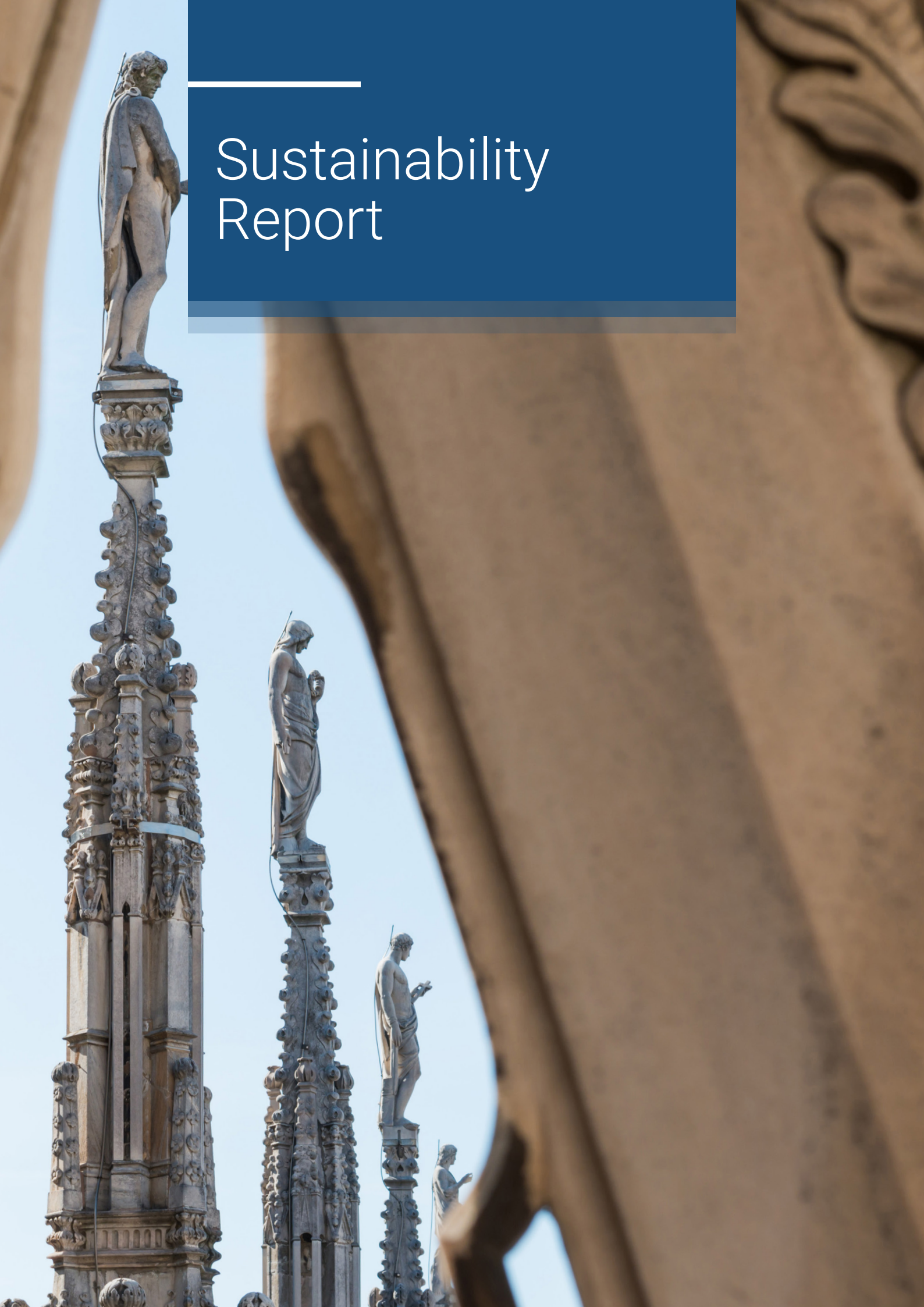


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# Sustainability Report



# METHODOLOGY

This consolidated non-financial report (or "Sustainability Report") has been prepared in accordance with Legislative Decree 254/2016 and, as required by Art. 5 of this Decree, is being published separately from the directors' report. The report provides information on topics that are considered material as envisaged by Arts. 3 and 4 of Legislative Decree 254/2016 with reference to financial year 2019 (from January 1 to December 31), to the extent necessary to ensure an understanding of the business, its performance, results and social and environmental impacts. The definition of material topics for the Italmobiliare Group (the "Group") and for its stakeholders is based on a structured process of materiality analysis, which is explained in the "Sustainability Management" section of this document.

Italmobiliare S.p.A. is an Investment Holding that holds and manages a diversified portfolio of investments and participations with a strategic vision, supported by a financial and industrial history of over one hundred and fifty years.

The scope of the economic and financial information in this Sustainability Report is the same as in the Consolidated Financial Statements of the Italmobiliare Group at December 31, 2019<sup>1</sup>. The scope of the data and social and environmental information provided in this Report varies according to the materiality of these topics for the various Group companies.

The scope of the figures and social information includes the companies consolidated on a line-by-line basis in the Consolidated Financial Statements of the Italmobiliare Group if considered material for the reporting of these issues. In particular, SEPAC and Crédit Mobilier de Monaco are excluded from the scope of this Report due to the absence of significant social and environmental impacts and risks and their immateriality in understanding the Italmobiliare Group's business. For the same reason, Punta Ala Promozione e Sviluppo Immobiliare S.r.l. and Italmobiliare Servizi S.r.l., included in the report 2018, have been excluded. In addition, Rosa Plast Due S.r.l., which was absorbed by Sirap GEMA S.p.A. on December 5, 2019, has been excluded due to the progressive reduction in production that took place during 2019 in view of the definitive closure of its one plant in Bovezzo, which was completed on October 31. Finally, Capitelli Fratelli S.r.l., acquired in December 2019, will be included in the social and environmental information starting from the 2020 Sustainability Report.

The scope of the environmental information coincides with the production plants of the companies controlled by Italmobiliare, which operate in the industrial sector (Caffè Borbone, Italgen and Sirap). The administrative and sales offices are therefore excluded as they are considered immaterial to understanding the Group's business and the impact that they have. Furthermore, with respect to the business sector, the following topics were not considered material: "conscious consumption of raw materials" for Italgen and "water management" for Caffè Borbone, given that water consumption is limited to sanitary uses.

The data related to 2018 has been included for comparative purposes so to facilitate the assessment of the business's performance. It should be noted that the social and environmental data of Caffè Borbone S.r.l. were accounted for 2018 in order to ensure consistency with the comparison

<sup>1</sup> For the companies consolidated on a line-by-line basis, reference is made to the table in the "Annex" on the Annual report of Italmobiliare Group at December 31, 2019.

with future years, despite the consolidation in the Group occurred in May 2018. Furthermore, to give a correct representation of performance and to guarantee the reliability of the data, the use of estimates has been limited as much as possible. Where used, these are based on the best methodologies available and appropriately reported.

Changes in equity investments that took place during 2019 include the acquisition of 80% of Capitelli Fratelli S.r.l. (Capitelli), which took place on December 11, 2019, which is excluded from the social and environmental information of this Sustainability Report, whose data and information will be included starting from the fiscal year 2020..

As regards the Sirap Group, the following events are also worthy of note:

- liquidation of Petruzalek Ltd. Turkey, effective May 21, 2019
- merger by absorption of Sirap Remoulins SAS and Sirap Tarascon SAS by Sirap France SAS, effective September 1, 2019
- merger by absorption of Rosa Plast Due S.r.l. by Sirap Gema S.p.A., effective December 5, 2019
- sale by Inline Poland Sp. Z.o.o. - effective October 22, 2019 - of all the shares held in Inline-R (Russia), namely 23.98% of the share capital.

The 2019 Sustainability Report has been prepared in accordance with the "Core" option of the "GRI Sustainability Reporting Standards", published in 2016 by the Global Reporting Initiative (GRI). As regards the topic-specific Standards GRI 303 (Water and Effluents) and GRI 403 (Occupational Health and Safety), the most updated version published in 2018 has been used. The "Financial Services Sector Disclosures", were also taken into consideration for Italmobiliare S.p.A and Clessidra SGR S.p.A., whereas the "Electric Utilities Sector Disclosure" were considered for Italgas S.p.a., both defined by the Global Reporting Initiative in 2013.

The "Annex" is an integral part of this document as it contains detailed information and tables that demonstrate coverage of the GRI indicators associated with each material issue.

The Group has implemented a process of reporting non-financial information that involved subsidiaries both in the definition of material issues and through the adoption of the reporting model defined by the Parent Company. The criteria at the basis of Italmobiliare S.p.A.'s sustainable investment policy establish basic guidelines also in terms of responsibility and sustainability of its work as a guarantee not only for shareholders but for all stakeholders, allowing to maintain a flexible approach in terms of specific investment choices within a balanced portfolio composition.

Italmobiliare S.p.A. and its main subsidiaries have adopted a Code of Ethics which provides that all employees and those who establish relationships with the Group or work to pursue its objectives base their relations and behaviors on principles of honesty, fairness, integrity, transparency, confidentiality and mutual respect. Italmobiliare S.p.A. and its main subsidiaries also adopt an Organization, management and control Model pursuant to Legislative Decree 231/2001 (hereinafter also "Model 231" or "Model").

During 2019, Italmobiliare integrated its Investment and Development Guidelines in order to clarify the methods for integrating ESG (Environment, Social, Governance) principles into the investment process, providing for exclusion criteria of the sectors and activities that can directly or indirectly hinder sustainable development or violate human rights such as weapons trade or the production of goods harmful to health and the environment. For more details, see paragraph 1.3 of this document. In addition, Italmobiliare has approved, in 2019, a Sustainability Policy which outlines its

approach to ESG issues by involving the main subsidiaries and affiliates in achieving improvement objectives within the 5 Sustainability Pillars identified as priority axes of commitment. For further details on the Policy, see paragraph 1.4 of this document.

No significant residual risks were identified in the context of the risk management system of the Parent Company and its subsidiaries relatively to environmental, social and personnel issues, human rights and the fight against active and passive corruption. The Group has started the process of extending the analysis of the main risks generated and suffered, with an integration of risks in the ESG area. The Italmobiliare Group is committed for the next few years to integrate its analyses with respect to the impact generated and undergone in the "Climate Change" area and the related reporting, also on the basis of the evolution of the relevant legislation. For further information on the main risks to which the Group is exposed, please refer to the Risk Management paragraph (1.6) of this document.

As regards the data on the health and safety of customers, the Parent Company is excluded from the scope of this Report as it does not have any direct customers. For the same reason, the Parent Company is excluded from the obligation to report on material aspects of the correctness and transparency of product information.

The following is a summary of the main cognitive elements relating to the issues envisaged by Legislative Decree 254/2016, art. 1.

## Fight against active and passive corruption

The fight against corruption is regulated by the Model 231 and the Code of Ethics, adopted by all the main Group subsidiaries, which provides that relations between the Group and third parties are to be managed without resorting to illegal means and bribery, illicit favours, collusive behaviour, solicitations of personal advantage for oneself or for others are explicitly banned. Within their own Model 231, a system of whistle-blowing has been defined through confidential channels. Caffè Borbone introduced a whistle-blowing system in 2019. For further details on these measures, please refer to paragraph 1.5 of this document.

## Social aspects related to personnel and respect for human rights

Italmobiliare observes and supports universal human rights, also through the adoption of a human resource management model in which the person is the focal point. The Group companies operate as responsible and proactive employers, ensuring a working environment based on the values of fairness, loyalty, transparency and mutual respect. The Code of Ethics states that relations between employees must take place in mutual respect for the rights and freedoms of people and no discrimination or retaliation must be made for reasons of nationality, religious belief, political and union membership, language and sex.

Employees have the opportunity to best express their potential in a collaborative climate conducive to professional and human development, in full equality of opportunity and treatment and having respect for all forms of diversity, as enshrined in the Code of Ethics. For further details on the human resource management policies of Group companies, see chapter 4.

Italmobiliare S.p.A. and its subsidiaries have safety management systems that comply with national and international regulations, and adopted time ago explicit policies and advanced tools for the protection of health and safety in the workplace. These are detailed in chapter 5 of this document.

The issue of respect for human rights is potentially relevant only for the subsidiary Caffè Borbone, which operates in the roasting and packaging of coffee. Through its international supply chain, the

company is indirectly exposed to potential episodes of disrespect for human rights. However, the risks in this area are minimised by the decision to source raw coffee mainly from international intermediaries (Olam International, NKG), who ensure maximum compliance with international human rights regulations and treaties, and supervise their application through specific assessment and auditing tools in the supply chain, actively supporting the development of local communities in the producing countries through specific training and engagement programmes.

## Environment

With regard to environmental protection, in carrying on its business activities, Italmobiliare Group promotes the correct use of resources and respect for the environment.

In addition to investing in companies that are active in the clean energy sector, Italmobiliare commits to spread the monitoring of environmental performance by the subsidiaries and to support a reduction in environmental impacts, also thanks to product and process innovation, according to a logic of circularity and continuous improvement. The subsidiaries Sirap and Italgen have environmental policies and integrated environmental management systems certified on the basis of the most prestigious international standards. For more details, see chapter 3 of this document.

Finally, it should be noted that Clessidra SGR, as a Private Equity funds manager, manages the issues listed above by committing to include ESG criteria in the evaluation and choice of its investments by formalizing the incorporation of the aforementioned themes within of its investment procedures and adhering to the United Nations Principles for Responsible Investments (UN-PRI).

This Sustainability Report, which is drawn up on an annual basis, was approved by the Risks and Sustainability Committee of Italmobiliare S.p.A. at its meeting of February 26, 2020 and by the Board of Directors on March 4, 2020.

The Report is also subject to a limited review (or "limited assurance engagement" according with the criteria indicated by ISAE 3000 Revised) by Deloitte & Touche S.p.A. which, at the end of the its work, releases a specific report on the consistency of the information provided in the consolidated non-financial statement prepared by Italmobiliare S.p.A. in accordance with Legislative Decree 254/2016.

This document is available at <https://www.italmobiliare.it/it/sostenibilita/rapporto-di-sostenibilita-dichiarazione-consolidata-non-finanziaria>. For information or clarifications, contact the Company at [IR@Italmobiliare.it](mailto:IR@Italmobiliare.it).

# 1. THE ITALMOBILIARE GROUP

## 1.1 Profile

### ITALMOBILIARE S.P.A.

Italmobiliare S.p.A. is an investment holding company that owns and manages a diversified portfolio of equity and other investments with a strategic vision based on a financial and industrial history that goes back more than 150 years. The Company was founded in 1946 and has been listed on the Milan Stock Exchange since 1980. It is controlled by EFIPARIND B.V., a company incorporated under Dutch law, and is one of the largest Italian holding companies, operating across Italy and Europe through the production activities of its main subsidiaries.

### STORIA

#### **1946 - the foundation**

Italmobiliare was founded in 1946 by Italcementi S.p.A. as a vehicle to hold investments other than those in the construction materials sector. Among the first transactions, Italmobiliare acquired a number of controlling interests in the credit sector (Banca Provinciale Lombarda, Credito Commerciale), in the insurance sector (RAS), in the publishing sector and in the extra-urban public transport sector.

#### **1950s - 60s**

In 1952 an initial investment was made in Franco Tosi, an industrial company in the electromechanical sector, which became a subsidiary in 1968. The presence in the banking sector developed in the years between 1962 and 1965 through the purchase of eight local credit institutions, which in 1967 were concentrated in Istituto Bancario Italiano, later sold in 1982.

#### **70s**

The portfolio was strengthened in 1976 with the purchase of a significant minority shareholding in Bastogi, later sold in 1986, which joined the one held in Falck.

In 1979, Italmobiliare became the holding company for the entire Group when it purchased the majority of Italcementi ordinary shares.

#### **80s**

In 1980, Italmobiliare was admitted for trading on the Milan Stock Exchange. In 1984, the investments in RAS and Banca Provinciale Lombarda were sold as part of a Group reorganisation plan. During the period 1988-90, a minority shareholding was acquired in Poligrafici Editoriale, as part of an agreement with the Monti Group.

#### **90s**

In 1990, the Franco Tosi Group sold its industrial activity to the ABB Asea Brown Boveri Group, reinvesting part of its resources in the food packaging and insulation sector (Sirap Gema), the integral water cycle and gas distribution (Crea).

In 1992, in the largest international acquisition carried out hitherto by an Italian group, the majority of Ciments Français passed to the Italcementi Group, which thereby became a world leader in the building materials sector.

In 1993, as a result of the bank's privatisation, Italmobiliare acquired an equity investment in Credito Italiano.

In 1997, Franco Tosi was merged with Italmobiliare, after the favourable outcome of a takeover bid.

### **From 2000 to 2015**

During 2002, the main investment transaction was the sale of 100% of SAB Autoservizi to the UK group Arriva.

Following a reorganisation of the partnership, in 2004 Italmobiliare bought an additional stake in RCS MediaGroup, confirming itself as one of the publishing group's main shareholders.

Also in 2005, the major portfolio transactions involved the publishing sector with the disposal of the interest held in Poligrafici Editoriale.

In 2014, Italmobiliare participated pro-quota in the recapitalisation and simplification plan of the Italcementi Group, maintaining a controlling interest of 45%.

In September 2015, Finter Bank was sold to the Swiss group Vontobel.

### **2016**

In July, after acquiring direct control of Italgas and BravoSolution, the equity investment in Italcementi was sold to the German group HeidelbergCement, on the basis of an agreement signed in 2015.

In September, Clessidra Sgr, the main Italian private equity operator, was purchased and Italmobiliare became anchor investor of Clessidra's CCP3 fund.

### **2017**

Acquisition of 40% of the Tecnica Group. At the end of the year, Italmobiliare joined the US group Jaggaer, which operates in the eProcurement sector, through the contribution of BravoSolution.

### **2018**

The portfolio expansion strategy continues: purchase of a 60% interest in Caffè Borbone and a 40% interest in ISEO Serrature. There has been an increase in Private Equity investments.

### **2019**

Entry into the Autogas Nord Group - AGN ENERGIA with a 30% stake. The investment in Jaggaer was sold to Cinven in August.

From September, Italmobiliare has become part of the STAR segment of the Italian Stock Exchange. 80% of Salumificio Capitelli was acquired in December.

### **2020**

A 20% interest in Officina Profumo Farmaceutica di Santa Maria Novella was bought in January.





The companies controlled by Italmobiliare S.p.A. subject to reporting of social and environmental information in this Sustainability Report are:

- **Caffè Borbone S.r.l.**, originally a coffee roasting and packaging company based in Caivano (Naples), quickly became one of the main nationwide operators and leaders in the sale of capsules and pods.
- **Italgen S.p.A.**, whose business is the production and distribution of electricity from renewable sources on national and international markets. In Italy, Italgen has 15 hydroelectric plants, in Lombardy, Piedmont and Veneto, and almost 300 kilometres of transmission lines.
- **Sirap Gema S.p.A.**, the parent company of Sirap, Italian market leader in the production and sale of containers for fresh food and one of the most qualified producers in Europe. In Europe, the Group operates four factories in Italy, three in France and one in Spain, UK, Poland and Hungary, as well as various sales offices across the European territory;
- **Clessidra SGR S.p.A.**, officially registered with the Bank of Italy as an asset management company, is the principal manager of private equity funds dedicated exclusively to the Italian market.

Main events in 2019:

- Italmobiliare acquired 30% of AGN Energia. The Group has been operating in Italy for over 60 years, mainly in LPG gas distribution for domestic use (small tanks, meters, ducted networks), as well as for commercial and industrial use.
- AGN Energia has acquired 100% of Lampogas Group, another leading Italian provider of LPG.
- Italmobiliare sold its stake in Jaggaer (software platforms for eProcurement and spend management) to Cinven.
- On September 16, 2019 the ordinary shares of Italmobiliare, already listed on the MTA organised and managed by Borsa Italiana S.p.A., obtained the STAR qualification as per the Company's application on 12 September 2019.
- Clessidra SGR launched the CRF - Clessidra Restructuring Fund, dedicated to bank loans to UTP (unlikely to pay) industrial companies.
- Italmobiliare acquired 80% of Capitelli, which produces premium quality cooked ham.
- Italmobiliare S.p.A. is subject to regulatory control by CONSOB, whereas Clessidra SGR S.p.A. is subject to regulatory control by CONSOB and the Bank of Italy.

## 1.2 Governance

Italmobiliare S.p.A. adopts a traditional governance model, characterised by the presence of a Board of Directors and a Board of Statutory Auditors, both appointed by the Shareholders' Meeting; this governance model is believed to be the most suitable for combining "management efficiency" with "effective controls", in fulfilling its mission and implementing the investment strategy.

The Company's governance system, which adheres to the Corporate Governance Code for listed companies promoted by the Corporate Governance Committee of Borsa Italiana, is defined by the following documents:

- The By-laws;
- The Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 and the Code of Ethics;
- The procedures required by the Market Abuse Regulation (on the management of relevant insider information, on the subject of insider lists and market surveys);
- The procedure for transactions with related parties;
- The regulation of the Financial Reporting Officer.

The Board of Directors of Italmobiliare S.p.A., in office until the approval of the financial statements at December 31, 2019, is made up as follows.

### Composition of the Board of Directors of Italmobiliare S.p.A. at December 31, 2019

\* Independent Director pursuant to the Consolidated Law on Finance

\*\* Independent Director pursuant to the CLF and the Corporate Governance Code for listed companies

Board members	Age range	Executive	Independent	In office	Office held
<b>Laura ZANETTI*</b>	30-50	No	Yes	04/19/2017 - 2019 Fin. Stats.	Chairman Chairman of the Executive Committee
<b>Livio STRAZZERA*</b>	>50	No	Yes	04/19/2017 - 2019 Fin. Stats.	Deputy Chairman Member of the Executive Committee
<b>Carlo PESENTI</b>	>50	Yes	No	04/19/2017 - 2019 Fin. Stats.	Chief Executive Officer Chief Operating Officer Director in charge of the internal control and risk management system Member of the Executive Committee
<b>Vittorio BERTAZZONI**</b>	30-50	No	Yes	04/19/2017 - 2019 Fin. Stats.	Member of the Remuneration and Nominations Committee
<b>Giorgio BONOMI</b>	>50	No	No	04/19/2017 - 2019 Fin. Stats.	Member of the Risks and Sustainability Committee
<b>Mirja CARTIA D'ASERO**</b>	>50	No	Yes	04/19/2017 - 2019 Fin. Stats.	Chairman of the Risks and Sustainability Committee Member of the Committee for Transactions with Related Parties
<b>Valentina CASELLA**</b>	30-50	No	Yes	04/19/2017 - 2019 Fin. Stats.	Member of the Risks and Sustainability Committee Chairman of the Committee for Transactions with Related Parties
<b>Elsa Maria Olga FORNERO**</b>	>50	No	Yes	07/27/2017 - 2019 Fin. Stats.	Member of the Committee for Transactions with Related Parties
<b>Sebastiano MAZZOLENI</b>	>50	No	No	04/19/2017 - 2019 Fin. Stats.	-
<b>Luca MINOLI</b>	>50	No	No	04/19/2017 - 2019 Fin. Stats.	Member of the Executive Committee
<b>Chiara PALMIERI**</b>	30-50	No	Yes	04/19/2017 - 2019 Fin. Stats.	Member of the Executive Committee Member of the Remuneration and Nominations Committee
<b>Clemente REBECCHINI*</b>	>50	No	Yes	04/19/2017 - 2019 Fin. Stats.	-
<b>Antonio SALERNO**</b>	30-50	No	Yes	04/19/2017 - 2019 Fin. Stats.	-
<b>Paolo Domenico SFAMENI**</b>	>50	No	Yes	07/31/2018 - 2019 Fin. Stats.	Chairman of the Remuneration and Nominations Committee Member of the Supervisory Body

36% of the Board is made up of the least represented gender, while in terms of age, 64% of the directors are over 50 years of age and 36% are between the ages of 30 and 50.

Italmobiliare's Board of Statutory Auditors is made up of Francesco Di Carlo (Chairman), Angelo Casò and Luciana Ravicini. Alberto Giussani, Paolo Ludovici and Giovanna Rita are Alternate Auditors.

The Board of Directors has the task of defining the strategic guidelines of the Company and the Group and is responsible for managing them. It is vested with all powers of ordinary and extraordinary administration of the Company, as all matters not expressly reserved for the Shareholders' Meeting by law and the By-laws fall under its remit. The Board of Directors is responsible for all decisions regarding sustainability.

The following Board Committees have been set up:

- the Executive Committee to which all the powers and attributions of the Board of Directors are conferred within pre-established limits, with the exception of those that the law and the By-laws do not allow to delegate;
- the Risks and Sustainability Committee, made up of three Non-Executive Directors, the majority of them independent, has a duty to provide the Board with advice and proposals on: i) the Internal Control and Risk Management System (ICRMS); ii) periodic financial reporting; iii) social sustainability matters linked to the exercise of the Company's business activities. Specifically regarding sustainability, it gives the Board its advance opinion on the non-financial report; it monitors that there is adequate supervision of any sustainability issues involved in the Company's business activities, also for non-financial reporting purposes, as well as the interaction with stakeholders, the latter being understood as the recipients of non-financial reports.
- The Remuneration and Nominations Committee, made up of three Independent Directors, makes proposals to the Board regarding the remuneration policy for Executive Directors, Directors vested with special powers and Key Management Personnel. The Committee also expresses opinions on the size and composition of the Board and makes recommendations on the professional figures whose presence on the Board is deemed appropriate and conducts preliminary investigations in order to prepare and review any succession plans for Executive Directors which the Board of Directors has decided to adopt.
- The Committee for Transactions with Related Parties established in accordance with Consob's Regulation 17221 of March 12, 2010, made up of three Independent Directors, expresses its opinion on transactions with related parties of lesser importance and of greater importance, in accordance with the Procedure adopted by the Company.

For further functions and responsibilities of the Committees, see the Report on Corporate Governance of Italmobiliare.

## GOVERNANCE OF THE PORTFOLIO COMPANIES

The main subsidiaries of **Italmobiliare S.p.A.**, with the sole exception of Clessidra SGR S.p.A., are subject to management control and coordination by Italmobiliare. Each portfolio company has an administrative body, on which Italmobiliare managers and independent directors also sit, and a control body (the Board of Statutory Auditors, in some cases a one-man body made up of a single Statutory Auditor). Sirap Gema S.p.A. has also set up a Control, Risks and Sustainability Committee, whereas Caffè Borbone has established its Risks and Sustainability Committee in early 2020. In addition to the subsidiaries, the portfolio companies also include qualified non-controlling interests. Italmobiliare S.p.A. has an Investment Management Department, whose Manager reports to the Chief Executive Officer and Chief Operating Officer, which also carries out:

- monitoring operational management of the main portfolio companies, providing them with support in drawing up budgets and development plans and taking part in periodic reviews of the results;

- monitoring operational risks and opportunities associated with the investment portfolio, taking part in the evaluation and approval of strategic investments and divestments and other M&A opportunities, in coordination with the Development and Investment Department.

The constant dialogue that underlies the relationships between Italmobiliare and the portfolio companies addresses the issues of economic, social and environmental sustainability. Accordingly, the Management Team of the Holding Company and the Investment Management Department provide operational support to the portfolio companies in implementing the Sustainability Policy and the Environmental, Social and Governance (ESG) Plan, which Italmobiliare adopted in 2019, as explained in paragraph 1.3 Sustainability Management.

As part of the process of strategic planning for sustainability, a training course was organised for top and middle management of the portfolio companies, with the purpose to spread and share best practices in the social and environmental field to facilitate the independent identification of policies and sustainability objectives by individual companies.

During 2019, Italmobiliare had specific ESG interactions with ten portfolio companies (equal to 96% of assets) in various ways:

- interactions in the field of governance, including implementation and application of 231 Models
- periodic meetings to monitor and evaluate performance
- collection of qualitative and quantitative data for the purpose of reporting and non-financial communication
- budgeting, including ESG areas
- due diligence (in the case of add-ons)
- stakeholder engagement activities
- integrated risk mapping at Group level
- sustainability training activities for management
- analysis of non-financial reports.

As is known, the dynamics of the global economic cycle, despite showing signs of stabilization and possible recovery in the new year starting from the last quarter of 2019, suffered the effects of the "Coronavirus" shock. The impact generated through direct (demand) and indirect (business value chain) multipliers and channels, is difficult to quantify even with respect to similar events (such as SARS), given China's greatest weight on world growth and trade, and the stronger interconnection between different geographical areas. The potential effects of this phenomenon on the activities of Italmobiliare and of the Portfolio companies cannot be determined to date and will be subject to constant monitoring throughout the year.

As a responsible investor, **Clessidra SGR** has also adopted an ESG Plan to support its dealings with the companies that make up the Funds portfolio. The Plan envisages, among other things, that companies define their own ESG action plans by 2020, with the support of the SGR, and report annually on their implementation, the ESG initiatives undertaken and the risks and opportunities that have been identified. The ESG performance of the portfolio is monitored annually by recording a common set of around 40 environmental, social and governance KPIs. Clessidra also establishes responsibilities and processes for timely monitoring and reporting if there are particular ESG events at the companies. Significant ESG incidents and related corrective actions taken are promptly reported to the funds' investors (known as "Limited Partners").

During 2019, the SGR interacted with all four companies in the portfolio in the implementation and monitoring of the ESG Plan and related reporting.

## 1.3 Sustainable investment principles

### ITALMOBILIARE

The objective of Italmobiliare's investment activity is to increase the value of the portfolio in the

medium to long term, by raising the value of the investments and generating a constant flow of dividends. The Holding Company invests primarily in companies with a high growth potential in its business and reference market, a strong aptitude for innovation and sustainability and adequate managerial skills. From a geographical point of view, Italmobiliare focuses its investments on selected markets, Italy in particular, with European or global exposure.

Capital allocation decisions focus on:

- long-term core majority interests, with clear development and/or value enhancement objectives
- potential investments in minority shareholdings with a focus either on stable dividend generation or strong growth
- a limited use of leverage.

In pursuing its mission, Italmobiliare is strongly convinced that an active approach to social and environmental sustainability helps strengthen the effectiveness and reliability of its investment strategies over time. Careful screening and monitoring of social and environmental risk profiles, combined with the selection of industrial companies of excellence, capable of growing sustainably while satisfying the requirements of all stakeholders, are in fact fundamental drivers for the sustainable development of the portfolio.

The investment and development strategies of the portfolio and the related assessment and decision flows are detailed in the Investment and Development Guidelines, introduced in 2018 and updated in 2019. The document explains how to integrate ESG (Environmental, Social and Governance) principles into the investment process, that involve in particular the adoption of negative screening criteria and due diligence:

- the exclusion (negative screening) from investment of sectors and activities that can directly or indirectly hinder sustainable development or violate human rights, such as the arms trade or the production of goods harmful to health and the environment;
- an in-depth analysis, as part of the due diligence carried out on companies identified as potential investments, of their ESG performance and level of exposure to related legal risks.

The attention paid to the sustainability profiles of newly acquired companies continues during the phase of portfolio management, through active dialogue with the portfolio companies aimed at promoting the inclusion of social and environmental sustainability aspects in the business strategy, as outlined in Italmobiliare's Sustainability Policy (see Section 1.3).

During 2019, the investment in Capitelli (2% of assets under management) was approved after carrying out an ESG due diligence.

## CLESSIDRA SGR

The investment strategy adopted by Clessidra in the Private Equity segment qualifies as growth/leveraged buyout, mainly focused on the acquisition of controlling stakes in unlisted Italian companies. Clessidra's objective is the construction of a diversified portfolio of equity investments with an indicative value of between 200 and 1,500 million euro, in market-leading Italian companies of medium-large size and with strong growth prospects. Through investments with control or joint control, the SGR seeks to create value in the medium-long term and proposes itself as an active partner, encouraging growth also through acquisitions.

For Clessidra, the integration of ESG criteria is a fundamental prerequisite for all investment decisions. Since 2010, the SGR has adhered to the United Nations Principles for Responsible Investment (UN PRI). In December 2018, Clessidra also adopted a responsible investment policy which defines the approach to managing environmental, social and governance aspects in the analysis and processes of investment and divestment, in company policies and practices and in supporting portfolio companies in implementing sustainability. In particular:

- in the pre-investment phase, Clessidra integrates the assessment of ESG issues through the use of a proprietary checklist which is aligned with the international guidelines to perform a

high-level screening of ESG risks. The results of the ESG due diligence are examined by the Investment Committee and then by the Board of Directors;

- in the investment management phase, the Investment Team collaborates with the portfolio companies to support the management of ESG risks and opportunities, promoting and supporting the adoption of action plans in the field of sustainability and monitoring their implementation and development;
- in the divestment phase, Clessidra highlights the portfolio companies' ESG performances to potential buyers.

During 2019, the investment made in the L&S Group on behalf of the Clessidra Partners 3 fund, equal to 12% of assets in portfolio by value at December 31, 2019, was approved after carrying out an ESG due diligence.

## 1.4 Sustainability Management

### STAKEHOLDER ENGAGEMENT

The Italmobiliare Group recognises the importance of a transparent dialogue with its stakeholders and with all those who participate in the life of the companies, with particular attention to social and environmental issues, so as to create economic value and growth of the investment portfolio in the medium to long term. Italmobiliare adopts multiple channels of discussion with its shareholders, the financial community, portfolio companies, employees and public authorities. Companies of the Group adopt the most effective methods of dialogue with respect to the nature and specific requests of their respective stakeholders, promoting the active involvement of their collaborators.

In line with what was said in the previous Sustainability Report, in 2019 the Group embarked on an extension of its stakeholder engagement activities and initiatives, which led to an updating of the materiality matrix.

### MATERIALITY ANALYSIS

Two years after the start of the sustainability reporting process and in the face of changes in the scope of the business and of reporting, the materiality matrix had to be updated to verify the current level of materiality of economic, social and environmental issues with respect to the strategies and main areas of impact.

The update started with a review of the stakeholder map, which was carried out thanks to the involvement of the management of Italmobiliare and the subsidiaries included in the scope of reporting, from which 6 categories of priority stakeholders emerged based on the level of interest and influence versus the Group.

**Map of the Italmobiliare Group's stakeholders**



Subsequently, it was identified a list of potentially relevant topics for the Group on the basis of an analysis of the activities of Italmobiliare S.p.A. and its subsidiaries, in terms of opportunities and the socio-economic and environmental impacts, supplemented by a comparison with comparable organisations.

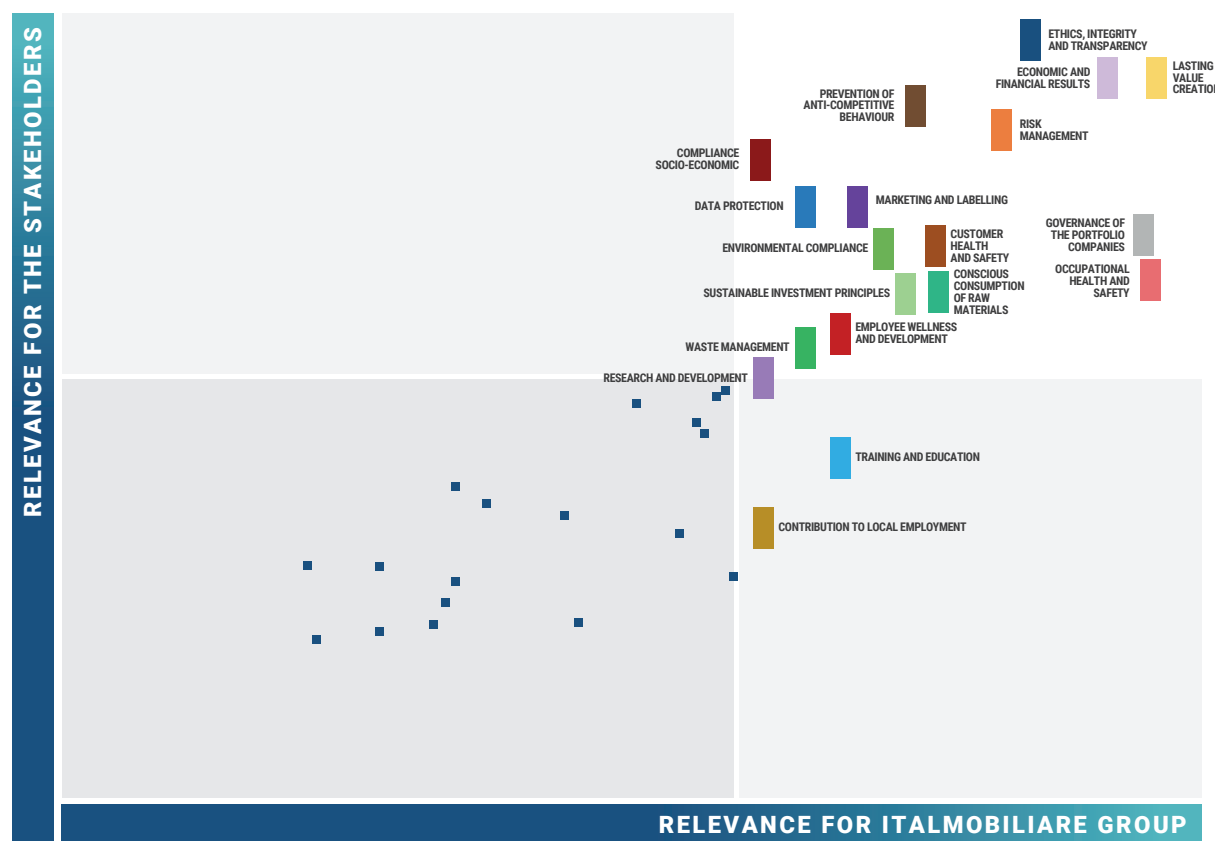
These were proposed to the management of Italmobiliare, the subsidiaries and external stakeholders (employees of Italmobiliare, shareholders, financial analysts) by asking them to fill in a questionnaire. In the case of regulatory bodies and the media, the involvement took place indirectly through an analysis of public information (i.e. the rules and regulations in force for listed companies and financial holding companies and press articles concerning listed companies and financial holding companies).

Considering the Group structure, in which the Holding Company controls firms operating in different sectors, the materiality analysis was carried out with the aim of presenting the key issues for the Group as a whole, those that are most representative of its main areas of business.

The process ended with the identification of 20 material topics, which are represented in the materiality matrix.

Compared to the previous materiality matrix approved in 2018, the themes "contribution to local employment", "waste management" and "correctness and transparency of product information" were integrated, while the themes "sustainable management of the supply chain", "energy management", "atmospheric emissions and climate change", "water resource management and discharge quality", "local communities", "human rights", "diversity, inclusion and non-discrimination" were not material. The topics "prevention of anti-competitive behaviour", "environmental compliance", "socio-economic compliance" and "training" were made explicit in the matrix, while "ethics and business integrity" and "transparency" were unified.

### Materiality matrix of the Italmobiliare Group



## THE SUSTAINABILITY POLICY

In line with its mission as an investor committed to "playing an active and continuous role in the process of growth and enhancement of the portfolio, combining development, internationalisation and innovation with an effective governance and risk management model", Italmobiliare considers sustainability, in its broadest sense, economic, social and environmental, as an essential lever of competitiveness. In order to make this vision fully operational, in 2019 the Company introduced a process of strategic planning for sustainability, aimed at an explicit integration of the ESG factors in the Holding's business strategy and the implementation of increasingly effective supervision of subsidiaries and associates in matters of social and environmental responsibility.

To this end, Italmobiliare identified in the Sustainability Policy adopted in 2019 the appropriate tool to orient active dialogue with the portfolio companies on ESG issues and guide the consequent measurement and evaluation of their performance.

The Policy is split into **5 Pillars of Sustainability**, which constitute the guidelines for a direct application of the principles of sustainability by Italmobiliare in carrying out its activities and a homogeneous framework of commitments shared with the other Group companies, with the aim of guiding and harmonising the specific initiatives launched in each area of activity. The **ESG Plan** associates the Pillars with a system of qualitative and quantitative objectives connected to medium-term time horizons, allowing constant assessment of the Group's ESG performance and monitoring of the level of integration of sustainability in the business strategies of the individual portfolio companies.

The Pillars were identified on the basis of an analysis of the strategic, competitive and regulatory context in which Italmobiliare and the portfolio companies operate, combined with the requirements of the main stakeholders engaged during the materiality analysis.

### Pillars of Sustainability

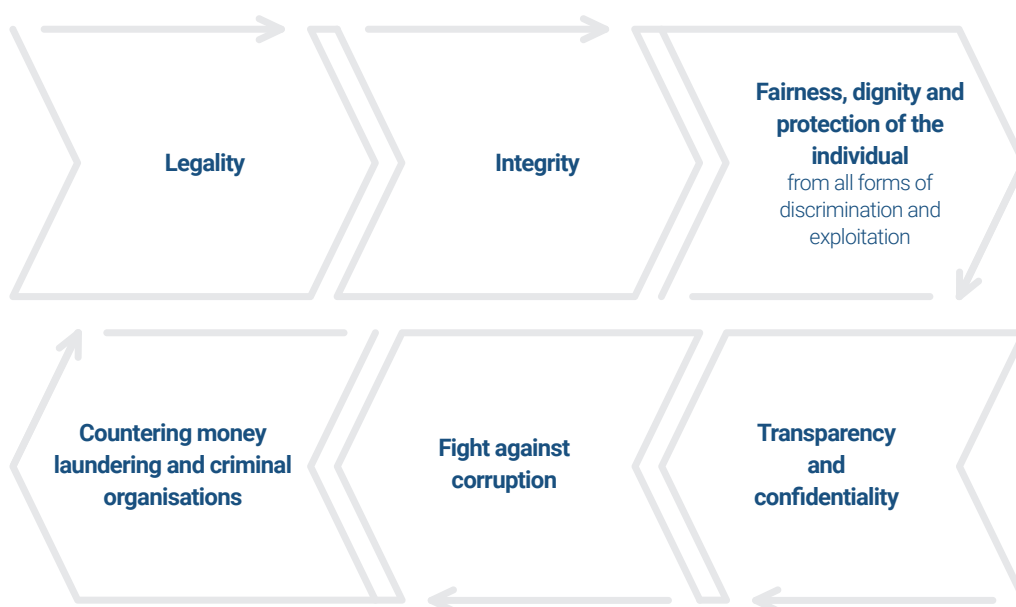




## 1.5 Ethics, integrity and transparency

### 1.5.1 BUSINESS ETHICS AND INTEGRITY

Italmobiliare ensures that its business activities are carried out in full compliance with the principles of ethics and integrity and in total compliance with current economic, social and environmental legislation. The Company introduced its own Code of Ethics for the first time in 1993 and subsequently modified and updated it, most recently in 2018. The Code states a set of values and principles underlying Italmobiliare's business and establishes its rules of behaviour and conduct. This document therefore represents a solid set of values for the Company and its subsidiaries, a necessary condition for ensuring a constructive exchange of ideas with all stakeholders and interested parties. The principles laid down in the Code of Ethics are:



As regards the fight against corruption, the Code says that relations between the Group and third parties are to be managed without resorting to illegal means: bribery, illicit favours, collusive behaviour, solicitations of personal advantage for oneself or for others are explicitly banned. The rules of the Code apply, without exception, to all employees and to all those who, directly or indirectly, permanently or temporarily, establish relationships with the Group or work there to pursue its objectives. Violation of the rules laid down in the Code of Ethics harms the relationship of trust established with the Group and can lead to disciplinary, legal or criminal action or, in the most serious cases, it can lead to an interruption of the work relationship or termination of the employment contract.

The main Group subsidiaries (Sirap Gema S.p.A., Italgen S.p.A., Caffè Borbone S.r.l., Clessidra SGR S.p.A.) have in turn adopted their own Code of Ethics, undertaking to disseminate it, update it and make any tools available to encourage its full application.

Ever since 2004 Italmobiliare S.p.A. has also applied an Organisation and Management Model pursuant to Legislative Decree 231/2003 ("the Model"), setting up a Supervisory Body as required. The Model is based on a preliminary risk assessment that allows the Company to identify potential risk profiles in relation to the commission of the offences indicated in the Decree, with reference to its

activities and its organisation, and is subject to continuous updating in order to maintain constant compliance with the regulations; the latest revision of the Model was approved in 2018. In compliance with the Model, Italmobiliare S.p.A. supervises all those behaviours that, if implemented, would lead to situations that could be punished under the law. With regard to potential illegal conduct, Italmobiliare S.p.A. identifies the main activities that could involve the risk of committing the following types of offence:

- Offences against the Public Administration;
- Corporate offences;
- Market abuse;
- Murder and culpable injury in violation of accident prevention regulations;
- Receiving stolen goods, laundering, use of money of illegal origin, self-laundering;
- Organised crime and transnational crimes;
- Copyright infringement;
- Cybercrime.

The rules contained in the Model apply to all those who perform management, administration, management or control functions in Italmobiliare S.p.A., to employees, even if they are posted abroad on secondment for the business, and to those who, even if not employees of the Company, work on its behalf or are linked to it in some way. Italmobiliare S.p.A. undertakes to guarantee the dissemination and effective knowledge of the Model to all recipients: training, which also took place during 2019, is mandatory and differentiated in terms of content and delivery according to the level of the recipients, the level of risk in the area where they work, their degree of involvement in sensitive activities as indicated in the Model and whether they exercise any functions involving company representation. Italmobiliare S.p.A. communicates the Model 231 and any subsequent editions or updates to its subsidiaries directly. The task of continuously supervising effective functioning and compliance with the Model, as well as proposing updates to it, is assigned to the Supervisory Body of Italmobiliare S.p.A., and given adequate resources to ensure autonomy, professionalism and independence in the exercise of its duties. Italmobiliare S.p.A. adopts the measures deemed most appropriate to identify violations of Model 231 and encourage reporting them on a timely basis, also anonymously through reserved channels ("whistleblowing").

Sirap GEMA S.p.A., Clessidra SGR S.p.A., Caffè Borbone S.r.l. e Italgem S.p.A have also adopted their own Model, based on the principles and contents of the Parent Company's Model, without prejudice to the existence of specific situations (relating to the nature, size, type of activity or the structure of the internal delegations of power) that suggest the adoption of different measures in order to effectively pursue the objectives of responsibility for administrative offences. In September 2019, Caffè Borbone adopted its Model 231 and appointed a Supervisory Board, simultaneously implementing the whistleblowing system by activating an e-mailbox for anonymous reporting of suspicious behaviour. Training sessions for the recipients of Model 231 will be held in 2020; in September, the Company also organised an antitrust training course for all professional roles involved in this type of risk.

In its investment activities, Clessidra undertakes to promote compliance with applicable regulations and the highest ethical standards at the portfolio companies. In particular, it collaborates with the portfolio companies in order to adopt or update its Organisational Management and Control

Models, including ethical principles, codes of conduct, control tools, procedures and training activities aimed at preventing crimes (including the abuse of office and corruption) in compliance with Legislative Decree 231/2001 and other applicable regulations.

In 2019, there were no episodes of violation of the corruption regulations within the scope of the Group. As regards anti-competitive behaviour, only the Sirap Group is involved in an antitrust lawsuit initiated in 2015, the so-called Retail Food Packaging Procedure, which is still pending.

During the year, the Group companies did not receive financial penalties or sanctions for non-compliance with laws and/or regulations on social and economic matters.

## 1.5.2 TRANSPARENCY

Transparency in relations with all stakeholders constitutes one of the guiding principles laid down in the Code of Ethics. Italmobiliare undertakes to disseminate truthful, complete and comprehensible communications and information, so that all recipients can make informed decisions about the relations to be maintained with the Company. This commitment also involves effective reporting and communication of non-financial information, so as to provide stakeholders with a complete representation of the Group's performance. This takes place in various ways: this consolidated non-financial report, the section dedicated to CSR on the Italmobiliare website, the annual review addressed to the financial community and the voluntary sustainability reports published independently by the individual portfolio companies. In this regard, Sirap Group and Italgem S.p.A. will publish their first sustainability report in 2020 in conjunction with this consolidated non-financial report.

Clessidra also fully adopts the principle of transparency in its investment activities, with particular reference to the reporting of ESG results. The SGR replies annually to the UN PRI questionnaire, publishing its Transparency Reports on [www.unpri.org](http://www.unpri.org). Furthermore, to ensure transparency towards investors, in the financial reports prepared in accordance with the Bank of Italy's instructions, there is a specific paragraph about responsible investments. In addition, there is a quarterly report, based on guidelines for the presentation of financial information (IPEV Reporting Guidelines) and for valuations (International Private Equity and Venture Capital Valuation Guidelines), which highlights any critical issues and management's approach, also to issues of responsible investment. The ESG performances of the portfolio companies are communicated to the Limited Partners through a specific annual report.

## 1.6 Risk Management

Italmobiliare has risk management bodies, systems and processes in line with international best practices, which allow constant monitoring and effective management of economic, financial, social and environmental risks at Group level and conscious decision-making on such matters.

Italmobiliare has adopted an Internal Control and Risk Management System (ICRMS) that consists of the rules, procedures and organisational structures to enable the identification, measurement, management and monitoring of the main risks to which the Company and its subsidiaries are exposed. After consulting the Risks and Sustainability Committee, the Board of Directors of Italmobiliare establishes the guidelines of the ICRMS and, at least once a year, assesses the adequacy and effectiveness of the system with respect to the characteristics and risk profile of the Company. These Guidelines are sent to the subsidiaries so that they can take account of them in the definition and maintenance of their own ICRMS, without prejudice to each company's autonomy and independence.

The SCIGR includes the Risk Management Model which is designed to identify, assess and manage the main corporate risks, based on the guidelines defined periodically by the Board of Directors. The risk assessment process is coordinated by Italmobiliare's Internal Audit Department and is divided into three phases:

- identification of the main risks at Group level
- assessment of the various types of potential impact (economic, operational and/or reputational) on the subsidiaries and the Group with the respective probability of occurrence
- appropriate preventive and mitigation strategies for risks identified as material.

In 2019, the risk assessment process was strengthened by foreseeing direct involvement by management of the subsidiaries in the assessment of the individual types of risk, in light of the specific aspects of their respective sector contexts and operating models and on the basis of uniform metrics. The assessments made by the subsidiaries regarding the risks included in the catalogue are subsequently consolidated at Group level, taking into account the weighting on overall NAV. The accuracy and reliability of the process is facilitated by the adoption of Enterprise Risk Management systems by the companies that have been subsidiaries the longest; implementation of this system for Caffè Borbone was started in 2019 and will be further strengthened in 2020.

Italgen, in coordination with Italmobiliare, its parent company, has put in place an integrated transversal ERM process that allows the identification, measurement, monitoring and management of the risks to which the company is exposed. The analysis, which can be defined as dynamic as it makes it possible to predict the onset of new risks or the modification of existing ones, is carried out in depth at least once a year and the results are shared at the highest corporate levels. The scope of analysis includes all external and strategic risks, governance and compliance risks, operational risks and financial risks. The "risk catalogue" has recently been integrated with all of the material sustainability issues.

In 2014, Sirap defined its own internal control and risk management model (Risk Model) in implementation of which all the risks relevant to the Group were mapped and catalogued on the basis of indicators that take into account magnitude and probability of occurrence (so-called "heat map"). The "top risks", i.e. the most significant risks in relation to which data sheets are defined, have been identified as part of all the mapped risks (risk reporting) with an indication of control protocols and mitigation plans defined by management, the person responsible for implementation and the timing of completion of the activities. On an annual basis, when the budget is drawn up, an assessment is carried out to update the risk catalogue and define the top risks for the following year (with related mitigation plans).

Group level risk analysis, evaluation and monitoring are extended to the areas of environmental and social sustainability. The types of risk relating to the topics envisaged by Legislative Decree 254/2016 and identified as material are shown in the following table, in association with the related management methods.

**The main sustainability risks for the Italmobiliare Group.**

TOPICS (LEG. DECREE 254/2016)	RISK	TYPE (GENERATED OR SUFFERED)	SCOPE OF IMPACTS	MANAGEMENT METHODS
<b>ECONOMIC ISSUES</b>	Risks associated with specific changes and regulatory innovations relating to the sector in which the companies operate which, if not promptly interpreted and implemented, could result in a loss of competitiveness	S	Italmobiliare, Caffè Borbone, Italgen, Sirap	Activation of internal functions or teams to constantly monitor economic, social and environmental legislation at sector level; membership of trade associations
	Risks related to failure to implement responsible investment management policies and internal procedures to disseminate, manage and monitor environmental and social sustainability; risk that the subsidiaries might not act in line with the Parent Company's ESG strategies	G	Italmobiliare	Integration of ESG principles and criteria into the Investment and Development Guidelines and investment procedures; adoption of the Group Sustainability Policy; measurement and reporting of socio-environmental performance indicators at Group level, including this consolidated non-financial report
<b>FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION</b>	Risks related to the inability to identify and prevent active and passive cases of corruption with impacts in terms of penalties and/or reputational damage	G	Italmobiliare, Caffè Borbone, Italgen, Sirap	Prevention and control tools provided by Model 231 of the Parent Company and subsidiaries
<b>SOCIAL ISSUES</b>	Risks related to non-compliance with national and/or international provisions on data privacy, with impacts in terms of penalties and/or reputational damage	G	Italmobiliare, Caffè Borbone, Italgen, Sirap	Adoption and implementation of personal data protection models compliant with European legislation (EU Regulation 2016/679 of 27 April 2016 - GDPR Regulation - and Legislative Decree 101/2018 - Privacy Code)
<b>ASPECTS RELATED TO PERSONNEL MANAGEMENT</b>	Risks related to the inability to attract and retain talented key resources that are hard to find on the market, also through welfare policies and/or initiatives, the unavailability or development of the necessary skills for the conduct of the business and the achievement of the set objectives, including the lack of development of inclusion and diversity policies.	G	Italmobiliare, Caffè Borbone, Italgen, Sirap	Implementation of merit-based remuneration policies; organisation of training and refresher courses; offering personnel additional benefits; adoption of corporate welfare plans; programs to adapt the structure the newly-acquired companies
<b>ENVIRONMENTAL ISSUES</b>	Risks deriving from failure to integrate Best Available Technologies into the Company's products and processes, resulting in a non-optimal positioning on the market with consequent risks linked to a lower capacity to reduce the environmental impacts of the products and services.	S/G	Caffè Borbone, Italgen, Sirap	Constant monitoring of technological innovations at sector level; introduction of process innovations for the reduction of environmental impacts; implementation of research and development projects in the circular economy; definition of specific R&D objectives and targets in the context of the Group Sustainability Policy

As regards the risk of non-compliance with human rights, direct impacts are not significant for the Group, in light of the geographical and sector context of operations and the safeguards implemented (Code of Ethics and Model 231). The risks generated indirectly through commercial relations are restricted to Caffè Borbone only and limited by the configuration of the supply chain, represented by international intermediaries who adopt the highest standards of respect for human rights (see Methodology).

Clessidra SGR, which is not involved in the Group risk assessment as it is not subject to management and control by Italmobiliare, plays a similar role to that of the holding company towards its subsidiaries.

The Risk Management function, which holds an independent position with respect to the operating structures, reporting directly to the Board of Directors, is responsible for measuring, managing and controlling all financial and operational risks inherent to the assets managed, as well as those borne by the SGR and attributable to strategic, operational and reputational risks.

The internal risk management procedures provide for the following main activities of the Risk Management function:

- To implement effective policies and procedures to identify and monitor on an ongoing basis the risks inherent to the investment strategy envisaged in the Regulation of each fund and to which each fund is currently or potentially exposed
- To monitor compliance with the risk limits set in the Regulation of each fund and ensure that the risk profile communicated to investors during the marketing phase is compliant
- To periodically update the Board of Directors at least every six months on the above issues, on the adequacy and effectiveness of the risk management process and on any actual or foreseeable violation of the risk limits set, so as to allow prompt adoption of appropriate remedial action
- To review the policies and procedures adopted and evaluate the assets in portfolio by providing support on the matter, ensuring that there is consistency between the results of the assessment process and measurement of the riskiness of the assets.



## 2. ECONOMIC RESPONSIBILITY

### 2.1 Economic performance of the Group



**565.9**  
€ million

**REVENUE AND INCOME**  
(463.9 IN 2018)



**125.9**  
€ million

**GROSS OPERATING  
PROFIT (EBITDA)**  
(41.2 IN 2018)



**77**  
€ million

**PROFIT FOR THE  
YEAR**  
(31.7 IN 2018)

1 NAV, excluding treasury shares in portfolio, was calculated taking into account:

- the market price of listed equity investments at the end of the year
- the value of non-listed companies, where determinable, based on market multiples or specific valuations or, when such information is not available, on equity as reflected in the most recent approved financial statements drawn up in accordance with the IAS/IFRS financial reporting standards, otherwise with local accounting principles,
- the market value of real estate assets
- the deferred tax effect.

Thanks to the positive performances of the portfolio companies and the investments made during the year, Italmobiliare closed 2019 with a profit of 77 million euro, strong growth compared with the previous year. Confirming the effectiveness of the investment strategy implemented by the Company and the solidity of the value creation model, the Group's NAV (Net Asset Value)<sup>1</sup> increased by 18.3% in 2019, from 1.42 billion euro in 2018 to 1.74 billion euro.

As is known, the dynamics of the global economic cycle, despite showing signs of stabilization and possible recovery in the new year starting from the last quarter of 2019, suffered the effects of the "Coronavirus" shock.

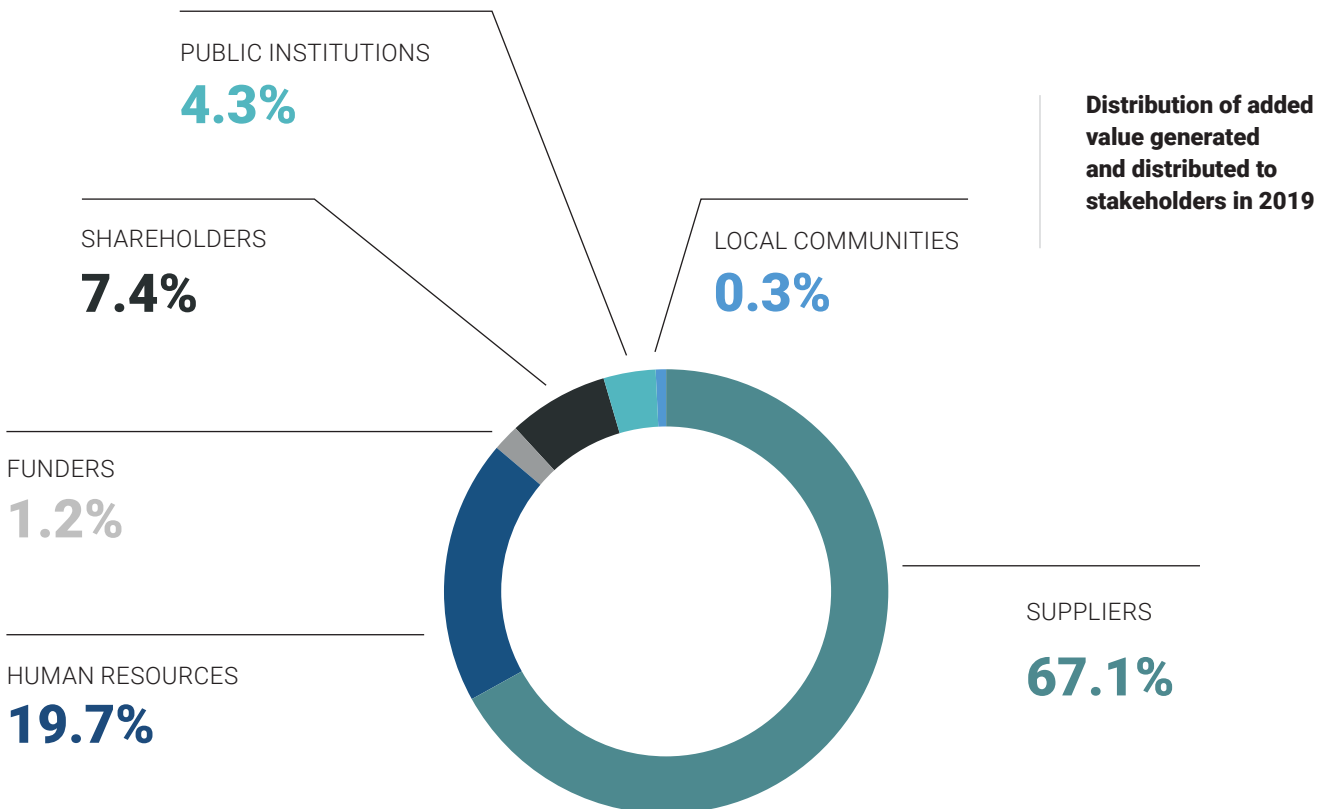
The impact generated through direct (demand) and indirect (business value chain) multipliers and channels, is difficult to quantify even with respect to similar events (such as SARS), given China's greatest weight on world growth and trade, and the stronger interconnection between different geographical areas. The potential effects of this phenomenon on the activities of Italmobiliare and of the Portfolio companies cannot be determined to date and will be subject to constant monitoring throughout the year.



## 2.2 Value generated and distributed

The economic value directly created by Italmobiliare also increased by 21%, reaching 598.8 million euro, due to the increase in operating profit in 2019. 11.2% of this value (65.9 million) was retained within the Group in the form of amortization and depreciation and provisions for new investments. The largest share of the added value distributed, a total of 523.9 million euro, was to pay Group companies' suppliers of goods and services (67.1%); 19.7% (103.5 million euro) distributed to personnel in the form of wages and salaries, social security contributions and employee termination benefits. The remuneration of shareholders and lenders corresponds respectively to the 7.4% (38.8 million euro)\* and the 1.2% (6 million euro) of the value distributed, while 4.3% (22.5 million euro) went to local institutions in the form of taxes. The value contributed by Italmobiliare and its portfolio companies to local communities through support for organisations and initiatives of a cultural, educational, environmental and sporting nature at national and local level amounted to 1.34 million euro.

\* The value indicated for the distribution of the profits to Shareholders includes the value of 23.5 million euro, which corresponds to what the Board of Directors of Italmobiliare S.p.A has decided to propose to the Shareholders' Meeting for approval.



In light of the Company's growth trend over the last three years (2017-2019), when recently acquired portfolio Companies reported a doubling in value alongside with significant proceeds from disposals of assets, the Board of Directors will propose to the next Shareholders' Meeting, other than the distribution of an ordinary dividend on the profit of the year included in the direct economic value generated and distributed, the distribution of an extraordinary dividend of 50.6 million euro.

# 3. RESPONSIBILITY TOWARDS THE ENVIRONMENT



**487,757.3**  
GJ

TOTAL ENERGY  
CONSUMPTION



**306,286,457.7**  
kWh

= 1,102,631.2 GJ

ELECTRICITY PRODUCED FROM  
RENEWABLE SOURCES



**10,897.9**  
tons

INDIRECT (SCOPE 1)  
EQUIVALENT  
CO<sub>2</sub> EMISSIONS



**33,923.3**  
tons

INDIRECT (SCOPE 2<sup>4</sup>)  
LOCATION-BASED CO<sub>2</sub>  
EMISSIONS



**43,097.0**  
tons

INDIRECT (SCOPE 2<sup>4</sup>)  
MARKET BASED CO<sub>2</sub>  
EMISSIONS



**109,955**  
tons

CO<sub>2</sub> EMISSIONS AVOIDED  
THANKS TO THE PRODUCTION OF  
RENEWABLE ENERGY  
(location based)



**95.73**  
megalitres

WATER  
CONSUMPTION

<sup>4</sup> The figure was calculated using the emission factor indicated in "Confronti internazionali; 2017", published by Terna, according to the location based method. Figures of Scope 2 emissions are expressed in tons of CO<sub>2</sub>, nevertheless the percentage of methane and nitrous oxide has a negligible effect on total greenhouse emissions (CO<sub>2</sub> equivalent), as inferred from the relative technical literature.

The sustainability of the investments made by Italmobiliare depends to a significant extent on respecting the natural environment. In addition to investing in companies active in the clean energy sector, the Holding Company commits to spreading the monitoring of environmental performance by the portfolio companies and supports a reduction in environmental impacts thanks to product and process innovation, according to a logic of circularity and continuous improvement.

Within its Sustainability Policy (1.4 paragraph), Italmobiliare promotes full adherence of its portfolio companies to the principles of Circular Economy by promoting investment in research aimed at designing products in a life cycle perspective and in the recovery and recycling of materials. Goals that cannot be separated from an involvement of the entire value chain, upstream and downstream of production, and from an active collaboration with suppliers, business partners and research institutes.

This chapter indicates the environmental data of the Italmobiliare Group, including in the scope the companies operating in the industrial sector (Sirap, Italgas and Caffè Borbone) for which environmental issues are most significant.

In 2019, the Italmobiliare Group consumed as a whole 489,757.3 GJ of energy. The consumption of electricity was 102,097,991.2 kWh, equal to 367,552.8 GJ.

In the same year, the Italmobiliare Group produced 10,897.9 tons of direct (Scope 1\*) CO<sub>2</sub> equivalent greenhouse gas emissions and 33,923.3 tons of indirect (Scope 2) CO<sub>2</sub> GHG emissions calculated according to the location-based approach, 43,097.0 tons according to the market based approach, due to the 87% generated by Sirap. Thanks to the production of renewable energy, Italgas avoided the emission of 109,957 tons of CO<sub>2</sub> of the production based on the average national energy mix.\*\*

As regards water resources, during 2019 the Group companies withdrew a total of 538 MI of water and discharged 442 MI. Net consumption, equal to 95.73 MI, increased by 15.9% compared to 2018 and is 99% attributable to the production of the Sirap Group.

In 2019 Group companies did not receive any significant fine or non-monetary sanction for non-compliance with environmental laws and/or regulations.

\* Figures of Scope 2 emissions are expressed in tons of CO<sub>2</sub>, nevertheless the percentage of methane and nitrous oxide has a negligible effect on total greenhouse emissions (CO<sub>2</sub> equivalent), as inferred from the relative technical literature.

\*\* The figure was calculated using the emission factor indicated in "Confronti internazionali; 2017", published by Terna, according to the location based method.

## 3.1 Caffè Borbone

### 3.1.1 ENVIRONMENTAL MANAGEMENT POLICIES

Caffè Borbone firmly believes in the need to combine economic development, social equity and environmental protection. The Company complies with current legislation in this area and carries on its activities on the basis of a correct and efficient use of natural resources.

In line with Italmobiliare's Sustainability Policy, Caffè Borbone adopts policies and practices aimed at minimising, mitigating and balancing the environmental impacts generated by its activities, implementing programmes for the continuous improvement of the technologies used and the methods used to manage and control industrial processes. Particular attention is paid to integrating the principles of the circular economy in the design, production and management of packaging, according to a "life cycle thinking" model.

### 3.1.2 CONSCIOUS CONSUMPTION OF RAW MATERIALS

The consumption of raw materials is an aspect of fundamental importance for Caffè Borbone, which mainly procures:

- Raw coffee
- Packaging materials, such as paper for pods, paper and cardboard for packaging, plastic and aluminium
- Other products, such as sugar, cups and plastic, merchandising.

Procurement is carried out based on production needs, with the aim of minimising waste. During 2019, the SAP management system was implemented, which allows the measurement and monitoring of specific indicators relating to the use of raw materials, making it possible to further improve food traceability and supply efficiency.

In 2017, the Caffè Borbone research and innovation team achieved the important goal of making their pods compostable, thanks to the use of organic materials that can be reused to create compost.

#### Caffè Borbone's consumption of raw materials

RAW MATERIALS (t)	t 2019	t 2018
Coffee	23,261	17,379
Additives, packaging, consumables	2,988	1,645
<i>of which paper for pods and capsules</i>	308	252
<i>of which plastic for capsules</i>	2,128	1,393
<i>of which CO<sub>2</sub> for product cooling</i>	559	<i>n.a.</i>
Packaging materials	6,625	5,165
<i>of which aluminium</i>	2,725	2,205
<i>of which cardboard</i>	3,642	2,896
<i>of which plastic for packaging</i>	258	65
<b>Total</b>	<b>32,874</b>	<b>24,189</b>

2019 saw a 36.0% increase in raw material consumption, due to the growth in production volumes.

In 2020, a circular economy project will be launched to manage the collection of secondary raw materials for the production of packaging on a territorial basis, in an integrated and sustainable way, implementing the principle of proximity recycling. In this way, the company intends to offer trading partners a chance to use their pulp to produce their packaging, according to a closed cycle that reduces the exploitation of natural resources, emissions and the generation of waste.

### 3.1.3 ENERGY CONSUMPTION AND EMISSIONS

Caffè Borbone promotes the adoption of international best practices in industrial processes to use natural resources responsibly and reduce energy consumption. At the factory, there is a system of energy production from photovoltaic panels, which is fed into the national electricity grid.

#### Caffè Borbone's energy consumption<sup>6</sup>

ELECTRICITY	2019		2018	
	Kwh	GJ	Kwh	GJ
Purchased electricity	5,393,174	19,415	3,987,180	14,354
Electricity self-produced from renewable sources	107,154	386	101,657	366
Electricity sold	107,154	386	101,657	366
<i>of which renewable</i>	<i>107,154</i>	<i>386</i>	<i>101,657</i>	<i>366</i>
Electricity consumed	5,393,174	19,415	3,987,180	14,354
<b>NON-RENEWABLE FUELS</b>	<b>m<sup>3</sup> 2019</b>	<b>GJ 2019</b>	<b>m<sup>3</sup> 2018</b>	<b>GJ 2018</b>
Natural gas consumed <sup>4</sup>	1,948,053	69,815	1,340,308	48,633
<b>TOTAL ENERGY CONSUMPTION</b>	<b>n.a.</b>	<b>89,231</b>	<b>n.a.</b>	<b>62,987<sup>5</sup></b>

In 2019, the consumption of natural gas and electricity increased by 45.3% and 41.7% respectively compared with the previous year, due to the increase in production volumes. Direct emissions (Scope 1) deriving from the combustion of natural gas amounted to 3,956 tons of CO<sub>2</sub> equivalent, while the indirect emissions (Scope 2) relating to energy supply from outside the company amounted to 1,936 tons of CO<sub>2</sub> according to the location-based approach<sup>8</sup> and 2,607 according to the market-based approach<sup>9</sup>.

4 The cubic metres of natural gas consumed in November and December are the result of an estimate based on the preceding months.

5 For the purpose of comparison, following the update of methodology, data related to energy consumption of Caffè Borbone for 2018 has been restated. For historical data and information previously published, please refer to 2018 Sustainability Report, published in the Sustainability section of [www.italmobiliare.it](http://www.italmobiliare.it).

6 The company does not have a system for monitoring the mileage driven by company cars. The company did resort to guarantees of origin for the purchase of energy from renewable sources neither in 2019 nor in 2018.

8 Calculation performed on Terna International Comparisons for 2017.

9 Calculation performed on European Residual Mixes figures for 2018.

### 3.1.4 WASTE MANAGEMENT

The company generates a negligible quantity of hazardous waste.

The waste produced is kept in temporary storage in a special area, separated by type in dedicated containers and/or bins; each container contains a single type of waste and is marked with a label bearing the CER code of the waste stored there. The waste is collected periodically by companies authorised to collect and transport it and is then sent to suitable plants authorised to treat that type of waste. An external consultant who reports directly to the Technical Office manages relations with the transporters and with the plants, ensuring that all waste can be properly traced.

**Table 5: Weight of Caffè Borbone's non-hazardous waste by disposal method**

<b>HAZARDOUS WASTE</b>	<b>t 2019</b>	<b>t 2018</b>
Recovery, including energy recovery	4.38	0.06
Landfill	0.03	-
<b>Total</b>	<b>4.41</b>	<b>0.06</b>
<b>NON-HAZARDOUS WASTE</b>	<b>t 2019</b>	<b>t 2018</b>
Recovery, including energy recovery	1,653.5	1,192.2
Landfill	217.5	180.6
<b>Total</b>	<b>1,871.05</b>	<b>1,372.8</b>

## 3.2 Sirap

### 3.2.1 ENVIRONMENTAL MANAGEMENT POLICIES

Attention to sustainability prompted Sirap to adopt an Environmental Policy back in 2012: a system of guidelines that ensure the Group's compliance with the environmental regulations of the countries in which it operates and the adoption of the best ecological standards in production processes.

In 2019, Sirap renewed its commitment by adopting the new "Sustainability - Quality - Health, Safety and Environment" Policy, which promotes the reduction of consumption and the sustainable use of resources through the involvement of all members of staff. The implementation of the policy will become an assessment criterion for professional development within the Group.

Production activities are subject to strict regulations to protect the environment and the surrounding population, in accordance with European directives. Sirap carries out in-depth technical and administrative analyses, on a preventive basis, to identify the effects of Group's plants on the environment and the local community. Thanks to the installation of particular storage silos, the processes involved in producing food packaging in rigid and expanded plastic polymers, which use various technologies such as thermoforming and extrusion, are constantly monitored and do not release harmful emissions that exceed the legal limits of the individual countries, nor do they have an impact on the aquifers below the plants.

During the two-year period 2018-2019, as part of the integrated HSE management system certified according to the UNI ISO 14001 and OHSAS 18001 standards, each Group plant introduced a set of environmental indicators designed to keep the main inputs and outputs under control. Within the next two years, Sirap will align the recently acquired production sites (Tarascon, Sedgefield and Puig-Reig) to the standards mentioned above.

### 3.2.2 MATERIALS AND PACKAGING

Sirap, with the parent company Sirap Gema S.p.A. at the forefront, acted on three different levels to reduce its environmental impacts from the use of raw materials, while applying the principles of the circular economy.

- **Consumption:** when developing new products, SIRAP uses the Ecodesign method, an approach to product design that pays particular attention to environmental impacts during the entire life cycle. This method permits considerable savings in terms of the raw material used, thanks to resizing the shapes and thickness of the product.
- **Recycling:** SIRAP has embarked on a process of reducing the use of virgin raw material with the introduction of new products containing a high percentage of recycled plastic. To continue to reduce the environmental impact of raw materials, SIRAP has defined an annual growth target for the proportion of recycled products. The environmental performances of these products are confirmed and continuously improved, thanks to Life Cycle Assessment studies.
- **End of life:** to collect and recycle products at the end of their life cycle, SIRAP has raised its level of communication about packaging, also on social media. Besides, it has activated awareness initiatives through category groups and collaborations with stakeholders in the recycling industry, including COREPLA (Plastic Recovery Consortium), in identifying solutions to make finished products recyclable after use by the consumer, including composting.

### Sirap's consumption of raw materials

12 The 2018 data relating to Sirap Iberica has been estimated, as the company was not present yet on SAP.

13 For comparative purposes, the 2018 data relating to the raw materials of the Sirap Group have been restated, following a process of improvement of the reporting system implemented during 2019. For previously published data, see the 2018 Sustainability Report, published in the Sustainability section of the website [www.italmobiliare.it](http://www.italmobiliare.it).

Type of material	t 2019	t 2018 <sup>12 13</sup>
Raw materials	50,583	51,744
<i>of which renewable</i>	228	7
Semifinished goods	9,535	7,296
<i>of which renewable</i>	2	0
Additives and consumables	2,380	2,398
Packaging materials	5,192	4,539
<b>Total materials used</b>	<b>67,689</b>	<b>65,978</b>
<i>of which renewable</i>	230	7
<i>percentage of renewables</i>	0.34%	0.01%
<i>of which reclaimed</i>	10,933	10,123
<i>percentage of reclaimed</i>	16.15%	15.34%



### 3.2.3 ENERGY CONSUMPTION AND EMISSIONS

The "Energy Saving" project has been activated in 2012 to make the company more energy efficient, reducing waste and its environmental impact. The effect of waste control and analysis is twofold: it encourages an evaluation of the most efficient technical solutions oriented towards the "Best Available Technologies" and allows greater staff involvement and awareness of environmental issues.

Energy Saving was launched with an Energy Audit at the Castiglione Fiorentino site and progressively extended to all of the Group's Italian plants, identifying an Energy Team.

The project aims to reduce energy waste by acting in various areas:

- Staff behaviour
- Process optimisation
- Plant maintenance
- Lighting management
- Capital investment
- Compressed air management.

The implementation of the environmental indicators of the integrated management system will make it possible to carry out in-depth analyses of each plant's energy performance, to provide support for consumption improvement activities. In the first half of 2020, a trigeneration plant will be installed at the Italian location in Castelbelforte (Mantua) which can produce electricity, heat and cooling energy from natural gas, ensuring greater efficiency in terms of consumption.

Since 2018 Sirap has also set up a Life Cycle Assessment department to carry out product life cycle analysis, and to evaluate the actual improvements on products as a result of its energy optimisation policies

In the group's Italian factories, the information is gathered and analysed through systems installed on the plants that monitor the equipment. The consumption data of the main machinery in the plant are sent to a server and can be controlled remotely in real time. The site's Energy Team periodically organises a meeting in which new proposals and ideas are analysed and feedback is given on the steps that have been taken. All staff can collaborate by reporting areas of inefficiency to be corrected, which are promptly considered and processed. Moreover, in relation to energy consumption, Sirap has defined and constantly monitors an energy performance indicator, the KEI (Key Energy Indicator), obtained from the ratio between the kWh used and the tons of raw material processed. In foreign plants, the KEI is measured using the energy consumption data from the bills of energy suppliers, as a monitoring system will be implemented in the next two years.

### Sirap's energy consumption

<b>ELECTRICITY</b>	<b>Total 2019</b>	<b>Total GJ 2019</b>	<b>Total 2018 <sup>11</sup></b>	<b>Total GJ 2018</b>
Electricity purchased <sup>14</sup>	88,590,486 kWh	318,926	93,807,669 kWh	337,708
Self-produced renewable energy	-	-	81,944 kWh	295
Electricity sold	-	-	9,345 kWh	34
<i>of which renewable</i>	-	-	<i>9,345 kWh</i>	<i>34</i>
Electricity consumed	88,590,486 kWh	318,926	93,880,268 kWh	337,969
<b>NON-RENEWABLE FUELS<sup>15</sup></b>				
Natural gas	1,325,028 m <sup>3</sup>	47,487	2,044,286 m <sup>3</sup>	74,177
Diesel	64,878 lt	2,334	74,226 lt	2,682
<i>of which used for production and heating processes</i>	<i>11,776 lt</i>	<i>428</i>	<i>9,805 lt</i>	<i>356</i>
<i>of which for automotive</i>	<i>53,102 lt</i>	<i>1,906</i>	<i>64,421 lt</i>	<i>2,326</i>
Gasoline for automotive	1,625 lt	53	1,389 lt	61
LPG	80,798 lt	1,918	n.a.	n.a.
<i>of which used for forklifts</i>	<i>79,764 lt</i>	<i>1,893</i>	<i>n.a.</i>	<i>n.a.</i>
<i>of which for automotive</i>	<i>1,034 lt</i>	<i>25</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Total energy consumption</b>	<b>n.a.</b>	<b>370,717</b>	<b>n.a.</b>	<b>414,928</b>

16 For comparative purposes, the 2018 data relating to the natural gas, diesel and automotive gasoline of the Sirap Group have been restated following an improvement process of the reporting system implemented during 2019. For previously published data, see the Report of Sustainability 2018, published in the Sustainability section of the website [www.italmobiliare.it](http://www.italmobiliare.it).

12 the company did not require to guarantees of origin for the purchase of energy from renewable sources neither in 2018 nor in 2019.

15 For the values referring to the fuel used for the car fleet and the relative emissions reported in this chapter, estimates were used. For cars for mixed use, 70% of total consumption was considered.

18 Source of the emission factors for 2019: "Confronti internazionali; 2017", published by Terna.

19 Source of the emission factors for 2019: European Residual Mixes, 2018.

20 The figures for withdrawals from the aqueduct and discharges to the sewage system of the French plants in Noves and Remoulins are the result of an estimate, as actual data are not available.

In 2019, the direct (Scope 1) emissions of Sirap from fuel combustion for the production plants and company cars amounted to 6,900 tons of CO<sub>2</sub> equivalent. Indirect (Scope 2) emissions linked to the external energy supply amounted to 29,074 tons of CO<sub>2</sub> according to the location-based<sup>18</sup> approach and 36,569 according to the market-based approach<sup>19</sup>.

### 3.2.4 MANAGEMENT OF WATER RESOURCES

Being attentive to the development of projects and initiatives that favour the optimization of water consumption also through water recovery initiatives in production processes, Sirap uses water that comes 96% from wells and 4% from the aqueduct. In most plants, there is a closed cycle system for the reuse and cooling of technological water through the use of evaporative towers or closed heat exchangers. The water withdrawn by the production sites where this system is present is the quantity needed to top up the circuit because of evaporation or leaks; the rest of the water circulates continuously to cool the machinery and, in turn, is cooled by evaporative towers or refrigeration systems with a closed heat exchanger.

In 2019, water consumption stood at 90,03 MI, increased of the 17.4% compared to the previous year<sup>20</sup>.

## Sirap's withdrawals, discharges and water consumption

<b>WATER WITHDRAWAL</b>	<b>MI 2019</b>	<b>MI 2018<sup>21</sup></b>
Surface water	0.59	0.82
of which from areas with water stress	0	n.a.
Groundwater <sup>22</sup>	509.52	457.64
of which from areas with water stress	11.14	3.10
Third-party water	21.66	26.48
of which from areas with water stress	1.30	1.30
<b>TOTAL</b>	<b>531.77</b>	<b>484.94</b>
Total withdrawal of freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids)	531.77	n.a.
Total withdrawal of other water ( $> 1,000$ mg/L Total Dissolved Solids)	0	n.a.
<b>WATER DISCHARGE<sup>23</sup></b>	<b>MI 2019</b>	<b>MI 2018</b>
Surface water	415.25	377.60
of which from areas with water stress	0	n.a.
Groundwater	0	0
of which from areas with water stress	0	n.a.
Sewage	26.49	30.67
of which from areas with water stress	1.30	n.a.
<b>TOTAL</b>	<b>441.74</b>	<b>408.27</b>
Total discharge of freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids)	434.34	n.a.
Total discharge of other water ( $> 1,000$ mg/L Total Dissolved Solids)	7.39	n.a.
<b>WATER CONSUMPTION</b>	<b>MI 2019</b>	<b>MI 2018</b>
From all sources	90.03	76.67

## 3.2.5 WASTE MANAGEMENT

Waste management at Sirap is delegated to the individual production sites. The different types of waste are delivered in special containers labelled with the respective EWC code and stored temporarily in special areas inside the sites, before transferring them to external centres authorised for their recovery, storage or disposal.

<b>HAZARDOUS WASTE</b>	<b>t 2019<sup>24</sup></b>	<b>t 2018</b>
Reuse	0.0	0.0
Recycling	16.5	2.0
Recovery, including energy recovery	13.2	12.5
Composting	0.4	0.9
Incineration	0.9	1.5
Landfill	114.3	131.5
On-site storage	0.0	0.0
<b>Total</b>	<b>145.1</b>	<b>148.4</b>
<b>NON-HAZARDOUS WASTE</b>	<b>t 2019<sup>25</sup></b>	<b>t 2018</b>
Reuse	0.0	6.4
Recycling	2,428.4	1,301.4
Recovery, including energy recovery	1,742.9	1,684.3
Composting	235.1	273.0
Incineration	25.8	0.0
Landfill	1,039.3	1,053.5
On-site storage	0.0	0.0
<b>Total</b>	<b>5,471.6</b>	<b>4,318.6</b>

21 For comparative purposes, the 2018 data relating to the Sirap Group withdrawals, discharges and water consumption have been restated, following a process of improvement of the reporting system implemented during 2019. For previously published data, please refer to the Report of Sustainability 2018, published in the Sustainability section of the website [www.italmobiliare.it](http://www.italmobiliare.it).

22 According to the Aqeduct Water Risk Atlas, the production site in Castiglione Fiorentino (Arezzo) is located in an area characterized by an extremely high risk of water stress. The other plants are located in areas characterized by low to medium-high risks.

23 Total water consumption of the Castelforte and Verolanuova plant is based on meter readings. Only the water used is discharged into the sewers, while process water is reused in a closed circuit. Having no way of distinguishing the consumption for sanitary purposes, this has been estimated starting from the ISTAT data of the per capita water consumption for the province of Mantua (for the year 2011) equal to 59.6 m<sup>3</sup>.

**Table 9: Sirap's weight of waste by disposal method**

24 Almost all of the hazardous waste generated by Sirap France in 2019 consists of hydrocarbon water produced in cleaning the plants and not previously used.

25 The increase in waste generated by the Inline plant (Poland) is due to the new status attributed to mixed process by-products, which are now considered waste.

## 3.3 Italgén

### 3.3.1 ENVIRONMENTAL MANAGEMENT POLICIES

Sustainable development has always been one of the fundamental drivers of Italgén, which strongly believes in the close union between economic growth and social and environmental responsibility. Ever since its foundation, the company has been constantly committed to guaranteeing an ever greater production of energy from renewable sources, minimising its impact on the ecosystem.

Italgén's Environmental Policy, guaranteed by the Environmental Management System (EMS), is an essential element for strategic planning since it provides a general direction and a set of short and medium-long term objectives to improve production performance and energy efficiency. Application of the policy pervades the entire organisation, through training initiatives and the sharing of information and objectives with staff at all levels.

The EMS is an integrated system for Quality, Environment, Health and Safety, which guarantees the organisation's ability to provide a product and service that constantly meet the requirements established by customers and regulatory requirements, carrying out the activities with full respect for the environment. The Management System was adapted in 2017 to the new editions of the ISO 9001: 2015 and ISO 14001: 2015 standards, is documented in a Management Manual, and attached procedures/instructions. The latter governs the responsibilities of personnel and the operating procedures adopted to keep monitoring the environmental aspects of the business and improving its performance, while ensuring the organisation's compliance with regulatory obligations.

2019 saw the renewal of the EMAS Registration for the three-year period 2020-2022 as well as validation by the Certiquality Institute and the Ecolabel - Ecoaudit Committee of ISPRA of the EMAS 2019 Environmental Declaration, including the Environmental Analysis which identifies the significant impacts of Italgén's activities. The evaluation is carried out considering the following elements:

- Potential to do damage and size of the environmental impact (D);
- Environmental and territorial context, vulnerability of the receptors (C);
- Frequency, i.e. the probability that an environmental impact could occur (F);
- Complaints and stakeholders' views (P);
- Legal aspects (L).

Compliance with environmental legislation is monitored periodically through internal audits, planned and managed according to a specific procedure. Monitoring any new requirements from EU, national and local legislation is guaranteed by a central function which carries out a preliminary and general assessment of whether the new measures are applicable to the company. Following legislative changes or additions, Management evaluates the action to be taken, which may be of an educational/informative, procedural, managerial, analytical or technical/structural nature.

### 3.3.2 ENERGY MANAGEMENT

The company has a production structure in Italy that consists of 15 hydroelectric plants in Lombardy, Piedmont and Veneto for a total installed capacity of 58 MW and 300 kilometres of transmission lines. It also holds a financial minority stake (49%) in a company that manages two wind plants in Bulgaria with a total of 18 MW.

Italgén's hydroelectric plants are of two types: impoundment and "run-of-the-river". An impoundment facility, typically a large hydropower system, uses a dam to store river water in a reservoir. Run-of-the-river plants, on the other hand, use the natural flow of water and therefore only allow real-time management of the water that can be taken from the river bed. The water, either collected

in reservoirs or derived directly from the river, is sent to the hydroelectric power plant employing tunnels, penstocks and canals. The principal "machine" of the plant is the turbine which, driven by the power of water, converts hydraulic energy into mechanical energy. This, in turn, is converted into electricity by an electric generator and returned via a transformer to the high voltage lines that transport and distribute the energy throughout the territory.

ELECTRICITY	2019		2018	
	Total 2019	Total GJ 2019	Total 2018	Total GJ 2018
Purchased electricity <sup>26</sup>	99,774,675 kWh	359,189	52,447,000 kWh	188,809
Self-produced renewable energy	306,179,304 kWh	1,102,245	289,362,000 kWh	1,041,703
Electricity sold	397,839,647 kWh	1,432,223	333,859,000 kWh	1,201,892
of which renewable (hydroelectric)	306,179,304 kWh	1,102,245	289,362,000 kWh	1,041,703
Electricity consumed	8,114,332 kWh	29,212	7,950,000 kWh	28,620
<b>NON-RENEWABLE FUELS<sup>27</sup></b>	<b>Total 2019</b>	<b>Total GJ 2019</b>	<b>Total 2018</b>	<b>Total GJ 2018</b>
Diesel for automotive	12,971 lt	529	1,971 lt	465
Gasoline for automotive	4,108 lt	150	4,08 lt	133
<b>TOTAL ENERGY CONSUMPTION</b>	<b>n.a.</b>	<b>29,742</b>	<b>n.a.</b>	<b>29,30328</b>

In order to ensure constant monitoring of the production process, during 2019 the company completed the installation of a centralised supervision and remotecontrol system for in-process monitoring and remote management of 15 hydroelectric power plants and related intake works. The system, managed centrally from the operational headquarters in Villa di Serio (BG), ensures the collection of all the basic data for monitoring operating conditions, allowing to trace the quality of the production process, to check the status of components of the machines and of the system in general and to intervene remotely for a different balance of production, also in response to specific situations. Central availability of data makes it possible to extract precise figures for management reports and trend analyses, facilitating interaction with external entities. The system also raises the safety levels of the plants, thanks to measurement and alerting tools that enable to manage the situation and any alarms, with operator consoles to help detect any anomalous situations.

Thanks to these systems, in 2019, there were no accidents or plant malfunctions that could have caused physical injury to people.

### 3.3.3 EMISSIONS

A hydroelectric power plant does not generate atmospheric emissions in the process of generating electricity. Any emissions are attributable exclusively to the use, in emergency conditions, of diesel-powered generators and to the sporadic use of portable welding machines supplied to certain plants.

The consumption of electricity, fuel and auxiliary materials for maintenance purposes does not constitute a significant environmental issue for the organisation. In order to further limit the related impacts and increase production efficiency, in 2012, Italgas began a process of reducing self-consumption, which continued in 2019 with the installation of new lighting systems with LED lamps at the hydroelectric plants and related works (intakes, tunnels, dams, etc.).

A tangible and concrete sign of the company's commitment to environmental sustainability are the clean energy distributors, which make it possible to monitor, directly on the website, the levels of distribution of energy from renewable sources of the hydroelectric power plants owned, the number of barrels of oil equivalent saved and the simultaneous reduction of carbon dioxide emissions

#### Italgas energy consumption

<sup>26</sup> The company did not acquire Guarantee of Origin certificates for the purchase of energy from renewable sources neither in 2019 nor in 2018.

<sup>27</sup> For the values referring to the fuel used for the car fleet and the relative emissions reported in this chapter, estimates were used. For cars for mixed use, 70% of total consumption was considered.

<sup>28</sup> For comparative purposes, the 2018 data relating to Italgas energy consumption have been restated, following a process of improvement of the reporting system implemented during 2019. For previously published data, please refer to the Report of Sustainability 2018, published in the Sustainability section of the website [www.italmobiliare.it](http://www.italmobiliare.it).

29 Source of the emission factors for 2019: "Confronti internazionali; 2017", published by Terna.

30 Source of the emission factors for 2019: European Residual Mixes, 2018.

into the atmosphere.

The distributors, which are located in the operational headquarters at Villa di Serio (BG) and at certain plants, also contribute to Italgem's sustainable mobility policy, which promotes the use of vehicles with reduced environmental impact: in fact, each distributor supplies energy from its hydroelectric plants and helps to recharge the company's pool of vehicles (bicycles and cars).

In 2019, direct (Scope 1) CO<sub>2</sub> equivalent emissions released into the atmosphere by Italgem amounted to only 43 tons, due exclusively to the fuel consumption of the company's car pool. Indirect emissions, from electricity purchased for self-consumption and sale, amounted to 2,913 tons according to the location-based approach<sup>25</sup> (3,922 according to the market-based approach<sup>26</sup>), Italgem thanks to the production of renewable energy, Italgem avoided the emission of 109,957 tons of CO<sub>2</sub> of the production based on the average national energy mix.

### 3.3.4 WATER MANAGEMENT

Italgem's main sources of water are the Adda, Oglio, Dezzo, Povo, Brembo, Cassiglio, Stabina, Serio, Gesso, Vermenagna and Meschio rivers: almost all of the water is used for production purposes. In particular, it is taken by means of intake works from surface waterways and used by the plants for the production of electricity, after which it is released downstream from the plant. During the production process, the water is not consumed, nor modified in its chemical and physical characteristics. Italgem's commitment to the protection of water basins and biodiversity takes place concretely through the release of the Minimum Vital Runoff, the installation of fish ladders and the repopulation of fish species in the waterways where the plants are located. The amount of water used in turbines for conversion into electricity in 2019 was 5,663 Ml.

Italgem is fully authorised to use water for production purposes, through concessions received in accordance with applicable legislation. The company guarantees constant control of the microclimatic data of the areas where it operates (quantity of rainfall, temperatures, volumes of reservoirs) and is available to provide such data to associations, municipal bodies or anyone who requests it.

Italgem's water withdrawals and discharges concern basins and freshwater streams and do not affect areas subject to water stress.

In the EMAS Environmental Declaration, water supply is assessed as a significant environmental aspect of medium importance, while the use of water for civil use is not significant. As for discharges, art. 114 of Legislative Decree 152/2006 entrusts the Regions with regulation of the returned water used for the production of electricity, effectively subtracting this activity from regulation of the discharges, which can be further divided into civil and atmospheric.

The former are occasional and of low volume, generated by the plants' toilets and conveyed to a pit and then drained by sub-irrigation in the surface layers of the subsoil, subject to authorisation. For the latter, the environmental relevance was assessed as extremely low as no external operating activities are carried out, with the exception of extraordinary maintenance performed during major overhauls of the machinery.

		<b>MI 2019</b>	<b>MI 2018</b>
<b>Water withdrawal</b>	Aqueduct	0.56	0.71
	Ground water	5.71	5.94
	<b>Total</b>	<b>6.27</b>	<b>6.65</b>
	<i>From areas with water stress</i>	<b>0</b>	<b>n.d.</b>
	<i>From freshwater</i>	<b>6.27</b>	<b>n.d.</b>
	<i>From other water (&gt;1.000 Total Dissolved Solids)</i>	<b>6.27</b>	<b>n.d.</b>
		<b>MI 2019</b>	<b>MI 2018</b>
<b>Water discharge</b>	Sewage	0.56	0.71
	<b>Total</b>	<b>0.56</b>	<b>0.71</b>
	<i>To areas with water stress</i>	0	<b>n.d.</b>
	<i>To freshwater</i>	0.56	<b>n.d.</b>
	<i>From other water (&gt;1.000 Total Dissolved Solids)</i>	0.56	<b>n.d.</b>
		<b>MI 2019</b>	<b>MI 2018</b>
<b>Water consumption</b>	<b>Totale</b>	<b>5.71</b>	<b>5.94</b>
	<b>From areas with water stress</b>	<b>0</b>	<b>n.d.</b>

### 3.3.5 WASTE MANAGEMENT

In its business, Italgas produces special waste, both hazardous and non-hazardous, deriving from plants, as well as urban-type waste produced in the offices.

In the EMAS Environmental Declaration, the production of waste was assessed as a significant environmental aspect, with the exception of the production of "sgrigliato" (detritus caught by a grid).

#### SPECIAL NON-HAZARDOUS WASTE

The main type of waste managed by Italgas is produced at the intake works where there are grids at the entrance to the plant which retain the so-called "sgrigliato" and which not only ensure proper operation of the plants, but also help clean the water. River water does, in fact, carry a huge amount of suspended material (wood, plants, leaves, plastic and other waste), the quantity of which depends on the flow of the river: the rise in the water level during floods, which affect the natural expansion areas where there are accumulations of deadwood, allows the current to drag everything downstream. The sgrigliato is collected in special bins prior to disposal according to specific procedures.

Other types of special non-hazardous waste are produced by the plants and intake works during normal operations and maintenance. All of the waste produced is stored in dedicated areas of the plants and then transferred to authorised collection centres. Over the last few years, the identification of certain categories of waste has changed, identifying the most appropriate EWC (European Waste Catalogue) codes so that the waste can be recovered.

## SPECIAL HAZARDOUS WASTE

The management of hazardous substances is attributable to maintenance activities and the presence of oil in the plants. The process of cooling the oil in the turbines is monitored by specific instrumentation and supervised by the personnel. The adoption of preventive measures, combined with appropriate awareness and staff training, make it possible to control this aspect and to prevent soil and water contamination.

The high voltage electrical transformers present in most hydroelectric power plants are arranged above a specially built containment tank, so that, in the event of an emergency, any leakage of dielectric insulating oil is conveyed to the underground collection tank. Within the EMS, a periodic inspection plan was also provided for the tanks and underground tanks for collecting the transformer oil. The oil used at the shut-off devices is contained in small tanks built above ground, making it easy to detect and resolve any leaks. Italgas has identified lubricating oils for the shut-off devices with environmental guarantees of biodegradability. The commitment is to gradually extend the use of these oils to all plants subject to revamping or plant modifications, as a guarantee of lower environmental impact on water in the event of a leak. The records of the EMS make it possible to document even minor incidents and therefore improve prevention action. Over the last few years, there have been no accidental spillages at any of the plants.

## URBAN WASTE

Office waste is picked up by the municipal collection service, in accordance with the current regulations.

## WASTE MANAGEMENT AND DISPOSAL METHODS

Waste management activities comply with the regulations (Legislative Decree 152/2006 Part IV). Accordingly, different types of waste are separated at the time of collection and identified with the appropriate EWC code according to its nature and state. Storage and handling take place in conditions that ensure the control of any accidental leaks, using containment basins and absorbent material.

Italgas identifies target indicators for the annual quantities of production and disposal of hazardous and non-hazardous waste, to increase the delivery of waste to processors for recovery and recycling.

### Italgas's weight of waste by disposal method

<b>HAZARDOUS WASTE</b>	<b>t 2019</b>	<b>t 2018</b>
Recovery, including energy recovery	8.0	21.2
Landfill	0.2	0
<b>Total</b>	<b>8.2</b>	<b>21.2</b>
<b>NON-HAZARDOUS WASTE</b>	<b>t 2019</b>	<b>t 2018</b>
Recovery, including energy recovery	1,669.9	337.1
<b>Total</b>	<b>1,669.9</b>	<b>337.1</b>

In 2019, the production of hazardous waste more than halved (-62%), due to the lower incidence of extraordinary maintenance and replacement of plants; on the other hand, the volume of special non-hazardous waste from "sgrigliato" increased, mainly as a result of cleaning the bed of the Gesso River at the Borgo San Dalmazzo power plant (Cuneo).





## 4. RESPONSIBILITY TOWARDS PEOPLE

**ITALMOBILIARE GROUP  
EMPLOYEES  
BY TYPE OF CONTRACT**  
at 12/31/2019

**1591**

**128**

**93% PERMANENT**

**7% TEMPORARY**

**ITALMOBILIARE GROUP  
EMPLOYEES  
BY GENDER**  
at 12/31/2019

**1249**

**470**

**73% MEN**

**27% WOMEN**

**GROUP EMPLOYEES  
BY TYPE OF EMPLOYMENT**  
at 12/31/2019

**1652**

**67**

**96% FULL TIME**

**4% PART TIME**

The ability to attract and retain people with different and complementary skills and the training of leaders capable of guiding the growth of companies, aligning the interests of management and shareholders and promoting value creation in a sustainable perspective, are fundamental drivers for the development of the Group.

Italmobiliare operates as a responsible and proactive employer, undertaking to guarantee a working environment based on the values of fairness, loyalty, transparency and mutual respect. Employees have the opportunity to best express their potential in a collaborative climate conducive to professional and human development, in full equality of opportunity and treatment and having respect for all forms of diversity. Fundamental in this sense are the definition of transparent and merit-based remuneration policies and training activities aimed at developing new skills, in order to keep pace with the markets as they evolve.

At December 31, 2019, the total workforce of the Italmobiliare Group consists of 1,719 people. As confirmation of the trust that the Group has in its employees, 92.6% are hired on permanent contracts; and by far the majority of them (96.1%) work full-time rather than part-time. Almost 2 out of 3 people (64.3%) are employed in production, while 31.4% are white-collar workers and 4.3% hold managerial positions. 62.2% of the Group's 74 managers were born in the same country (in the case of foreign companies) or in the same region as the operational headquarters in which they work (in the case of Italy), confirming their willingness to develop and enhance preferential skills and energies from local communities.

The types of contracts applied to employees differ according to the companies that employ them. In particular, the Cement and Industry Managers contracts (CCNL) are applied at Italmobiliare and Italgem, the Commerce and Services contract at Clessidra, the Rubber and Plastics Industry contract and the Industry Managers contract at Sirap Group companies based in Italy and the Food Industry contract at Caffè Borbone. Collective bargaining agreements cover 80.7% of the Group's employees. In addition to employees, the Group also uses the services of 176 collaborators, mostly temporary workers or project workers, interns and agents.

During 2019, Group companies had 239 new hires versus 263 resignations, which gave an incoming turnover of 13.9% and an outgoing turnover of 15.3%.

## 4.1 Enhancement and development of people

### 4.2 Italmobiliare

At 12/31/2019, Italmobiliare's workforce consists of 37 people, all permanently employed and divided equally between women (51.3%) and men (48.6%).

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	18	19	37	20	16	36
Fixed term employment contract	0	0	0	0	1	1
<b>Total</b>	<b>18</b>	<b>19</b>	<b>37</b>	<b>20</b>	<b>17</b>	<b>37</b>

#### 4.2.1 HUMAN RESOURCES MANAGEMENT POLICY

In Italmobiliare, the selection and insertion of the human resources required to meet the business's needs (on schedule, with the most suitable contractual types, with the skills and aptitudes required) are regulated by specific internal procedures. The selection process does not in any way discriminate against potential candidates for reasons of nationality, gender, religious belief or age. New employees are given an induction programme by the Head of Human Resources to facilitate their entry into the organisation.

Human resource management, based on the values of correctness, loyalty, transparency and mutual respect, is regulated, from a contractual point of view, in accordance with current labour law. The values expressed by the Code of Ethics represent the rules of conduct which are the basis for professional and personal relationships within the Company.

Each individual's set of relational, intellectual, organisational and technical skills are considered a strategic resource, which Italmobiliare protects and enhances, in the light of Corporate Social Responsibility, so that individual aptitudes find realization and recognition, also through adequate refresher courses. Italmobiliare guarantees equal opportunities and treatment, from all points of view, respecting all types of diversity.

Italmobiliare applies a remuneration policy based on a merit matrix that combines performance and importance of the position on the external market in terms of remuneration.

The offer of additional benefits is an integral part of Italmobiliare's human resource management policy.

A non-occupational life/accident and permanent disability policy is stipulated for both managers and employees and a supplementary pension fund is available to both categories with the Company topping up monthly contributions by a percentage laid down in the national labour contract.

Managers have access to supplementary health insurance that also covers their families. They are assigned a company car for business and private use.

A welfare plan is available for white-collar workers, which allows them to purchase goods and services for themselves and their families (health, leisure, school fees and school books, etc.).

#### 4.2.2 TRAINING

Every year the Human Resources Department plans training initiatives aimed at developing skills and promoting continuous training and updating in support of the development and employability of the staff.

Training activities are planned starting from a needs analysis, commensurate with the role and skills required. This analysis is followed by detailed planning; during the year and after the training has been provided, the activities carried out are monitored and assessed.

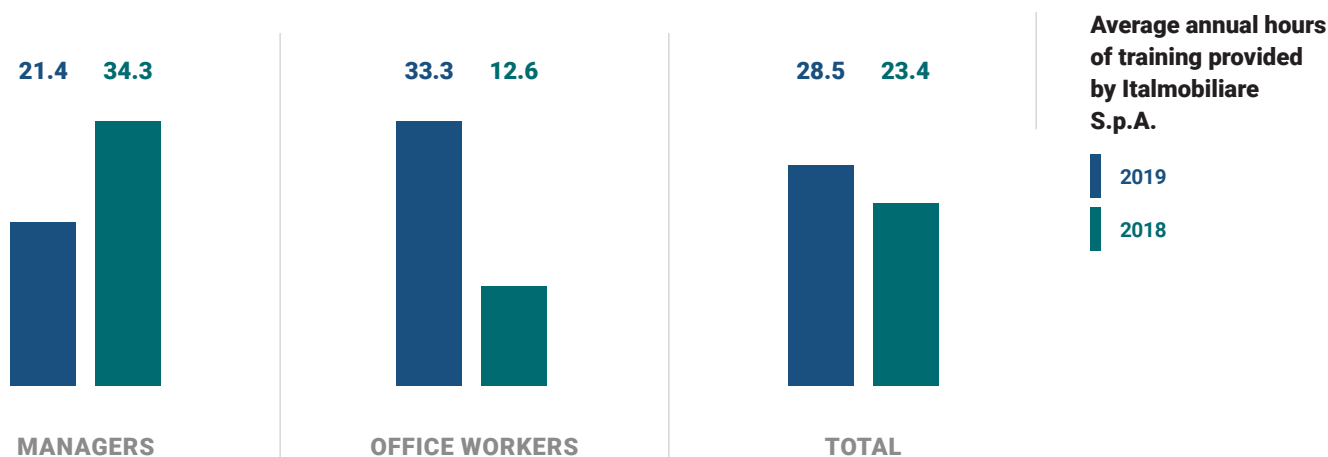
In particular, Italmobiliare has identified the need to develop training programmes for the following areas:

- Ethical values, corporate culture and corporate strategies (Legislative Decree 231/2001, the Organisation, Management and Control Model, the Code of Ethics, sustainability, etc.)
- Management training;
- Technical and operational skills;
- Safety and environment;
- Information Systems (Office, digitisation, etc.);
- Regulation/Regulatory aspects (changes in rules, laws, regulations and directives, e.g. GDPR - New Privacy Regulation, Market Abuse Regulation, etc.).

Different methods and times assess the effectiveness of the training according to the type of initiative:

- Learning verification questionnaire;
- Interview with the trainer;
- Certificate issued by the body that provided the training or by a certification body;
- Measurement of the degree of satisfaction of the employees taking part in the courses;
- Assessment by heads of department of the impact of training on the development of their staff's skills and on the application of such skills in performing their duties (on-the-job training).

Together with specific training initiatives, through internal mobility, the Company gives people a chance to broaden their knowledge and skills, at the same time enhancing the sense of belonging to the Company and developing more and more professional capabilities.



The performance assessment of human resources is carried out annually, through direct interviews between the Director of Human Resources and the heads of the department or function in question, as well as through interviews between the latter and their members of staff. Staff performance is assessed:

- from a quantitative point of view, in terms of achieving the expected results for the position held;
- from a qualitative point of view, with reference to soft skills (autonomy, punctuality, pro-activity, continuity, etc.).

## 4.3 Caffè Borbone

At December 31, 2019, Caffè Borbone had 199 employees, 81.9% of them on permanent contracts. Most of the workforce (83.4%) is involved in production with a distinct prevalence of males (96.0%).

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	155	8	163	109	6	115
Fixed term employment contract	36	0	36	38	1	39
<b>Total</b>	<b>191</b>	<b>8</b>	<b>199</b>	<b>147</b>	<b>7</b>	<b>154</b>

### 4.3.1 HUMAN RESOURCES MANAGEMENT POLICY

The personnel selection and insertion procedure involves an initial search for profiles corresponding to the needs in the curricula received by the Company through its website. If none is found, the search is entrusted to leading recruitment agencies. When selecting production and office workers, the Company favours those living locally in order to improve its employment and social impact on the area.

During 2019, as a result of its market success and increase in production volumes, Caffè Borbone increased staff by 45 workers, equal to 29.2% of the personnel at 12/31/2018. Over a third (36.7%) of the new hires are under the age of 30 and come mostly from the Campania region, a significant contribution to local employment.

Employees currently enjoy the following additional benefits:

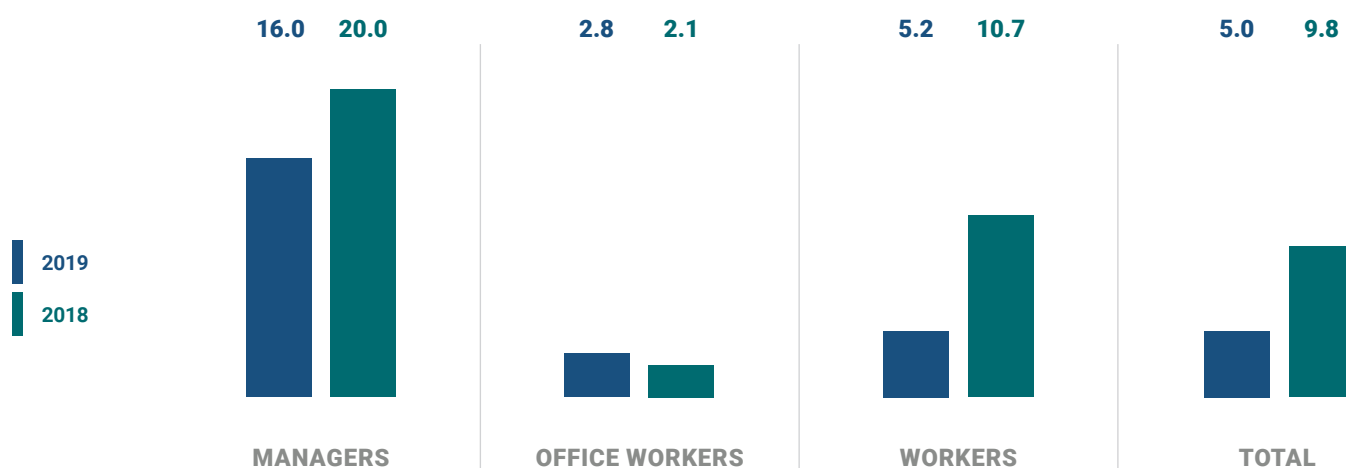
#### Caffè Borbone's personnel at December 31

- Healthcare for middle managers and managers
- Company car for sales managers, key accounts and visual merchandisers.

### 4.3.2 TRAINING

In addition to the safety training foreseen in Legislative Decree 81/2008, the company lays down an annual training plan on technical, linguistic and regulatory matters. In 2019, these activities focused on the following areas:

- Technical training for industrial machine workers
- English language courses
- Refresher course on anti-trust legislation.



#### Annual average hours of training provided by Caffè Borbone

In 2019, a performance evaluation system based on the definition of objectives (MBO) was introduced for all clerical and managerial levels.

## 4.4 Sirap

Among Italmobiliare's subsidiaries, the Sirap Group has the highest impact in terms of employment, with 1,384 people divided among the 18 European countries where the production sites and sales offices are located. 93.4% are employed under a permanent contract, with 31.0% of women employees.

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	904	389	1,293	930	338	1,318
Fixed term employment contract	51	40	91	79	50	129
<b>Total</b>	<b>955</b>	<b>429</b>	<b>1,384</b>	<b>1,009</b>	<b>438</b>	<b>1,447</b>

#### 4.4.1 HUMAN RESOURCES MANAGEMENT POLICY

The recruiting, selection and orientation process is governed by the "personnel administration" procedure, which is applied for all staff needs in Italy. Although not explicit in the corporate procedure, it is the Group's practice to give preference to women, assuming they have the same profile, technical skills and characteristics, to balance the number of male employees.

For the first level of the Steering Committee and for the Key Roles, an Induction Program is envisaged to help the insertion of new resources, under the responsibility of the Central HR Recruitment Officer.

A key objective of the Parent Company's HR function is the attraction and recruitment of talented young people, which is pursued through unconventional processes. In 2018-2019 the European Packaging Project was set up to respond to the orientation needs generated by the acquisitions in 2018. This involved launching a communication campaign and employer branding in partnership with Monster and a road show in various Italian and European universities (Nice, Manchester, Lecce, Stuttgart, Hanover, Leeds, Barcelona and Poznan). At the end of the recruitment phase, 16 young Italian, European and non-European talents were selected and they received specific training on Sirap packaging through the corporate Academy, as well as technical training and team working and outdoor activities. The path continued with the assignment of individual projects to each of these new hires, supported by a tutor. Project evaluated positively by the Steering Committee and the CEO were rewarded and the people concerned were hired under an apprenticeship contract.

Sirap offers its employees a wide range of benefits to promote their well-being and help reconcile work and family life.

The company has had a corporate welfare plan since 2016, through which it is possible to take advantage of a wide range of social security, welfare, educational, cultural and recreational services. For production workers and middle managers, the plan is financed through the results-based bonus, for managers through the MBO system. The company encourages the use of these services, increasing the amount allocated by the worker by 10%.

Managers benefit from life insurance, as well as a programme to cover health expenses for themselves and their families, while middle managers have access to the Open Phases supplementary health care fund.

In order to encourage the birth rate, a "marriage and birth prize" is offered to each employee who gets married or has a child after they start working for Sirap; this is worth 250 euro, which the worker can freely spend on consumer goods or services. It also recognises loyalty to the company by rewarding employees after their first year of work in the company and after every 5 years of service. This takes place in convivial surroundings as part of the Christmas festivities.

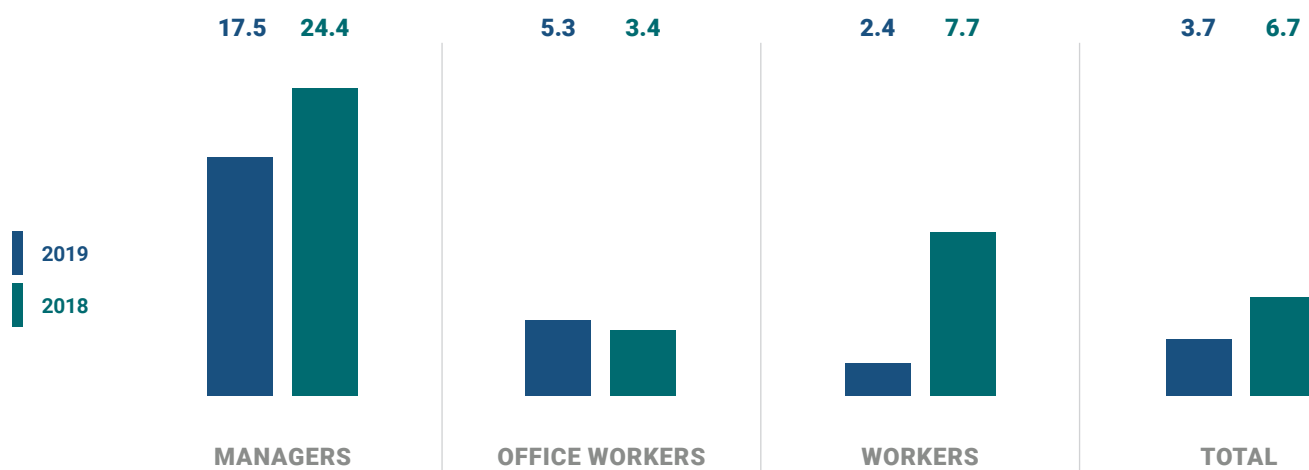
A Car Policy is provided for all Sirap companies which applies to the members of the Group Management Committee, to managers who are entitled to the assignment of company cars for work and private use.

#### 4.4.2 TRAINING

Training in Sirap is a permanent factor for the development and updating of staff skills. It is split into two different areas:

- analysis of needs by function/country and related construction of ad hoc training courses in response to explicit and implicit needs
- construction of recurring training logics for the development of technical skills both hard (with activities carried out in the factories or offices according to a training model) and soft, in the linguistic and behavioural field (people management and communication management).

For each of the courses provided, ad hoc KPIs are set to measure the effective use of the skills learned during the course, subject to quantitative and qualitative monitoring. Particular importance is attached to the tools and opportunities of knowledge sharing as a stimulus to spread the methodological approaches learnt within the organisation.



#### Average annual hours of training provided by Sirap

For managers and middle managers in key positions, an assessment system and a performance management system (MBO) is envisaged, which provides for the annual review of their potential and skills held according to their activities and role. Specific objectives are assigned at the beginning of the year and then assessed at the end of the year; a bonus up to a certain maximum is then awarded, depending on the position, if these objectives are achieved.

## 4.5 Italgén

At 12/31/2019, Italgén employs 70 people, all on permanent contracts, most of them male (94.3%).

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	66	4	70	73	4	77
Fixed term employment contract	0	0	0	0	0	0
<b>Total</b>	<b>66</b>	<b>4</b>	<b>70</b>	<b>73</b>	<b>4</b>	<b>77</b>

#### Italgén's personnel at December 31

### 4.5.1 HUMAN RESOURCES MANAGEMENT POLICY

In Italgén, the selection and insertion of the human resources required to meet the business's needs (on schedule, with the most suitable contractual types, with the skills and aptitudes required) are regulated by specific internal procedures. The selection process does not in any way discriminate against potential candidates for reasons of nationality, gender, religious belief or age.



New employees are given an induction programme by the Head of Human Resources to facilitate their entry into the organisation.

Like Italmobiliare, Italgem applies a remuneration policy based on a merit matrix that combines performance and importance of the position on the external market in terms of remuneration.

Italgem provides a wide range of flexible fringe benefits for its employees and managers. A non-occupational life/accident and permanent disability policy is stipulated and a supplementary pension fund is available with the Company topping up monthly contributions by a percentage laid down in the national labour contract. Managers have access to supplementary health insurance that also covers their families. A company car is made available for business and private use. Each year Italgem pays scholarships (from the "school prize fund") to the children of the most deserving employees, to support and encourage excellence at school. Furthermore, during the mandatory period of maternity leave, the mother's pay is supplemented so that she continues to earn 100% of her normal salary.

Starting from 2019, Italgem's employees can also convert all or part of their performance bonus into welfare services, taking advantage of the relief that makes the bonus completely tax-free (health, school, reimbursements and leisure services). Starting from 2019, Italgem's employees also have the possibility of converting all or part of their production bonus into welfare services in the health, education and leisure sectors

#### 4.5.2 TRAINING

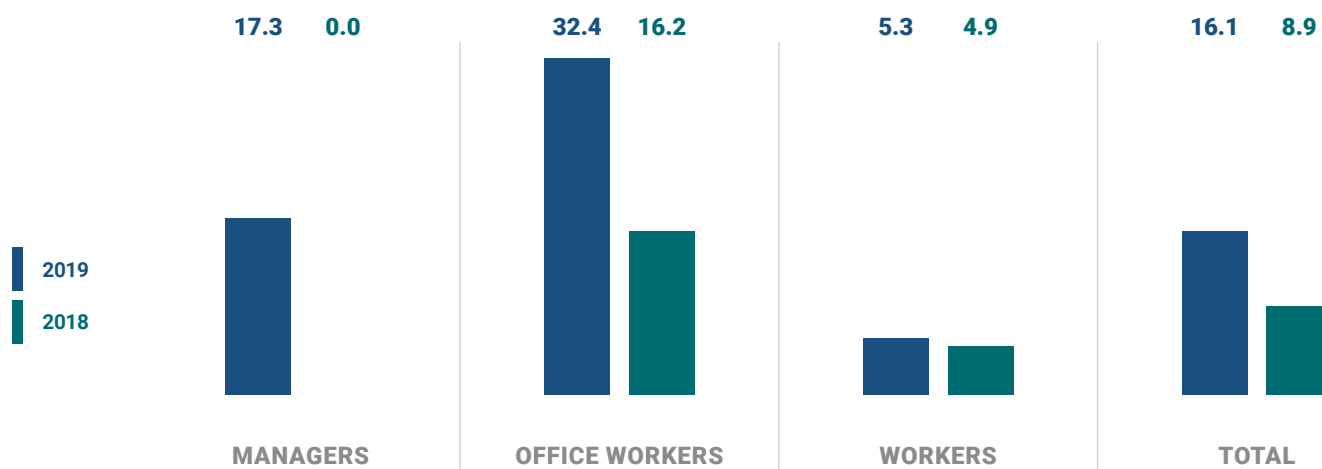
Italgem is attentive to the development and growth of its employees and uses training to obtain a continuous growth of skills and to encourage the diffusion of corporate values and principles.

In addition to compulsory safety training pursuant to Legislative Decree 81/2008, the Human Resources Department plans annual training initiatives aimed at developing skills and continuous updating in the following areas:

- Business ethics and integrity, business strategies and sustainability
- Management training
- Technical and operational skills
- Quality, safety and environment
- Information systems
- Regulation and market.

As regards management training, in 2019 a course was prepared to develop managerial and leadership skills for the 5 Production Area Managers that embraced organisational, planning and control topics, decision making and problem solving, leadership, personnel relations and time management. The 14 Heads of Function, even if formally not managers, also participated in courses on issues of project management and effective communication within the company.

Given the depth of the technical and organisational changes introduced by the project for the automation and remote control of all hydroelectric power plants and related hydraulic works (see p. 2), a specific training course was introduced in 2019 to develop the technical and managerial skills of the positions most affected by the changes.



#### Average annual hours of training provided by Italgas

The effectiveness of training is subject to constant evaluation, using various methods according to the type of training (on-the-job, during the internal audit, assessment questionnaires and practical tests, obtaining certificates from the provider or certifier).

The skills, behaviours and technical knowledge of the staff are also monitored as part of the performance assessment, which is carried out annually through direct interviews. Employees' performance is assessed from a quantitative point of view, in terms of achieving the expected results, and from a qualitative point of view, in terms of soft skills (ability to work in autonomy, ability to meet deadlines, pro-activity, continuity, etc.).

## 4.6 Clessidra SGR

The Clessidra team is made up of 29 people, almost all (96.6%) hired on permanent contracts and over a third (34.4%) of them women.

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	19	9	28	17	8	25
Fixed term employment contract	0	1	1	0	1	1
<b>Total</b>	<b>19</b>	<b>10</b>	<b>29</b>	<b>17</b>	<b>9</b>	<b>26</b>

#### Clessidra SGR's personnel at December 31

## 4.6.1 HUMAN RESOURCES MANAGEMENT POLICY

Clessidra has adopted a remuneration and incentive system in line with the long-term corporate strategy, with the objectives, values and interests of the Alternative Investment Funds under management and the related investors, including measures aimed at avoiding conflicts of interest through careful management of corporate risks. The remuneration and incentive policy supports the alignment of interests with investors, financial and socio-environmental performance, corporate values, the development and retention of professional skills. Thereby, the policy gives rise to a continuous interaction that allows constant improvement of the remuneration practices adopted, on the one hand, and, on the other, consolidation of the various elements considered above.

The main benefits envisaged for managers include a private life and accident insurance policy, a medical expenses reimbursement policy and cover in the event of permanent disability from illness, as well as a company car. There is a policy for middle managers and employees for cases of permanent disability due to illness, while a welfare plan is provided for all employees.

## 4.6.2 TRAINING

The Operations function, which is in charge of personnel management, prepares annually with the support of the Compliance function a training plan to be submitted for examination and approval by the Board of Directors.

Based on the approved plan, the Operations function proposes to recipients that they attend training courses or activities organised within the company or by external bodies. Acceptance by the recipients is in any case subject to authorisation by their direct supervisor, if they have one.

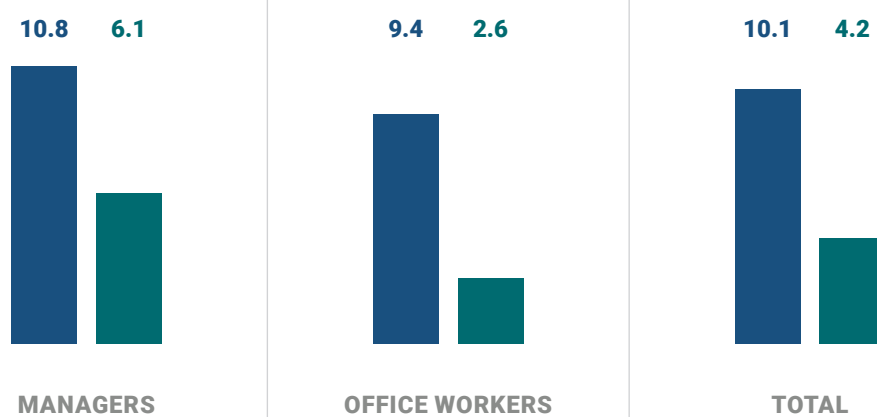
The staff can, on their own initiative, report specific needs and training opportunities that the Operations function evaluates in consultation with the direct supervisors of the employee or collaborator, where present, formulating, if necessary, any alternative proposals.

The Operations function is responsible for tracking the training activities by monitoring the courses carried out, the period that they took place and people who took part, keeping an archive of any certificates of participation.

As regards the recognition of individual performances, the SGR has equipped itself with an internal assessment system for all staff which is based on individual annual objectives (qualitative and quantitative) and on ex-post measurement of their achievement.

The process of evaluating "key personnel" provides for the definition by the Remuneration Committee of the individual objectives consistent with the Company's strategic plan, based on the performance and risk criteria and parameters laid down in this document. Then, with the support of the Chief Executive Officer, the Head of the Investment Team and the Operations function, the Remuneration Committee establishes the objectives to be assigned individually and the weighting in percentage terms of the various parameters, in order to determine the degree of achievement of the objectives on which the annual variable remuneration is based.

The objectives identified by the Committee are included in the individual forms and each employee is required to express their opinion on the degree of achievement of these objectives. The summary of these assessments, prepared by the Operations function, is made available to the Remuneration Committee at the time of the annual assessment. On the basis of the analyses of the achievement of the individual qualitative and quantitative objectives, the Committee determines the percentage of the annual bonus due to each resource.

**Average annual hours  
of training provided  
by Clessidra SGR**

All Clessidra employees received a periodic assessment of performance and professional development in 2019, in line with previous years.



# 5. HEALTH AND SAFETY AT WORK

32 The data relating to the accidents of external collaborators only include the categories of temporary workers, self-employed workers, project workers, interns and agents and not other types of non-employed workers who operate at the Group's sites and/or under the control of the Group, in consideration of their significance and the availability of such data over which the Group does not exercise direct control.

An essential condition for the enhancement of Italmobiliare's human capital is the creation of safe workplaces, where people can work serenely and express their skills to the full. With the active support of the holding company, the Group companies are at the forefront of risk prevention and the promotion of a culture of safety, through the implementation of the most suitable management systems to protect the psychological and physical integrity of employees and everyone else who works, has access or spends time in spaces and structures belonging to the Company.

During 2019, 15 recorded accidents took place within the Group, a 46.6% decrease compared with 22 in 2018; one of these, occurred in a production site of Sirap France due to the crushing of a phalanx, has resulted in an absence of more than 180 days. 82.3% of these accidents were at Sirap Group plants, which saw a 21.4% reduction compared with the previous year thanks to the extension of integrated systems for the management of health and safety at work adopted at group level to the companies acquired in 2018 (Sirap UK, Sirap France, Sirap Iberica and Sirap GmbH). During the year, Group companies collected data on accidents of external collaborators and suppliers who work at the production plants and administrative offices<sup>32</sup>; there were 2 events involving these categories of workers, out of a total of 279,043 hours worked.

## Number and rate of work-related injuries, Italmobiliare Group

33 For comparative purposes, the 2018 data relating to the personnel of the Sirap Group have been restated following a process of improvement of the reporting system implemented during 2019.

<b>Employees of the Group</b>	<b>2019</b>	<b>2018</b>
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	0
Number of recordable work-related injuries	15	22
Number of hours worked	2,488,947	2,485,002 <sup>33</sup>
Multiplier	1,000,000	1,000,000
Rate of fatalities as a result of work-related injury	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.40	0
Rate of recordable work-related injuries	6.03	9.15
<b>External workers</b>	<b>2019</b>	<b>2018</b>
Number of fatalities as a result of work-related injury	0	n.a.
Number of high-consequence work-related injuries (excluding fatalities)	0	n.a.
Number of recordable work-related injuries	2	n.a.
Number of hours worked	279,043	n.a.
Multiplier	1,000,000	n.a.
Rate of fatalities as a result of work-related injury	0	n.a.
Rate of high-consequence work-related injuries (excluding fatalities)	0	n.a.
Rate of recordable work-related injuries	7.17	n.a.

For Italmobiliare, safety is closely linked to the psychological and physical well-being of its people, which the Holding Company and Group companies also promote by offering employees a wide range of health and social security benefits.

## 5.1 Italmobiliare

Italmobiliare S.p.A. considers the creation of safe workplaces as an essential condition for the professional growth and development of its employees. As an employer, the Company operates in compliance with Legislative Decree 81/2008, constantly monitoring the accident trend and providing training and informing workers about general and specific risks related to health and safety in the workplace.

Pursuant to Legislative Decree 81/2008, the Company has appointed an external Head of the Prevention and Protection Service (HPPS). After having carried out an inspection with the employer and the company's Workers' Safety Representative (WSR), the HPPS prepared the Risk Assessment Document (RAD) in which all possible hazards related to the workplace and tasks are identified, suggesting appropriate prevention and protection measures. The document is updated whenever there are significant changes in the organisation of work for the purpose of protecting the health and safety of workers, following significant accidents or when the results of health surveillance highlight the need. It is shared with everyone responsible for the health and safety of workers: employer, WSR, HPPS and company doctor. The company doctor is responsible for carrying out preventive visits during the hiring phase, the annual inspection of all workplaces and an annual programme of surveillance visits.

In addition to the RAD, the Company has adopted an "improvement plan" which lays down the steps to be taken to adjust and monitor the prevention and protection measures. Pursuant to art. 35 of Legislative Decree 81/2008, a periodic meeting is held annually involving the employer, the company doctor, the HPPS and the WSR to update them on the activities carried out during the year and what needs to be done the following year. An internal Emergency Management Team (EMT) has also been appointed. Its members regularly attend refresher courses to update their knowledge of first aid and fire-fighting, which allows them to handle any emergency situations.

All employees and new hires are trained and informed through general and specific safety training courses. In particular, in 2019 the General Maintenance Manager took part in safety courses related to working at heights and elevating platforms in view of the renovation of the Company's headquarters, while all managers have completed the mandatory training courses.

For Italmobiliare, safety is closely linked to the psychological and physical well-being of its people, which it promotes by offering employees health and social security benefits.

For middle managers, office workers and intermediate staff, through the Altea/Unisalute Fund, the Company provides a health plan for medical examinations and specialist tests, which covers all or part of the expense. Once a year, Italmobiliare sends all employees a communication listing all reimbursable services and prevention packages (modular check-ups). Furthermore, through the Company's welfare system, employees can book medical examinations and specialist tests in private/affiliated structures using the credit that they have built up. As for management staff, a free annual check-up is provided at accredited facilities.

During 2019, the Company also launched a corporate health initiative to promote the well-being of its personnel. For this purpose, proposals for outdoor activities such as running and brisk walking were identified, for which the Company has suggested two running and pedestrian paths to discover the city parks closest to the headquarters, providing employees with a suitable environment for changing their clothes.

## 5.2 Caffè Borbone

Caffè Borbone fulfils its health and safety obligations in accordance with current legislation and has launched an Action Plan, approved by the Board of Directors, which provides for continuous improvement in this area. In order to reduce potential risks, Caffè Borbone uses a prevention system based on continuous training that involves all employees and follows a programme designed to make workers aware of the risks and behavioural methods and to improve levels of health and physical integrity.

The company has adopted a Occupational Health and Safety Management System compliant with the requirements of Legislative Decree 81/2008 which covers all employees, visitors and suppliers periodically present at the Caivano site, with reference to all company activities. The participation of workers in the implementation and evaluation of the health and safety management system takes place formally through the Workers' Safety Representative (WSR), who is appointed by the workers.

The assessment of work-related risks is carried out periodically by an independent entity, in accordance both with the provisions of Legislative Decree 81/2008 and with a methodology that takes into consideration the relationship between sources of danger and categories of operators, divided on the basis of their duties, as well as other factors such as gender, age, origin, etc. The most serious sources of danger identified in the Risk Assessment Document are:

- being hit by passing vehicles and forklifts
- fire due to flammable materials or substances
- being crushed by moving machine parts.

The results of the risk assessment are used to update the Action Plan, with reference to the technical prevention and protection measures and the programme for improving safety levels, as well as for updating the internal signposting and programming of annual training activities.

In order to reduce situations of serious and impending danger, the company adopts an effective system for reporting sources identified by workers or inefficient use of resources and devices, through an immediate communication procedure. Workers also have the possibility of making anonymous reports regarding the presence of risk and possible danger situations in digital form through e-mail and paper, on which an assessment is made to decide if remedial action is required. Internal signposting and communication procedures indicate promptly how to get away from sources of danger and escape routes.

There is the Prevention and Protection Service from internal health and safety risks (PPS), as required by articles 31 et seq. of Legislative Decree 81/2008 and subsequent amendments, coordinated by the HPPS with the managers in charge, the company doctor and the WSR. In the event of accidents, the PPS plans the corrective actions to be put in place together with the manager in charge of the area concerned. The doctor is present at the headquarters to perform the health surveillance tasks required by Legislative Decree 81/2008, which includes carrying out mandatory medical visits when anyone is hired, periodic health checks to prevent the onset of any occupational diseases and any in-depth visits also concerning pathologies not related to the workplace.

Compulsory health and safety training includes a general part aimed at all newly recruited employees regarding regulations, risks and behavioural procedures, and a specific part aimed at those in charge of particular obligations or functions relating to the management of company safety, such as the persons in charge of particular areas, fire-fighters and evacuation workers, first aid workers, WSR.

In order to promote the psychological, physical and relational well-being of employees, the company regularly organises in-house sports tournaments.



## 5.3 Sirap

Sirap stands out for its particular attention to issues of health and safety in the workplace and for its target of "zero accidents". The "We Work In Safety" project has been going for nearly ten years and it has led to a progressive change in behaviour throughout the organisation. Sirap has developed a series of communication and operational tools to eliminate accidents.

The main ones include:

- the Safety Policy, an integral part of the "Sustainability - Quality, Health, Safety and Environment" policy;
- "Counting days without accidents";
- the "Blue Cards", paper forms for reporting dangerous conditions and near-accidents;
- safe working procedures (SWP) for the most risky activities;
- the 5ESSE project (separate, sweep, sort, standardise, support) designed to improve safety, productivity and quality and reduce waste;
- the Behaviour Observation System (BOS) which provides for local checks by the COO's office;
- HSE Dialogue Sirap (HSED), an observation system geared to consolidating positive attitudes, actions and behaviour and identifying areas of improvement.

For each location (headquarters, Verolanuova, Castelbelforte, San Vito, Castiglione F.no, Hatvan, Murowana, Noves and Remoulins), an Integrated HSE Management System has been progressively implemented, developed on a voluntary basis for the optimisation and continuous improvement of processes relating to workers' health, safety at work and environmental protection. The system certified according to the international standards ex-OHSAS 18001 and UNI EN ISO 14001, currently covers over two thirds (67.3%) of the group's personnel. The only exceptions are the employees of Petruzalek's non-production locations, those of the production sites awaiting HSE certification and those of logistics sub-contractors (warehouse and transport activities) of the Italian group companies.

Group companies use a risk identification and assessment system through an integrated process which includes as the main ones:

- Elimination of the source of risk
- Replacement of the source of risk with one of lesser impact
- Structural technical measures
- Organisational measures
- Training
- Health surveillance, carried out by external structures as required by local legislation.

The main hazards identified for the production plants are:

- Being invested by a forklift truck;
- Being crushed and dragged by moving parts
- Machinery or products catching fire;
- Manual handling of loads.

The process of reporting anomalies, risks and dangerous situations by workers through the "blue cards" takes place in complete transparency in order to encourage maximum participation of workers in the accident prevention process. These methods favour transparency and confidentiality, as reporting potentially dangerous situations is a benefit for one's own good and for the good of the community in terms of prevention, health and safety.

Workers actively participate in health and safety prevention initiatives through information sessions, classroom and on-the-job training and through specific channels, including periodic meetings, "5-minute HSE meetings", "HSE dialogues" and application of the 5ESSE programme.

HSE committees have also been set up at each plant, convened by location management, involving the local hierarchy, the PPS, the WSR and, if necessary, the company doctor. At each site, accidents involving employees are analysed to identify their causes and consider preventive measures and suitable protection. Information on accidents is disclosed at Group level, so as to anticipate events at other locations.

The steps taken to reduce risks include interventions that are technical (EC-marked machines equipped with safety systems and subjected to periodic checks, forklifts subjected to periodic checks and equipped with warning systems such as horns, flashing lights and BlueSpot safety lights), procedural (specific procedures, contingency plans) and behavioural through continuous information and staff training. The training courses are split between:

- external courses required by legislation (the basic course on safety and specialist courses for particular tasks or use of equipment);
- internal courses on the cultural approach to health, safety and environmental protection, to promote virtuous behaviour and involvement at all levels.

## 5.4 Italgas

For Italgas, the protection of health and safety in the workplace are fundamental values to be integrated into all of its activities. Attention to these issues is demonstrated concretely by the Health and Safety Policy, in compliance with Legislative Decree 81/2008, and by the Workplace Health and Safety Management System (WHSMS), implemented voluntarily according to the UNI-INAIL Guidelines, which applies to all employees and staff of external companies entrusted with works and contracts at all company offices.

Personnel are directly involved in the development and review of policies as well as in the identification, assessment and management of risks, through periodic coordination meetings and constant debate.

The company identifies the dangers, assesses the risks and defines the necessary prevention and protection measures in the RAD, prepared in accordance with Legislative Decree 81/2008 and subsequent amendments. The risk analysis takes into consideration legislative compliance, historical background (history of the location, accidents and occupational diseases that occurred previously), context (the company organisation, the health and safety aspects related to individual activities, the infrastructure, equipment and materials present in the workplace) and human resources (the behaviour of the staff and their skills), in order to define objectives and continuous improvement measures appropriate to the specific reality.

The main sources of risk identified in the RAD are:

- Electrical risk;
- Risk for working night shift, at heights and in isolated places;
- Mechanical risk;
- Risk due to use of vehicles for work transfers and commuting.

The staff is specifically informed and trained to respond effectively and safely to routine and non-routine situations, including emergencies or situations of potential risk, in accordance with the Emergency Plan and related procedures. The "Non-Conformity, Corrective Actions and Preventive Actions (NC, CA, PA), dangerous events" Procedure defines the operating procedures with which accidents, near-accidents and episodes of non-conformity with the WHSMS are treated and analysed, in order to take the consequent steps and, where necessary, implement corrective and preventive actions. Employees can report actual or potential violations of the WHSMS to the Supervisory Body anonymously via e-mail or ordinary mail, as foreseen in the whistleblowing system implemented under Model 231.

In the company there is a PPS, coordinated by the HPPS with the managers in charge, the company doctor and the WSR. The Service meets once a year and, informally, when the company doctor carries out his annual inspections. The latter is in charge of the medical surveillance envisaged in art. 41 of Legislative Decree 81/2008, including the medical visits required before issuing his opinion on a person's suitability to do a particular job, with any subsequent investigations and in-depth studies that may be necessary. He also advises the employer on all aspects related to safety and health and gives first-aid training.

In order to verify periodically compliance with the requirements of the WHSMS, including the organisation's legislative compliance and the adequacy of the risk assessment, an Internal Audit Group is also active, coordinated by an external Team Leader, for the performance of an annual Audit Plan.

Employee training takes place through periodic meetings in power plants to discuss safety management, with particular reference to the prevention and protection of risks identified for specific duties.

Italgen's commitment does not stop at the protection of safety in the workplace, but also includes active promotion of the health and well-being of its employees, by offering the same health benefits that Italmobiliare S.p.A. employees can access (see page 2).

## 5.5 Clessidra SGR

Clessidra has implemented a workplace health and safety management system, pursuant to Legislative Decree 81/2008, which covers all employees and the activities they carry on at the one office in Milan. The Workplace Safety Management System (WSMS) has the purpose of assessing risks, verifying the adequacy of preventive measures and verifying the improvement over time of the measures to guarantee that the health and safety levels already in place get better over time, and possibly integrate or modify it as appropriate. The most serious risks identified are external to the workplace and concern the use of company cars.

The company divulges the WSMS to its employees by distributing documentation and giving suitable training. The employees, on the other hand, are required to report immediately any shortcomings in vehicles and instruments, as well as any dangerous conditions that they become aware of, taking direct action in an emergency to the extent that they are able to.

Clessidra uses a consultancy that carries out preventive activities and is in charge of advising the employer, workers and their representatives in the organisation, on the requirements for establishing and maintaining a healthy and safe working environment, which facilitates optimal physical and mental health in relation to work and adaptation of the job and workers' abilities in light of their physical and mental health.

The PPS meets once a year and/or at the request of one of its members. Refresher courses are held periodically for the specific training of the WSR and compulsory training for employees, as well as a five-year update from the date of the first 6-hour training aimed at all workers. Emergency workers have received adequate specific training and receive periodic updates.

All employees benefit from health insurance: full cover for middle managers and white collar workers and supplementary cover for managers. Managers are also entitled to an annual check-up at a leading hospital.



# 6. RESPONSIBILITY TOWARDS CUSTOMERS AND INVESTORS

Although they operate in different industrial sectors and different markets, Italmobiliare and its subsidiaries are united in that they apply the highest possible standards of safety and integrity in the products and services that they offer to customers, as well as the regulatory obligations, which are combined with careful monitoring of the transparency and correctness of communications to customers and effective protection of personal data belonging to customers and other key stakeholders.

The manufacturing companies (Caffè Borbone and Sirap) are committed to providing safe and high-quality products, while Italgas is committed to guaranteeing maximum reliability and continuity in its electricity production and distribution service. In its Private Equity business, Clessidra protects its investors by adopting the most stringent criteria of transparency and correctness in the information that it provides on investment products.

In 2019, Group companies did not receive any complaints about violations of customer privacy, nor did they suffer any data losses or leaks

## 6.1 Italmobiliare

### 6.1.1 RELATIONS WITH THE FINANCIAL COMMUNITY

As regards Italmobiliare, managing shareholder relations has taken on considerable importance with a view to transmitting effectively the value creation potential which is inherent in the Company's investment activity. Relations with Italmobiliare's shareholders are coordinated by the Investor Relator, following the instructions of the Chief Executive Officer and General Manager and in collaboration with the other Departments and Corporate Functions involved.

In order to improve and increase communication with the financial community, Investor Relations during 2019 focused on:

- ensuring stable coverage by leading equity research analysts, with Equita (coverage reactivated in January 2019) and Kepler Cheuvreux (coverage activated in September 2019) which today follow the Italmobiliare stock with constant updates on the Company's activities (e.g. periodic financial results, extraordinary transactions, etc.);
- taking part in the main investor conferences organised by investment banks and Borsa Italiana;
- preparing to join the STAR segment of Borsa Italiana (admission achieved in September 2019) which groups mid-cap companies that undertake to comply with requirements of excellence in terms of transparency, liquidity of the stock and corporate governance.

In support of Investor Relations, in 2019 Italmobiliare renewed its website to improve the usability of information of an economic-financial nature (Investor section) and on the portfolio companies (Activities section) and the related sustainability profiles (Sustainability section). Similarly, in 2019 the Company launched a newsletter for the financial community, with important information on economic and financial performance and significant events for the portfolio companies.

## 6.1.2 PROTECTION OF PERSONAL DATA

In order to comply with the provisions of EU Regulation 2016/679 of 27 April 2016 ("GDPR") and with Legislative Decree 196/2003 as amended by Legislative Decree 101/2018 ("Privacy Code"), the Italmobiliare Group has established its own Model for the Protection of Personal Data. Through it, the Group intends to guarantee compliance with the rights of data subjects from the processing, fulfil the Group's obligations as Data Controller or Data Processor, prevent possible violations through monitoring and control over the obligations as per the GDPR and the Privacy Code and the implementation of adequate security measures. The Model adopted consists of four distinct areas, each of which covers a specific area of personal data protection management:

- Organisational model, whose objective is to define, regulate and implement structures, committees and roles involved in managing the Model;
- Operating model, designed to regulate and implement the documentation, procedures and self-regulation rules laid down in the Model;
- Architectural model, which defines the set of personal data chosen for the Model and regulates the technologies and tools adopted for their processing;
- Control model, which defines and implements a control system regarding the existence, adequacy and effective application of the Model.

## 6.2 Caffè Borbone

### 6.2.1 CONSUMER HEALTH AND SAFETY AND TRANSPARENCY IN PRODUCT INFORMATION

For Caffè Borbone, product quality is an essential element, pursued by adopting international best practices regarding industrial processes and the highest standards of quality, safety and process and product innovation. With a view to continuous improvement of the company's organisation, Caffè Borbone has adopted an internal Quality Management System that is compliant with International Food Standards (IFS) and certified ISO 9001:2015.

The company plans its production by appropriately defining the microbiological, chemical-physical, nutritional and allergenic characteristics. This information is shared with customers, who analyse and approve the technical specifications of the finished product containing the related requirements, reviewed by the entire Hazard Analysis and Critical Control Points (HACCP) team based on the outcome of the analyses, customer requests, regulatory changes and/or updates, changes in raw materials, recipes, packaging and processes that have a direct impact on the finished product.

Quality control takes place from the raw material procurement stage: the process of buying batches of coffee from qualified brokers/intermediaries for shipment involves controlling samples of pre-shipment tests and pre-customs clearance checks of a commodity and organoleptic type, aimed at verifying the quality of the raw coffee received. The quality control function also periodically archives the daily production batches also in order to test them over time.

In order to ensure correct communication of the product's characteristics to the consumer, the information given on the packaging is subject to periodic review to ensure compliance with any regulatory updates.

## 6.2.2 PROTECTION OF CUSTOMER DATA

Although the company does not process particular sensitive data, it has adopted a data protection model that complies with the EU GDPR, applying the principle of continuous improvement of its systems and procedures with a view to increasingly refined application of the legislation.

## 6.3 Sirap

### 6.3.1 CONSUMER HEALTH AND SAFETY AND CORRECTNESS AND TRANSPARENCY IN PRODUCT INFORMATION

One of the focal points of the Group's policy is continuous improvement, which translates into actions to optimise and enhance the effectiveness of the health, safety, quality and environmental management systems. Sirap is constantly striving to ensure the highest quality of its products, subjecting each phase of the production process to more than 1,100 daily checks in all of its factories: overall, more than 200,000 quality controls per year are a guarantee for customers, while consolidating the company's high level of competitiveness. In addition, each year the internal laboratory collaborates with universities and research institutes to test more than 3,000 products in relation to their food and technological suitability, mechanical, thermal, optical, chemical-physical properties of materials, gas permeability and structural analysis. The legislative conformity of finished products is checked periodically by accredited third-party laboratories, guaranteeing, together with constant process control and the use of suitable raw materials, the production of compliant and healthy products. Specifically, most Sirap plants, with the exception of the Petruzalek plant in Hungary, are ISO 9001 certified for their quality management system.

Each item is accompanied by an information card, which contains the information needed for use and subsequent disposal. For new ranges, a leaflet is prepared with further information on all the technical and commercial aspects of the new products.

In every phase of the product, from design to construction, the correctness of all the information reported in articles and supporting documentation is verified (article sheets; compliance documents; labelling). The verification of technological suitability is validated by specific laboratory tests for each application.

### 6.3.2 PROTECTION OF CUSTOMER DATA

In order to guarantee the protection of its customers' sensitive data, Sirap has adopted a Privacy Organisational Model pursuant to the EU GDPR similar to that adopted by the parent company, Italmobiliare S.p.A.

## 6.4 Italgem

### 6.4.1 CUSTOMER PROTECTION AND TRANSPARENCY IN SERVICE INFORMATION

One of the fundamental objectives of Italgem's mission, as set out in the Quality Policy, is the constant improvement of product and service quality, with a view to guaranteeing customer satisfaction and safety.

In order to ensure production efficiency, continuity of service and timely identification of any critical



issues, Italgas has developed an automated system to constantly monitor the entire production process and the operating parameters of the plants. At the same time, remote-controlled cameras have been installed at the plants, which make it possible for the Control Room to carry out an immediate visual check on all plant and hydraulic works and intervene in real time. Starting from the results of monitoring, conformity assessment and internal audits, opportunities for improvement and updating of the Integrated Management System of products and services are defined.

In 2019 there were four episodes of general interruption of the service for a total of 135 minutes, with an average duration of 34 minutes, whereas there were 12 interruptions, limited to individual distribution lines without affecting the service as a whole, which lasted a total of 33.5 hours. The main cause of these episodes was extreme weather conditions; in particular, 20 hours of interruption were linked to a single episode of trees that fell across power lines due to a heavy snowfall that affected the Val di Scalve on December 20, 2019<sup>34</sup>. In this sense, Italgas is at the forefront in limiting the impact of increasingly frequent atmospheric events due to climate change, contributing to the maintenance of forest areas close to the plants and transmission networks.

The protection of transparency and correctness of customer information is also a guiding value for Italgas.

Given that an electricity bill is a document that is not particularly easy to understand, together with the tax invoice Italgas attaches a technical document that specifies all of the items that make up the total amount to be paid. The meaning of each item is then explained in another attachment called the Bill Guide. In addition to this, according to the provisions of the Ministerial Decree of 31 July 2009, Italgas shows on the bill and on its website the procurement mix used for supplying end-users.

## 6.4.2 PROTECTION OF CUSTOMER DATA

In order to ensure compliance with the requirements of the GDPR, Italgas has adopted the data protection model of its parent company, Italmobiliare. Particular attention is also paid to the continuity and protection of production data, as well as the entire production process, thanks to a back-up system that makes it possible to store all the signals. As regards the company's administration systems (ERP/SAP environment), a disaster recovery service has been activated, which backs up the entire database on a daily basis and stores it in a place other than the primary server.

## 6.5 Clessidra SGR

### 6.5.1 INVESTOR PROTECTION AND TRANSPARENCY IN PRODUCT INFORMATION

For Clessidra, the quality of the services offered to its investors is of fundamental importance to establish and maintain a good level of relationship. The general objective when communicating with subscribers is to guarantee an adequate and equal level of information for all investors and, at the same time, to safeguard the confidentiality of certain information that has been processed and the successful outcome of ongoing investment/divestment transactions.

Within 60 days from the end of each year, Clessidra prepares a management report on each of its funds in accordance with the Bank of Italy's Collective Savings Management Regulation. The report includes a balance sheet, income statement, notes and directors' report and is subject to certification by the Independent Auditors.

On a voluntary basis and in agreement with investors and according to international practice, the SGR also prepares a quarterly report called the LP Report which contains information based on official data similar to that of the management report. Those in charge of drafting respond jointly

<sup>34</sup> As a consequence of the aforementioned events, in 2019 the average outage duration index (calculated as the ratio between the total duration of outages and the number of plants affected by outages) went from 0.25 to 3.3, while the outage frequency index (calculated as the ratio between the number of interruptions that occurred and the number of plants affected by interruptions) decreased to 0.09 from 0.25 in 2018.

to requests for clarifications or insights about the communications sent, assessing the advisability of providing additional information to the general public of investors.

In addition to the communications due by law and voluntary reporting, the SGR conveys information in response to specific requests from investors in the event that they express, in writing, a need to be aware of foreseeable developments in investment management so that they can assess potential sales of their shares.

The information provided to investors is checked periodically by the independent auditors and by internal control bodies and functions.

### 6.5.2 PROTECTION OF CUSTOMER DATA

Clessidra pays the utmost care and attention to data protection and the protection of the rights and freedoms of natural persons and to this end applies the technical and organisational measures needed to ensure implementation of EU Regulation 2016/679 (GDPR). In particular, the SGR implements appropriate and specific measures to avoid the violation of personal data, above all the risk of data loss or access by unauthorised parties.

The Policy on the Protection of Personal Data and Data Breach is constantly updated with respect to regulatory changes and amendments to internal processes.



# ANNEX - GRI INDICATORS TABLES

## GRI 102-8 Information on employees and other workers

Total number of employees by employment contract (permanent and temporary), by gender, as of 31st December

### GRUPPO ITALMOBILIARE

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	1,162	429	1,591	1,176	444	1,620
Fixed term employment contract	87	41	128	119	50	169
<b>Total</b>	<b>1,249</b>	<b>470</b>	<b>1,719</b>	<b>1,295</b>	<b>494</b>	<b>1,789</b>

### ITALY

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	590	119	709	571	128	699
Fixed term employment contract	41	0	42	59	3	62
<b>Total</b>	<b>631</b>	<b>120</b>	<b>751</b>	<b>630</b>	<b>131</b>	<b>761</b>

### FRANCE

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	196	57	253	200	56	256
Fixed term employment contract	4	0	4	6	4	10
<b>Total</b>	<b>200</b>	<b>57</b>	<b>257</b>	<b>206</b>	<b>60</b>	<b>266</b>

### POLAND

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	132	125	257	111	121	232
Fixed term employment contract	42	36	78	50	43	93
<b>Total</b>	<b>174</b>	<b>161</b>	<b>335</b>	<b>161</b>	<b>164</b>	<b>325</b>

### HUNGARY

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	131	67	198	144	75	219
Fixed term employment contract	0	3	3	4	0	4
<b>Total</b>	<b>131</b>	<b>70</b>	<b>201</b>	<b>148</b>	<b>75</b>	<b>223</b>

**UK**

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	63	21	84	100	25	125
Fixed term employment contract	0	0	0	0	0	0
<b>Total</b>	<b>63</b>	<b>21</b>	<b>84</b>	<b>100</b>	<b>25</b>	<b>125</b>

**SPAIN**

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	42	32	74	41	30	71
Fixed term employment contract	0	0	0	0	0	0
<b>Total</b>	<b>42</b>	<b>32</b>	<b>74</b>	<b>41</b>	<b>30</b>	<b>71</b>

**GERMANY**

	2019			2018		
	Men	Women	Total	Men	Women	Total
Permanent employment contract	8	8	16	9	9	18
Fixed term employment contract	0	1	1	0	0	0
<b>Total</b>	<b>8</b>	<b>9</b>	<b>17</b>	<b>9</b>	<b>9</b>	<b>18</b>

**Employees with full-time and part-time contracts by gender, as of 31st December**

**ITALMOBILIARE GROUP**

	2019			2018		
	Men	Women	Total	Men	Women	Total
Full-Time	1,229	423	1,652	1,276	439	1,715
Part-Time	20	47	67	19	55	74
<b>Total</b>	<b>1,249</b>	<b>470</b>	<b>1,719</b>	<b>1,295</b>	<b>494</b>	<b>1,789</b>

**External workers by gender, as of 31st December**

**GRUPPO ITALMOBILIARE GROUP**

	2019	2018
Temporary workers, self-employed workers, external collaborators	156	191
Interns	4	8
Agents	16	21
<b>Total</b>	<b>176</b>	<b>220</b>

## GRI 102-9 Supply chain

### List of main types of goods and services supplied to the Italmobiliare Group

<b>ITALMOBILIARE SPA</b>	<b>ITALGEN</b>
Management software	Supply, installation, implementation and maintenance of mechanical, electrical and instrumental equipment for power plants
Consulting services	Renovation and/or repair of buildings, intake and derivation works
<b>CAFFÈ BORBONE</b>	Engineering services
Raw coffee	<b>SIRAP</b>
Packaging materials	GPPS, PET purchases
Transport services	Transport services
<b>CLESSIDRA</b>	Utilities
Management software	
Consulting services	

The total number of suppliers in the reporting period is 3,829.

Company	Number of suppliers 2019	Number of suppliers 2018
<b>Total</b>	<b>3,829</b>	<b>5,500</b>

## 102-13 - Membership of associations and external initiatives

<b>ITALMOBILIARE S.p.A.</b>	<b>SIRAP GEMA S.p.A.</b>
Assonime	Industrial Association of Brescia, Mantua, Arezzo and Pordenone
Assolombarda	Unionplast
AIDAF - Associazione Italiana delle Aziende Familiari	<b>ITALGEN S.p.A.</b>
American Chamber of Commerce in Italy	Confindustria Bergamo
Business Forum Italy - Thailand	Elettricità Futura
Italian-Egyptian Business Council	<b>CLESSIDRA SGR</b>
ISPI - Istituto per gli Studi di Politica Internazionale	AIFI
Italian Initiative Group of the Italian Embassy in Brussels	Invest Europe
EuropeanIssuers	AODV (Association of Members of Supervisory Bodies)
	UN-PRI
	<b>CAFFÈ BORBONE</b>
	CONFIDA - Associazione Italiana Distribuzione Automatica

## GRI 102-41 Collective bargaining agreements

Company	Contract	Percentage of total employees covered in 2019	Percentage of total employees covered in 2018
ITALMOBILIARE	CCNL Cement and CCNL Industry Managers	100%	100%
ITALGEN	CCNL Cement and CCNL Industry Managers	100%	100%
CLESSIDRA	CCNL Commerce and Services	100%	100%
SIRAP	CCNL Rubber and Plastic Industry and CCNL Industry Managers	78.1%	74.7%
CAFFÈ BORBONE	CCNL Food Industry	100%	100%
<b>GROUP TOTAL</b>		<b>82.3%</b>	<b>79.0%</b>

## Conversion factors used

Energy consumption conversion factors	U.M	2019	2018	Sources
Electricity	GJ/kWh	0.0036	0.0036	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Natural gas (methane)	GJ/t	48.38	44.798	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Natural gas (methane)	Kg/mc	0.75	0.8	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Natural gas (methane)	GJ/mc	0.036285	0.0358384	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Gas oil	GJ/t	42.569	42.569	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Gas oil	l/t	1171	1171	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Gas oil	GJ/l	0.03635269	0.03635269	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Diesel	GJ/t	42.79	42.72	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Diesel	l/t	1192	1190.45	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Petrol	GJ/t	43.92	43.86	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Petrol	l/t	1340	1357	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Petrol	GJ/l	0.032776119	0.032321297	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
LPG	GJ/t	45.92	45.91	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
LPG	l/t	1934	1929	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
LPG	GJ/l	0.023743537	0.023799896	UK Government - GHG Conversion Factors for Company Reporting 2018/2019

## GRI 302- Energy consumption within the organisation, split between renewable and non-renewable sources

### Italmobiliare Group

<b>ELECTRICITY</b>	<b>Total</b>	<b>Total GJ 2019</b>	<b>Total</b>	<b>Total GJ 2018</b>
Electricity purchased <sup>35</sup>	193,758,335 kWh	697,530	150,241,848 kWh	540,871
Self-produced renewable energy	306,286,458 kWh	1,102,631	289,545,601 kWh	1,042,364
Electricity sold	397,839,577 kWh	1,432,608	333,970,002 kWh	1,202,292
<i>Of which renewable</i>	306,286,457 kWh	1,102,631	289,473,002 kWh	1,042,103
Electricity consumed	102,097,991 kWh	367,553	105,817,448 kWh	380,943
<b>NON-RENEWABLE FUELS</b>	<b>Totale 2019</b>	<b>Totale GJ 2019</b>	<b>Totale 2018</b>	<b>Totale GJ 2018</b>
Natural gas	3,273,081 m3	117,302	3,384,594 m3	122,810
Diesel	77,849 lt	2,799	89,217 lt	3,207
<i>Of which used for production and heating processes</i>	11,500 lt	418	9,805 lt	356
<i>of which for automotive</i>	66,073 lt	2,371	79,412 lt	2,851
Gasoline for automotive	5,733 lt	185	6,684 lt	219
LPG	80,798 lt	1,918	n.a.	n.a.
<i>of which used for forklifts</i>	79,764 lt	1,894	<b>n.a.</b>	<b>n.a.</b>
<i>of which for automotive</i>	1,034 lt	25	<b>n.a.</b>	<b>n.a.</b>
<b>Total energy consumed</b>	<b>n.a.</b>	<b>491,703</b>	<b>n.a.</b>	<b>508,607<sup>36</sup></b>
<i>of which renewable</i>	<i>n.a.</i>	<i>0</i>	<i>n.a.</i>	<i>261</i>

<sup>35</sup> The Group did not acquire Guarantee of Origin certificates for the purchase of energy from renewable sources neither in 2019 nor in 2018.

<sup>36</sup> For comparative purposes, the 2018 data relating to the energy consumed of the Italmobiliare Group have been restated following an improvement process of the reporting system implemented during 2019. For previously published data, see the Report of Sustainability 2018, published in the Sustainability section of the website [www.italmobiliare.it](http://www.italmobiliare.it)



## Emission factors used

Emission conversion factors	U.M	2019	2018	Fonti
Natural Gas (Methane)	tCO <sub>2</sub> e/mc	0.00204652	0.00203053	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Butane Gas	tCO <sub>2</sub> e/kg	0.003	0.003	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
Gas Oil	tCO <sub>2</sub> e/l	0.00297049	0.00275821	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
<b>Diesel</b>	<b>tCO<sub>2</sub>e/l</b>	<b>0.00262694</b>	<b>0.00259411</b>	<b>UK Government - GHG Conversion Factors for Company Reporting 2018/2019</b>
Petrol	tCO <sub>2</sub> e/l	0.00220307	0.00220904	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
LPG	tCO <sub>2</sub> e/l	0.00151906	0.0015226	UK Government - GHG Conversion Factors for Company Reporting 2018/2019
R-407C	GWP	1774		European Regulation on fluorinated greenhouse gases 517/2014
HFC R134	GWP	1100		European Regulation on fluorinated greenhouse gases 517/2014
R-22	GWP	1810		European Regulation on fluorinated greenhouse gases 517/2014
R-404A	GWP	3922		European Regulation on fluorinated greenhouse gases 517/2014
<b>Location-based electricity</b>				
<i>Italy</i>	tCO <sub>2</sub> /kWh	0.000359	0.000360	Terna, International Comparisons 2017, 2016
<i>France</i>	tCO <sub>2</sub> /kWh	0.000072	0.000053	Terna, International Comparisons 2017, 2016
<i>U.K.</i>	tCO <sub>2</sub> /kWh	0.000285	0.000310	Terna, International Comparisons 2017, 2016
<i>Spain</i>	tCO <sub>2</sub> /kWh	0.000296	0.000254	Terna, International Comparisons 2017, 2016
<i>Poland</i>	tCO <sub>2</sub> /kWh	0.000765	0.000783	Terna, International Comparisons 2017, 2016
<i>Hungary</i>	tCO <sub>2</sub> /kWh	0.000277	0.000288	Terna, International Comparisons 2017, 2016
<b>Electricity Market based</b>				
<i>Italy</i>	tCO <sub>2</sub> /kWh	0.00048329	0.00047653	European Residual Mixes 2018, 2017
<i>France</i>	tCO <sub>2</sub> /kWh	0.00005123	0.00005734	European Residual Mixes 2018, 2017
<i>U.K.</i>	tCO <sub>2</sub> /kWh	0.00038052	0.00036652	European Residual Mixes 2018, 2017
<i>Spain</i>	tCO <sub>2</sub> /kWh	0.00044839	0.00044638	European Residual Mixes 2018, 2017
<i>Poland</i>	tCO <sub>2</sub> /kWh	0.00089712	0.00083455	European Residual Mixes 2018, 2017
<i>Hungary</i>	tCO <sub>2</sub> /kWh	0.00034537	0.0003414	European Residual Mixes 2018, 2017

## GRI 305 -1 Direct (Scope 1) GHG emissions

### Direct emissions of CO<sub>2</sub>

#### GRUPPO ITALMOBILIARE

Source	t CO <sub>2</sub> 2019	t CO <sub>2</sub> 2018
Natural gas	6,638.5	6,926.6
Butane gas	3,552.3	3,575.2
Diesel	290.0	743.9
<i>for power supply plants and heating</i>	29.8	25.8
<i>for automotive</i>	260.2	718.1
Automotive petrol	12.7	100.0
LPG	122.7	n.a.
for forklifts	121.1	n.a.
for automotive	1.6	n.a.
<b>Total</b>	<b>10,616.2</b>	<b>11,345.7</b>

F-Gas	Kg 2019	t CO <sub>2</sub> e 2019	Kg 2018	t CO <sub>2</sub> e 2018
HFC R134	70	77	-	-
R-407C	160	283	94	166
R-22	-	-	4	7
R-404A	-	-	5	18

## GRI 305-2 Energy indirect (Scope 2) GHG emissions. Location-based method broken down by country

#### Italmobiliare Group

Source	t CO <sub>2</sub> 2019	t CO <sub>2</sub> 2018
Electricity - Italy	18,688.6	19,023.1
Electricity - France	1,626.8	1,181.7
Electricity - U.K.	3,251.6	4,451.5
Electricity - Spain	777.5	649.9
Electricity - Poland	9,192.8	9,347.9
Electricity - Hungary	385.9	504.0
<b>Total</b>	<b>33,923.2</b>	<b>35,158.1</b>

## GRI 305-2 Energy indirect (Scope 2) GHG emissions. Market-based method broken down by country

#### Italmobiliare Group

Source	t CO <sub>2</sub> 2019	t CO <sub>2</sub> 2018
Electricity - Italy	25,158.7	25,180.8
Electricity - France	1,157.5	1,278.4
Electricity - U.K.	4,341.5	5,263.2
Electricity - Spain	1,177.8	1,142.2
Electricity - Poland	10,780.4	9,963.3
Electricity - Hungary	481.2	597.4
<b>Total</b>	<b>43,097.1</b>	<b>43,425.3</b>

## GRI 303-3/4/5 Water withdrawal, Water discharge and Water consumption

Water withdrawal of Group Italmobiliare		
Source	Megaliters (MI) 2019	Megaliters (MI) 2018
Surface water	0.59	0.82
<i>of which from areas with water stress</i>	0	<i>n.a.</i>
Groundwater	515.23	463.58
<i>of which from areas with water stress</i>	11.14	3.10
Third-party water	22.22	27.19
<i>of which from areas with water stress</i>	1.30	1.30
<b>Total</b>	<b>538.03</b>	<b>491.59</b>
<b>of which from areas with water stress</b>	<b>12.44</b>	<b><i>n.a.</i></b>
<b>Total withdrawal of freshwater (≤1,000 mg/L Total Dissolved Solids)</b>	<b>538.03</b>	<b><i>n.a.</i></b>
<b>Total withdrawal of other water (&gt;1,000 mg/L Total Dissolved Solids)</b>	<b>0</b>	<b><i>n.a.</i></b>
Water discharge of Group Italmobiliare		
Destination	Megaliters (MI) 2019	Megaliters (MI) 2018
Surface water	415.25	377.60
<i>of which from areas with water stress</i>	0	<i>n.a.</i>
Groundwater	0	0
<i>of which from areas with water stress</i>	0	<i>n.a.</i>
Sewage	27.05	31.38
<i>of which from areas with water stress</i>	1.30	<i>n.a.</i>
<b>Total</b>	<b>442.30</b>	<b>488.98</b>
<i>of which from areas with water stress</i>	1.30	1.30
<b>Total withdrawal of freshwater (≤1,000 mg/L Total Dissolved Solids)</b>	<b>434.35</b>	<b><i>n.a.</i></b>
<b>Total withdrawal of other water (&gt;1,000 mg/L Total Dissolved Solids)</b>	<b>7.39</b>	<b><i>n.a.</i></b>
Water consumption of Group Italmobiliare		
	Megaliters (MI) 2019	Megaliters (MI) 2018
<b>Total</b>	<b>95.73</b>	<b>82.61</b>
<i>of which from areas with water stress</i>	11.14	3.10

## GRI 306 Waste by type and disposal method

GROUP ITALMOBILIARE	Non-hazardous wastes (t)		Hazardous wastes (t)	
	2019	2018	2019	2018
Reuse	-	6.4	0.0	0.0
Recycling	2,428.4	1,301.4	16.5	2.0
Recovery included energy recovery	5,066.4	3,213.6	25.6	33.8
Composting	235.1	273.0	0.4	0.9
Incineration	25.8	-	0.9	1.5
Landfill	1,256.8	1,234.1	114.5	131.5
On-site storage	-	-	0.0	0.0
<b>Total</b>	<b>9,328.1</b>	<b>6,367.8</b>	<b>157.7</b>	<b>169.7</b>

## GRI 401-1 Total number and rate of new hires and turnover rate by age group, gender and region during the period 2018-2019

The rate of new hires is the ratio between employees hired during the reporting period and the total number of employees

The turnover rate is the ratio between employees who have terminated their relationship with the Company and the total number of employees.

The rate of new hires for persons under 30 is the ratio between employees under 30 during the reporting period and total employees under 30. The same process is applied for the rate of new hires of employees aged between 30 and 50 and for those aged over 50, as well as for the turnover rate.

### Number of new hires in Italmobiliare Group

#### ITALMOBILIARE GROUP

	2019				2018			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Man	52	94	19	165	107	117	15	239
Woman	18	39	17	74	22	40	20	82
<b>Total</b>	<b>70</b>	<b>133</b>	<b>36</b>	<b>239</b>	<b>129</b>	<b>157</b>	<b>35</b>	<b>321</b>

### Number of resignations in Italmobiliare Group

#### ITALMOBILIARE GROUP

	2019				2018			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Man	35	89	59	183	62	98	46	206
Woman	15	39	26	80	22	49	33	104
<b>Total</b>	<b>50</b>	<b>128</b>	<b>85</b>	<b>263</b>	<b>84</b>	<b>147</b>	<b>79</b>	<b>310</b>

### Number of rates of new hires and resignations in Italmobiliare Group by country

#### ITALY

	2019					2018				
	<30	30-50	>50	Total	Rate %	<30	30-50	>50	Total	Rate %
<b>NEW HIRES</b>										
Women	2	9	2	13	16.5	2	4	3	9	6.9
Men	10	16	3	29	8.6	49	55	6	110	17.5
<b>Total</b>	<b>12</b>	<b>25</b>	<b>5</b>	<b>42</b>	<b>10.1</b>	<b>51</b>	<b>59</b>	<b>9</b>	<b>119</b>	<b>15.6</b>
<b>Rate %</b>	<b>25.0</b>	<b>10.0</b>	<b>4.2</b>	<b>10.1</b>		<b>48.1</b>	<b>13.3</b>	<b>4.3</b>	<b>15.6</b>	
<b>RESIGNATIONS</b>										
Women	1	3	2	6	76	3	7	5	15	11.5
Men	11	14	16	41	12.2	13	43	25	81	12.9
<b>Total</b>	<b>12</b>	<b>17</b>	<b>18</b>	<b>47</b>	<b>11.3</b>	<b>16</b>	<b>50</b>	<b>30</b>	<b>96</b>	<b>12.6</b>
<b>Rate %</b>	<b>25.0</b>	<b>6.8</b>	<b>15.1</b>	<b>15.1</b>		<b>15.1</b>	<b>11.2</b>	<b>14.3</b>	<b>12.6</b>	

## FRANCE

	2019					2018				
	<30	30-50	>50	Total	Rate %	<30	30-50	>50	Total	Rate %
<b>NEW HIRES</b>										
Women	1	2	0	3	5.3	5	3	1	9	5.8
Men	4	5	1	10	5.0	9	3	0	12	15
<b>Total</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>13</b>	<b>5.1</b>	<b>14</b>	<b>6</b>	<b>1</b>	<b>21</b>	<b>7.9</b>
<b>Rate %</b>	<b>41.7</b>	<b>4.4</b>	<b>1.2</b>	<b>5.1</b>		<b>127.3</b>	<b>3.4</b>	<b>1.3</b>	<b>7.9</b>	
<b>RESIGNATIONS</b>										
Women	0	4	2	6	10.5	4	1	5	10	16.7
Men	2	7	7	16	8.0	8	7	3	18	8.7
<b>Total</b>	<b>2</b>	<b>11</b>	<b>9</b>	<b>22</b>	<b>8.6</b>	<b>12</b>	<b>8</b>	<b>8</b>	<b>28</b>	<b>10.5</b>
<b>Rate %</b>	<b>16.7</b>	<b>6.9</b>	<b>10.5</b>	<b>8.6</b>		<b>109.1</b>	<b>4.5</b>	<b>10.3</b>	<b>10.5</b>	

## HUNGARY

	2019					2018				
	<30	30-50	>50	Total	Rate %	<30	30-50	>50	Total	Rate %
<b>NEW HIRES</b>										
Women	5	9	4	18	25.7	4	12	0	16	21.3
Men	4	16	5	25	19.1	6	14	1	21	14.2
<b>Total</b>	<b>9</b>	<b>25</b>	<b>9</b>	<b>43</b>	<b>21.4</b>	<b>10</b>	<b>26</b>	<b>1</b>	<b>37</b>	<b>16.6</b>
<b>Rate %</b>	<b>52.9</b>	<b>18.0</b>	<b>20.0</b>	<b>21.4</b>		<b>52.6</b>	<b>15.8</b>	<b>2.5</b>	<b>16.6</b>	
<b>RESIGNATIONS</b>										
Women	5	16	2	23	32.9	1	9	1	11	14.7
Men	6	26	10	42	32.1	2	12	5	19	12.8
<b>Total</b>	<b>11</b>	<b>42</b>	<b>12</b>	<b>65</b>	<b>32.3</b>	<b>3</b>	<b>21</b>	<b>6</b>	<b>30</b>	<b>13.5</b>
<b>Rate %</b>	<b>64.7</b>	<b>30.2</b>	<b>26.7</b>	<b>32.3</b>		<b>15.8</b>	<b>12.8</b>	<b>15.0</b>	<b>13.5</b>	

## POLAND

	2019					2018				
	<30	30-50	>50	Total	Rate %	<30	30-50	>50	Total	Rate %
<b>NEW HIRES</b>										
Women	7	15	9	31	19.3	4	12	15	31	18.9
Men	13	19	5	37	21.3	10	24	4	38	23.6
<b>Total</b>	<b>20</b>	<b>34</b>	<b>14</b>	<b>68</b>	<b>20.3</b>	<b>14</b>	<b>36</b>	<b>19</b>	<b>69</b>	<b>21.2</b>
<b>Rate %</b>	<b>48.8</b>	<b>20.0</b>	<b>11.3</b>	<b>20.3</b>		<b>29.2</b>	<b>23.7</b>	<b>15.2</b>	<b>21.2</b>	
<b>RESIGNATIONS</b>										
Women	6	11	17	34	21.1	10	21	21	52	31.7
Men	6	15	3	24	13.8	10	16	9	35	21.7
<b>Total</b>	<b>12</b>	<b>16</b>	<b>20</b>	<b>58</b>	<b>17.3</b>	<b>20</b>	<b>37</b>	<b>30</b>	<b>87</b>	<b>26.8</b>
<b>Rate %</b>	<b>29.3</b>	<b>15.3</b>	<b>16.1</b>	<b>17.3</b>		<b>41.7</b>	<b>24.3</b>	<b>24.0</b>	<b>26.8</b>	

### SPAIN

	2019					2018				
	<30	30-50	>50	Total	Rate %	<30	30-50	>50	Total	Rate %
<b>NEW HIRES</b>										
Women	0	1	1	2	6.3	4	3	0	7	22.6
Men	0	3	1	4	9.5	0	4	0	4	10.0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>8.1</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>11</b>	<b>15.5</b>
<b>Rate %</b>	<b>0.0</b>	<b>10.0</b>	<b>6.7</b>	<b>8.1</b>		<b>66.7</b>	<b>17.5</b>	<b>0.0</b>	<b>15.5</b>	
<b>RESIGNATIONS</b>										
Women	0	0	1	1	3.1	0	3	0	3	9.7
Men	0	2	0	2	4.8	0	1	0	1	7.5
<b>Total</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>4.1</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>5.6</b>
<b>Rate %</b>	<b>0.0</b>	<b>5.0</b>	<b>3.3</b>	<b>4.1</b>		<b>0.0</b>	<b>10</b>	<b>0.0</b>	<b>5.6</b>	

### UK

	2019					2018				
	<30	30-50	>50	Total	Rate %	<30	30-50	>50	Total	Rate %
<b>NEW HIRES</b>										
Women	0	0	0	0	0.0	2	6	0	8	32.0
Men	2	3	1	6	9.5	32	15	3	50	50.0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>7.1</b>	<b>34</b>	<b>21</b>	<b>3</b>	<b>58</b>	<b>46.4</b>
<b>Rate %</b>	<b>15.4</b>	<b>7.1</b>	<b>3.4</b>	<b>7.1</b>		<b>141.7</b>	<b>32.3</b>	<b>8.3</b>	<b>46.4</b>	
<b>RESIGNATIONS</b>										
Women	2	2	1	5	23.8	2	6	0	8	32.0
Men	8	19	15	42	66.7	29	18	3	50	50.0
<b>Total</b>	<b>10</b>	<b>21</b>	<b>16</b>	<b>47</b>	<b>56.0</b>	<b>31</b>	<b>24</b>	<b>3</b>	<b>58</b>	<b>46.4</b>
<b>Rate %</b>	<b>76.9</b>	<b>50.0</b>	<b>55.2</b>	<b>56.0</b>		<b>129.2</b>	<b>36.9</b>	<b>8.3</b>	<b>46.4</b>	

### GERMANY

	2019					2018				
	<30	30-50	>50	Total	Rate %	<30	30-50	>50	Total	Rate %
<b>NEW HIRES</b>										
Women	1	1	1	3	33.3	1	0	1	2	22.2
Men	0	0	1	1	12.5	1	2	1	4	44.4
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>23.5</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>33.3</b>
<b>Rate %</b>	<b>33.3</b>	<b>11.1</b>	<b>40.0</b>	<b>23.5</b>		<b>50.0</b>	<b>22.2</b>	<b>40.0</b>	<b>33.3</b>	
<b>RESIGNATIONS</b>										
Women	1	2	0	3	33.3	2	2	1	5	55.6
Men	1	0	1	2	25.0	0	1	1	2	33.3
<b>Total</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>29.4</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>38.9</b>
<b>Rate %</b>	<b>66.7</b>	<b>22.2</b>	<b>20.0</b>	<b>29.4</b>		<b>50.0</b>	<b>33.3</b>	<b>40.0</b>	<b>38.9</b>	

## GRI 403-9 The number and rate of recordable work-related injuries with high-consequence work-related injuries and/or fatalities, divided by employees and external staff and by countries during the period 2018-2019

The recordable rate of work-related injuries is the ratio between the number of recordable work-related injuries and the number of hours worked, multiplied by 1,000,000.

The rate of high-consequence work-related injuries is the ratio between the number of high-consequence work-related injuries and the number of hours worked, multiplied by 1,000,000. High-consequence injuries are those from which a worker cannot recover, does not recover or it is not realistic to foresee that they will fully recover by returning to their pre-accident state of health within 6 months.

The rate of deaths resulting from accidents at work is determined by the ratio between the number of deaths resulting from work-related accidents and the number of hours worked, multiplied by 1,000,000.

Data do not include injuries as a result of commuting incidents where the transport has not been organized by the organization.

ITALMOBILIARE GROUP	2019	2018
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	0
Number of recordable work-related injuries	15	22
Number of hours worked	2,488,947	2,642,300
Rate of fatalities as a result of work-related injuries	0.0	0.0
Rate of high-consequence work-related injuries (excluding fatalities)	0.40	0.0
Rate of recordable work-related injuries	6.03	8.30

ITALY	2019	2018
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Number of recordable work-related injuries	6	8
Number of hours worked	1,194,622	1,124,120
Rate of fatalities as a result of work-related injuries	0.0	0.0
Rate of high-consequence work-related injuries (excluding fatalities)	0.0	0.0
Rate of recordable work-related injuries	5.02	7.1

FRANCE	2019	2018
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	0
Number of recordable work-related injuries	2	5
Number of hours worked	386,417	397,051
Rate of fatalities as a result of work-related injuries	0.0	0.0
Rate of high-consequence work-related injuries (excluding fatalities)	2.59	0.0
Rate of recordable work-related injuries	5.18	12.6

<b>HUNGARY</b>	<b>2019</b>	<b>2018</b>
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Number of recordable work-related injuries	0	0
Number of hours worked	65,956	75,103
Rate of fatalities as a result of work-related injuries	0.0	0.0
Rate of high-consequence work-related injuries (excluding fatalities)	0.0	0.0
Rate of recordable work-related injuries	0.0	0.0

<b>UK</b>	<b>2019</b>	<b>2018</b>
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Number of recordable work-related injuries	1	3
Number of hours worked	207,910	256,540
Rate of fatalities as a result of work-related injuries	0,0	0.0
Rate of high-consequence work-related injuries (excluding fatalities)	0,0	0.0
Rate of recordable work-related injuries	4.81	11.7

<b>POLAND</b>	<b>2019</b>	<b>2018</b>
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Number of recordable work-related injuries	5	1
Number of hours worked	527,021	645,559
Rate of fatalities as a result of work-related injuries	0,0	0.0
Rate of high-consequence work-related injuries (excluding fatalities)	0,0	0.0
Rate of recordable work-related injuries	9.49	1.5

<b>SPAIN</b>	<b>2019</b>	<b>2018</b>
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Number of recordable work-related injuries	1	5
Number of hours worked	107,021	143,927
Rate of fatalities as a result of work-related injuries	0.0	0.0
Rate of high-consequence work-related injuries (excluding fatalities)	0.0	0.0
Rate of recordable work-related injuries	9.34	34.7



## 404-1 Average hours of training that the organisation's employees have undertaken during the period 2018-2019 by gender and employee category

Average hours of training per employee are the ratio between the total number of training hours provided to employees and the total number of employees.

Average hours training per female employee are the ratio between the total number of training hours provided to female employees and the total number of female employees. Average hours training per male employee are the ratio between the total number of training hours provided to male employees and the total number of male employees.

### 404-1 HOURS OF TRAINING

ITALMOBILIARE GROUP	Hours		Average	
	2019	2018	2019	2018
<b>Managers</b>	<b>1,237</b>	<b>1,545</b>	<b>16.7</b>	<b>17.4</b>
Men	784	1,272	13.1	17.4
Women	453	274	32.3	17.1
<b>Office workers</b>	<b>4,161</b>	<b>2,479</b>	<b>7.7</b>	<b>4.5</b>
Men	2,407	1,279	7.8	3.9
Women	1,754	1,200	7.6	5.3
<b>Production workers</b>	<b>4,534</b>	<b>8,840</b>	<b>4.1</b>	<b>7.7</b>
Men	3,219	8,024	3.7	8.9
Women	1,515	816	5.8	3.3
<b>Total</b>	<b>9,931</b>	<b>12,864</b>	<b>5.8</b>	<b>7.2</b>
Men	6,410	10,574	5.1	8.2
Women	3,522	2,290	7.5	4.6

### 404-1 HOURS OF TRAINING

ITALMOBILIARE S.P.A.	Hours		Average	
	2019	2018	2019	2018
<b>Managers</b>	<b>321</b>	<b>515</b>	<b>21.4</b>	<b>34.3</b>
Men	152	373	13.8	33.9
Women	169	142	42.1	35.5
<b>Office workers</b>	<b>734</b>	<b>277</b>	<b>33.3</b>	<b>12.6</b>
Men	271	98	38.7	16.2
Women	463	179	30.8	11.2
<b>Production workers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Men	-	-	-	-
Women	-	-	-	-
<b>Total</b>	<b>1,054</b>	<b>791</b>	<b>28.5</b>	<b>23.4</b>
Men	423	470	23.5	25.0
Women	631	321	33.2	23.3

**404-1 HOURS OF TRAINING**

CLESSIDRA SGR	Hours		Average	
	2019	2018	2019	2018
<b>Managers</b>	<b>172</b>	<b>73</b>	<b>10.8</b>	<b>6.1</b>
Men	136	10	9.7	9.5
Women	36	63	18.0	5.7
<b>Office workers</b>	<b>122</b>	<b>36</b>	<b>9.9</b>	<b>2.6</b>
Men	122	16	24.4	2.0
Women	0	20	0.0	3.3
<b>Production workers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Men	-	-	-	-
Women	-	-	-	-
<b>Total</b>	<b>294</b>	<b>109</b>	<b>10.1</b>	<b>4.2</b>
Men	258	26	13.6	5.7
Women	36	83	3.6	4.5

**404-1 HOURS OF TRAINING**

ITALGEN	Hours		Average	
	2019	2018	2019	2018
<b>Managers</b>	<b>69</b>	<b>0</b>	<b>17.3</b>	<b>0.0</b>
Men	69	0	17.3	0.0
Women	0	0	0.0	0.0
<b>Office workers</b>	<b>843</b>	<b>471</b>	<b>32.4</b>	<b>16.2</b>
Men	823	427	37.4	17.1
Women	20	44	5.0	11.0
<b>Production workers</b>	<b>213</b>	<b>217</b>	<b>5.3</b>	<b>4.9</b>
Men	213	217	5.3	4.9
Women	0	0	0.0	0.0
<b>Total</b>	<b>1,125</b>	<b>688</b>	<b>16.1</b>	<b>8.9</b>
Men	1,105	644	16.7	8.8
Women	20	44	5.0	11.0

## 404-1 HOURS OF TRAINING

CAFFÈ BORBONE	Hours		Average	
	2019	2018	2019	2018
<b>Managers</b>	<b>64</b>	<b>80</b>	<b>16.0</b>	<b>20.0</b>
Men	48	80	16.0	26.7
Women	16	0	16.0	0.0
<b>Office workers</b>	<b>80</b>	<b>40</b>	<b>2.8</b>	<b>2.1</b>
Men	72	24	3.3	1.7
Women	8	16	1.1	2.7
<b>Production workers</b>	<b>856</b>	<b>1,396</b>	<b>5.2</b>	<b>10.7</b>
Men	856	1,396	5.2	10.7
Women	0	0	0.0	0.0
<b>Total</b>	<b>1,000</b>	<b>1,516</b>	<b>5.0</b>	<b>9.8</b>
Men	976	1500	5.1	10.2
Women	24	16	3.0	2.3

## 404-1 HOURS OF TRAINING

SIRAP	Hours		Average	
	2019	2018	2019	2018
<b>Managers</b>	<b>611</b>	<b>878</b>	<b>17.5</b>	<b>24.4</b>
Men	379	756	13.5	24.4
Women	232	122	33.1	24.3
<b>Office workers</b>	<b>2,382</b>	<b>1,629</b>	<b>5.3</b>	<b>3.4</b>
Men	1,119	692	4.4	2.6
Women	1,264	937	6.4	4.5
<b>Production workers</b>	<b>2,117</b>	<b>7,199</b>	<b>2.4</b>	<b>7.7</b>
Men	1,469	6,384	2.2	9.3
Women	648	816	2.9	3.6
<b>Total</b>	<b>5,110</b>	<b>9,707</b>	<b>3.7</b>	<b>6.7</b>
Men	2,967	7,832	3.1	7.8
Women	2,144	1,875	5.0	4.3

## GRI 404-3 Percentage of employees receiving regular performance and career development reviews

### 404-3 STAFF PERFORMANCE REVIEW

ITALMOBILIARE GROUP	2019				2018			
	Managers	Office workers	Production workers	Total	Managers	Office workers	Production workers	Total
Men	58	104	37	199	58	97	106	261
Men (%)	96.7%	33.9%	4.2%	16.0%	79.5%	29.9%	11.8%	20.2%
Women	11	43	29	83	12	76	14	102
Women (%)	78.5%	18.5%	12.9%	17.6%	75.0%	33.5%	5.6%	20.6%
<b>Total</b>	<b>69</b>	<b>147</b>	<b>66</b>	<b>282</b>	<b>70</b>	<b>173</b>	<b>120</b>	<b>363</b>
<b>Total (%)</b>	<b>93.2%</b>	<b>27.3%</b>	<b>6.0%</b>	<b>16.4%</b>	<b>78.7%</b>	<b>31.4%</b>	<b>10.4%</b>	<b>20.3%</b>

### 404-3 STAFF PERFORMANCE REVIEW

ITALMOBILIARE S.P.A.	2019				2018			
	Managers	Office workers	Production workers	Total	Managers	Office workers	Production workers	Total
Men	11	7	-	18	12	9	-	21
Men (%)	100.0%	100.0%	-	100.0%	100.0%	100.0%	-	100.0%
Women	4	15	-	19	5	18	-	23
Women (%)	100.0%	100.0%	-	100.0%	100.0%	100.0%	-	100.0%
<b>Total</b>	<b>15</b>	<b>22</b>	<b>-</b>	<b>37</b>	<b>17</b>	<b>27</b>	<b>-</b>	<b>44</b>
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>

### 404-3 STAFF PERFORMANCE REVIEW

CLESSIDRA SGR	2019				2018			
	Managers	Office workers	Production workers	Total	Managers	Office workers	Production workers	Total
Men	14	5	-	19	11	6	-	17
Men (%)	100.0%	100.0%	-	100.0%	100.0%	100.0%	-	100.0%
Women	2	8	-	10	1	8	-	9
Women (%)	100.0%	100.0%	-	100.0%	100.0%	100.0%	-	100.0%
<b>Total</b>	<b>16</b>	<b>13</b>	<b>-</b>	<b>29</b>	<b>12</b>	<b>14</b>	<b>-</b>	<b>26</b>
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>

## 404-3 STAFF PERFORMANCE REVIEW

ITALGEN	2019				2018			
	Managers	Office workers	Production workers	Total	Managers	Office workers	Production workers	Total
Men	4	22	0	26	4	25	0	29
Men (%)	100.0%	100.0%	0.0%	39.4%	100.0%	100.0%	0.0%	39.7%
Women	-	4	-	4	-	4	-	4
Women (%)	-	100%	-	100%	-	100%	-	100.0%
<b>Total</b>	<b>4</b>	<b>26</b>	<b>0</b>	<b>30</b>	<b>4</b>	<b>29</b>	<b>0</b>	<b>33</b>
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>42.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>42.9%</b>

## 404-3 STAFF PERFORMANCE REVIEW

CAFFÈ BORBONE	2019				2018			
	Managers	Office workers	Production workers	Total	Managers	Office workers	Production workers	Total
Men	3	16	0	19	0	0	0	0
Men (%)	100.0%	72.77%	0.0%	10.00%	0.0%	0.0%	0.0%	0.0%
Women	1	2	0	3	0	0	0	0
Women (%)	100.0%	28.66%	0.0%	37.55%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>4</b>	<b>18</b>	<b>0</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (%)</b>	<b>100.0%</b>	<b>62.11%</b>	<b>0.0%</b>	<b>11.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

## 404-3 STAFF PERFORMANCE REVIEW

SIRAP	2019				2018			
	Managers	Office workers	Production workers	Total	Managers	Office workers	Production workers	Total
Men	26	54	0	80	32	55	93	180
Men (%)	92.9%	21.4%	0.0%	8.4%	72.7%	20.5%	13.1%	17.9%
Women	4	14	0	18	7	43	14	64
Women (%)	57.1%	7.1%	0.0%	4.2%	70.0%	23.0%	5.6%	14.6%
<b>Total</b>	<b>30</b>	<b>68</b>	<b>0</b>	<b>98</b>	<b>39</b>	<b>98</b>	<b>107</b>	<b>244</b>
<b>Total (%)</b>	<b>85.7%</b>	<b>15.1%</b>	<b>0.0%</b>	<b>7.1%</b>	<b>72.2%</b>	<b>21.5%</b>	<b>11.1%</b>	<b>16.6%</b>

## Table concerning the material aspect boundaries and the reconciliation with the relevant GRI topics

Boundaries				
Material topics	Where the impact occurs	Involvement of Italmobiliare Group	Stakeholders concerned	Reconciliation with GRI disclosures
Lasting value creation	Italmobiliare Group	Generated by Italmobiliare Group	Shareholders, subsidiaries, financial analysts, media	n.a.
Economic and financial results	Italmobiliare Group	Generated by Italmobiliare Group	Shareholders, subsidiaries, financial analysts, media	201: Economic performance
Ethics, integrity and transparency	Italmobiliare Group	Generated by Italmobiliare Group	All	205: Anti-corruption
Prevention of anti-competitive behaviour	Italmobiliare Group	Generated by Italmobiliare Group	All	206: Anti-competitive behaviour
Sustainable investment principles	Clessidra SGR S.p.A.	Generated by Clessidra SGR S.p.A.	Shareholders, subsidiaries, financial analysts, regulatory bodies, media	Active ownership – Financial Sector
Governance of the portfolio companies	Italmobiliare S.p.A.; Clessidra SGR S.p.A.	Generato da Italmobiliare S.p.A and Clessidra SGR S.p.A.	Shareholders, subsidiaries, financial analysts, regulatory bodies	
Risk management	Italmobiliare Group	Generated by Italmobiliare Group	Shareholders, subsidiaries, financial analysts, regulatory bodies	n.a.
Contribution to local employment	Italmobiliare Group	Generated by Italmobiliare Group	Employees	202: Market presence
Conscious consumption of raw materials	Caffè Borbone s.r.l., Sirap GEMA S.p.A.	Generated by Italmobiliare Group	Media	301: Materials
Waste management	Caffè Borbone s.r.l., Italgem S.p.A., Sirap GEMA S.p.A.	Generated by Italmobiliare Group	Media	306: Effluents and waste
Environmental compliance	Caffè Borbone s.r.l., Italgem S.p.A., Sirap GEMA S.p.A.	Generated by Italmobiliare Group	Media	307: Environmental compliance
Research and development	Caffè Borbone s.r.l., Italgem S.p.A., Sirap GEMA S.p.A.	Generated by Italmobiliare Group	Shareholders,	n.a.
Employee wellness and development	Italmobiliare Group	Generated by Italmobiliare Group	Employees	401: Employment
Training and education	Italmobiliare Group	Generated by Italmobiliare Group	Employees	404: Training and education
Occupational health and safety	Employees and external workers of Italmobiliare Group	Generated by Italmobiliare Group	Employees, regulatory bodies	403: Occupational health and safety
Customer health and safety	Caffè Borbone S.r.l., Clessidra SGR S.p.A, Italgem S.p.A., Sirap GEMA S.p.A.	Generated by Caffè Borbone S.r.l., Clessidra SGR S.p.A, Italgem S.p.A., Sirap GEMA S.p.A.	Customers, media, regulatory bodies	416: Customer health and safety
	Italgem S.p.A.	Generated by Italgem S.p.A.		Customer health and safety – Electric Utility Sector Access – Electric Utility Sector
Marketing and labelling	Caffè Borbone S.r.l., Clessidra SGR S.p.A, Italgem S.p.A., Sirap GEMA S.p.A.	Generated by Caffè Borbone S.r.l., Clessidra SGR S.p.A, Italgem S.p.A., Sirap GEMA S.p.A.	Customers, media, regulatory bodies	417: Marketing and labelling
Customer privacy	Italmobiliare Group	Generated by Italmobiliare Group	Customers, media, regulatory bodies	418: Customer Privacy
Socio-economic compliance	Italmobiliare Group	Generated by Italmobiliare Group	Regulatory bodies, financial analysts	419: Socio-economic Compliance

The data related to injuries occurred to the external workers include only the following categories: Temporary agency worker, autonomous worker, external collaborator, agents, interns and no other workers who are not employees but whose work and/or workplace is controlled by the organization considering the significance and availability of the data directly controlled by the Group.



## GRI CONTENT INDEX

GRI standards	Paragraph	Information	Details
<b>GRI 102: General Disclosures</b>			
<b>Organizational profile</b>			
102-1	Methodology	Name of the organization	
102-2	1.1	Primary brands, products, and/or services	
102-3	Back cover	Headquarters	
102-4	1.1	Countries where the organisation operates	
102-5	1.1	Ownership and legal form	
102-6	1.1	Markets served (including geographic locations, sectors served and types of customers and recipients).	
102-7	1.1, 2.1, 4. At December 31 2019, the nominal capital of the parent company Italmobiliare S.p.A. it is equal to 1,013.04 million euros (Source: Capital IQ).	Scale of the organization.	
102-8	4	Number of employees by employment contract and gender.	
102-9	Annex	Description of the organization's supply chain	
102-10	Methodology, 1.1	Significant changes during the reporting period of the scale and structure of the organization and its supply chain	
102-11	1.6	Method of applying the precautionary principle or approach.	
102-12	Methodology, 1.3, 1.5.2, 3.2.1, 3.3.1, 5.3, 6.2.1	Adoption of externally-developed economic, environmental and social codes of conduct, charters and principles	
102-13	Annex	Membership of national or international associations or organizations promoting sustainability	
<b>Strategy</b>			
102-14	Letter to stakeholders	Statement by the top manager who leads the organization	
<b>Ethics and integrity</b>			
102-16	1.5	Values, principles, standards and rules of conduct adopted by the organization	
<b>Governance</b>			
102-18	1.2	Governance structure of the organization	
<b>Stakeholder engagement</b>			
102-40	1.4	List of stakeholders involved by the organization	
102-41	4, Annex	Percentage of employees covered by collective bargaining agreements	
102-42	1.4	Principles for the identification and involvement of stakeholders	
102-43	1.4	Approach to stakeholder engagement	
102-44	1.4	Important issues raised through stakeholder involvement	
<b>Reporting practices</b>			
102-45	Methodology	Entities included in the organization's consolidated financial statements	
102-46	Methodology	Process for defining the scope of reporting.	
102-47	Methodology, 1.4	Material aspects identified in the process of analysis to define the scope of reporting.	



102-48	1.3, 3.2.2, 3.2.3, 3.2.4, 3.3.2, 5, Annex	Amendments to information in previous reports and reasons for such amendments.
102-49	Methodology	Significant changes compared with the previous reporting period
102-50	Methodology	Reporting period
102-51	The 2018 Sustainability Report has been published in March, 2019	Date of the last report
102-52	Methodology	Reporting frequency.
102-53	Methodology	Useful contacts and addresses to request information on the Sustainability Report.
102-54	Methodology	Specify the option of compliance with GRI Standards chosen by the organization
102-55	Annex	GRI content index
102-56	Independent Auditors' report	External attestation
<b>TOPIC-SPECIFIC STANDARDS</b>		
<b>Material topic: Lasting value creation</b>		
<b>GRI 103: GRI 103: Management approach (2016)</b>		
103-1	2, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	2	The management approach and its components
Own indicator	2.1	Total NAV at Group level
<b>Material topic: Economic and financial results</b>		
<b>GRI 103: GRI 103: Management approach (2016)</b>		
103-1	2, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	2	The management approach and its components
103-3	2	Assessment of management approach
<b>GRI 201: Economic performance</b>		
201-1	2.2	Economic value directly generated and distributed
<b>Material topic: Contribution to local employment</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	4.1, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	4. 4.3. 4.4	The management approach and its components
103-3	4. 4.3. 4.4	Assessment of management approach
<b>GRI 202: Market presence</b>		
202-2	4	Proportion of senior managers hired from the local community
<b>Material topic: Ethics, integrity and transparency</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	1.5, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	1.5.1	The management approach and its components

103-3	1.5.1	Assessment of management approach
<b>GRI 205: Anti-corruption</b>		
205-3	1.5.1	Confirmed incidents of corruption and actions taken
<b>Material topic: Prevention of anti-competitive behaviour</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	1.5.1, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	1.5.1	The management approach and its components
103-3	1.5.1	Assessment of management approach
<b>GRI 206: Anti-competitive behaviour</b>		
206-1	<p>With regard to the current dispute with the European Commission, details of which can be found in previous sustainability and directors' reports, with the sentence topicd on July 11, 2019 (Case T-523/15), the Court of the European Union rejected the appeal of Italmobiliare and the Sirap Group companies involved in the proceedings, confirming the amount of the fine imposed.</p> <p>The sentence was appealed within the time limits and the proceedings are currently pending before the EU Court of Justice (Case C-694/19).</p>	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices
<b>Material topic: Governance of the portfolio companies</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	1.2, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	1.2	The management approach and its components
103-3	1.2	Assessment of management approach
FS10	1.2	Number of portfolio companies involved in social and/or environmental issues. risks and opportunities
<b>Material topic: Sustainable investment principles</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	1.3 GRI content index	Explanation of the material aspects and their boundaries
103-2	1.3	The management approach and its components
103-3	1.3	Assessment of management approach
FS11	1.3	Number of companies acquired in 2019 and subjected to ESG screening
<b>Material topic: Conscious consumption of raw materials</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	3.3.1.2. 3.2.2. Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	3.1.2. 3.2.2.	The management approach and its components
103-3	3.1.2. 3.2.2.	Assessment of management approach
<b>GRI 301: Materials</b>		
301-1	3.1.2. 3.2.2.	Materials used by weight or volume
301-2	3.1.2. 3.2.2.	Materials used that come from recycling
<b>Topic: Energy</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	3	Explanation of the material aspects and their boundaries

103-2	3. 3.1.3. 3.2.3. 3.3.2	The management approach and its components
103-3	3. 3.1.3. 3.2.3. 3.3.2	Assessment of management approach
<b>GRI 302: Energy</b>		
302-1	Annex 3. 3.1.3. 3.2.3. 3.3.2	Energy consumed within the organization
<b>Topic: Water</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	3	Explanation of the material aspects and their boundaries
103-2	3. 3.2.4. 3.3.4	The management approach and its components
103-3	3. 3.2.4. 3.3.4	Assessment of management approach
<b>Management approach (2018)</b>		
303-1	3. 3.2.4. 3.3.4	Interaction with water as a shared resource
303-2	3. 3.2.4. 3.3.4	Management of water-discharge related impacts
<b>GRI 303: Water and effluents (2018)</b>		
303-3	Annex 3. 3.2.4. 3.3.4	Water withdrawal
303-4	Annex 3. 3.2.4. 3.3.4	Water discharge
303-5	Annex 3. 3.2.4. 3.3.4	Water consumption
<b>GRI 103: Management approach (2016)</b>		
103-1	3	Explanation of the material aspects and their boundaries
103-2	3. 3.1.3. 3.2.3. 3.3.4	The management approach and its components
103-3	3. 3.1.3. 3.2.3. 3.3.4	Assessment of management approach
<b>GRI 305: Emissions</b>		
305-1	3. 3.1.3. 3.2.3. 3.3.4	Direct (Scope 1) GHG emissions
305-2	3. 3.1.3. 3.2.3. 3.3.4	Indirect (Scope 2) GHG emissions
Own indicator	3	CO <sub>2</sub> emissions avoided
<b>Material Topic: Waste management</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	3, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	3. 3.1.4. 3.2.5. 3.3.5	The management approach and its components
103-3	3. 3.1.4. 3.2.5. 3.3.5	Assessment of management approach
<b>GRI 306: Effluents and waste</b>		
306-2	Annex. 3.1.4. 3.2.5. 3.3.5	Waste by type and disposal method
<b>Material Topic: Environmental compliance</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	3, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	3. 3.1.1. 3.2.1. 3.3.1	The management approach and its components
103-3	3. 3.1.1. 3.2.1. 3.3.1	Assessment of management approach
<b>GRI 307: Environmental compliance</b>		
307-1	3	Cases of non-compliance with environmental laws and regulations
<b>Material Topic: Research and development</b>		
<b>GRI 103: Management approach (2016)</b>		
5 GRI content index	3. 3.1.2. 3.2.2, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	3. 3.1.2. 3.2.2	The management approach and its components

103-3	3. 3.1.2. 3.2.2	Assessment of management approach
<b>Material Topic: Employee wellness and development</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	4, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	4.1. 4.2.1. 4.3.1. 4.4.1. 4.5.1. 4.6.1	The management approach and its components
103-3	4.1. 4.2.1. 4.3.1. 4.4.1. 4.5.1. 4.6.1	Assessment of management approach
<b>GRI 401: Employment</b>		
401-1	Annex	New hires and turnover
401-2	4.1. 4.2.1. 4.3.1. 4.4.1. 4.5.1. 4.6.1	Benefits provided for full-time employees. but not for part-time or temporary workers
<b>Material topic: Occupational health and safety</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	5, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	5. 5.1. 5.2. 5.3. 5.4. 5.5	The management approach and its components
103-3	5. 5.1. 5.2. 5.3. 5.4. 5.5	Assessment of management approach
<b>GRI 403: Management approach (2018)</b>		
403-1	5. 5.1. 5.2. 5.3. 5.4. 5.5	Occupational health and safety management system
403-2	5. 5.1. 5.2. 5.3. 5.4. 5.5	Hazard identification, risk assessment and accident investigation
403-3	5. 5.1. 5.2. 5.3. 5.4. 5.5	Occupational health services
403-4	5. 5.1. 5.2. 5.3. 5.4. 5.5	Participation and consultation of workers and communication on occupational health and safety
403-5	5. 5.1. 5.2. 5.3. 5.4. 5.5	Worker training on occupational health and safety
403-6	5. 5.1. 5.2. 5.3. 5.4. 5.5	Promotion of workers' health
403-7	5. 5.1. 5.2. 5.3. 5.4. 5.5	Prevention and mitigation of occupational health and safety impacts on commercial relationships
<b>GRI 403: Occupational health and safety (2018)</b>		
403-9	5 Annex	Work-related injuries
<b>Material topic: Training and education</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	1, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	Annex 4. 4.1.2. 4.2.2. 4.3.2. 4.4.2. 4.5.2. 4.6.2	The management approach and its components
103-3	4. 4.1.2. 4.2.2. 4.3.2. 4.4.2. 4.5.2. 4.6.2	Assessment of management approach
<b>GRI 404: Training and education</b>		
404-1	4. 4.1.2. 4.2.2. 4.3.2. 4.4.2. 4.5.2. 4.6.2	Average hours of training per year per employee
404-3	Annex	Percentage of employees receiving regular performance and career development reviews
<b>Material topic: Customer health and safety</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	6, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	6. 6.1.1. 6.2.1. 6.3.1. 6.4.1. 6.5.1. 6.6.1	The management approach and its components
103-3	6. 6.1.1. 6.2.1. 6.3.1. 6.4.1. 6.5.1. 6.6.1	Assessment of management approach

<b>GRI 416: Customer health and safety</b>		
416-2	During 2019, no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	Incidents of non-compliance concerning the health and safety impacts of products and services
EU 25	During 2019, there were no accidents related to company plants	Number of accidents related to company plants
EU 28	6.4.1	Service average interruption frequency index
EU 29	6.4.1	Average service interruption duration index
<b>Material topic: Marketing and labelling</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	6, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	6. 6.1.1.. 6.2.1. 6.3.1. 6.4.1. 6.5.1. 6.6.1	The management approach and its components
103-3	6. 6.1.1.. 6.2.1. 6.3.1. 6.4.1. 6.5.1. 6.6.1	Assessment of management approach
<b>GRI 417: Marketing and labelling</b>		
417-2	During 2019, no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling were reported	Incidents of non-compliance concerning product and service information and labelling
<b>Material topic: Customer privacy</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	6, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	6. 6.1.2. 6.2.2. 6.3.2. 6.4.2. 6.5.2. 6.6.2	Management approach
103-3	6. 6.1.2.. 6.2.2. 6.3.2. 6.4.2. 6.5.2. 6.6.2	Assessment of management approach
<b>GRI 418: Customer privacy</b>		
418-1	6	Substantiated complaints concerning breaches of customer privacy and losses of customer data
<b>Material topic: Socio-economic compliance</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	1.5.1, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	1.5.1	The management approach and its components
103-3	1.5.1	Assessment of management approach
<b>GRI 419: Socio-economic compliance</b>		
419-1	1.5.1	Non-compliance with laws and regulations in the social and economic area
<b>Material topic: Risk management</b>		
<b>GRI 103: Management approach (2016)</b>		
103-1	1.6, Table concerning the boundaries of material topics and the reconciliation with GRI disclosures	Explanation of the material aspects and their boundaries
103-2	1.6	The management approach and its components
103-3	1.6	Assessment of management approach



## Report of the Independent Auditors



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### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018**

#### **To the Board of Directors of Italmobiliare S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Italmobiliare S.p.A. and its subsidiaries (hereinafter "Italmobiliare Group" or "Group") as of December 31, 2019 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 4, 2020 (hereinafter "NFS").

#### **Responsibility of the Directors and the Board of Statutory Auditors for the NFS**

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established in 2016 by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

#### **Auditor's Independence and quality control**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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### Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the *GRI Standards*. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree.
3. Comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Italmobiliare Group.
4. Understanding of the following matters:
  - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
  - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
  - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a).

5. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Italmobiliare S.p.A. and with the employees of the subsidiary Caffè Borbone S.r.l., Sirap Gema S.p.A., Sirap France SAS, Italgem S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.





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In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
  - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following company and sites, Milano headquarters for Italmobiliare S.p.A., Caivano (NA) site and production plant for Caffè Borbone S.r.l., Verolanuova (MN) site and Castelbelforte (MN) production plant for Sirap Gema S.p.A., Noves and Remoulins sites and production plants for Sirap France SAS, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out visits on site, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

### Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Italmobiliare Group as of December 31, 2019 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

### Other matters

The NFS for the year ended December 31, 2018, whose data are presented for comparative purposes, have been subject to a limited assurance engagement by another auditor that, on March 25, 2019 expressed an unmodified conclusion.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Franco Amelio**  
Partner

Milan, Italy  
March 30, 2020







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