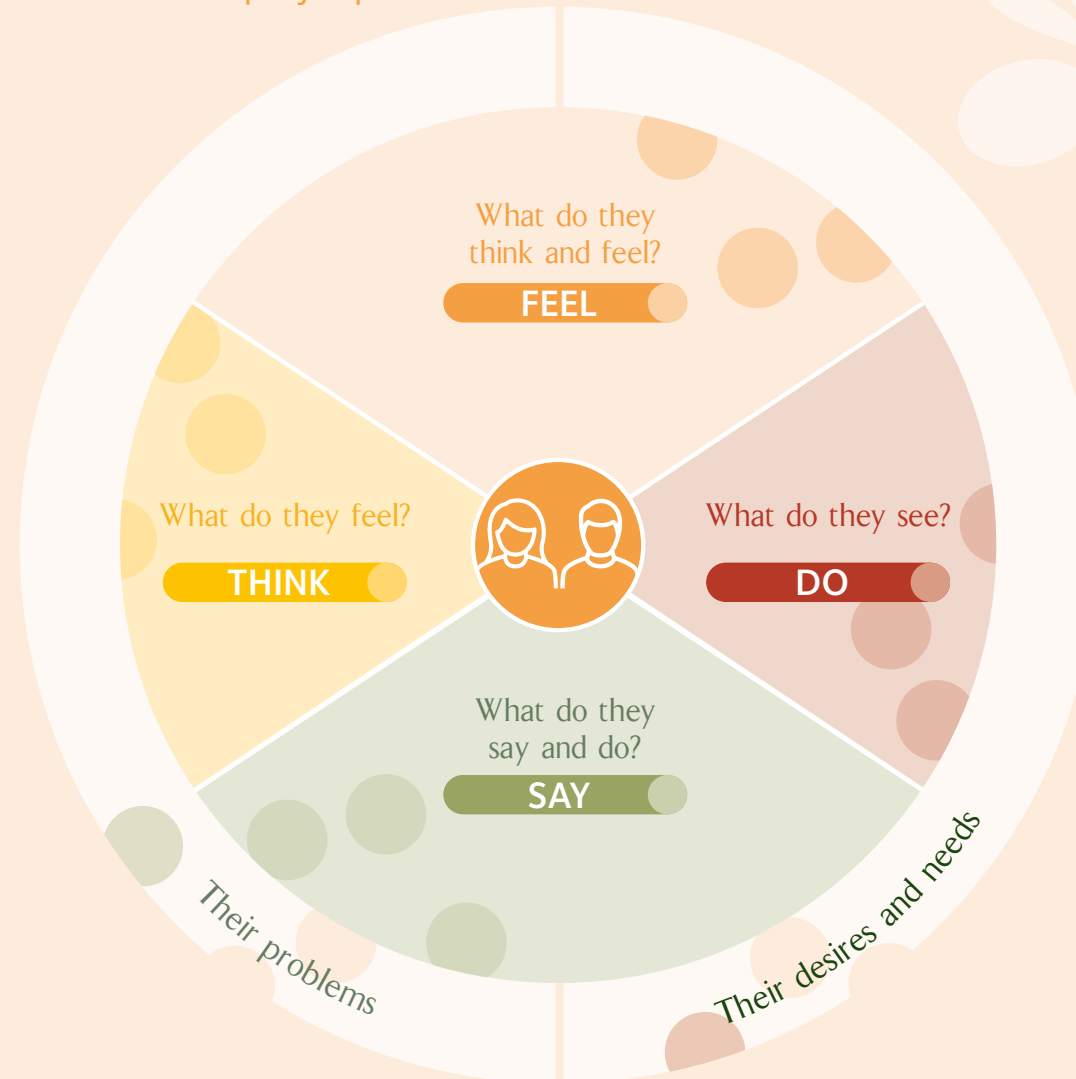
## What we have learned

For all of us, **the customer has always been the focus of our everyday efforts**, and our experience and tradition, stretching back more than 100 years, allows our Customer Care team to offer outstanding service.

We have sought to rise to the challenges we face, by **adopting new tools** and experimenting with solutions that offer us a new perspective on what we do. This was no simple choice, but we stepped up, and our efforts have been rewarded.


**We've grown and improved along with our people**, in terms of both service quality and team spirit, always with a view to keeping our customers happy. This is our daily mission.

The Fratelli Carli Empathy Map







A woman in a grey blazer and glasses stands on the left, and two men in dark shirts and jackets stand on the right. They are positioned behind the large white text 'Product and Materials'.

# Product and Materials

Prime quality has always been the Fratelli Carli way!



We have embarked on a virtuous process that leads us to analyze and enhance sustainability at each stage of the life cycle of our products: from the cultivation of the raw materials through to production, packaging and end consumption. This is the only way we can offer the very best to our customers, now and in the future.

**Marta Gorlero**

Marketing and Food Product  
Development Manager

**Marcello Porro**

Packaging and Warehouse  
Manager

**Alessandro Anemone**

Purchasing  
Manager



## 2023 - 2025 Targets/Results



- To **continue to offer new Mediterranean food specialties**, lovingly prepared in the traditional way, using just a few simple, **prime-quality ingredients**.
- To increase to 55% the amount of product ranges analyzed using the Life Cycle Sustainability Assessment (LCSA), which quantifies their environmental, social and economic impact.
- To carefully and constantly monitor the **nutritional, safety and quality aspects** of our products, to offer our customers top levels of excellence every time.

ON-GOING

2023



2024

2025

ON-GOING

2023



2024

2025

ON-GOING

2023



2024

2025



- To constantly renew the **primary and secondary packaging** of our products and free gifts, with a view to continual improvement in terms of sustainability.
- To increase the percentage of **materials, raw materials and food specialties with sustainability certification** and/or produced by **B Corp certified** companies or **Benefit Corporations**.

ON-GOING

2023



2024

2025

ON-GOING

2023



2024

2025

Target **achieved**Target **not achieved** due to delays attributable to the Coronavirus pandemicResult **unchanged**

## 2023 Highlights

# 9

new products  
developed

# 3,925

analyses conducted on  
all our products

# 3,194

product analyses  
conducted by our  
in-house laboratory

### PRODUCTS

# 50%

product ranges with **LCSA**

# -7%

reduction in CO<sub>2</sub> for the  
new Classic EVO Oil

# 99.96%

of all our packs made  
from **FSC cardboard**

# 1.10%

weight of plastic out of  
the total weight of all the  
processing and packaging  
materials purchased

### MATERIALS

# 100%

recyclable materials used for  
the packs of our oils

## Only prime-quality products



Fratelli Carli pays maximum attention to the **quality and safety of its products**. The company is constantly committed to ensuring **high quality standards** at all stages of the process, from the **selection of raw materials**, production and distribution through to the moment products reach our Emporiums and our customers' homes.

### Safety, quality and communication: success guaranteed

To comply with the standards set, Fratelli Carli follows a strict, adequately documented **quality guarantee program**. In addition to the pertinent, duly regulated **regulatory checks**, the company has an **in-house laboratory** in which specific chemical and physical analyses are conducted on each batch of olive oil produced and purchased, thus guaranteeing the presence of a Carli **Guarantee Certificate** for each bottle sold. Indicated on the Certificate are all the chemical, physical and organoleptic parameters of the oil, thus providing an authentic identity card for all the Carli Oils. Customers can also find the same information on the website, including traceability information on the oils, accessible from the lot number printed on the package. Traceability is an integral part of the quality management system, and is an effective, constant commitment we make to our customers, allowing them to quickly and easily access key information such as the date of bottling, where the olives were milled and the organoleptic characteristics of the oil.

The Fratelli Carli **food safety management system** complies with the principles of the Codex Alimentarius and EC Regulation 852/2004, carrying out **an in-depth analysis of the dangers and associated risks** and establishing which of those risks (chemical, physical and microbiological) may be significant for the different types of products. Safety is a top priority for the company, guiding its choices from the **selection of the raw materials** in accordance with very strict safety and quality criteria. Fratelli Carli maintains stable relations with its trusted suppliers, cooperating with them to guarantee high quality standards by implementing constant controls in compliance with the law and with our own in-house standards.

**3,194** product analyses conducted by our in-house laboratory

Customer safety is a top priority for the company, and is taken account of from the selection of the raw materials in accordance with very strict safety and quality criteria.



**Giulia Olivero**  
Quality Control and HACCP

In addition to guaranteeing safe raw materials, Fratelli Carli undertakes to ensure the quality and safety of all the production processes, right up to the moment products reach the end customer. In the three-year period 2021–2023, there were no reports of episodes associated with the company's products that had a negative impact on consumer health. As well as guaranteeing premium-quality products, Fratelli Carli promotes the development of responsible communication able to provide customers with the correct information on the labels, not only to comply with regulations, but also to aid responsible, aware consumer choices through clear, transparent nutritional information.

In the three-year period 2021–2023, there were no reports of failure to comply with regulations and/or self-regulatory codes with regard to the marketing and labeling of the company's products.

## QUICK RECIPES: SAFE, DELICIOUS, WHOLESOME AND NATURAL



### Quick recipe

Fratelli Carli recipes have always been simple and wholesome, made as you might at home from a small number of exclusively natural, prime-quality ingredients, starting from the Carli Oil that gives them their unique flavor. All our products are carefully developed and embody the company's history: Mediterranean traditions, uncompromisingly high quality, and attention to people and the environment, attested to by the MSC, Dolphin Safe and SQNPI (National Integrated Production Quality System) and BIO certifications.

The direct, personal relationship with all our suppliers, carefully selected and fully involved in the company's sustainable approach, ensures that the same values are shared right along the supply chain. So far, two of our most important suppliers of food specialties have obtained B Corp Certification.



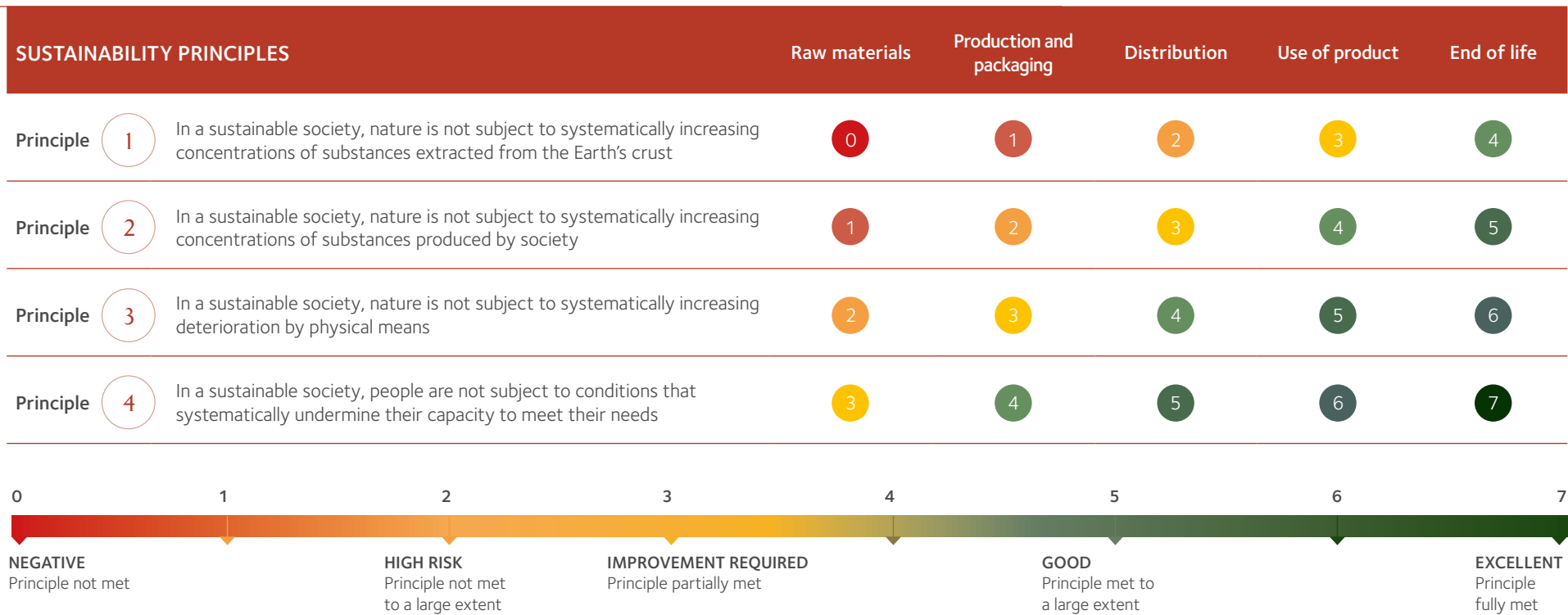
## LCSA analysis, information aimed at improvement: a shared commitment

The company uses **LCSA (Life Cycle Sustainability Assessment)**, an analysis method based on decades of scientific research that enables the evaluation of the sustainability profile of a product throughout its entire life cycle, from the sourcing of the raw materials to consumption, covering the production process, distribution, use and end of life.



LCSA enables the identification of **positive or negative impacts in terms of sustainability principles**, actively engaging all the players in the company's value chain. The output enables the identification of the areas for improvement to be included in the subsequent yearly assessments.





LCSA analysis has been regularly conducted since 2012, to monitor developments following pro-sustainability remedial measures. 50% of all product lines were analyzed, accounting for 83% of total turnover.

Life cycle analysis for  
of product turnover **83%**



## LCA of our products

In order to acquire full awareness of its relationship with the environment, a company selling consumer goods must be aware of the impact its products have on the ecosystem. This means understanding the implications along the entire value chain, by relying on rigorous methodologies that can accurately identify negative externalities.

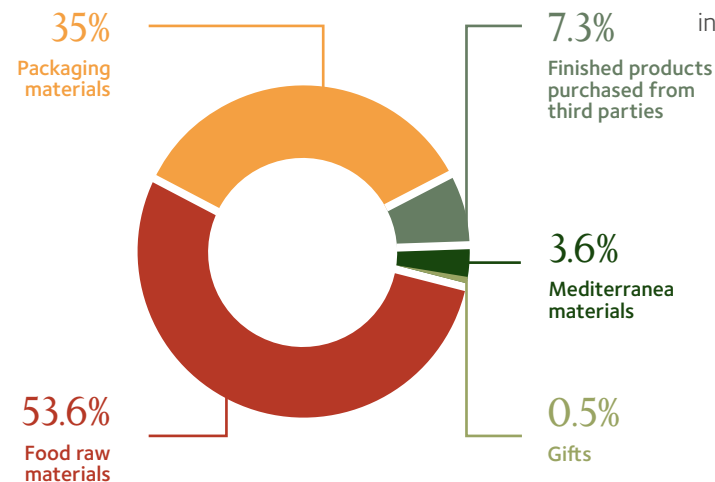
For this reason, Fratelli Carli has carried out **life cycle assessments (LCA)** on its Extra Virgin Olive Oils (bottled), Olive Oil (bottled and canned) and White Tuna (canned).

The Life Cycle Assessment (LCA) allows companies to quantify the potential environmental impacts associated with a product, from raw materials to end of life, enabling the identification of the areas with the greatest impact.

If we look at the carbon footprint of products alone (one of the impact areas examined in the LCA), most of the impact of CO<sub>2</sub> (78% for Oil and 93% for Tuna) is concentrated during the upstream production phases (cultivation and fishing respectively, together with processing) before the raw material is delivered to Fratelli Carli.

In line with the previous year, in 2023 the weight of the materials/products consumed was mainly accounted for by **food raw materials** (53.6%), almost entirely related to **olive oil** (92.3%). The amount of materials purchased for packaging amounted to 35%, while the finished products purchased accounted for 7.3% of the total amount of materials/products purchased. Mediterranea materials accounted for 3.6%. Just 0.5% was attributable to the free gifts purchased, the amount of which was significantly lower than in 2022 (-79%).

Materials/Products by weight – 2023



Use of paper and cardboard from responsibly managed forests.

**99.96%** FSC certified cardboard used in all our packs

**53.6%** Food raw materials



## SUSTAINABILITY STORIES

## Skill, expertise... and responsibility



**Marta Gorlero**

Marketing and Food Product  
Development Manager

**Eleonora Drago**

Product Manager

**Cinzia Gregorutti**

Product Manager

### The challenges we face every day

To offer our customers from all the countries we serve unique blends, skillfully created by combining selected oils made from healthy olives, harvested when perfectly ripe, as well as **delicious, wholesome food specialties made from a small number of genuine, natural ingredients** able to satisfy the needs and tastes of our customers: these are the aims we've been pursuing every day for more than 100 years now.

These efforts are the founding values of our business, so much so that **they are set out in our Articles of Association as a Benefit Corporation as our Common Good Purposes**, together with the pursuit of sustainability across the board for suppliers, customers, raw materials and packaging materials.

### The change we are making

During 2023 we have developed 9 new products... and there's more

To rise to the challenge of responding increasingly effectively to the needs of our customers, on the one hand, and on the other, to **study increasingly functional, sustainable solutions** for the project to redevelop the pack of our Gagnano Pasta products, sold abroad, we decided to adopt our customers' views as a starting point.

This prompted us to draft a brief questionnaire that was sent to all consumers of our pasta.

**9** new products developed during 2023

Elimination of the transparent plastic window from our pasta boxes, in favor of a pack made from **100%** recyclable paper



The responses were overwhelmingly in favor of our proposal to eliminate the plastic window that allowed customers to “see” the product, and to replace it with a pack made from 100% recyclable paper, now already in production.

And this year we have also embarked on a **challenging, broad-ranging project** that will regard many of our specialties.

The aim is to **focus on the breadth and depth of our product offer**, ensuring that each product category is able to clearly and immediately **inform customers** of its specific qualities and **excellence**, as well as conveying the value of the “Fratelli Carli” name and the quality, reliability and **sustainability** it stands for.

This challenging effort will be continuing ceaselessly over the coming months, to ensure the message reaches our customers without delay.



## What we have learned

The hallmark of our company has always been a responsible, attentive approach towards our customers and the world around us. The **clear aims of the “sustainability governance”** we have constructed over the years and shared with all our employees and our entire supply chain have **succeeded in echoing and strengthening these values**, and our convincing teamwork efforts have allowed us to implement a constant **process of innovation, with some surprising results**.

## Materials: recyclable, biodegradable, renewable

Some years ago now, Fratelli Carli, together with its entire supply chain, embarked on a process for the analysis of its product packaging, in order to gradually decrease the amount used, while maintaining performance, and to increase the use of more sustainable materials.

The main types of materials used by the company for packaging are paper, cardboard, glass, aluminum, steel and plastic.

For some time now, the company has been sourcing paper and cardboard from FSC certified supply chains, which guarantee responsible management of forests. In addition, 2023 saw the completion of the process for renewing the packaging of its specialties sold in jars, which it had embarked on the previous year. These packs have been completely redesigned, using Havana cardboard for all products, and with a comprehensive rethink of the graphics with a view to reducing and simplifying the use of inks. This action has been implemented in order to create solutions with a lower environmental impact. The packaging of products not sold in jars is also being replaced with a plain-colored Havana cardboard solution.

The attention paid and the efforts made to reducing the amount of plastic purchased for product packaging processes and the replacement of the remaining plastic with recycled material has yielded significant results in recent years, and plastic now accounts for just 1.1% of the total amount of materials purchased by the company.

## THE SUSTAINABILITY OF OUR DELIVERY BOXES FOR FOOD SPECIALTIES IN JARS

To assess the reduction in the impact of the new pack for the specialties sold in jars, a **Life Cycle Assessment (LCA)** was conducted to compare the sustainability of the old and the new boxes.

Specifically, the assessment considered the differences with regard to both printing inks – applied using 5-color offset technology on the old boxes and single-color flexo technology on the new Havana boxes – and the weight and yields of the cardboard used for the two types of packs.

The LCA assessment mapped **6 environmental impact categories**:

- climate change (kg CO<sub>2</sub>e)
- ozone layer depletion (mg CFC-11-Eq)
- formation of photochemical smog (kg NMVOC-Eq)
- acidification (kg SO<sub>2</sub>e)
- eutrophication – fresh water (kg PO<sub>4</sub>e)
- depletion of the water resources (m<sup>3</sup>-Eq).

Compared to the previous packaging, the Havana box has allowed for an **average reduction** of around **40%\* in environmental impacts** across all six categories examined.

If we examine the climate change aspect further, it can be estimated that the introduction of the new Havana boxes has allowed us to avoid the emission of approximately **109 tons of CO<sub>2</sub> eq per year**, considering annual production volumes.\*\*



\* The scope of the analysis system does not include product use and downstream distribution. This is because the product is not associated with any particular environmental impact during use. The downstream product distribution phase is currently not included, but will be incorporated as soon as the data is available.

\*\* The estimate took into account the volume of boxes used during 2022. The comparative LCA assessment only covered 2x314 boxes: to estimate emissions avoided, the impact identified by the LCA was then applied to all types of boxes purchased, regardless of the category.

This valuable result was bolstered in 2023 with the redesigning of the primary packaging for the durum wheat semolina pasta range, involving the elimination of the plastic window and the introduction of a bag in 100% recyclable paper.



Thanks to the close collaboration with the supplier, the restyling of the new labels for the Classic and Fruttato Extra Virgin Olive Oil has also allowed for an overall reduction in the environmental impacts of the paper and the inks, resulting in a 7% reduction in CO<sub>2</sub> emissions.

**-7%** Co<sub>2</sub> for the labels of the Classic and Fruttato Extra Virgin Olive Oils

In addition, a significant contribution to the aim of reducing the amount of plastic used in processes and for packaging has been made by the adoption of 100% recycled plastic for all the filling materials for shipments abroad, the move, for all the trays in the focaccia range, to a 90% recycled PET plastic, and the re-engineering of the technical support for the labels of the products sold in jars, which has allowed us to completely replace the backing film in glassine, a non-separable material that requires a complex disposal process, with a plastic backing that is 100% recyclable.

**90%** recycled PET plastic used for the trays in the focaccia range

### Cradle to Cradle certification

In the company's Printing Center, the exclusively plant-based inks, used to prepare the more than 10 million printed products intended for customers annually, are Cradle to Cradle certified. This standard provides manufacturers with a rating system that enables them to manufacture products that improve the quality of life and the environment. Products are assessed with regard to several aspects that have an impact on human health and the environment: quality and sustainability of materials, reuse, energy and emissions, water resources and social equity.

**1.10%** weight of plastic out of the total of all the processing and packaging materials purchased

**100%** FSC cardboard for the packs of all our oils



## SUSTAINABILITY STORIES

## Innovation and sustainability data of our ESG Data modeling



**Eric Campagna**  
Data Scientist & B.I

**Renata Leotta**  
Logistics Coordinator

**Alessandro Anemone**  
Purchasing Manager

### The challenge we have faced

As an integral part of our sustainability mission, we have embarked on an **ambitious in-house process** for the **structured management of** environmental, social and governance **(ESG) data**. These data, necessary for efficient sustainability governance, are spread across all company functions, and are not always readily available.

This was why needed to go a step further, to make all this information available through a shared, digitalized process.

### The change we have made

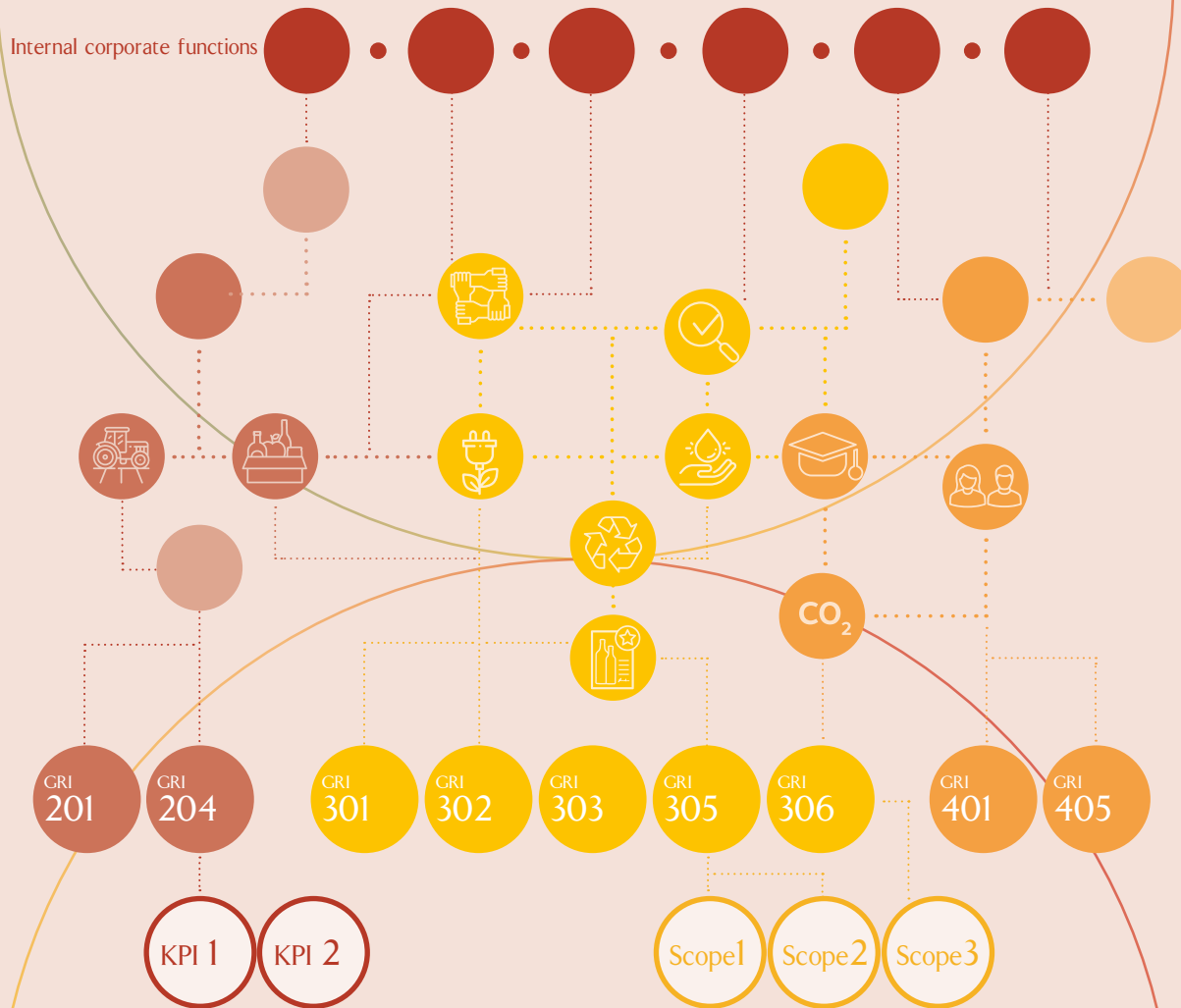
We began by **accurately mapping all the company's sustainability data, highlighting the source, the company function responsible and how the data are interconnected, as well as the acceptability and certifiability criteria.**

This formed the foundation for the **first step in the data modeling project**, which took into consideration the **sets of data regarding the Materials and Products pillar.**

**A dedicated, coordinated team effort allowed us to track the ESG data for all the materials, raw materials and finished products** purchased and sold by the company, to guarantee complete, accurate information. Envisaged for the coming months is the implementation of all this detailed information in the company systems, and the **creation of a Data Warehouse that will allow for full integration of the data** and the production of the analyses and indexes required for sustainability governance.

Creation of a **Data Warehouse** for full integration of all the information into the company systems

### Mapping of sustainability data



### What we have learned

What makes this project unique is that all **the work has been conceived and carried out within the company, with all the various areas working in synergy**: the administration, the purchasing office, the logistics and IT systems, the product marketing and technical offices, the production departments and the sustainability function. Together, we have been able to make the most of our skills and resources, sharing not only information, but **also the purpose and the spirit of the project. This has heightened our attention for these issues even further.**

And this is only the beginning: our ultimate aim is the construction of a complete ESG data governance and data modeling system for all the company's sustainability data.










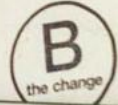
FRATELLI  
**Carli**  
— DAL 1911 —

QUESTO SACCHETTO  
è fatto con i  
**Noccioli**  
delle  
NOSTRE OLIVE

### Buoni per voi, buoni per il mondo

Fratelli Carli è la prima azienda produttiva italiana Certified Benefit Corporation.

-  Imballaggi con materiali amici dell'ambiente
-  Filiera di fornitura sostenibile e controllata
-  Materie prime naturali.
-  Energia totalmente green e uso sostenibile d
-  Welfare aziendale e supporto alla comunità lo





## THE SUSTAINABILITY OF CARLI EMPORIUMS

Fratelli Carli has embarked on a project to **redesign and renovate the Emporiums, with a view to replacing traditional materials with environmentally sustainable alternatives**, in line with the most innovative developments in **green building**.

This strategic choice began with the opening of the Emporiums in Alba, Vicenza and Treviso, and continued in 2023 with the restyling of the Monza Emporium. It will be gradually applied to all the Emporiums, with a view to reducing the environmental impact of our stores. Specifically, the work involved repainting the inside of the stores and replacing the floors, drywall systems and furnishings, for which wood and iron elements were preferred. With the assistance of the specialized architecture firm Materiavera, Fratelli Carli carried out an analysis focused on comparing materials with the same use but with different characteristics, taking into consideration a number of parameters (the use of energy from renewable sources, overall CO<sub>2</sub> emissions, soil and water acidification potential, and consumption of water resources).

The outcome of the study confirmed **the reduction of the environmental impact associated with the choice of environmentally friendly materials in terms of reducing emissions and resource consumption**, and highlighted some further areas for improvement, which will guide the company's future actions towards an increasing use of environmentally friendly materials.

In line with these developments, Fratelli Carli has taken a variety of actions for the **progressive dematerialization of the Emporiums' communications**, such as the replacement of posters in shop windows with digital monitors, and the replacement of plastic price tags with alternatives made from biodegradable PLA. These actions testify to Fratelli Carli's ongoing commitment to adopting sustainable, responsible solutions in the conducting of its business.



# Supply Chain



We always choose our suppliers carefully and get to know them personally



The strong, valuable relationship we have built up with our suppliers over the years has allowed us to establish a trusted reputation for top-quality products. We are aware that our commitment to sustainability and quality would have no future without their help. This is what prompted us to implement the Fratelli Carli Districts and Codes project, which is key to the sharing of a process formed by shared values, and above all effective actions.

**Marta Gorlero**  
Marketing and Food Product  
Development Manager

**Gino De Andreis**  
Product Quality  
Control Manager

**Alessandro Anemone**  
Purchasing  
Manager



## 2023 - 2025 Targets/Results



- Turning the **Goodness District** into a **Benefit District**.
- Opening up the **Transport District** to new suppliers of logistics services.
- Bringing the Transport District on board the **“Carbon Neutrality” project**
- Working with the entire **supply chain** to gather all the shared **sustainability KPI** into the pertinent codes, using the tools established
- Increasing the percentage of major **suppliers involved in the Codes** and assessed according to environmental and social criteria to **55%**.

IN PROGRESS



IN PROGRESS



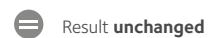
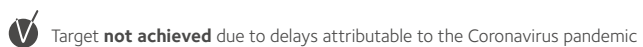
CONTINUING



IN PROGRESS




IN PROGRESS



## 2023 Highlights


### SUPPLY CHAIN

46.2%



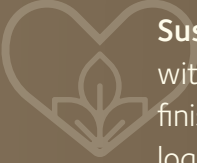
suppliers involved in the **Olive, Goodness, Beauty and Delivery Codes** out of the total number of major suppliers

76%




share of the **total procurement budget** spent on **local suppliers** located in Italy

3



**Sustainability Codes** shared with our suppliers of materials, finished products, olives and logistics

+60



life cycle sustainability assessments (LCSA) conducted with suppliers

4

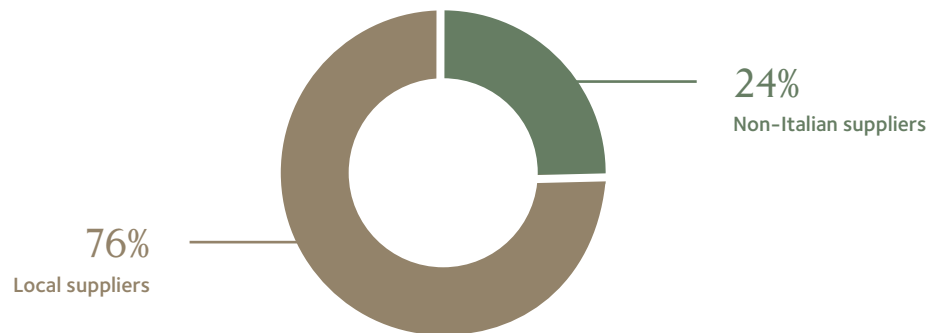


**B Corp Certified suppliers** or **Benefit Corporations** in our supply chain

## The value of local suppliers

Fratelli Carli shows a clear preference for **local suppliers located in Italy, with 76% of the procurement budget** allocated to them.

Proportion of expenditure to local suppliers (2023)



One of Fratelli Carli's hallmark features is our supply chain. In conducting its business, the company can count on a **solid network of suppliers**, which over the years has not changed significantly; this is indicative of a sound, lasting relationship.

Fratelli Carli is **aware of how important it is to establish a relationship of trust and of active, direct engagement with suppliers when creating its products and company policies, which seek to integrate aspects of sustainability at each individual stage of the process.**

This is why, starting from 2012, the company identified three supplier Districts, drawing up a specific "Code" for each that identifies the shared values and principles underpinning the actions to be taken and the targets to be set.

During the year, all the suppliers were involved in the specific activities regarding their Codes, aimed at the achievement of the District targets and **monitoring KPIs.**

Fratelli Carli's new suppliers considered most significant based on goods code are **selected in accordance with the environmental and social criteria established in the Codes.** In 2023, the **5 new suppliers** corresponding to this definition were assessed according to these criteria.

**59** The longest collaboration with a supplier (in years)

### 3 Codes shared with suppliers to achieve sustainable innovation goals together

#### The Olive District - The Olive Code

The Olive Code **involves more than 200 olive oil suppliers** from the traditional olive-growing areas in the Mediterranean (Greece, Spain, Italy), carefully selected for both the quality and excellence of their products and for the attention paid to sustainability during the production cycle. The process envisages a shared effort to develop sustainability practices during the growing and production phases.

By subscribing to the Olive Code, suppliers undertake to share the values and objectives of Responsible Progress, engaging with one another on the monitoring KPIs regarding the use of water and energy, waste management, safeguarding biodiversity and the landscape, and occupational health and safety.

In addition, 2021 saw the start of a collaboration with a sample of Greek producers on the joint creation and implementation of a sustainability protocol in collaboration with BASF. The “Lifemax” protocol envisages the application, during both the growing and the milling process, of practices uncompromisingly aimed at guaranteeing personal wellbeing and safeguarding the landscape and the olive growing areas; these practices are carefully monitored using the model set out in the regulations. The data collected during the previous olive harvests have allowed for the further development of the protocol, designed to be gradually extended to an increasing number of producers. In collaboration with suppliers, Fratelli Carli has also updated its Olive

Code, integrating its values and objectives with the SDGs of the United Nations, and collecting increasingly accurate data with a view to enhancing the care and attention paid to an effective, shared sustainability model.

### 200 Olive and olive oil suppliers involved in the Olive Code





## The Food District – the Goodness Code

The Goodness Code was established in 2013, in collaboration with the suppliers of the **food specialties and components** we work with, based on a shared vision, to define the goals of the entire District regarding **two key issues**:

- **sustainability of all the production phases** of the food specialties (cultivation, resources, technologies, people), guiding the companies in the District toward a regenerative model;
- **reduction of the amount of materials and use of recyclable, biodegradable and renewable materials** for packaging, with a view to improving the sustainability profile of the products.

2021 saw an evolution of the Code, with the active contribution of the entire District and the assessment of the impacts generated by the supply chain with regard to the pursuit of the Sustainable Development Goals (SDGs), as well as the integration of new KPIs for both the District companies and their products.

## 60 suppliers of finished products and components involved in the Goodness Code

The Districts have seen a constant improvement in sustainability performance, with 4 companies in the supply chain becoming B-Corp or Benefit Corporations.

Work began in 2023 **to incorporate specific Common Good Purposes into the Code**, which will make it possible to **turn the District into a Benefit District**, inspired by the Benefit Corporation model.

The monitoring indicators consider aspects including the percentage of energy from renewable sources, the presence of women in the workforce in the District, any ESG certifications, and the number of products analyzed using LCA or LCSA methods.



Specifically, **more than 60 LCSA carried out periodically** with the District suppliers on both products and material enable the identification of the improvements implemented by the supply chain throughout their life cycle.

The outcomes of these assessments offer an overall vision of the impact of the products – divided into two categories, finished food products and packaging – during the various phases of their life cycle:

- production;
- distribution
- use;
- end of life

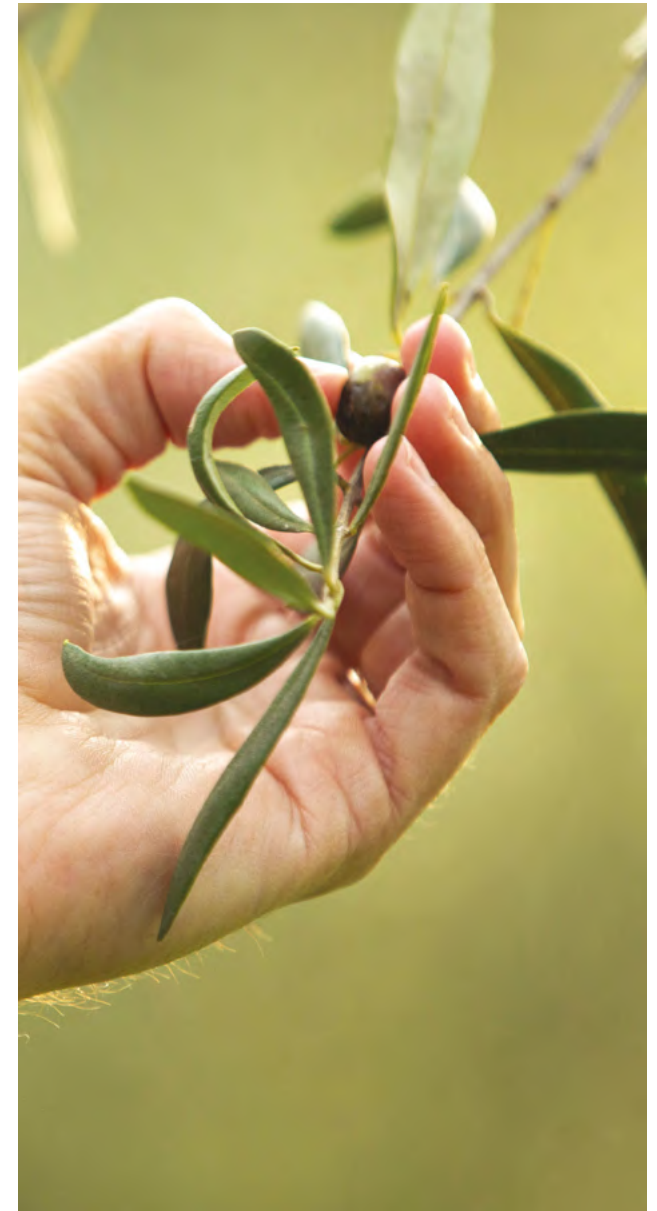
With regard to the **4 sustainability principles**:

- systematic increase in the concentration of **resources extracted** from the Earth's crust;
- systematic increase in **substances produced by society**;
- **deterioration of nature** caused by physical means;
- **systematic barriers** regarding the integrity, competence, influence, significance and **impartiality of people**.

The Fratelli Carli District shows mostly white fields, indicating full compliance with the sustainability principles. The yellow fields indicate an impact that is being mitigated, while the red fields indicate areas that require attention and must continue to be worked on. The most critical areas typically regard the extraction of fuels from the Earth's crust, and the distribution phase.

This approach has allowed the District to constantly improve its sustainability performance, with 4 companies in the supply chain becoming B Corps or Benefit Corporations.

More than **60** analyses conducted on products and materials



## SUSTAINABILITY STORIES

## A supply chain with a “Benefit” spirit



**Marta Gorlero**  
Marketing and Food Product  
Development Manager

**Alessandro Anemone**  
Purchasing Manager

**Paolo Salvi**  
Agile & Business Coach

### The challenge we have faced

Since 2013, we have shared a Goodness Code with all our suppliers of finished products, components and services. This document identifies our shared values, commitments and objectives in terms of sustainability, and has allowed the entire District to develop and grow together, constantly setting new targets.

With this spirit, during 2023, we embarked on a challenging, innovative project, with the ambition to create a **Benefit District**, inspired by the principles and the structure of Benefit Corporations.

### The change we have made

Together with the more than 60 supplier companies that make up the District, we have identified a series of “**Common Good Purposes**” able to consider the key areas of our business: production, employee well-being and use of resources.

During the most recent “Goodness Day”, the annual encounter held in our premises in Imperia, we worked with the more than 100 representatives of the companies in the District, using specific teamwork methods, to identify the actions to be implemented to positively impact each individual Common Good Purpose.

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More than **100** representatives of the companies in the District during the most recent “Goodness Day”

### Common Good Purposes

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We design and create **products**, defining their social and **environmental criteria** and complying with them at every stage of the process.

15 LIFE ON LAND



3 GOOD HEALTH AND WELL-BEING



We guarantee the **wellbeing of our employees**, safeguarding their **health and safety in the workplace** and extending the range of **welfare services**. We strive to promote an inclusive working environment, respect the **diversity** of those who work with us and offer valid **professional development** programs.

8 DECENT WORK AND ECONOMIC GROWTH



7 AFFORDABLE AND CLEAN ENERGY



We guarantee the **use of economical, reliable, sustainable and modern energy systems**.

17 PARTNERSHIPS FOR THE GOALS



We pool ideas for **sustainable innovation** in the District. Outside of it, we **raise awareness among our suppliers, collaborators, employees and customers** regarding the pursuit of all the shared objectives of the 6 SDGs in the District.

At the end of the working day, a vote was taken on the **top 5 actions**:

- an **Ethical Code governing raw materials and finished products**;
- a tool for the **exchange of information on the impacts of production**;
- a collection of the **virtuous practices aimed at employees**;
- a **sustainable “market” for the District**;
- a **permanent round table for energy**.

### Goodness Day:

teamwork with the World Café technique



### What we have learned

This truly challenging project has enhanced and strengthened our relationship with our supply chain, making us not just suppliers and purchasers, but indeed partners in our desire to **make a positive impact on the world**.

This unprecedented collaboration, which we have a strong faith in, will continue throughout 2024, with the themed Working Groups that will be tasked with shaping the 5 actions that received most votes from the District.

Olio Carli dal 1911  
DIRETTAMENTE A CASA VOSTRA

## The Transport District - The Delivery Code

To complete the supply chain sustainability process, Fratelli Carli has also brought on board its delivery drivers, the jewel in the crown of the company's distribution logistics, drawing up a "**Delivery Code**" with the aim of reducing consumption and emissions, by working together on two main fronts:

- **sharing** virtuous practices for the driving and maintenance of the vans;
- **monitoring checklists** regarding the shared objectives the the Code and the reference SDGs.

The monitoring envisaged in the Code of the application of good practices and their impact on reducing consumption forms the base of **an important project aimed at offsetting all the emissions deriving from Fratelli Carli delivery logistics**.

The entire transport chain has been fully involved in the achievement of this objective, and trained, during a series of dedicated encounters, on the calculations made to determine the total amount of climate-altering emissions, the importance of sustainable driving practices in constantly reducing emissions, and the ways chosen to offset emissions.



More than **110** self-employed van drivers involved in our Transport District





# Energy and Resources

Waste is disrespectful, so we have always avoided it



We are committed to constantly reducing our energy footprint during the production and logistics phases. On the production front, we have created a model for saving and for reducing our carbon footprint based on a synergy created through three essential actions: the use of electrical energy derived entirely from renewable sources, self-production of energy through a photovoltaic plant and actions aimed at reducing consumption.

Federico Calzamiglia  
Operations Manager





## 2023 - 2025 Targets/Results



- Updating and validating **Scope 1, Scope 2** and **Scope 3 emissions** inventories.
- Defining measurable actions to **mitigate the company's impact** on climate change.
- Implementing and extending the scope of the new **integrated safety and environmental management system**.
- Offsetting the environmental impact of all **home deliveries** in all countries served.
- Designing an **Ecodrive course** for our primary transport **drivers**.
- Maintaining the figure of more than **90% of total waste recovered**.

CONTINUING



IN PROGRESS



CONTINUING



IN PROGRESS



IN PROGRESS



NOT ACHIEVED



Target **achieved**

Target **not achieved** due to delays attributable to the Coronavirus or other external factors (such as a reduction in the availability of raw materials)

Result **unchanged**

## 2023 Highlights

## ENERGY AND RESOURCES

100%



of electric power  
from certified  
renewable sources

987,867



kWh of electrical energy  
produced by our own  
photovoltaic plant

19%



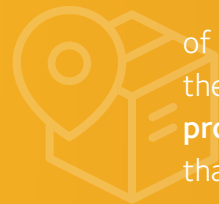
of self-produced and consumed  
electricity from renewable  
sources compared to total  
electricity consumed

17



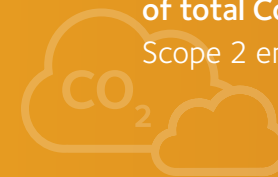
tons of CO<sub>2</sub> (Scope 1  
and 2) per million of  
turnover

100%



of CO<sub>2</sub> emissions generated by  
the entire delivery logistics  
process in Italy and abroad  
that will be offset

-26%



of total Co<sub>2</sub>eq Scope 1 and  
Scope 2 emissions

89%



of waste sent for  
recovery out of  
total waste

2%



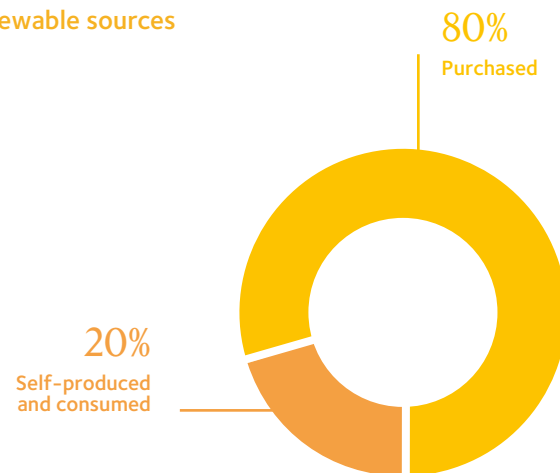
decrease in the index of waste  
generated on the value of production  
in 2023 compared to 2022

## The commitment to a sustainable future – more technology, less consumption

### The attention Fratelli Carli pays to energy

With the aim of optimizing energy consumption, the company carefully monitors, and regularly reports on the use of fuels, gas and electrical energy, by carrying out an **energy diagnosis**. This was updated again in 2023 with the 2022 performance data.

### Electricity from renewable sources consumed in 2023



The efforts Fratelli Carli has been making for years now to **reduce its energy footprint at all stages of the process** brought effective results in terms of energy efficiency once again in 2023.

This process allows for an accurate analysis of the company's energy performance, and the identification of any areas for improvement.

The two-year period 2022-2023 saw a constant decrease in energy consumption, thanks to Fratelli Carli's on-going efforts to optimize systems and processes. Specifically, consumption fell from **45,009 GJ** in 2020 to **33,993 GJ** in 2023.



**-26%** of total CO<sub>2</sub>eq  
Scope 1 and Scope  
2 emissions

The most significant reduction in consumption was recorded in **natural gas** (-39%), because the refinery activity was limited to the first months of the year.

Most of the company's energy consumption was in the form of natural gas – used for the oil refining processes, and to a marginal extent for heating – and **electrical energy**.

Electrical energy accounts for over a third of total energy consumption, and in line with previous years, Fratelli Carli has continued to pursue a sustainable energy strategy, using 100% electrical energy from renewable sources.

Of this total, **80%** was accounted for by electrical energy purchased and consumed, while the remaining **20%** was self-produced using **the 5000-square-meter photovoltaic plant installed on the roof of the factory** in 2012.

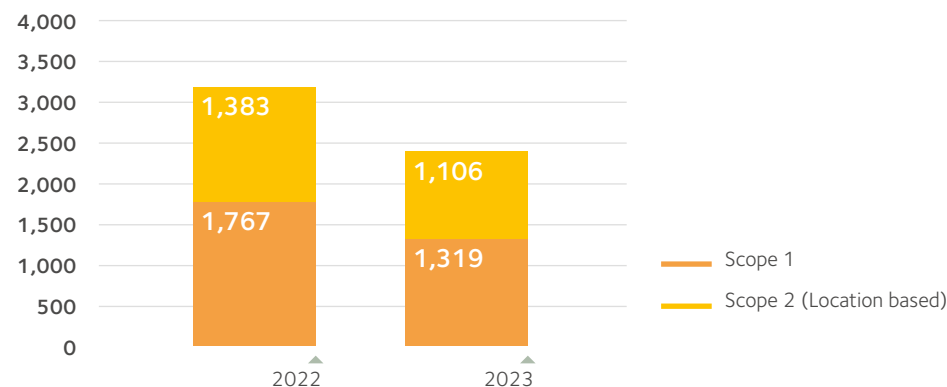
This plant produces an average annual total of **977.000 kWh** and also makes a positive contribution to sustainable power use **outside the company**. The proportion of energy produced and not consumed (about 11%) is **channeled back into the power grid**. This amounted to **111,495 kWh** in 2023, contributing to the reduction of the country's energy mix.

## Growth with lower emissions

Fratelli Carli's commitment to lowering energy consumption has also had a positive impact on our **greenhouse gas emissions**. In 2023, in line with the trend for the previous year, the company succeeded in lowering its Scope 1<sup>6</sup> emissions, which include **direct emissions deriving from sources owned or controlled by the company, from 1,767 tons of CO<sub>2</sub>eq to 1,319 tons of CO<sub>2</sub>eq (-25%)**.

The strategy of using electrical energy entirely from renewable resources also allows the company to have zero Scope 2 Market-Based<sup>7</sup> emissions. In line with previous years, the company continues to seek to reduce its impact in terms of overall emissions (Scope 1 and 2), going from **3,150 tons of CO<sub>2</sub>eq in 2022 to 2,425 tons of CO<sub>2</sub>eq in 2023, a reduction of 26%**.

### GHG emissions (tCO<sub>2</sub>eq)



<sup>6</sup> Scope 1 emissions are direct emissions of greenhouse gas from sources within, or controlled by, the company.

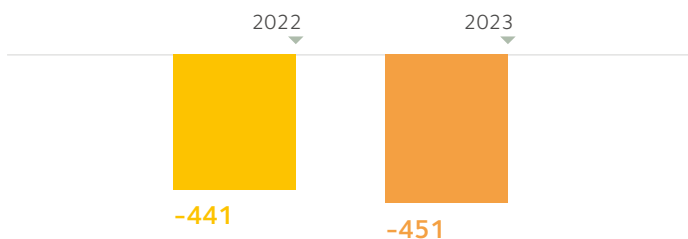
<sup>7</sup> Scope 2 emissions are indirect emissions of greenhouse gas due to energy consumption from sources not within, or controlled by, the company. These emissions are Scope 2 emissions calculated using the market-based method, where, for energy produced and consumed via photovoltaic panels and for the energy purchased and certified as renewable (e.g. with 'certificati verdi' or green certificates), a factor of virtual emission of zero is adopted.



**Paolo Arimondi**  
Contract Management and Maintenance Manager

The production of clean electricity through the photovoltaic system installed at the Imperia plant allowed for a **reduction in emissions of a total of 451 tons of CO<sub>2</sub>eq** that would have been emitted into the atmosphere for the production of an identical amount of energy using fossil fuels. The emissions avoided trend perfectly mirrors the trend relating to the self-generation of electricity with photovoltaic panels.

**Emissions avoided (tCO<sub>2</sub>eq), Market-Based method**



**451** tons of CO<sub>2</sub> saved through the photovoltaic system

### Scope 3 emissions inventory

In addition, in order to monitor and understand the magnitude of the carbon footprint deriving from the activities outside of the company along the entire value chain, for the planning of effective management strategies, Fratelli Carli has **quantified the indirect, i.e. Scope 3 greenhouse gas (GHG) emissions that occur upstream from the organization**. This measuring and reporting process, which began in 2021 and was completed in 2022, and also continued in 2023, **follows the requisites of the GHG Protocol**, the most widely recognized methodology guide on the issue. The protocol **identifies 15 indirect emission categories, both downstream and upstream from the organization**. Those included in the Fratelli Carli inventory, for their significance for the company, are listed in the table below.

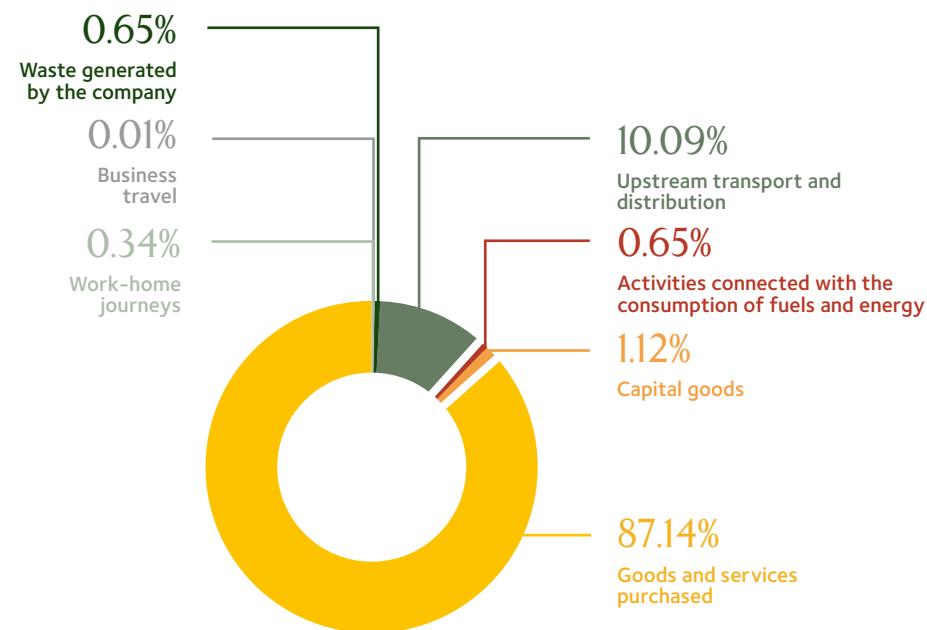
Scope 3 Category	Description
<b>1. Goods and services purchased</b>	This category includes all the upstream emissions (from the cradle to the gate) deriving from the production of products purchased or acquired by the company. Products comprise both goods (tangible products) and services (intangible products).
<b>2. Capital goods</b>	This category comprises emissions deriving from the extraction, production and transport of capital goods purchased or acquired by the company during the year considered.
<b>3. Activities connected with the consumption of fuels and energy</b>	This category comprises emissions relating to the production of fuel and energy purchased and consumed by the company that are not included in the categories of Scope 1 or Scope 2. They are the upstream emissions of fuel and energy.

Scope 3 Category

Description

<p><b>4.</b> Upstream transport and distribution – inbound</p> <p>Upstream transport and distribution – outbound</p>	<p>1. Transport and distribution of products purchased during the year considered, carried out by third-party suppliers or by Fratelli Carli using vehicles it does not own or manage;</p> <p>2. Third-party transport and distribution services purchased by the declarant company in the year under examination (directly or via an intermediary), including inbound logistics, outbound logistics (of products sold, for example), and the transport and distribution of third parties within company facilities.</p>
<p><b>5.</b> Waste generated by the company</p>	<p>Emissions deriving from the disposal and treatment of waste by third parties generated during operations belonging to or controlled by the declarant company.</p>
<p><b>6.</b> Business travel</p>	<p>This category includes emissions deriving from the transport of employees for business travel, in their own vehicles or vehicles managed by third parties, such as airplanes, trains, buses and cars.</p>
<p><b>7.</b> Work-home journeys</p>	<p>This category includes emissions deriving from the transport of employees from home to work, in their own vehicles or vehicles managed by third parties, such as cars, buses and trains.</p>

GHG Scope 3 emissions for 2023 (t CO<sub>2</sub>eq)



Fratelli Carli’s climate-altering emissions are mainly linked to indirect activities classified as Scope 3, amounting to 95% of the total. With regard to the Scope 3 categories reported on, **the greatest impact is in Category 1 (Goods and services purchased)**, which includes the emissions incorporated into the raw materials, packaging and finished products purchased by the company, and in **Category 4 (Upstream transport and distribution)**, regarding transport upstream and downstream of the production activity carried out in the company. Overall, the figure is down 29% compared to the previous year, as a result of the drop recorded in the purchase of raw materials, waste produced and upstream transport and distribution activities (the impact of which in terms of emissions fell by 38%). Impact has also been reduced thanks to Fratelli Carli’s awareness-raising efforts aimed at the self-employed delivery drivers. The category 2 figure is also 70% lower than the previous year, as a result of significant investments recorded in 2022, linked, for example, to the purchase of a new warehouse and the leasing of new machinery for the packaging lines, which were not necessary in 2023.

## Climate change impact mitigation actions: offsetting emissions from delivery logistics

The quantification of Scope 3 emissions is an important step on the path towards climate change impact mitigation embarked on by Fratelli Carli in 2021. Mapping the impact generated by the activities upstream and downstream from the company has allowed us to highlight the areas it is most important and urgent to act on.

Starting from 2022, Fratelli Carli has focused its strategic efforts for the management of CO<sub>2</sub> emissions **specifically on the impact of its delivery logistics in the Italian market**, followed by the **overseas market**, starting from 2023.

This has been made possible first and foremost by bringing on board the self-employed van drivers exclusively entrusted with delivering Fratelli Carli products directly to customers' homes.

The company has been sharing the "Transport Code" with them for years, and has embarked on a process of raising awareness of good driving practices that help to reduce emissions and environmental impacts at least in part.

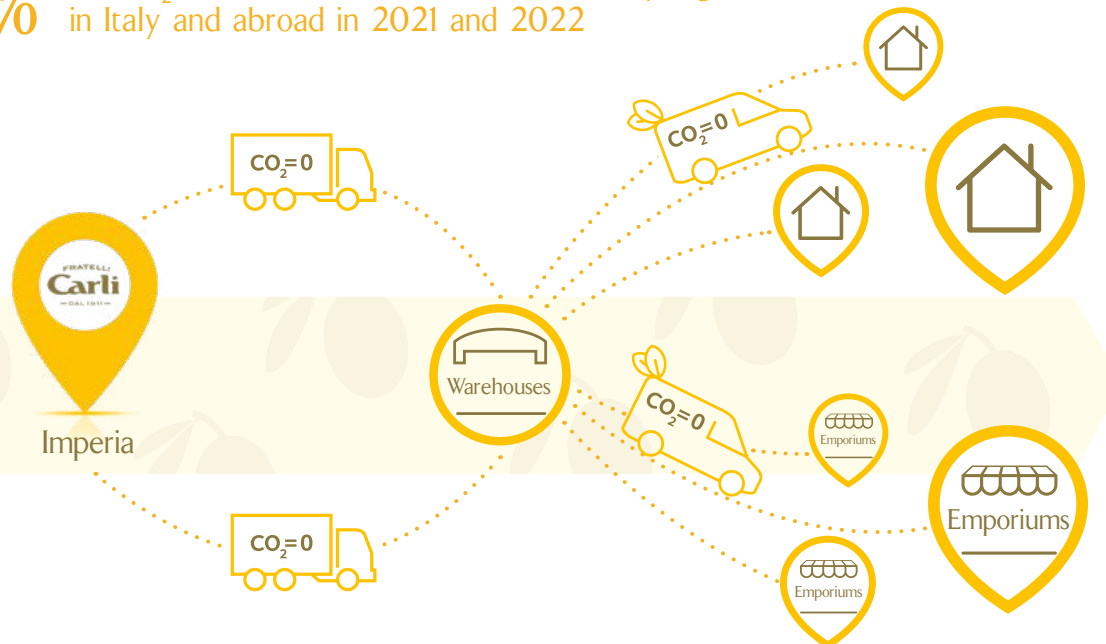
A calculation was thus made of the total CO<sub>2</sub> emissions generated by the entire delivery logistics process, regarding both primary transport from Imperia to the warehouses and secondary transport from the warehouses to customers' homes, in Italy and abroad, and to the Emporiums.

Lastly, Fratelli Carli has embarked on a process to offset emissions by purchasing an amount of "carbon credits" equal to the amount of CO<sub>2</sub> emitted for the following operations:

- deliveries for the Italian market for the year 2021, offset with 1,230 credits purchased;
- deliveries for the Italian and overseas market for the year 2022, covered by 1,230 credits purchased.

The projects chosen for offsetting emissions focus on the production of energy from renewable sources, and the financial support from the sale of the credits helps them to continue. Thus, the emissions generated for all Fratelli Carli deliveries in the years 2021 (Italy) and 2022 (Italy and abroad) have been offset in full. To continue along this path, the company has undertaken to purchase the credits necessary to offset the outbound logistics for both Italy and abroad once again for 2023, based on the results presented in this Report.

**100%** of CO<sub>2</sub> emissions offset for all the delivery logistic in Italy and abroad in 2021 and 2022



## Waste management

Waste management has always been a priority for Fratelli Carli. This commitment involves all the **people who work for and with us and the companies** we come into contact with right along the value chain. Proper waste management and the responsibilities related to it are governed by a specific procedure, which is constantly implemented and updated to incorporate any changes to the production process and to comply with the requisites established by the pertinent legislation in force. This commitment is part of the actions Fratelli Carli takes to prevent possible damage to the environment and its biodiversity, with the awareness that any introduction of exogenous substances into the environment – caused, for example, by inappropriate waste disposal – can have a negative impact on the ecosystem.

In recent years, Fratelli Carli has conducted a detailed analysis of all the activities that generate “**waste**” and/or “**scrap**”, in order to obtain a classification and characterization of such materials. This process has enabled the identification of appropriate ways to manage the waste produced and the preparation of dedicated areas for the **temporary storage** of special waste and for **separate urban waste collection**. For the latter, the company hosts waste collection areas termed “*isole ecologiche*” to collect and appropriately separate the waste produced before it is given over to the public waste collection service.

The waste produced by the company is largely of the non-hazardous kind. Specifically, the main categories are:

- packing materials such as paper, glass, plastic, wood and metal;
- soapstock;
- water and sludge from olive milling operations;
- food waste;
- bleaching earths for filtering;
- edible oils and fats.

Fratelli Carli actively undertakes to **monitor the operations of its suppliers that play a part in managing waste (hauliers, waste disposal companies and intermediaries)**. When defining contracts, the company considers the authorizations of each supplier, and while working with them, monitors their compliance with the measures established in the various local and national regulations.

As part of our ongoing improvement, Fratelli Carli trains and informs all relevant personnel and collaborators to ensure they pay the closest of attention to the correct application not only of legal provisions but also of in-house procedures, so that everyone is more attentive to how waste is managed. To this end, we conduct **awareness-raising and information campaigns on how to prevent the production of waste and how to dispose of it correctly**.



**Sara Vassallo**  
Environmental Management System  
and Waste Manager



Waste disposal areas have been set up in the company to ensure proper waste separation



## Fratelli Carli's approach to prevention

For a **preventive approach** to the production of waste, the company has adopted several actions in recent years that have led to a significant reduction. These actions were developed not only in-house but also upstream and downstream from the value chain of the organization.

### *In-house:*

- lighter packing materials;
- redesigning of packs with a view to cutting the use of plastic and multimaterials;
- dematerialization of communication.

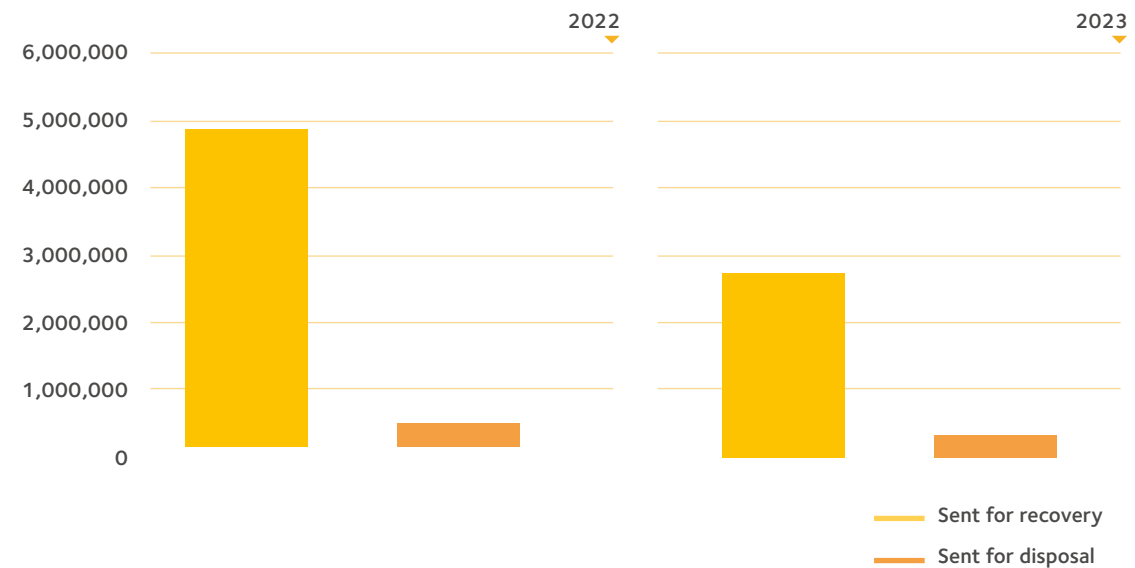
### *Upstream of the organization*

- engagement with all our suppliers regarding the issue of waste reduction and the various solutions implemented along the supply chain.

### *Downstream of the organization:*

- mapping of all the packaging materials, so as to accurately quantify their end-of-life impact and identify areas for intervention and improvement.

### Waste for recovery and disposal (Kg)



**-47%** total waste generated in 2023

**89%** of waste sent for recovery out of total waste

Fratelli Carli sends most of its waste for recovery and recycling. In the two-year period 2022-2023, there was a **decrease in the amount of waste, thanks to the ongoing commitment of Fratelli Carli to preventing waste production**, and also to changes in the oil market, which during the year experienced a slowdown in production. The main categories of waste where a reduction has been observed are: paper, plastic, aluminum, waste from olive milling operations, and laboratory solvents. In these conditions, **the amount sent for recovery now accounts for 89% of the total waste produced, down 4% compared to the previous year.**

#### ***Biofuel made from processing by- products***

The soapstock and greasy earth derived from the production process are submitted for assessment to the National System for the Certification of the Sustainability of Biofuels and Bioliquids. If considered compliant, instead of being disposed of as waste, they are assigned for use as a useful raw material for the production of biofuels, pursuant to current regulations.



## SUSTAINABILITY STORIES

# The design of a new warehouse offers a place to develop sustainable innovation



Walter Odasso

Technical Director for Factories

Marcello Porro

Warehouse Coordination Manager

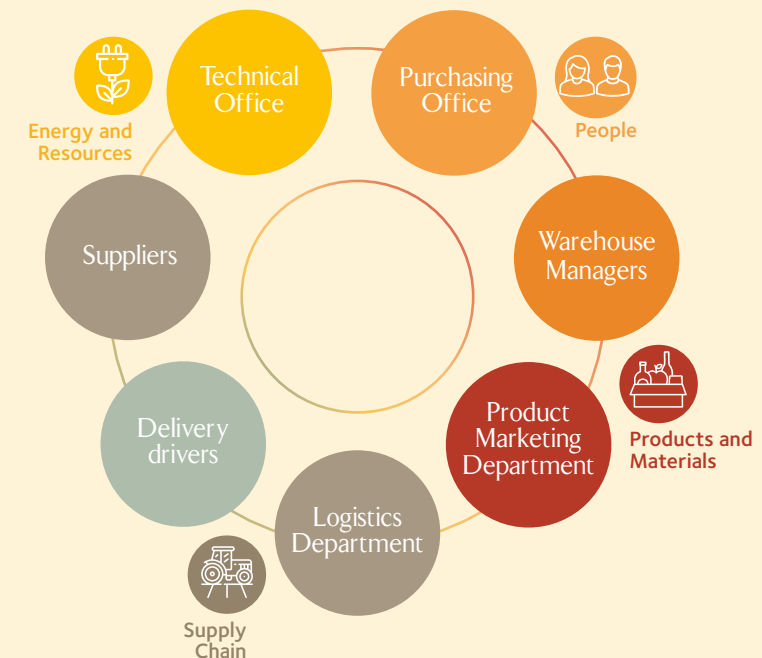
## The challenge we have faced

When we started working on the **design of our new system for labeling**, boxing and palletizing for our specialties sold in jars, it became immediately clear that this could offer a **major opportunity for change**. Looking beyond the strictly industrial aspect, we reflected on how it could **impact almost all of our Pillars of Sustainability**: from Energy to Materials and Products, as well as the Supply Chain and People.

## The change we have made

An **in-house round table** was set up, with a team involving the Technical Office, the Warehouse Managers, the Product Marketing Department, the Purchasing Office, the Logistics Department, our delivery drivers and suppliers. The aim is to **optimize and simplify**, by monitoring the flow of each process connected - upstream or downstream, inside or outside of the company - with the new system.

### Our round table



More than **3,5**  
quintals of inks  
avoided

**46** tons of  
cardboard saved

**-50%** inbound  
journeys by suppliers



We have worked on a complete redesign of our packs, moving from more than 60 customized packs using inks and paint, for each product to just 5 different types of boxes. **Each of these features an innovative** new technical design, in a single color and with graphics referring to sustainability. Customization with the name of the product can now be done in-line, thanks to an innovative laser engraving process.

The **results obtained** thanks to our redesign efforts:

- more than **3.5 quintals of inks avoided** every year
- approx. **46 tons of cardboard saved** every year.



We have adapted our organization, processes and inbound logistics so that the new system can also work with all the projects in jars that were already boxed on arrival.

The **result obtained** with our reorganization efforts:

- **-50% inbound journeys** by suppliers



Finally, both in-house and from all our suppliers involved, we have collected extremely detailed information for the purpose of using a Life Cycle Assessment (LCA) to reliably measure the improvement obtained by our project in terms of environmental impact.

The **outcome** of our assessment confirms the success of the team's efforts:

- **-40% environmental impact of the new packaging**, in all the categories taken into consideration in the LCA\*.

## What we have learned

This was a particularly complex challenge, because it was not easy in each area to strike the right balance between **operational efficiency requirements and positive impacts in terms of sustainability**, and there was no guarantee we would succeed.

The close collaboration among all the parties involved, the clear objectives focused on our Pillars of Sustainability and the courage to adopt innovative approaches were the real turning point of this "sustainability story". The obstacles faced and the **success factors** we have highlighted also made this project a **storytelling** tool we have used in our in-house sustainability training, resulting in engagement and attention that exceeded our expectations

### \*Impact categories and results of the study

Impact category	Unit of measurement	Old box	New box	Δ(%)
Climate change	Kg CO <sub>2</sub> -Eq	● 0.3174	● 0.1910	<b>-40%</b>
Ozone layer depletion	mg CFC-11-Eq	● 1.52E-08	● 9.19E-09	
Acidification	mol H+-Eq	● 0.0013	● 0.0008	
Eutrophication (fresh water)	Kg P-Eq	● 7.53E-05	● 4.51E-05	
Depletion of water resources	m <sup>3</sup> water-Eq	● 0.1077	● 0.0645	
Formation of photochemical smog	kg NMVOC-Eq	● 0.0007	● 0.0005	<b>-39%</b>

## Integrated safety and environmental management system

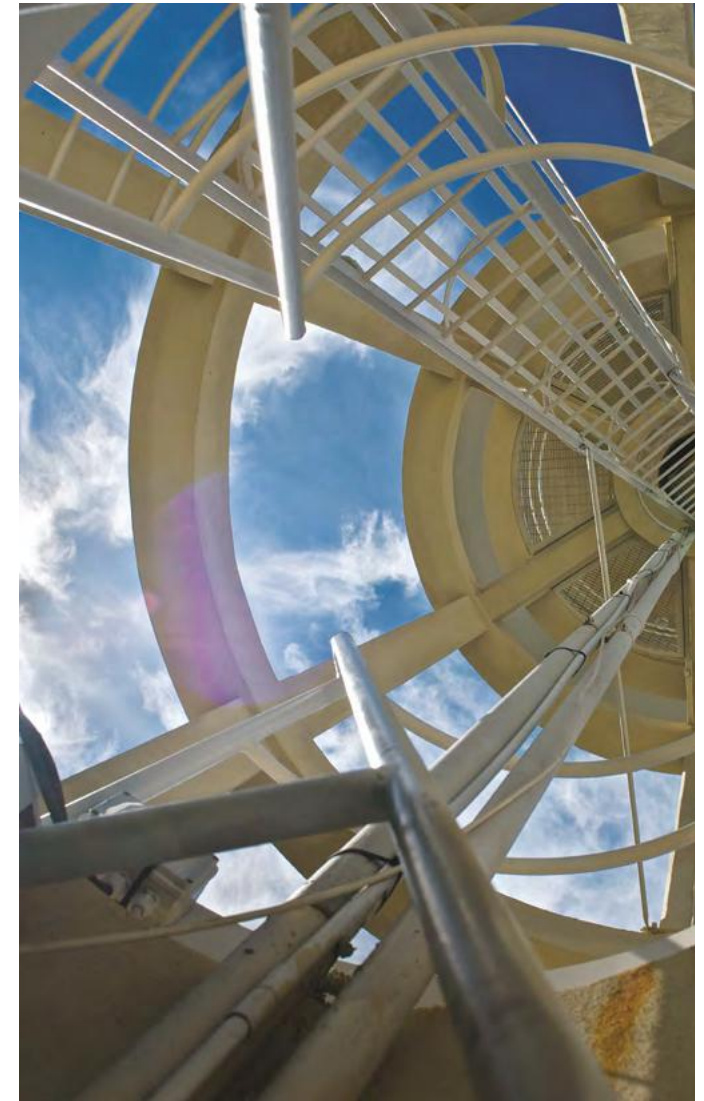
As part of its ongoing improvement initiatives, Fratelli Carli undertakes to promote and support all the actions necessary to protect the environment and occupational health and safety. It is to this end that the company decided, in 2022, to adopt an Integrated Environmental and Safety Management System, implemented based on the requisites of the UNI ISO 45001:2015 standard and the INAIL guidelines (UNI-INAIL). This system allows us to constantly verify and improve the environmental and safety performance of the organization and guarantee on-going efforts and evaluation of compliance with the applicable regulatory obligations.

**In 2022, Fratelli Carli adopted an Integrated Environmental and Safety Management System.**

The structure of the Integrated Management System is based on the definition of an Integrated Policy, the latest version of which was issued in September 2022 and which illustrates the principles and guidelines of the Integrated Management System, as well as the main environmental and safety objectives.

Specifically, the Integrated Management System controls and monitors the environmental aspects considered significant based on the outcome of the materiality analysis, by drawing up procedures and instructions aimed at defining responsibilities and means of control.

The integrated policy is inspired by the founding principles of the company and the common good purposes set out in the Articles of Association, and is an integral part of Fratelli Carli's management and operating choices.



## Water Management

Pursuing the implementation and improvement of sustainable practices and raw material savings, over the years the **refinery** has undergone **major innovations** that have allowed us to save about 3 liters of water per kilo of olive oil processed.

Fratelli Carli has always paid the utmost attention to water consumption, and is committed to monitoring and controlling water **quality, both inbound and outbound**, as required by law.

Compliance with the limits in force for drainage into the **sewerage system** is constantly monitored by means of periodic analyses carried out on pollutant loads, comparing them with significant parameters. For this reason, **a continuous sampling device, a flow meter and a thermometric probe** have been installed in the Imperia factory, next to the drain. The quality standards set and complied with for water drainage are those set forth in Legislative Decree no. 152/06.

For the analysis of the waste water, the company uses an external laboratory, which has always confirmed compliance with the limits established by law.

Furthermore, during the days the refinery is in operation, the company's in-house lab is used to conduct daily voluntary **checks on the water**, to verify that the quality parameters (e.g. COD, PH, Phenols) are being complied with in full.

At the Imperia and Gazzelli plants, **water processing systems** have been installed for drainage into the receiving body, in compliance with the requisites established by current legislation. On the Imperia premises, the water used for processing passes through **settling tanks** for the separation and recovery of any oily parts present, while the vehicle wash water is channeled to a **purification system and downstream filtering**.

In the **offices**, the water, from the municipal aqueduct, is used for all the toilets and changing rooms. To improve water efficiency and reduce consumption, all the traditional **taps have been replaced with taps that mix water with air**, creating a smoother flow and **reducing the amount of water used** without affecting the water pressure perceived.

In addition, in all the offices and production areas, **stations have been installed for the delivery of drinking water**, included chilled water, which filter the water from the aqueduct further, as well as allowing for a significant **decrease in the use of plastic bottles** throughout the company.

**3 Liters** of water saved for kilo of oil processed.



# Mediterranean Culture and Tradition



We have always endeavored to promote a culture of sustainability and healthy eating.



The olive tree and the precious oil it gives us are symbols of the Mediterranean: the heart and the root of the civilizations that gave birth to our world. This is where the passion and the mission of our enterprise stems from: the desire to help safeguard and transmit the traditions and knowledge that have created a food culture whose value is universally recognized.

**Claudia Carli**  
Head of Corporate  
Communications





## 2023 - 2025 Targets/Results



- To spread the **culture of olives and olive oil** and the **Mediterranean food tradition**
- To spread the **culture** of **Sustainability**

CONTINUING

2023



2024

2025

CONTINUING

2023



2024

2025

Target **achieved**Target **not achieved** due to delays attributable to the Coronavirus pandemicResult **unchanged**

## 2023 Highlights

### CULTURE AND TRADITION

100%

of the Emporiums provide information on Emporium sustainability



16,679

visitors to the Carlo Carli Olive Museum



+1,300

students have learned more about their studies in the rooms of the Carlo Carli Olive museum



+4,846,000

DEM messages on sustainability issues sent to customers



12

cooking courses held in the Emporium in Imperia



## Culture, tradition, sustainability

Fratelli Carli is continually committed to sustainability and to spreading the concept of healthy eating through a series of activities in the areas of culture, tradition and sustainability.

### “The Code - Rise Up Challenge” – A competition for schools on food wastage

The company has worked along with Dentsu on the course they organized for high schools, entitled “**The Code- Rise Up Challenge**”. The classes taking part were called upon to create an advertising campaign starring Fratelli Carli, the focus of which was to respond to and support the 12th Sustainable Development Goal (SDG) of the United Nations Agenda 2030, which aims to reduce food wastage by half by the end of 2030.

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Fratelli Carli is committed to promoting the culinary excellence typical of Italy, a traditional heritage of products and eating styles based on the Mediterranean diet admired all over the world.

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The task gave all the participants the opportunity to look closer into the question. Strange though it may seem, there is not yet a single, clear definition of food waste, or a consistent, definitive method to approach the issue. The students looked at the FAO (Food and Agriculture Organization) classification that highlights two types of product wastage along the food supply chain:

- 1) food loss: a decrease in the quantity and quality of food (edible farming, forestry or maritime produce) due to decisions or actions taken along the food and farming supply chain, from production and harvest to storage and transport
- 2) food waste: a decrease in the quantity and quality of food (edible farming, forestry or maritime produce) that occurs during the distribution to consumers and retailers

Realizzata dagli studenti una Advertising campaign developed by students in support of the 12<sup>th</sup> Sustainable Development Goal (SDG) of the UN's Agenda 2030.



More than **4,846,000** DEM messages on sustainability issues sent to customers

This theory formed the base on which the students constructed the Fratelli Carli advertising campaign, highlighting how the company can help promote increased awareness of good food consumption practices in order to avoid food wastage, encouraging everyone to adopt simple, responsible actions in their everyday lives and thus contribute to reducing the environmental, economic and social impact caused by food wastage.

## Digital Sustainability Communication Campaign

Fratelli Carli's commitment to raising awareness regarding a number of sustainability issues is directed at all its stakeholders, bringing them on board and informing them. For this reason, once again this year, the **e-mail marketing** plan included a plan exclusively **focused on engaging customers further in the company's commitment to responsible progress.**

The information and ideas contained in the e-mail communications invite customers to reflect on sustainability issues that regard all the minor and major choices we make every day. This successful campaign has involved the sending of more than 4,260,000 DEM messages, and it will be continuing over the coming months.



## The sustainability Information campaign in the Emporiums

The Emporiums offer a wealth of products and information, offering customers the chance to experience at first hand the special relationship between the company and its customers, based on trust, respect, transparency and communication.

A series of communication materials with a modern, immediate style have been studied with a view to developing and promoting the sustainable innovation process pursued daily in the company, **helping customers to discover the wholesome flavor and superb quality of the products**, as well as the **comprehensively sustainable approach** adopted by the company.

## SUSTAINABILITY STORIES

## You are the Origin



Claudia Carli

Head of Corporate Communications

## The challenge we have faced

Our history has earned us a benchmark position in the world of oil, which is a cornerstone of the Mediterranean culture and tradition we are committed to promoting and preserving every aspect of – so much so that this objective has become one of our five Pillars of Sustainability

The challenge we decided to rise to more than a year ago now involved creating an experience able to transmit all the rich, distinctive characteristics of this product, exploring all its secrets and illustrating the unique nature of the oil making process.

The “Experience Map” allowed us to explore the various phases of the relationship between our company and its interlocutors.

## The change we have made



To **design and create an experience able to allow us to share the olive oil culture** with our customers, and to achieve a truly **surprising result in sensory and emotional terms**, we created a dedicated team

within the company. This allowed us to pool all the skills and experience of our people and our family, adopting an agile method and innovative resources.

The “Experience Map” allowed us to **explore the various phases of the relationship between our company and its interlocutors**, analyzing, for each phase, the thoughts, expectations and needs in relation to the experience we were designing. The “Experience Map” allowed us to explore the various phases of the relationship between our company and its interlocutors.

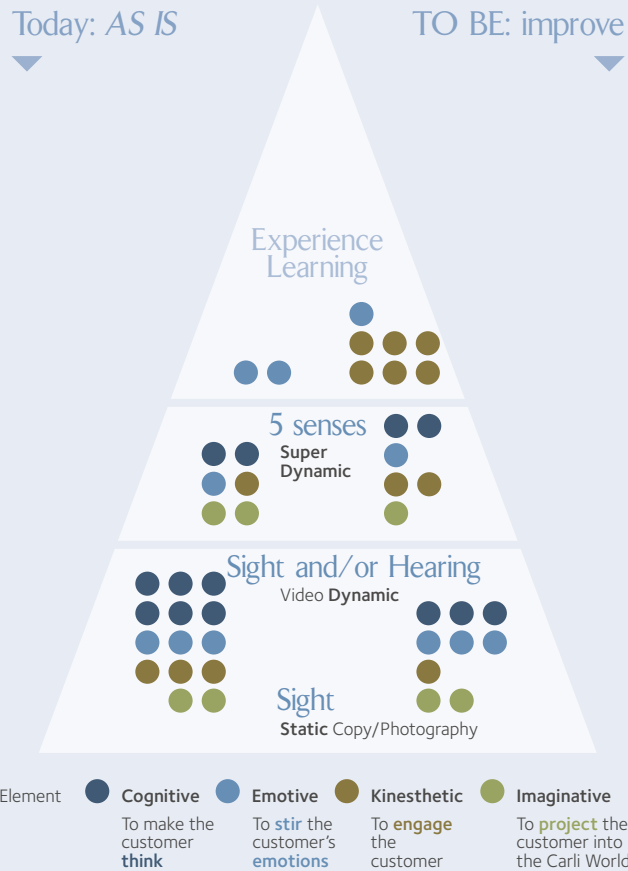
## Memorable Experience MAP You are the origin

People Scenario Objectives/Expectations

People	Scenario	Objectives/Expectations	
Awareness	Consideration	Experience	Memorability
Consumer actions			
Point of contact			
Thought			
Sensation			
Opportunity			

Owner in-house

Memorable Oil experience levels pyramid



The Levels Pyramid was then able to use this analysis to create the structure of a project able to engage the mind, imagination, senses and emotions of participants.

“You are the Origin” is a unique experience, the result of this major effort

In our Emporiums, under the guidance of our professional taster, the head of the **Federolio 1 panel**, participants have the chance to discover, in a simple yet highly engaging way, the **peculiarities and the rich experience of the olive oil world: the cultivars and their history, the different areas of origin, the secrets of oil tasting and the art of creating a perfect oil**, skillfully blending the flavors and aromas of different oils... and each participant, as part of the sensory element in the experience, also has the chance, for a moment, to **become a taster and to create their own unique, exclusive “blend” of oil.**

What we have learned

How to see the product that has been the center of our work for over a century through the eyes of someone who wants to explain its history and its distinctive characteristics and qualities, integrating the unique skills that have allowed the company to continue to grow.

The whole team has been able to bring on board and pool the specific professional skills of each individual, to design a unique activity and offer everyone the chance to learn more about the world of oil in an original, immersive way.





The Carlo Carli Olive Museum took part in the 22nd “Business Culture Week”, the theme of which this year was “People at the center of sustainable development. The soul of a responsible enterprise”.

## The Carlo Carli Olive Museum

The **Carlo Carli Olive Museum**, founded in Imperia by the Carli family in 1992, hosts one of the most important private collections in Italy of archaeological finds, rare objects, containers and oil lamps, as well as a fine library, all dedicated to the culture of the olive. The collection has been put together over many decades, and has also been declared of “**exceptional archaeological interest**” by the **Archaeological Heritage Office** of Liguria, and is protected by **ministerial restrictions**. Olives and olive oil played a key role in the history of the earliest civilizations, featuring in their food, art, culture, economy, customs, religion and cosmetics.

The Carlo Carli Olive Museum plays an important role in **enhancing and promoting the tangible and intangible heritage of the olive and of olive oil**, and in **promoting the Mediterranean diet**, recognized by UNESCO as part of the world’s Intangible Heritage.

Its keen awareness of this role prompted the Carlo Carli Olive Museum to take part in the **Convention on the General Assembly of Industrial Archaeology**, held in Rome in 2022, making a contribution to the “**Cultural Industry**” concept defined by UNESCO that is **perfectly representative of the bond between the Fratelli Carli company and its Carlo Carli Olive Museum**.

In collaboration with the **University of Genoa**, the company also took part in **the research project entitled “PatrimOlio culturale”**, which took the form of a scholarship for a research PhD entitled “L’Olio e l’olio a Bisanzio: dall’età classica a quella tardoantica tra mitologia, magia e religione” (Olives and Oil in Byzantium from the Classical Age to Late Antiquity: mythology, magic and religion). Based mainly on Greek texts, the aim of the research is to look into how the meaning and significance of oil and olives changed and evolved during the shift from the pagan to the Christian era, also by studying the texts and materials held in the Carlo Carli Olive Museum.



More than **130** archives and museums of Italian companies brought together by Museimpresa

## Museimpresa

During 2023, the **Carlo Carli Olive Museum's membership of Museimpresa**, the Italian Association of Business Archives and Corporate Museums, was consolidated and strengthened. Museimpresa brings together over 130 archives and museums of Italian companies, both large and small. This choice was made to make a practical contribution to the aims of the Association, which include **preserving the memory of Italian industry and focusing on the importance of entrepreneurial skills as a driver** of sustainable development. By joining the association, the company also seeks to help spread knowledge and experiences across the various museums, and to boost research and training activities in the field of museology and corporate archiving.

With this in mind, the Carlo Carli Olive Museum once again this year took part in the most significant activities of the Association: "International Museum Day" organized by ICOM, the "Bibliografia d'Impresa" for the creation of a shared bibliography that can be consulted online, the "Settimana della Cultura d'Impresa" (Business Culture Week) and the project "Itinerari Museimpresa" in collaboration with the Italian Touring Club.

Of particular importance was the participation of the Carlo Carli Olive Museum in the 22nd "Business Culture Week", the theme of which this year was **"People at the center of sustainable development. The soul of a responsible enterprise"**.



Scan the **QRcode** to learn about the **Carlo Carli Olive Museum**





Claudia Carli  
Head of Corporate Communications

Gian Franco Carli  
Chairman

Carlo Carli  
CEO

## METHODOLOGICAL NOTE

“ This Sustainability Report has been prepared in accordance with the principles of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards. ”

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# Methodological note

This document was drawn up in conformity with the **GRI – Global Reporting Initiative – Sustainability Reporting Standards published in 2016** and updated in 2021.

This Sustainability Report has been prepared with the “in accordance option”, in conformity with the principles of balance, comparability, accuracy, timeliness, clarity and reliability, as defined by the GRI Standards. The document highlights both strengths and weaknesses, as well as potential areas for improvement. The data collection and the reporting process were structured in order to guarantee comparability and correct interpretation of the information on the part of the main stakeholders with an interest in the evolution of performance. Furthermore, the company adopts the precautionary principle in all its activities.

In order to maintain an approach based on **ongoing improvement**, the strategic and management goals for the subsequent reporting years were defined, heading each section of the

Report, together with the company’s sustainability highlights. At the foot of the document, in the “Appendix”, the tables and other data provide an in-depth account of the indicators linked to the material issues of Fratelli Carli.

Contextual analysis conducted for the purpose of updating materiality also enabled the company to focus on the challenges internationally acknowledged in the United Nations’ Agenda 2030, and to select 7 of the **17 Sustainable Development Goals (SDGs)**<sup>8</sup> on which Fratelli Carli can have the greatest impact, linking them to the company’s own sustainability goals.

Thus, the company focused on **SDGs 3, 7, 8, 12, 14, 15** and **17**. The sustainability goals indicated in each section of the Report are accompanied by the pertinent SDG icon.

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<sup>8</sup> On 25 September 2015, the 193 United Nations Member Countries unanimously approved the Global Agenda for Sustainable Development, with its 17 Sustainable Development Goals (SDGs), indicating 169 Targets to be reached by the end of 2030. Italy played a key role in negotiations and effectively committed to pursuing these international goals. Given the scale of the challenge, all public and private players are called upon to contribute within their own spheres of influence and action.

## Scope of reporting and methods of calculation

The scope of reporting includes the company Fratelli Carli S.p.A. S.B., with registered office in via Garesio 11, Imperia. With regard to aspects relating to energy consumption and relative GHG emissions, the data refer to the factory/headquarters in Imperia, the factory in Gazzelli and the company's own warehouses (Assago, Pognano). With regard to waste and water management, the data refer to the Imperia and Gazzelli sites.

For aspects relating to personnel, the data refer to the factory/headquarters in Imperia, the factory in Gazzelli, the warehouses owned by the company and the Emporium.

This Sustainability Report is reviewed and approved in its entirety by the Board of Directors.

The information in the Report is based on data collected during the period from 1 January 2023 to 31 December 2023.







The following are the main methods of calculation adopted:

- **Scope 1 direct emissions:** for consumption of natural gas, gasoline, diesel and LPG, the emission factors taken from the table of standard national parameters of the Ministry for Environment, Land and Sea Protection (2020-2021-2022) were used; for refrigerant gas leakage from the air conditioning systems, the GWP provided by DEFRA (Department for Environment Food & Rural Affairs, United Kingdom) was used for the three-year period 2021-2023.
- **Scope 2 indirect emissions:**
  - *Location-based:* these emissions were calculated by multiplying the electricity purchased from the national grid by the emission factor taken from Confronti internazionali Terna based on Enerdata data -2018, 2019, and 2020 data;
  - *Market-based:* there are no such emissions (0), since the company uses only electrical energy from renewable sources and therefore the virtual emission factor is zero.
- **Scope 3 other indirect emissions:**
  - *Category 1 – Goods and services purchased:* emissions were calculated based on the amounts of materials purchased by the company, placing importance on their place of origin. A specific emission factor was attributed to each material, taken from the Ecoinvent data bank or from LCA studies conducted in-house and/or by suppliers. An evaluation was also conducted on the use of electrical energy from renewable sources on the part of suppliers, thus reducing the resulting emission factor, as well as the proportion of all types of materials recycled. Comprised within this category are the emissions deriving from water consumption. In this case, the emission factor was taken from the DEFRA data bank, as for the services purchased by the company.
  - *Category 2 – Capital goods:* for the calculation of emissions, the primary element considered are the goods identified as fixed assets by Fratelli Carli. Specifically, goods costing in excess of €10,000 were considered. In this case, DEFRA emission factors were used.

- *Category 3- Activities related to fuel and energy consumption:* Emissions were calculated by multiplying the amounts of fuel, electricity and thermal energy by the pertinent upstream emission factors. In this case, consumption attributable to the warehouses not owned by the company and to the Emporiums was considered. The emission factors were taken from DEFRA.
- *Category 4 – Upstream transport and distribution:* emissions relating to logistics are divided into:
  - inbound materials, i.e. all the materials used as input for the production process;
  - outbound materials, relating to the distribution of finished products and the delivery by self-employed van drivers.
 In both cases, the calculation was based on the distance travelled, the weight transported and the means of transport used (e.g. truck, train, ship). In some cases, the primary fuel consumption data were supplied by logistics service providers. Also in this case, the emission factor used was taken from the DEFRA data bank.
- *Category 5 – Waste generated by the company:* based on the MUD (Environmental Declaration Form) and the respective EWC codes, the data are shown in kg and then combined with the emission factors from the Ecoinvent data bank, and to a marginal extent from DEFRA, regarding the processing of waste.
- *Category 6 – Business travel:* emissions were calculated by considering the distance travelled (km) and the type of transport used by personnel for business travel. Distances were then multiplied by the specific emission factor taken from DEFRA. Please note that for stretches travelled by train in Italy, the average emission factor used was taken from the Sustainability Report of Trenitalia.
- *Category 7 – Work-home journeys:* for this category, the valuation was based on the answers provided by Fratelli Carli employees in a questionnaire developed in 2020 to find out the distance they travel from home to work, and the means of transport used. The company believes that the information obtained from this survey remains current and accurately reflects how and how far our employees travel to work, so the data shown are based on the outcome of the questionnaire. The emission factors used were taken from the DEFRA data bank.
- **Emissions avoided:** emissions avoided were calculated by multiplying the total electrical energy produced using photovoltaic panels and expressed in kWh by the residual mix emission factor taken from AIB (Association of Issuing Bodies) 2021-2022-2023.
- **Accidents at work :**
  - rate of recordable accidents at work: ratio between the number of recordable accidents at work, not including accidents taking place while travelling, and the total number of hours worked, multiplied by 200,000;
  - rate of accidents with serious consequences (not including deaths): ratio between the number of serious accidents and the total number of hours worked, multiplied by 200,000;
  - rate of deaths resulting from accidents at work: ratio between the number of deaths due to accidents at work and the total number of hours worked, multiplied by 200,000.

The quantitative indicators that do not refer to any general or topic-specific disclosure in the GRI Standards, shown on the pages indicated in the Content Index, were not the object of a limited examination on the part of EY S.p.A.

## GRI Reconciliation Table - Material Issues

SUBJECT	MATERIAL ISSUES	GRI STANDARD
<b>People</b> 	Employees' safety and rights	GRI 403: Occupational health and safety
	Personal well-being and development	GRI 406: Non-discrimination
	Diversity and equal opportunities	GRI 404: Education and training
	Customer satisfaction and safety	GRI 401: Employment
<b>Materials and products</b> 	Food safety	GRI 417: Marketing and labelling GRI 416: Customer health and safety
	Product quality and excellence	GRI 416: Customer Health and Safety
	Sustainable materials and product eco-design	GRI 301: Materials
<b>Supply chain</b> 	Responsible supply chain management	GRI 414: Supplier social assessment GRI 308: Supplier environmental assessment
	Enhancing local communities	GRI 201: Economic performance GRI 204: Procurement practices
<b>Energy and resources</b> 	Climate Action	GRI 302: Energy GRI 305: Emissions
	Reduction of production footprint	GRI 306: Waste GRI 303: Water and effluents
<b>Mediterranean culture and tradition</b> 	Encouraging healthy lifestyles by promoting the Mediterranean diet	-
<b>Ethical business conduct</b> 	Ethical business conduct	GRI 205: Anti-corruption
	Observance of privacy regulations	GRI 418: Customer privacy

# Impact profile

To comply with legal obligations and report on the company's impact, Fratelli Carli uses the third-party standard B Impact Assessment. The measurement of its impact for the 2019 reporting year showed a score of 98.3, attesting to the company's constant improvement in its sustainability performance over the years.

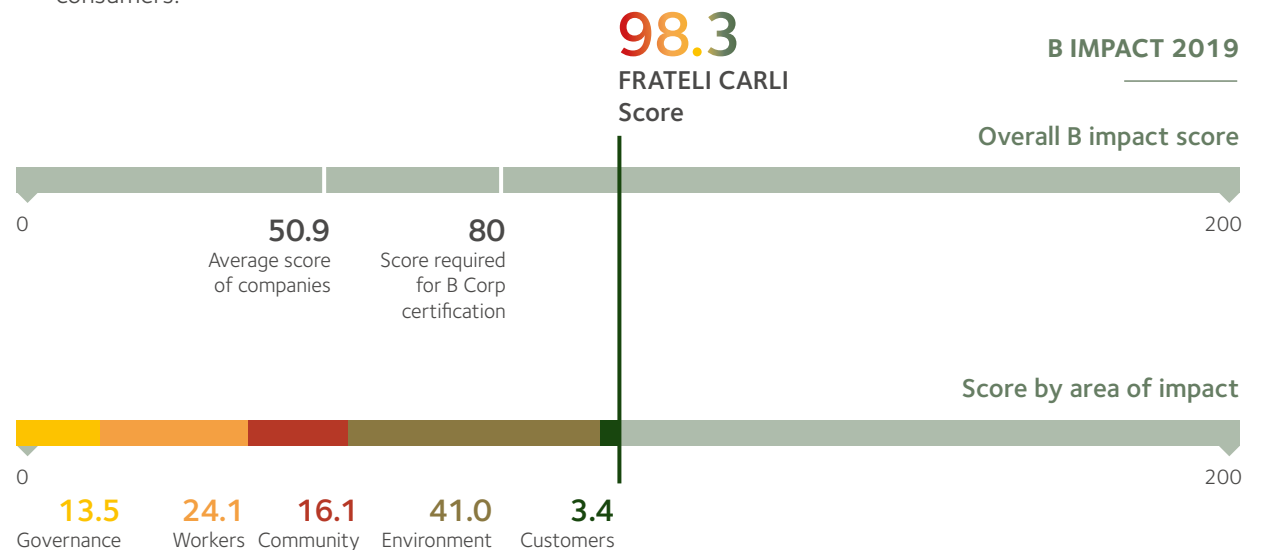
In 2023, Fratelli Carli again measured its performance against the B Lab B Impact Assessment standard, successfully completing the recertification process required.

At the date of publication of this volume, the official account with the updated score was not yet available. It will therefore be published in the 2024 Sustainability Report.

The result of the B Impact Assessment is expressed with an overall company score, ranging from 0 to 200, broken down into the five main impact areas considered:

- **Governance:** matters concerning ethics, transparency and corporate mission;
- **Employees:** matters concerning health and safety, well-being and employee satisfaction;
- **Community:** matters concerning inclusion, supply chain management and corporate social engagement;
- **Environment:** matters concerning climate change and natural resource management;
- **Customers:** matters concerning interaction with consumers.

Fratelli Carli's B Impact Report, complete and certified by B Lab (a non-profit organization supporting the B Corp movement internationally), can be freely consulted at the following link: <https://www.bcorporation.net/en-us/find-a-b-corp/company/fratelli-carli-spa/>



# Appendix

## Economic indicators

### ECONOMIC PERFORMANCE

#### GRI 201-1 | Direct economic value (€) generated and distributed

	2021	2022	2023
<b>Direct economic value generated</b>	<b>155,247,840</b>	<b>158,844,271</b>	<b>137,654,680</b>
<b>Economic value distributed</b>	<b>147,958,061</b>	<b>156,605,181</b>	<b>132,586,981</b>
<i>Operating costs</i>	128,035,208	137,947,827	111,206,795
<i>Employee salaries and benefits</i>	17,905,787	17,756,037	17,068,606
<i>Payments to capital providers</i>	932,420	1,302,152	3,335,369
<i>Payments to the Public Administration</i>	931,951	621,612	801,989
<i>Investments in the community</i>	152,695	220,776	154,222
<b>Economic value retained</b>	<b>7,289,778</b>	<b>2,239,090</b>	<b>5,067,699</b>

### PROCUREMENT PRACTICES

#### GRI 204-1 | Proportion of spending on local suppliers (%)

	2021	2022	2023
<b>Procurement budget spent on local suppliers</b>	<b>74%</b>	<b>77%</b>	<b>76%</b>



GRI 308-1 | New suppliers screened using environmental criteria (no. and %)<sup>9</sup>

	2021	2022	2023
Total number of new suppliers	6	0	5
Number of new suppliers screened using environmental criteria	6	0	5
Percentage of new suppliers screened using environmental criteria	100%	0%	100%

GRI 414-1 | New suppliers screened using social criteria (no. and %)<sup>9</sup>

	2021	2022	2023
Total number of new suppliers	6	0	5
Number of new suppliers screened using social criteria	6	0	5
Percentage of new suppliers screened using social criteria	100%	0%	100%

## ANTI-CORRUPTION

## GRI 205-3 | Confirmed incidents of corruption and actions taken (no.)

	2021	2022	2023
Confirmed incidents of corruption	0	0	0
Corruption-linked public lawsuits commenced against the organization or its employees	0	0	0

<sup>9</sup> The figure includes suppliers of the most significant goods categories for Fratelli Carli.

## Social indicators

GENERAL DISCLOSURE			
GRI 2-7 <sup>10</sup>   Employees (no.)			
	2021	2022	2023
<b>Employees</b>	<b>381</b>	<b>378</b>	<b>378</b>
<i>Women</i>	187	190	196
<i>Men</i>	194	188	182
<b>Full-time contract</b>	<b>263</b>	<b>277</b>	<b>251</b>
<i>Women</i>	93	108	91
<i>Men</i>	170	169	160
<b>Part-time contract</b>	<b>118</b>	<b>101</b>	<b>127</b>
<i>Women</i>	94	82	105
<i>Men</i>	24	19	22
<b>Permanent contract</b>	<b>346</b>	<b>342</b>	<b>339</b>
<i>Women</i>	168	165	163
<i>Men</i>	178	177	176
<b>Temporary contract</b>	<b>35</b>	<b>36</b>	<b>39</b>
<i>Women</i>	19	25	33
<i>Men</i>	16	11	6
GRI 2-8   Workers who are not employees (no.)			
	2021	2022	2023
<b>Non-employees</b>			
<i>Interim staff</i>	4	4	1

<sup>10</sup> The company's employees are all located in Italy. There are no employees with working hours that are not guaranteed, and there are no employees that do not identify as male/female.

## EMPLOYMENT

## GRI 401-1 | New hires (n)

	2021	2022	2023
<b>Total hires</b>	<b>125</b>	<b>133</b>	<b>103</b>
<b>Gender</b>			
<i>Women</i>	65	73	60
<i>Men</i>	60	60	43
<b>Age bracket</b>			
<30 years	53	67	40
$30 \leq x \leq 50$ years	51	49	49
>50 years	21	17	14

## GRI 401-1 | Turnover (n)

	2021	2022	2023
<b>Total terminations</b>	<b>117</b>	<b>136</b>	<b>103</b>
<b>Gender</b>			
<i>Women</i>	56	70	54
<i>Men</i>	61	66	49
<b>Age bracket</b>			
<30 years	47	61	46
$30 \leq x \leq 50$ years	43	53	35
>50 years	27	22	22

## HEALTH AND SAFETY

## GRI 403-9 | Work-related injuries

	U.M.	2021	2022	2023
<b>Employees</b>				
<i>Total number of hours worked</i>	no.	634,763	602,220	586,914
<i>Total no. of work-related injuries</i>	no.	1	0	3
<i>Total no. of work-related injuries with severe consequences</i>	no.	0	0	0
<i>Total no. of deaths due to work-related injuries</i>	no.	0	0	0
<i>Injury rate</i>	Rate	0.32	0.0	1.02
<i>Severe injury rate</i>	Rate	0.0	0.0	0.0
<i>Death rate</i>	Rate	0.0	0.0	0.0
<b>Workers other than employees whose work and/or workplace is under the organization's control</b>				
<i>Total number of hours worked</i>	no.	91,024	90,007	72,632
<i>Total no. of work-related injuries</i>	no.	0	0	0
<i>Total no. of work-related injuries with severe consequences</i>	no.	0	0	0
<i>Total no. of deaths due to work-related injuries</i>	no.	0	0	0
<i>Injury rate</i>	Rate	0.0	0.0	0.0
<i>Severe injury rate</i>	Rate	0.0	0.0	0.0
<i>Death rate</i>	Rate	0.0	0.0	0.0

## TRAINING

## GRI 404-1 | Average yearly training hours per employee (h)

	2021	2022	2023
<b>Gender</b>			
<i>Women</i>	13.3	14.1	18.2
<i>Men</i>	7.6	9	12.1
<b>Professional category</b>			
<i>Top management</i>	32.1	9.6	6.2
<i>Middle management</i>	20.9	17.8	27.2
<i>White-collar personnel</i>	12.6	13.8	17.0
<i>Blue-collar personnel</i>	3.6	5.6	10.3
<b>Total</b>	<b>10.4</b>	<b>11.5</b>	<b>15.3</b>



## DIVERSITY AND EQUAL OPPORTUNITIES

## GRI 405-1 | Diversity in management bodies (no. and %)

	2021		2022		2023	
	no.	in %	no.	in %	no.	in %
<b>Gender</b>						
<i>Women</i>	1	20	1	20	1	20
<i>Men</i>	4	80	4	80	4	80
<b>Age bracket</b>						
<i>&lt;30 years</i>	0	0	0	0	0	0
<i>30 ≤ x ≤ 50 years</i>	2	40	2	40	2	40
<i>&gt;50 years</i>	3	60	3	60	3	60

## GRI 405-1 | Diversity among employees (no. and %)

Professional category	2021		2022		2023	
	no.	in %	no.	in %	no.	in %
<b>Gender</b>						
<b>Top management</b>	<b>4</b>	<b>1.1</b>	<b>4</b>	<b>1.1</b>	<b>5</b>	<b>1.3</b>
<i>Women</i>	0	0.0	0	0.0	1	0.5
<i>Men</i>	4	2.1	4	2.1	4	2.2
<b>Middle management</b>	<b>11</b>	<b>2.9</b>	<b>11</b>	<b>2.9</b>	<b>9</b>	<b>2.3</b>
<i>Women</i>	4	2.1	4	2.1	2	1.0
<i>Men</i>	7	3.6	7	3.7	7	3.8
<b>White-collar personnel</b>	<b>253</b>	<b>66.4</b>	<b>256</b>	<b>67.7</b>	<b>259</b>	<b>68.6</b>
<i>Women</i>	163	87.2	167	87.9	175	89.3
<i>Men</i>	90	46.4	89	47.3	84	46.2
<b>Blue-collar personnel</b>	<b>113</b>	<b>29.6</b>	<b>107</b>	<b>28.3</b>	<b>105</b>	<b>27.8</b>
<i>Women</i>	20	10.7	19	10.0	18	9.2
<i>Men</i>	93	47.9	88	46.8	87	47.8

Age bracket	2021		2022		2023	
	no.	in %	no.	in %	no.	in %
<b>&lt;30 years</b>	<b>28</b>	<b>7.0</b>	<b>32</b>	<b>8.5</b>	<b>24</b>	<b>6.3</b>
<i>Top management</i>	0	0.0	0	0.0	0	0.0
<i>Middle management</i>	0	0.0	0	0.0	0	0.0
<i>White-collar personnel</i>	25	9.9	31	12.1	22	8.5
<i>Blue-collar personnel</i>	3	2.7	1	0.9	2	1.9
<b>30 ≤ x ≤ 50 years</b>	<b>176</b>	<b>46.2</b>	<b>162</b>	<b>42.9</b>	<b>166</b>	<b>43.9</b>
<i>Top management</i>	0	0.0	0	0.0	1	20.0
<i>Middle management</i>	2	18.2	1	9.1	0	0.0
<i>White-collar personnel</i>	136	53.8	130	50.8	139	53.7
<i>Blue-collar personnel</i>	38	33.6	31	29.0	26	24.8
<b>&gt;50 anni</b>	<b>177</b>	<b>46.5</b>	<b>184</b>	<b>48.7</b>	<b>188</b>	<b>49.7</b>
<i>Top management</i>	4	100.0	4	100.0	4	80.0
<i>Middle management</i>	9	81.8	10	90.9	9	100.0
<i>White-collar personnel</i>	92	36.4	95	37.1	98	37.8
<i>Blue-collar personnel</i>	72	63.7	75	70.1	77	73.3

## CUSTOMER PRIVACY

## GRI 418-1 | Number of confirmed complaints received concerning breaches of customer privacy (no.)

	2021	2022	2023
<b>Total number of documented complaints received concerning breaches of customer privacy</b>	<b>8</b>	<b>3</b>	<b>2</b>
<i>of which received from external subjects</i>	8	3	2
<i>of which from supervisory bodies</i>	0	0	0

## GRI 418-1 | Cases of loss of customer data (no.)

	2021	2022	2023
<b>Total number of identified thefts or losses of customer data</b>	<b>1</b>	<b>2</b>	<b>0</b>

## Environmental indicators

### MATERIALS

#### GRI 301-1 | Consumption of materials (ton)<sup>11</sup>

	2021	2022	2023
<b>Processing and packaging materials</b>	<b>8,661</b>	<b>8,701</b>	<b>6,441</b>
<i>Plastic</i>	76	91	71
<i>Paper and cardboard</i>	2,712	2,639	2,272
<i>Wood/Cork</i>	185	214	128
<i>Tinplate/Metal</i>	204	178	181
<i>Aluminum</i>	18	26	19
<i>Glass</i>	5,466	5,553	3,770
<b>Food raw materials</b>	<b>17,836</b>	<b>17,252</b>	<b>9,841</b>
<i>Oil</i>	17,431	16,925	9,081
<i>Olives for milling</i>	83	28	29
<i>Other materials (e.g. tomato pulp, basil, cheese)</i>	322	299	731
<b>Finished products purchased from third parties</b>	<b>1,511</b>	<b>1,240</b>	<b>1,077</b>
<i>“Seafood” products (e.g. tuna, tuna filets, anchovies)</i>	409	303	274
<i>Bakery products for special occasions (panettone, colomba)</i>	222	210	180
<i>Soaps</i>	133	123	88
<i>Dry pasta</i>	184	154	183
<i>Olives / olive pâté</i>	144	127	102
<i>Other finished products (e.g. vegetables in oil, sweet spreads, focaccia, soups)</i>	419	323	250

<sup>11</sup> The indicator does not include the category “Free Gifts”, because the material is not considered significant compared to other types of materials presented.



	2021	2022	2023
<b>Mediterranea products</b>	<b>171</b>	<b>117</b>	<b>663</b>
<i>Bulk</i>	104	67	624
<i>Plastic</i>	20	12	13
<i>Paper</i>	33	22	9
<i>Glass</i>	13	7	15
<i>Aluminum</i>	0	0	1
<i>Wood</i>	1	1	0,5
<i>Solid soap</i>	0	8	0,5
<b>Total materials</b>	<b>28,179</b>	<b>27,311</b>	<b>18,023</b>

## OTHER MATERIALS (I)

	2021	2022	2023
<i>Wine</i>	239,540	225,153	114,669
<i>Vinegar</i>	117,075	107,419	86,178
<i>Liquid soap, hand cream</i>	94,046	81,196	61,465
<b>Total materials</b>	<b>450,661</b>	<b>413,768</b>	<b>262,312</b>

## ENERGY

## GRI 302-1 | Consumption of fuels from non-renewable

		U.M.	2021	2022	2023
Diesel		l	93,510	78,439	75,800
LPG		l	7,214	6,739	6,157
Natural gas		Std <sup>m</sup>	606,787	494,608	300,207
Consumption of fuel for the company's fleet	Diesel	l	148,654	140,713	115,357
	Gasoline	l	11,393	17,742	19,120

## GRI 302-1 | Indirect energy consumption (kWh)

	2021	2022	2023
Consumption of electrical energy purchased	4,710,066	4,390,260	3,512,210
<i>of which with renewable energy certification</i>	4,710,066	4,390,260	3,512,210

## GRI 302-1 | Electrical energy produced (kWh)

	2021	2022	2023
Electricity from a renewable source produced and sold	94,209	68,574	111,495
Electricity from a renewable source produced and consumed	926,070	897,286	876,372

## GRI 302-1 | Energy consumed (GJ)

	2021	2022	2023
Diesel	8,669	7,845	6,843
LPG	171	159	146
Gasoline	334	520	561
Natural gas	21,408	17,478	10,644
Electrical energy	20,290	19,035	15,799
<b>Total</b>	<b>50,872</b>	<b>45,037</b>	<b>33,993</b>



## EMISSIONS

GRI 305-1 | Scope 1 emissions (tCO<sub>2</sub>eq.)

	2021	2022	2023
Diesel	641	580	506
LPG	11	10	10
Gasoline	24	38	41
Natural gas	1,203	985	601
Refrigerant gas leaks	228	154	161
<b>Total Scope 1</b>	<b>2,107</b>	<b>1,767</b>	<b>1,319</b>

GRI 305-2 | Scope 2 emissions (tCO<sub>2</sub>eq)

	2021	2022	2023
Location-Based	1,484	1,383	1,106
Market-Based <sup>12</sup>	0	0	0

GRI 305-3 | Scope 3 emissions (tCO<sub>2</sub>eq)

	2021	2022	2023
1. Goods and services purchased	61,226	50,749	37,038
2. Capital goods	1,300	1,579	475
3. Activities connected with the consumption of fuels and energy	401	353	275
4. Upstream transport and distribution – inbound	2,639	3,031	1,289
Upstream transport and distribution – outbound	3,472	3,938	3,001
5. Waste generated by the company	645	362	276
6. Business travel	0,4	4	4
7. Work-home journey <sup>13</sup>	155	147	147
<b>Totale Scope 3</b>	<b>69,839</b>	<b>60,163</b>	<b>42,504</b>

<sup>12</sup> Zero Scope 2 emissions calculated by means of the market-based method, because the company consumes electrical energy solely from renewable sources, in part self-produced by means of photovoltaic panels and in part purchased and certified as 100% from renewable sources.

<sup>13</sup> For the calculation method used, see the "Methodological Note" section.

## WATER

## GRI 303-3 | Water withdrawal by source (ML)

	2021	2022	2023
<i>Withdrawal from wells</i>	124	70	52
<i>Withdrawal from aqueduct</i>	15	13	15
<b>Total water withdrawal</b>	<b>139</b>	<b>83</b>	<b>67</b>

## GRI 303-4 | Water discharge by destination (ML)

	2021	2022	2023
<i>Discharge into the municipal system</i>	133	80	66
<b>Total water discharge</b>	<b>133</b>	<b>80</b>	<b>66</b>

GRI 303-5 | Water consumption (ML)<sup>14</sup>

	2021	2022	2023
<i>Total water withdrawal</i>	139	83	67
<i>Total water discharge</i>	133	80	66
<b>Total water consumption</b>	<b>6</b>	<b>3</b>	<b>1</b>

<sup>14</sup> For the calculation of the figure relating to water consumption, further details were made available compared to those considered and reported in the 2021 Sustainability Report for 2021. The data that became available during 2022 allowed us to make a more accurate calculation both for the reporting year (2022) and for the year 2021, so as to provide as reliable and consistent a picture as possible. The more accurate figure is therefore indicated in this report.

## WASTE

## GRI 306-3/306-4/306-5 | Waste generated, diverted from disposal and directed to disposal (t)

		2021	2022	2023
Laboratory solvents		<1	<1	<1
Packaging	Paper	401	390	287
	Plastic	22	25	19
	Glass	34	41	26
Food waste		17	8	28
Printer toner		<1	<1	<1
Aluminum scrap		5	4	2
Bleaching earths for filtering		179	195	112
Edible oils and fats		2	1	<1
Sludge produced by olive mill operations		219	56	115
Other separate waste		5,035	4,360	2,447
Unsorted urban waste		3	0	0
<b>Total</b>		<b>5,917</b>	<b>5,080</b>	<b>3,039</b>
<i>of which hazardous</i>		<b>12</b>	<b>2</b>	<b>10</b>
<i>of which non-hazardous</i>		<b>5,905</b>	<b>5,078</b>	<b>3,029</b>
<i>of which sent for recycling/recovery</i>		<b>5,385</b>	<b>4,747</b>	<b>2,708</b>
<i>of which not sent for recycling/recovery</i>		<b>532</b>	<b>333</b>	<b>331</b>

# GRI Content Index

The material contained in this Sustainability Report refers to the following GRI Disclosures. Unless otherwise indicated, the disclosures are indicated in their entirety.

Disclosure	Description of the Indicator	Section	Omissions – Notes
<b>The organization and its reporting practices</b>			
GRI 2-1	Organizational details	Pages 8; 20; 131	
GRI 2-2	Entities included in the organization's sustainability reporting	Page 131	
GRI 2-3	Reporting period, frequency and contact point	Page 131	sosteniamoci@oliocarli.it
GRI 2-4	Restatements of information		Compared to the data published in the 2022 Report, the following GRI have been updated: 2-8   Workers who are not employees; 201-1 Economic value directly Generated and distributed 302-1 and 305-1 Energy consumed and the related Scope 1 emissions 305-3 Scope 3 emissions.
GRI 2-5	External assurance	Pages 158-160	
<b>Activities and workers</b>			
GRI 2-6	Activities, value chain and other business relationships	Pages 36-37	
GRI 2-7	Employees	Page 137	
GRI 2-8	Workers who are not employees	Page 137	
<b>Governance</b>			
GRI 2-9	Governance structure and composition	Page 20	
GRI 2-10	Nomination and selection of the highest governance body	Page 20	

Disclosure	Description of the Indicator	Section	Omissions – Notes
GRI 2-11	Chair of the highest governance body	Page 20	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Page 22	
GRI 2-13	Delegation of responsibility for managing impacts	Page 22	
GRI 2-14	Role of the highest governance body in sustainability reporting	Page 20	
GRI 2-15	Conflicts of interest	Page 23	
GRI 2-16	Communication of critical concerns	Page 23	
GRI 2-17	Collective knowledge of the highest governance body	Page 20	
GRI 2-18	Evaluation of the performance of the highest governance body		The Board of Directors is not subjected to evaluation of its performance with reference to the supervision of impacts on the economy, the environment and people
GRI 2-19	Remuneration policies	Page 22	
GRI 2-20	Process to determine remuneration	Page 22	
GRI 2-21	Annual total compensation ratio		Confidentiality constraints
<b>Strategy, policies and practices</b>			
GRI 2-22	Statement on sustainable development strategy	Pages 29-30	
GRI 2-23	Policy commitments	Pages 22-23	
GRI 2-24	Embedding policy commitments	Pages 22-23	
GRI 2-25	Processes to remediate negative impacts	Pages 22-23	
GRI 2-26	Mechanisms for seeking advice and raising concerns	Page 23	
GRI 2-27	Compliance with laws and regulations	Page 23	
GRI 2-28	Membership of associations	Page 23	
<b>Stakeholder engagement</b>			
GRI 2-29	Approach to stakeholder engagement	Page 42	
GRI 2-30	Collective bargaining agreements	Page 59	



Disclosure	Description of the Indicator	Section	Omissions – Notes
<b>Material issues</b>			
GRI 3-1	Process to determine material issues	Pages 34-41	
GRI 3-2	List of material issues	Pages 37-41	
<b>Enhancing local communities</b>			
GRI 3-3	Management of material issues	Pages 39; 64-94	
GRI 201-1	Economic value directly generated and distributed	Page 43	
GRI 204-1	Proportion of expenditure to local suppliers	Page 94	
<b>Ethical business conduct</b>			
GRI 3-3	Management of material issues	Pages 20-41	
GRI 205-3	Confirmed incidents of corruption and actions taken	Page 136	
<b>Sustainability of materials and product eco-design</b>			
GRI 3-3	Management of material issues	Pages 39-76	
GRI 301-1	Materials used by weight or volume	Pages 143-144	
<b>Climate action</b>			
GRI 3-3	Management of material issues	Pages 40; 103-117	
GRI 302-1	Energy consumption within the organization	Pages 145-146	
GRI 305-1	Direct GHG emissions (Scope 1)	Page 147	
GRI 305-2	Indirect GHG emissions from energy consumption (Scope 2)	Page 147	
GRI 305-3	Other Indirect GHG emissions (Scope 3)	Page 147	
<b>Reducing the production footprint</b>			
GRI 3-3	Management of material issues	Pages 40; 117	
GRI 303-1	Interaction with water as a shared resource	Page 117	
GRI 303-2	Management of impacts related to water discharge	Page 117	
GRI 303-3	Water withdrawal	Page 148	

Disclosure	Description of the Indicator	Section	Omissions – Notes
GRI 303-4	Water discharge	Page 148	
GRI 303-5	Water consumption	Page 148	
GRI 306-1	Waste generation and significant waste-related impacts	Pages 111-113	
GRI 306-2	Management of significant waste-related impacts	Pages 111-113	
GRI 306-3	Waste generated	Page 149	
GRI 306-4	Waste not sent to landfill	Page 149	
GRI 306-5	Waste sent to landfill	Page 149	
<b>Responsible supply chain management</b>			
GRI 3-3	Management of material issues	Pages 39; 91-101	
GRI 308-1	New suppliers selected using environmental criteria	Page 136	
GRI 414-1	New suppliers selected using social criteria	Page 136	
<b>Employees' safety and rights</b>			
GRI 3-3	Management of material issues	Pages 38; 51-71	
GRI 403-1	Occupational health and safety management system	Pages 58-59	
GRI 403-2	Hazard identification, risk assessment and incident investigation	Page 59	
GRI 403-3	Occupational health services	Pages 57-59	
GRI 403-4	Worker participation, consultation and communication on occupational health and safety	Pages 57-59	
GRI 403-5	Worker training on occupational health and safety	Page 60	
GRI 403-6	Promotion of worker health	Pages 57-59	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 58-59	
GRI 403-9	Injuries in the workplace	Page 139	
GRI 406-1	Incidents of discrimination and corrective actions taken	Page 59	

Disclosure	Description of the Indicator	Section	Omissions – Notes
<b>Personal wellbeing and development</b>			
GRI 3-3	Management of material issues	Pages 38; 51-71	
GRI 401-1	New hires and employee turnover	Pages 56; 138	
GRI 401-2	Benefits for full-time employees not available for part-time temporary employees	Page 57	
GRI 404-1	Average yearly training hours per employee	Page 140	
<b>Diversity and equal opportunities</b>			
GRI 3-3	Management of material issues	Pages 38; 51-71	
GRI 405-1	Diversity of governance bodies and employees	Pages 20; 141-142	
<b>Food safety</b>			
GRI 3-3	Management of material issues	Pages 39; 76-77	
GRI 416-2	Episodes of non-compliance concerning health and safety impacts of products and services	Page 77	
<b>Product quality and excellence</b>			
GRI 3-3	Management of material issues	Pages 39; 76-77	
GRI 417-3	Incidents of non-compliance concerning marketing communications	Page 77	
<b>Respect for privacy</b>			
GRI 3-3	Management of material issues	Pages 41; 59; 60	
GRI 418-1	Justified complaints concerning breaches of customers' privacy and loss of their data	Page 142	
<b>Fostering healthy lifestyles by promoting the Mediterranean diet</b>			
GRI 3-3	Management of material issues	Pages 41; 119-127	
<b>Customer satisfaction and safety</b>			
GRI 3-3	Management of material issues	Pages 39; 68-71	



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# Independent Auditors' Report



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## Independent Auditors' Report on the Sustainability Report

To the Board of Directors of Fratelli Carli SpA Società Benefit

We were entrusted with conducting a limited assurance engagement on the Sustainability Report of Fratelli Carli S.p.A. Società Benefit (hereinafter also "the Company") regarding the FY that ended on 31 December 2023

### Responsibility of the Directors for the Sustainability Report

The Directors of Fratelli Carli SpA Società Benefit are responsible for drafting the Sustainability Report in compliance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by the GRI – Global Reporting Initiative ("GRI Standards") as described in the section "Methodology Note" of the Sustainability Report.

The Directors are also responsible for the supervisory role they consider necessary to enable the drafting of a Sustainability Report that does not contain significant errors due to fraud or unintentional behaviours or events.

The Directors are also responsible for defining the Company's performance targets in relation to sustainability, as well as for identifying stakeholders and the significant aspects to report on.

### Independence of the auditing company and quality control

We are independent in compliance with the principles of ethics and independence of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on the fundamental principles of integrity, impartiality, competence and professional diligence, confidentiality and professional conduct.

Our auditing firm applies the International Standard on Quality Control 1 (ISQC Italia 1), and consequently, maintains a quality control system that includes directives and procedures documented on compliance with ethical and professional principles and the applicable legal measures and regulations.

EY S.p.A.

Registered Office: Via Meravigli, 12 – 20123 Milan

Secondary Office: Via Lombardia, 31 – 00187 Rome

Share Capital Euro 2,600,000.00 fully paid up

Registered with the Ordinary Section of the Register of Companies at the Chamber of Commerce of Milan Monza Brianza Lodi

T.I.N. and registration number 00434000584 – Economic and Administrative Index of Milan no. 606158 – VAT no. 00891231003

Registered with the Register of Statutory Auditors under no. Published in the Official Gazette Suppl. 13 - IV Special series of 17/2/1998

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## Responsibility of the auditing firm

It is our responsibility, based on the procedures carried out, to draft a conclusion regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been carried out in accordance with the provisions of the “International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (hereinafter also “ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance. This standard requires the planning and carrying out of procedures in order to acquire limited assurance that the Sustainability Report does not contain significant errors.

Therefore, the scope of our examination was inferior to that required for conducting a reasonable assurance engagement in accordance with ISAE 3000 Revised. Consequently, we cannot be certain that we have ascertained all the significant facts and circumstances that could be identified if such an engagement were carried out.

The procedures carried out on the Sustainability Report are based on our professional judgement, and included interviews, mainly with the Company personnel responsible for drafting the information presented in the Sustainability Report, as well as an analysis of documents, recalculations and other procedures designed to acquire evidence considered useful.

Specifically, we carried out the following procedures:

- 1 analysis of the process for defining the significant matters reported on in the Sustainability Report, with reference to how they were identified in terms of priority for the various categories of stakeholders and the internal validation of the process outcomes;
- 2 comparison between the data and the information of an economic and financial nature reported in the Sustainability Report and the data and the information included in the financial statements of the Company;
- 3 Understanding of the processes underlying the generation, collection and management of the significant qualitative and quantitative information included in the Sustainability Report. Specifically, we conducted interviews and discussions with the Company Management and the personnel of the Gazzelli production plant, as well as limited checks on documents, in order to gather information on the processes and procedures supporting the collection, aggregation, processing and transmission of data and information of a non-financial nature to the function responsible for preparing the Sustainability Report.





In addition, for the significant information, taking account of the activities and characteristics of the Company:

- At company level:
  - a) with reference to the qualitative information contained in the Sustainability Report, we conducted interviews and acquired supporting documentation to verify consistency with the evidence available;
  - b) with reference to the quantitative information, we conducted both analytical procedures and limited checks to ascertain the correct aggregation of data, on a sample basis.
- For the facility in Via Garessio, which we selected based on its activities, its contribution to the performance indicators and its location, we conducted encounters, during which we discussed matters with the figures responsible and acquired documentary evidence, on a sample basis, regarding the correct application of the procedures and the calculation methods used for the indicators.

## Conclusions

Based on the work carried out, no elements have come to our attention that lead us to believe that the Sustainability Report of Fratelli Carli S.p.A. Società Benefit regarding the FY that ended on 31 December 2023 has not been drafted, in all its significant aspects, in compliance with the requirements of the GRI Standards as described in the Methodology Note paragraph of the Sustainability Report.

Genova, 28 June 2024

EY S.p.A.

Luigi Conti  
(Statutory Auditor)





Fratelli Carli S.p.A. Società Benefit

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