



Alce Nero Sustainability Report 2021



**Alce Nero Sustainability Report
2021**

**“Food and words are
absorbed by people and have
the capacity to change them”**

The story of a company that acknowledges its
position of responsibility and privilege every day



Letter to stakeholders
Presenting the 2021 Sustainability Report

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Letter to stakeholders

These last two years of positive growth for our company, during a time of unprecedented crisis, further motivate us to reflect on certain dynamics that are drastically altering the economic and social context at national and international level.

And this reflection raises a few key questions, specifically, what (small) contribution can Alce Nero make to the sustainable development path that the world, the whole world, is now obliged to follow? As producers of high-quality food and promoters of a project that involves thousands of farmers and millions of end users, what more can we do? What new challenge can we take on to respond to a critical moment in which it is the very relationship between humankind and Planet Earth that is causing distortions with effects that are often irreversible and that could compromise the future of entire generations? What more can we do, and how can we do it better?

Our business model - naturally oriented towards the inclusive, transparent and fair engagement of stakeholders and long focused on the creation and allocation of value - seeks to respond positively to these instances by promoting the values of a farming method that is clean and respectful towards the environment and offering high-quality food that effectively nourishes body and mind. Today, we believe it is important to further raise the bar. The sustainability we have achieved, and that the outside world already recognises, is not a point of arrival but one stage along a pathway that sees the evolution of our way of thinking and acting responsibly.

These reflections, as well as a sense of duty that is part of our very DNA, led to the decision to better structure this pathway, which we convey in an impartial and transparent way to all our stakeholders. This new project, which focuses on doing more, even more, for the prosperous and sustainable development of Alce Nero, will involve us all: Shareholders, suppliers, clients, consumers and, of course, the people who work at Alce Nero each day.

We are each responsible for achieving the goals we have set ourselves, a commitment that begins today and that will never end. This will also be an opportunity for us to experiment with a new way of working, one that steers us towards greater inclusion and the promotion of diversity and participatory creation.

Massimo Monti
CEO

Presenting the 2021 Sustainability Report

This first publication of the Sustainability Report comes into being after a long period of reflection, during which we carefully considered which tool could best help us to illustrate not only the main economic, social and environmental impacts of Alce Nero, but also the distinct features of our way of doing business, on the very cutting-edge of sustainability.

The urgency of the current situation prompted us to adopt a document that was drawn up according to globally shared and codified rules, which can be compared and consulted by everyone, even those who do not know Alce Nero and have never tried our products.

This report is therefore the first **product of our approach to sustainability**, in continuous evolution for forty years, and was made possible thanks to collaboration between the Quality, Marketing, Sales, Logistics, Purchasing and Human Resources Departments.

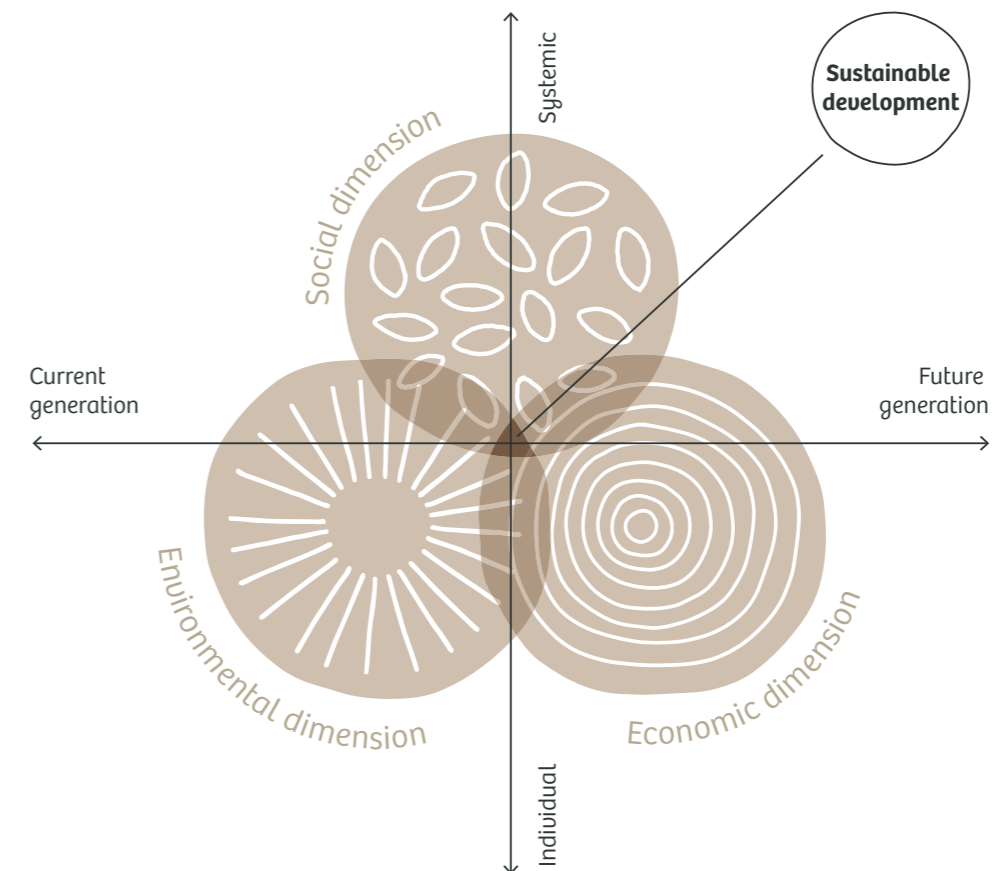
In this first year of reporting, we have decided to refer only to **Alce Nero S.p.a.** and do not include subsidiaries Alce Nero Fresco S.p.a. and Alce Nero Freddo S.p.a., which sell chilled and frozen products respectively, in the analysis. Where present, data for the two Business Units has been highlighted. **In future, the company plans to** increasingly involve its producers in the shared design of an **Italian agro-industrial vision that is truly adaptable**, for producers and users alike.

We also want to highlight the fact that, as we finalise this report, a war is taking place at the gates of Europe, a war that is already proving to have serious consequences for the food market and on global stability, as well as constituting a humanitarian emergency to which we must all respond.

The conflict in Ukraine has highlighted several weaknesses in the Italian and European food system, including a reliance on the importation of raw ingredients to our borders, but it has also, unfortunately, meant that certain political decisions have been overshadowed, including those relating to the proposal for the sustainable use of pesticides in the EU as part of the Farm to Fork strategy, while at the same time facilitating the actions of certain lobbies that aim to obstruct the progress of the EU's sustainable development path.

In this context, where we have various emergencies, including that of climate change, **we believe that the balance between the economic, social and environmental dimension**, which sustainability pursues as an ultimate goal, is a value that we must support with determination and resolve. In our representation, these **three characters** are positioned along **two axis**:

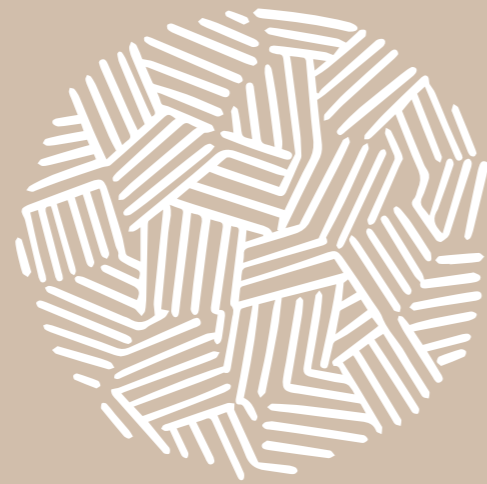
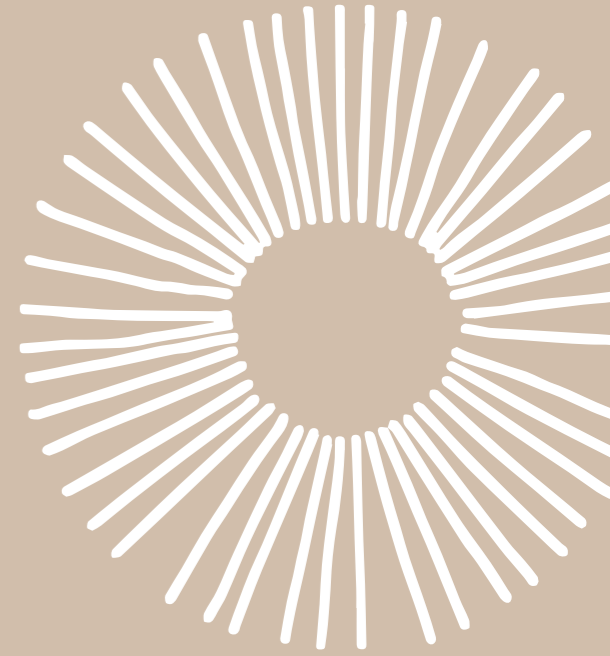
- The x-axis that considers **durability over time** and the need to consider the future impacts of our current actions;
- The y-axis that considers the **third party influences**, going from an individual plan to a systemic plan.



This is the imaginary plane within which Alce Nero operates and will continue to operate in the near future.

CH 1

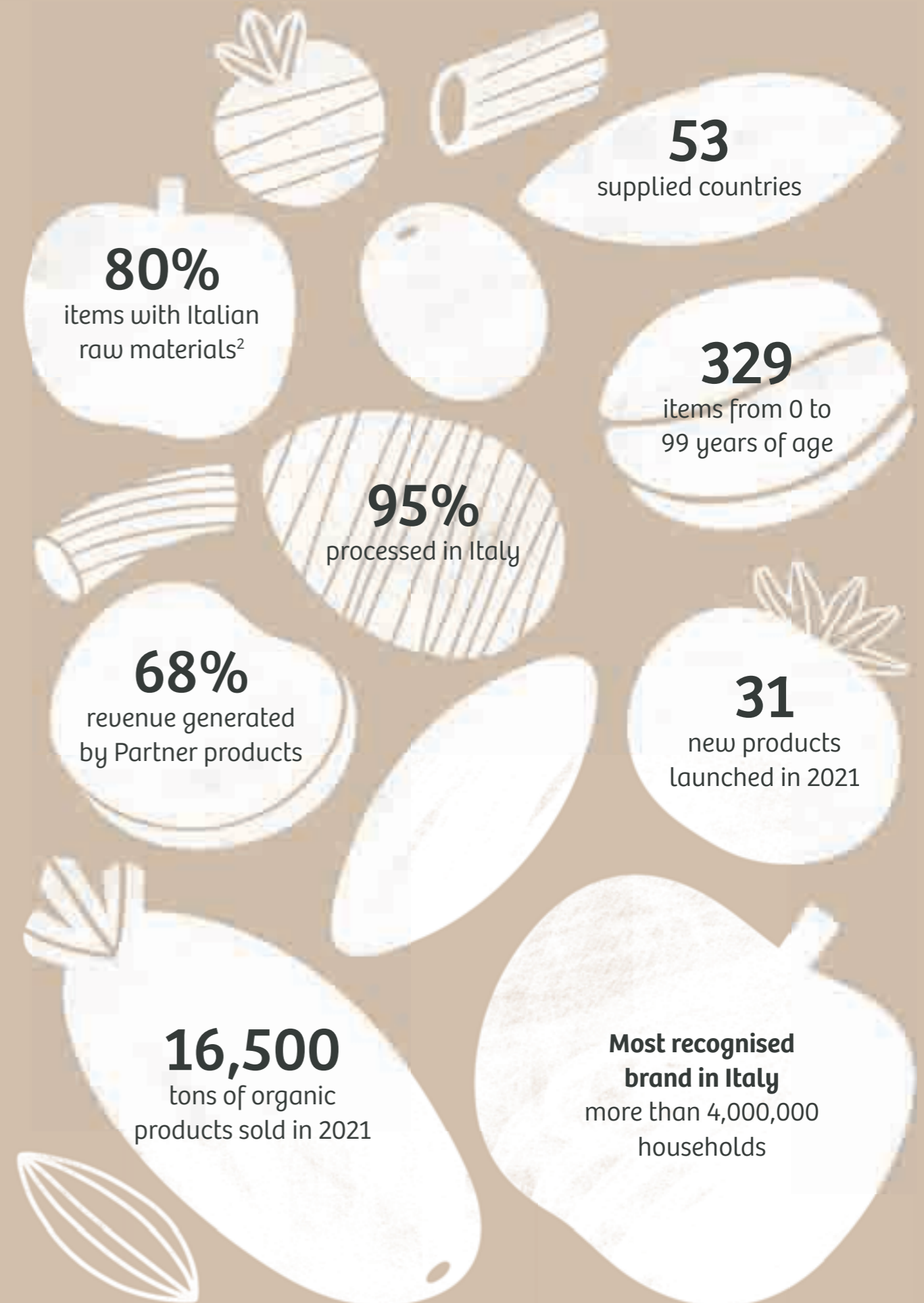
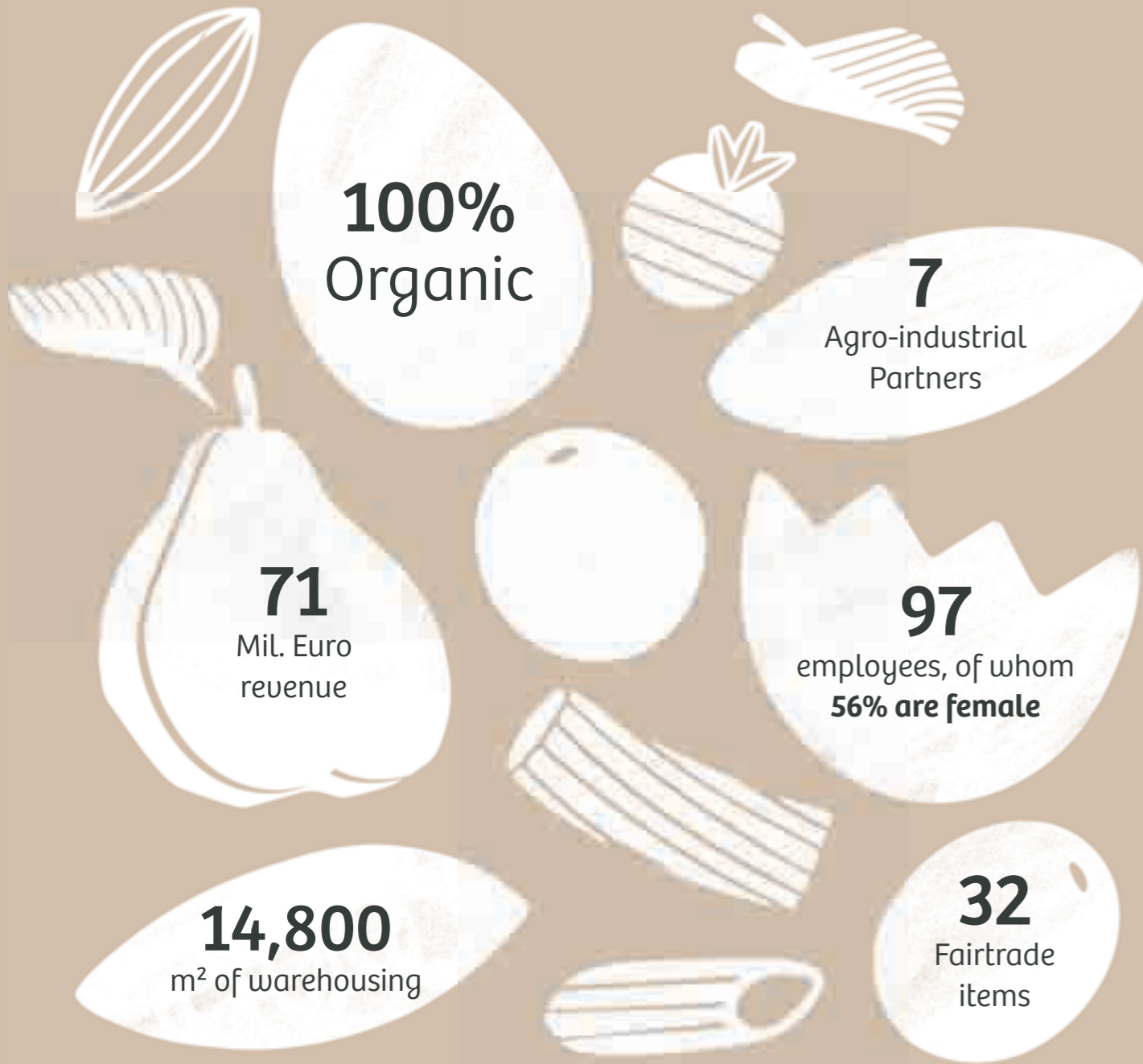
About Alce Nero





2021 in figures

1.1



¹ The indicated revenue does not include Alce Nero brand products that are marketed by Alce Nero Chilled and Alce Nero Frozen. If we consider these products, the total Alce Nero brand revenue for 2021 equates to 75.6 million Euro.

² As per Reg. UE 848/2018: in indicating the place where the raw agricultural materials from which the product is composed were grown, small quantities of ingredients, in terms of weight, may be omitted provided that the total amount of omitted ingredients does not exceed 5% of the total quantity (weight) of raw agricultural materials.

The history of Alce Nero

1.2

Organic pioneers since 1978

The brand story began in the 70s. A story of change, responsibility and innovation.

It is the story of a meeting, between *Conapi* (the National Beekeepers Consortium, founded in 1984 by the previous Valle dell'Idice Beekeeping Cooperative that was created in 1978) Emilia-Romagna's and the *Cooperativa Agrobiologica Alce Nero*, founded in the Marche region.

United by the same vision, one of **real responsibility towards the Earth**, the earth as a living, fertile organism, both parties considered organic farming to be an agronomic and environmental practice via which to obtain food and nourishment for people.

At that time, there was still no law regulating organic produce. And so Alce Nero became **a distinctive voice on the market**, bucking all trends. This is expressed in its logo, which depicts Black Elk, spiritual leader of the Sioux Oglala tribe, riding in the opposite direction and carrying his message with great strength to other lands, beyond borders and beyond limits, because **new and innovative visions** are always possible.

And so it is that Alce Nero has always worked to free the land from poisons, preserving the biodiversity and respecting the Earth and its inhabitants. It operates with determination and responsibility, choosing to promote the faces and territories that continue to trace this shared story.

The brand's Partner farmers play a central role in this change and are the first expounders of its food. In 1978 **Alce Nero made the decision to become a supply chain**, selecting the fields, people and ingredients and nurturing its project from field to pantry.

It has always chosen to innovate, and is an **open enterprise**. An adventure that now plays out across 5000 hectares of Italian land converted to organic farming, a surface area that continues to grow.

3 The number of hectares reported here is limited only to the strategic raw materials as defined in note number 6 on page 41 and so does not refer to the totality of farmers/hectares that contribute directly and indirectly to the production of the entire range of Alce Nero products..



1970



1973

The **Alce Nero Cooperativa Agrobiologica** is founded (in the Marche region)

1978

The first **Alce Nero** products are sold in specialist stores

The **Valle dell'Idice Beekeeping Cooperative** is founded in Emilia Romagna

1980



1990

1994

The **Valle dell'Idice Beekeeping Cooperative** becomes **Conapi - the National Beekeepers Consortium**

1999

The two cooperatives combine their brands and markets to sell their respective products under **MediterraBio S.r.l.**

2000

2004

Alce Nero Cooperativa Agrobiologica sells all its shares to **MediterraBio** which becomes a joint-stock company

2006

MediterraBio S.p.a. takes the name of its two owned brands, becoming **Alce Nero & Mielizia S.p.a.**

—
Alce Nero Asia is founded, a joint venture for the development of the Asian market

2006-2008

New Partner farmers and processors join **Alce Nero & Mielizia S.p.a.**



2010

2014

Alce Nero S.p.a. is born after the **Conapi Partner** leaves the group, acquiring the company branch relating to the commercialisation of beekeeping products and the **Mielizia** brand.

2016

Mediterre.bio is born, uniting individual farmers and cooperatives from across the regions of Puglia, Basilicata, Calabria and Emilia who produce soft and durum wheat and extra virgin olive oil

2017

Alce Nero Fresco S.p.a. is founded, a company dedicated to the development of the chilled food market

2018

Alce Nero Freddo S.p.a. is founded, a company dedicated to the development of the frozen food market

2019

La Cesenate Conserve Alimentari acquires shares in **Conapi**, becoming the majority Shareholder

—
RAN is born, a company dedicated to the hospitality industry

2020

2020

Alce Nero S.p.a. has its headquarters in Castel San Pietro Terme (Bologna)



17

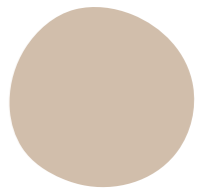
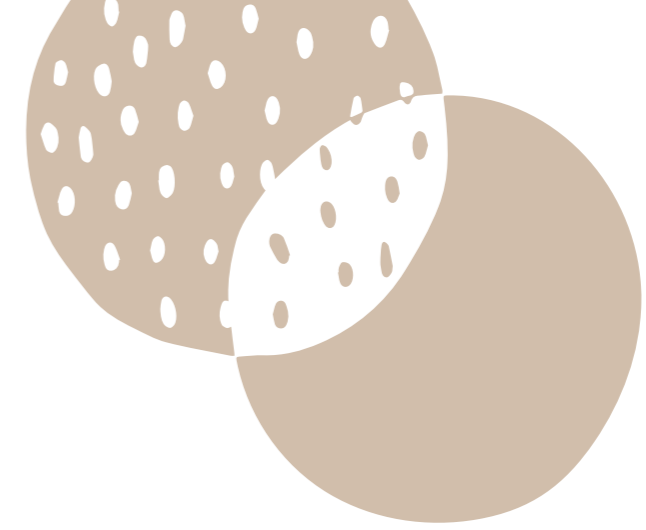
The Alce Nero Group: 1.3 the Italian organic multi-supply chain

“In what is now a long food chain, the relationship between producers and consumers has been lost, with one knowing nothing of the other. But Alce Nero producers are stellar craftspeople, the creators of food that represents nourishment for the body, but also the mind, an expression of the relationship between people and the interaction between People and planet Earth, all united by a close, conscious and emotional relationship with the land, with the plants they grow and with the animals they breed, in the name of quality.”

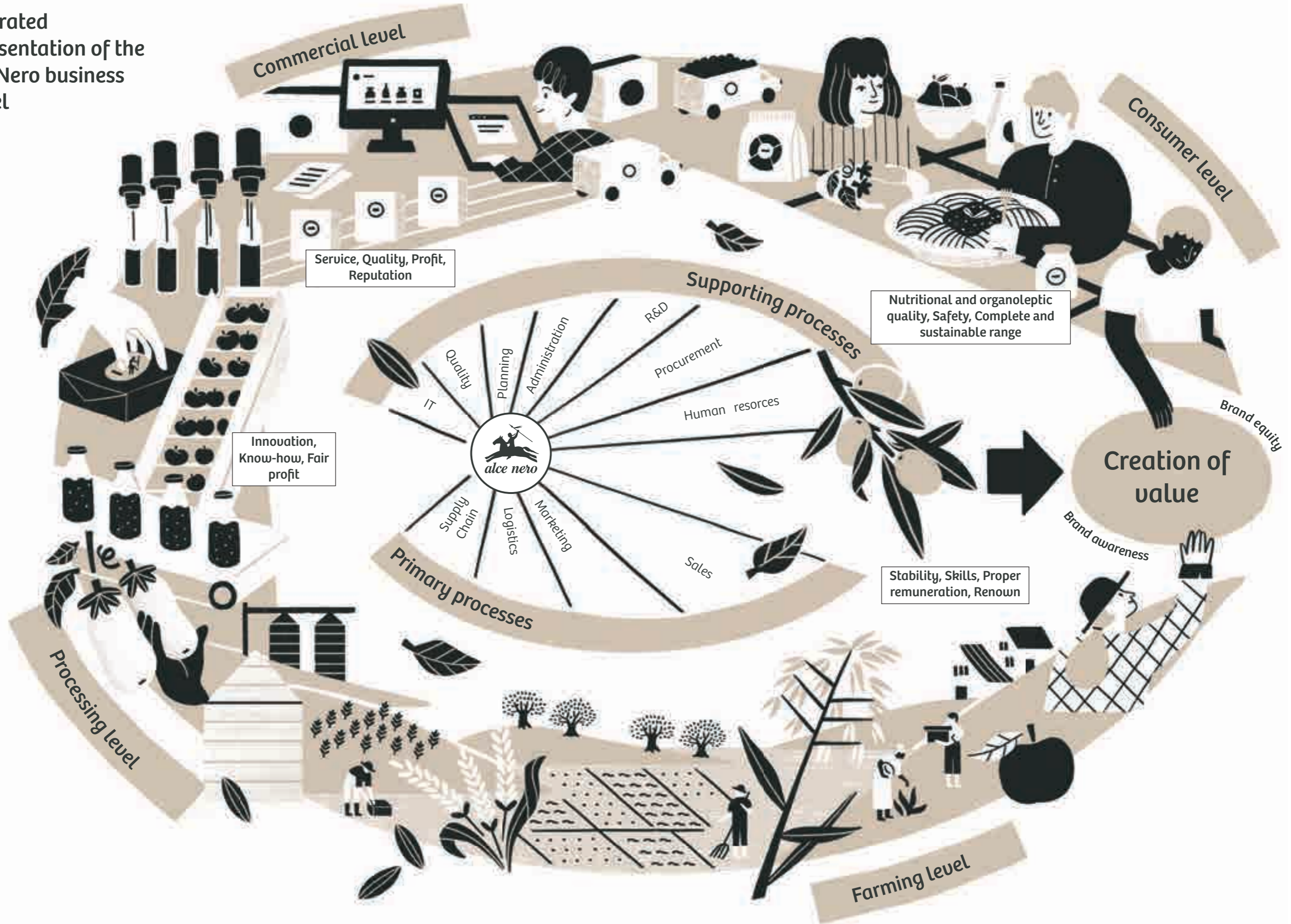
Forty years ago, Alce Nero began to take shape, the idea being to develop a company with a strong cooperative spirit that would show real commitment to social aspects, taking care not to abandon marginal land, promoting the values of the “farming culture”, striving to involve people, paying attention to health and opposing the use of chemicals. The company soon became a **leader and pioneer of the organic method** in Italy, an example of a firm inspired by **values that have always focused on the principles of sustainability.**

The pursuit of these principles is expressed in the **Alce Nero model of value creation**, in which it is the Shareholders themselves who are the farming businesses and agro-food companies that grow and process the products. **Sustainability** is, first and foremost, **a commitment that the entire supply chain makes in terms of both the environment, which supplies the raw materials, and those who choose the brand’s organic products.**

Alce Nero is a **joint stock company** that has maintained and promoted key aspects of cooperative company life: the Shareholders are **farmers and processors** who believed in organic farming - investing to establish a Brand, sharing production and strategic development, and putting it at the centre of their entrepreneurial vision. They see the **organic method as a tool**, as the only possible way to produce food that is good for the earth, for those who grow it and for those who nourish themselves with its products.



Illustrated representation of the Alce Nero business model



↑ *On the previous page*

Illustrated representation of the Alce Nero business model

This displays the four main levels of interest relating to the company: the farming level, the processing, the commercial plan and product usage. The first three levels directly involve the Shareholders and Partners, while the fourth involves the consumers.

At the centre of the model, the value chain represents the Alce Nero function that, with its primary and supporting processes, interacts with the different supply chain levels, generating value thanks to a continual osmotic relationship.

This productive, integrated and coherent exchange between Alce Nero and the different levels, in which the firm undertakes the role of coordinator, ensures the firm enjoys brand equity and brand awareness on the market.

The **entire supply chain** is **monitored** by the Partner processors and by Alce Nero itself via its Quality department, which also incorporates an agronomic office. The management model foresees **continuous synergy**, from the sowing and “transplantation” plan (for crops not grown from seeds), to the phases of harvesting, processing, packing, and transportation to the Alce Nero warehouse.

Alce Nero S.p.A is also involved in other important projects developed around the Alce Nero brand, as well as two that relate to food services.

Associated companies	Business purpose
Alce Nero Asia (50% joint venture)	A joint venture with French group Denis, established with the purpose of distributing Alce Nero products on markets in the Far East.
Alce Nero Chilled (Subsidiary)	The result of a strategic collaboration, born in July 2017, with Brio S.p.a. and La Linea Verde Soc. Agricola S.p.a., a leading Italian company for the production and distribution of fresh fruit and vegetable products.
Alce Nero Frozen (Subsidiary)	A company that produces and sells organic frozen products thanks to a partnership with Roncadin S.p.a., which has been producing frozen pizzas for the national and international market since 1992.
Berberè (Associate)	A company founded in 2010 with the goal of serving high-quality artisan pizza. It currently manages 15 pizzerias of its own in Italy and one in the centre of London.
RAN (Subsidiary)	A new company that aims to promote the distinctive values of organic produce on the most sought-after indoor and outdoor channels (such as experiential tourism, catering and events) and that benefits from collaboration with Chef Simone Salvini.

Our definition of supply chain

“Today more than ever, the **supply chain** appears to be an abstract concept within everyone’s reach.

All it takes is contracts (not even particularly comprehensive ones) and the existence of a flow of materials and information (not necessarily transparent and structured), in order for a chain of players who contribute to the creation of a product, semi-finished product or service to refer to itself as a supply chain. **But in our view this is not enough.**

Our definition of supply chain is a **space for current or potential relationships, in which the parties exchange tangible and intangible assets in a way that is as CIRCULAR as possible in order to increase the SHARED value of the entire supply chain, including the final consumers and the environment.**

Our **core value chain** embraces and understands all phases, from production of the raw agricultural materials to distribution to the end customer. It is as important to understand the entire process as it is to embrace it. To be a supply chain, you need to understand what this means, and to fully understand it I believe we can refer to **two dimensions**- the **human side** and that of **the common good**.

Supply chain in this sense means **valuing human beings, their development and their work** and allowing ourselves to consider that we are not just rational individuals aiming for maximum profit, as per the classical economic theory, but actively thinking subjects who are free to decide what has value and what does not, and how to harness the available resources, whether financial or otherwise. As Alce Nero farmers and processors, **we recognise and represent the value of a clean farming method** that refutes chemicals and the value of a plant that, to become a quality raw ingredient, must grow in **healthy soil** in an environment that will not compromise its ability to self-regenerate.

By supply chain, we do not just mean organising the various “operations” in the best way to generate safe, high-quality products (something that many could do, perhaps more effectively than us). Essentially, it has to do with the value (not monetary and not easily accounted for on financial statements) **of our business model, which is circular and virtuous** and sees the various parties (the land, farm businesses, processing firms, citizens, consumers, employees and shareholders) involved in mutually beneficial exchanges designed to protect a superior common good.

This common good is Nature, it is the environment in which we live but do not possess. We are an integral part of it, members of it, and it is thanks to the interaction between man and nature that we have been able to prosper over time, in the long-term. Human beings inhabit the earth and **‘habitus’**, in this sense, takes on the anthropological sense of adaptation by entering into a relationship with what’s on the inside and what’s on the outside.

And yet, we continue to behave as if Earth were just a depot from which to extract infinite resources, totally losing sight of the local dimension, the importance of the place and the cultural and environmental diversity in the name of unbridled universalism, even more evident today due to recent pandemic-related events.

Our challenge as we move forward will be to push all our stakeholders to rethink and reinforce this connection, giving increasing **value to the organic, respectful interaction between place, sociality and nature.**”

Erika Marrone, *Quality, Supply Chain and Sustainability Director*

Company structure 1.4

Ten agro-industrial Partners, three production plants in Italy, one in Switzerland dedicated to the processing of chocolate and one in Peru for the processing of whole cane sugar: Cesenate Conserve Alimentari S.p.a., Brio S.p.a., Pastificio Felicetti S.p.a., Norandino Cooperative, Consorzio Libera Terra Mediterraneo, Chocolat Stella S.A., Pompadour Tè S.r.l., Molino De Vita S.r.l., Apo Conerpo Soc. Coop., and, Mediterre.bio S.r.l. that, in turn, involves a total of 11 farmers, breeders and processors united in an alliance in the name of organic farming.

Alce Nero S.p.a. is the trade company responsible for publicising and distributing its Partner products. It is based in Castel San Pietro Terme in the province of Bologna. It counts 97 employees and generated revenue of 71 million Euro in 2021⁴.

The three characters of sustainability

Often, when we talk about sustainability, the importance of **economic sustainability** for a company is taken for granted, overshadowed by the **environmental** aspect, but this is in fact one of **three characters**, along with the **social** and the **environmental**, on which Alce Nero has always focused.

From an emergency standpoint, environmental sustainability is clearly the most urgent, because the human race is at risk, but it does not always place first if we consider the conditions that might guarantee **effective long-term sustainability for people and for our planet**.

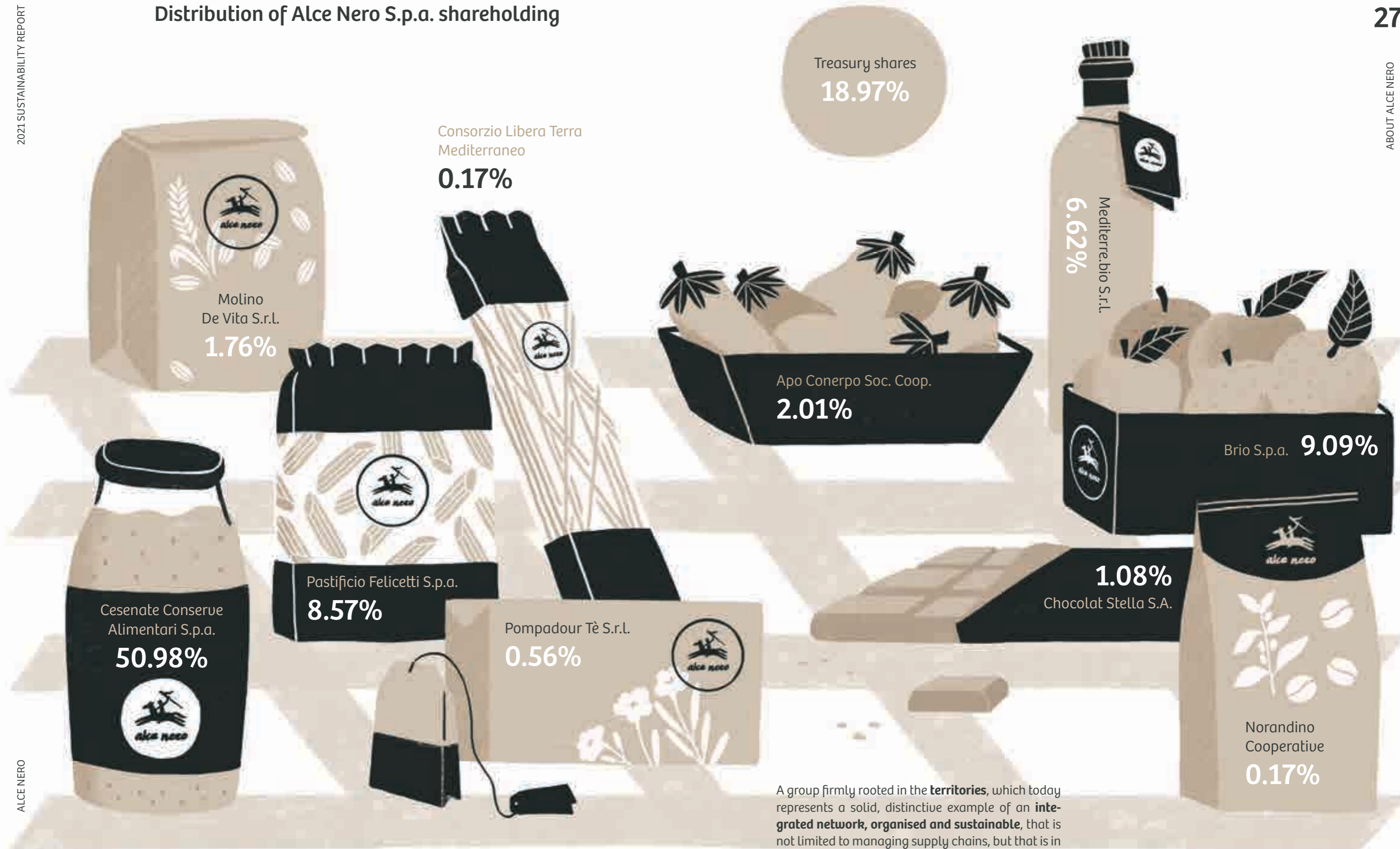
The **sustainability of all three characters is the ultimate goal for Alce Nero**. We have developed a **business model** that combines real attention to the social and environmental dimension, focusing primarily on the provision of food that nourishes in the proper way and that is grown organically, respecting the land, while also paying attention to economic sustainability. The latter is achieved, on the one hand, by **remunerating our farmers and processors' standout produce in the proper way**, and, on the other hand, by defining a premium price for our products, in which our consumers can discern value, know-how, a guarantee of quality and, hence, sustainability. Characteristics that we can also attribute to the sales network, with which we have built strong, mutually beneficial relationships. This is the cornerstone of any business activity and a key element in terms of future development.

Massimo Monti, CEO

⁴ The indicated revenue does not include Alce Nero brand products that are marketed by Alce Nero Chilled and Alce Nero Frozen. If we consider these products, the total Alce Nero brand revenue for 2021 equates to 75.6 million Euro.



Distribution of Alce Nero S.p.a. shareholding



A group firmly rooted in the **territories**, which today represents a solid, distinctive example of an **integrated network, organised and sustainable**, that is not limited to managing supply chains, but that is in **itself a supply chain**, which puts its **people** and its **expertise at the centre**.

The Shareholders

1.5



La Cesenate Conserve Alimentari S.p.a.

Founded in 1949, La Cesenate Conserve Alimentari is a leading producer of organic fruit and tomatoes. Cultivation takes place in particularly well-suited areas, with 1000 hectares dedicated to the production of tomatoes, peaches, pears, apricots and apples in Emilia-Romagna and Tuscany. Over more than half a century, La Cesenate has gone from being a family-run producer to a solid business enterprise. Attention to the product starts with cultivation, on Italy's most fertile lands, and continues throughout all processing phases, to guarantee the highest quality standards.

The company's agronomists select the varieties to be grown and provide farmers with technical support throughout the entire agronomic cycle. Crops are periodically checked, especially before harvesting, to guarantee the perfect ripeness of fruits.

Production processes respect the natural qualities of ingredients, with the use of advanced technologies developed around suitable processing temperatures. A high degree of automation enables rapid processing, without compromising the freshness of tomatoes and fruits. In addition to analytical checks, the raw ingredients are selected during the supply phase and throughout the entire production process; optical sorters are used to select tomatoes, for example. Full product traceability is always guaranteed during all production and processing phases.

Thanks to significant investment in innovation, La Cesenate also produces puréed baby foods, plant-based drinks, soups, boiled pulses, preserved vegetables, pestos and pâtés, compotes and juices, all for Alce Nero.



Pastificio Felicetti S.p.a.

Founded in 1908, Pastificio Felicetti has been producing its speciality pasta high in the Val di Fiemme for four generations. And while the mountain and extreme temperatures are now highly sought-after 'ingredients', appreciated by gourmets around the world, this wasn't the case in the early 1900s, when Valentino Felicetti intuited that spring water and mountain air could give durum wheat pasta a distinctive flavour. Still today, it is the only pasta factory in Europe located at an altitude of more than 1000 metres.

The Felicetti brand stands out for its unconventional production and its choices in the field. Firstly, organic as the exclusive work method, combined with an Italian supply chain that excludes the use of chemical fertilisers, and responsible use of the land and resources, to prevent any impoverishing of the environment. The company chooses to

use only Italian produced semolina (with the exception of the Kamut® khorasan lines), which helps to safeguard both the quality and the environment.

Another distinctive feature is the brand's single-variety types of pasta, much appreciated within the HORECA channel dedicated to fine cuisine. The Monograno Felicetti line uses only organic, single origin semolina, grown on defined land that guarantees superior quality that is perceptible to the palate, increasingly popular with chefs and cooking enthusiasts.

The pursuit of quality and sustainability steers the actions of the company, which has recently launched its new green pack, the result of two years of research. The new packaging comprises 100% natural paper, made from PEFC-certified pure cellulose that comes from responsibly-managed forests, and water-based heat sealing.

Brio S.p.a.

Brio S.p.a. was founded by fifteen small-scale farmers who shared the values of organic farming and had strong ties with the land. Today Brio is the go-to organic fruit and vegetable producer at a European level, bringing together 443 organic farms across 14 Italian regions, with a cultivated surface area of 1690 hectares and an annual production that amounts to approximately 45,000 tonnes.

For products to achieve excellence and uphold the guarantees of freshness, flavour and ripeness, Brio supports its Partner producers along the entire supply chain, selecting and cultivating varieties with distinct organoleptic characteristics. The vast assortment of fruits and vegetables, processed at state-of-the-art facilities, is guaranteed thanks to the firm's compliance with organic and environment-related regulations, with all produce grown in harmony with the land.



Mediterre.bio S.r.l.

Founded in July 2016 with the aim of consolidating the farming base of the Alce Nero Group, Meditterre.bio is made up of single farmers and cooperatives based in Puglia, Basilicata, Calabria and Emilia-Romagna, who largely produce durum and soft wheat and extra virgin olive oil, all strictly organic.



Mediterre.bio Italian extra virgin olive oil supply chain

Its Partners include Finoliva Global Service, a limited company founded in 2019. The firm offers its producers processing and commercial support, with members including: OP Oliveti Terra di Bari, Montalbano Agricola Alimentare Tosc., AOP Italia Olivicola, Coopfond, Consorzio Italiano Oli, Cia Servizi, OP Consorzio Volontario Oliuicoltori and OP Associazione Olivicola Crotonese.

Finoliva involves 24,000 producers, 82 cooperatives and mills, and 21 producer organisations across the regions of Puglia, Calabria and Sicily.

The company is able to connect with the land and effectively promote the extra virgin olive oil product, guaranteeing producers proper remuneration. The oil, 100% Italian, is mainly produced organically, although there is also DOP, Bio DOP, IGP and other types of production, for a supply chain that can be traced from the very smallest producer, so as to always ensure the origin and quality of the product.

Mediterre.Bio Italian wheat supply chain

The wheat supply chain is overseen at Mediterre.bio by the Fondazione Emmaus, various producer cooperatives including Coop. Daunia Bio and Coop. Lavorazione Prodotti Agricoli, and by important farming companies, counting on a total area of more than 2400 hectares, all organically farmed. For several years they have all been committed to growing ancient durum and soft wheat varieties and are the biggest Italian producers of organic Cappelli wheat.

Rounding out the company members are Molini Progeo, an Emilian firm as well as one of the biggest agriculture and livestock service companies in Italy, and Molino De Vita, which has increased its shareholding in the Alce Nero group also within this new farming development tool in order to reinforce its potential for growth in the cereals field.

The fact that Mediterre.bio incorporates mills actually supports and fuels a perfect synergy between the member farmers and Pastificio Felicetti, another historic Alce Nero Partner, resulting in a supply chain that is unique in its specificity.

**Molino De Vita S.r.l.**

Molino De Vita has its roots in an area with a strong farming vocation famously known as "Italy's wheat belt", in the Daunia hills overlooking the flat plain of the Foggia province between the historic farming towns of Casalvecchio di Puglia, Casalnuovo Monterotaro and Torremaggiore. It is here that nature has long shown its generosity, offering favourable climate conditions and particularly fertile soil, which has led to a concentration of durum wheat crops. Molino stands precisely where the ancient monastery of the Benedictine monks of "San Matteo di Sculgola" stood in the thirteenth century. It was the monks who began to grow the best wheat, a precursor to historic Cappelli wheat, that painted the surrounding hills yellow until just a few years ago. The De Vita family operates within this context, bolstered by the love passed down through the generations for an age-old job that is carried out with passion and dedication, combining the vocation with the necessary technological innovation.

Consorzio Libera Terra Mediterraneo

Libera Terra is the agricultural soul of the social cooperatives that, on behalf of the Libera association, manages land and structures confiscated from the Mafia organisations in Sicily, Calabria, Puglia and Campania and involves other Southern Italian organic farmers who share the same principles in its activities to relaunch production.

Libera Terra Mediterraneo is a non-profit consortium that rounds up the Libera Terra cooperatives together with other operators who share the same values and goals. The consortium was created with the aim of pooling the farming activities of the Libera Terra cooperatives so as to take on the market in a united and efficient way.

Libera Terra Mediterraneo coordinates the production activities of the cooperatives. It also follows the processing of raw agricultural materials into finished products, managing all the phases of product development, from conception to commercialisation, from field to shelf.

The creation and protection of stable and long-lasting farming cooperatives, like the jobs they create, and the diffusion of a virtuous and sustainable economic system become possible thanks to the creation and commercialisation of first-rate products with a value/price ratio that is among the very best.

Every single decision is guided by the principle of giving maximum value to the raw materials and the land on which they are grown. This is essential in order to restore value and beauty to the land freed from the Mafia.

**Apo Conerpo Soc. Coop.**

The Apo Conerpo producer organisation, a member of Alce Nero since July 2016, is a European leader in the fresh fruit and vegetable sector.

Founded in 1967 and based in Villanova di Castenaso Bologna, the numbers speak for themselves when describing the work it has been pursuing over the decades: 6000 member producers, belonging to 50 cooperatives distributed across the most significant fruit and vegetable regions of Italy; 30,000 hectares on which fruits and vegetables are grown, of which 16,000 hectares are orchards, for a total of 1,000,000 tonnes of fruit and vegetables harvested per year. In addition, 91 processing facilities and 190 technicians dedicated to experimentation, support and product quality control.

These numbers are further enriched by the objectives, or rather to grow excellent products using innovative agronomic techniques that protect the environment and peoples' health, from the countryside to the control, storage and logistics processes.





Pompadour Tè S.r.l.

In 1964, the Pompadour Group, the first in the world to commercialise the tea bag, opened a small supply chain in Bolzano with the aim of providing only the finest quality, combined with a pleasant, refined flavour. Over the years, its skilful selection of ingredients and its ability to pair particularly refined aromas and flavours have truly revolutionised the world of tea, paving the way for new concepts of taste.



Chocolat Stella S.A.

Chocolat Stella is a family-owned company, founded in Switzerland in 1928. It has made a name for itself by producing high quality chocolate and is an organic and fair trade pioneer.

Faithful to the Swiss chocolatier tradition, Chocolat Stella has two production units and is immensely flexible in terms of recipes and sizes. Ingredients are very carefully selected and the production process is constantly monitored. Particular attention is paid to the processes of bean toasting, mass refinement and the conching of the chocolate, which must be adapted to each recipe's specific requirements.

Chocolat Stella only processes cocoa produced by Norandino Cooperative Partner farmers and is committed to continually improving production. And this is how our range of Alce Nero Fairtrade chocolate bars is created, by selecting the finest cocoa beans, for products that boast a particularly aromatic, sweet flavour, balanced with acidic, bitter notes.



Norandino Cooperative

During the course of 2021, the Norandino Cooperative, an historic Alce Nero producer of sugar and coffee, acquired a small number of Alce Nero shares to become a full business Partner.

The Cooperativa Agraria Norandino Ltda. is located in the north of Peru, specifically in the regions of Piura, Tumbes, Amazonas, Cajamarca, Lambayeque and San Martín.

Today Norandino involves 90 cooperatives of small-scale coffee and sugar cane growers that, in turn, bring together more than 6600 producers.

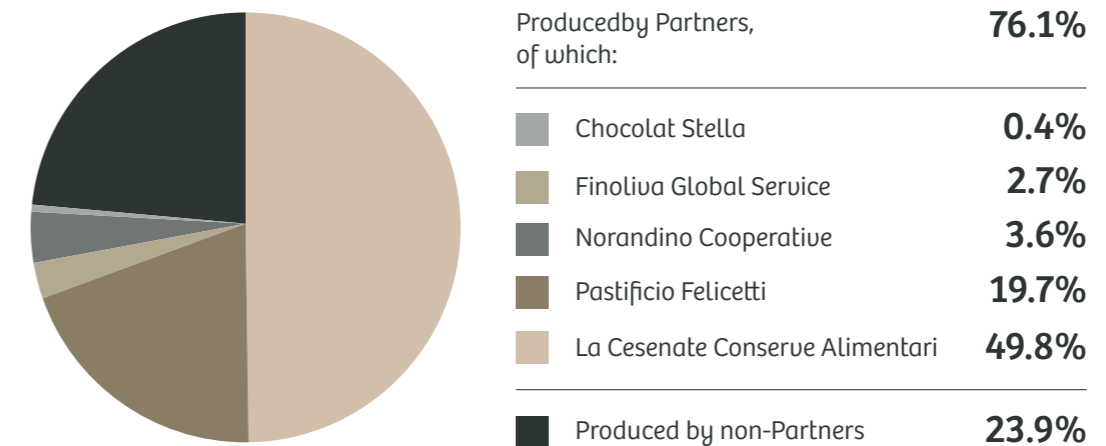
Since 1995, the year in which CEPICAFE was founded, and thanks also to collaboration with Alce Nero, the cooperative has offered many growers dignified employment, after many years of being forced to grow cocaine or sell the product ahead of time, to local intermediaries and at low prices.

Alce Nero producers all share the social and environmental values inherent to organic farming, as well as the desire to manage human and commercial relations in a balanced, fair and transparent way.

The multidimensionality of the Group, its relations and its people is evident throughout every phase of a product's lifespan, from cultivation to distribution, and undoubtedly represents one of the greatest strengths of the model.

Within this model, Alce Nero positions itself as a central hub that exchanges information, manages operations, and provides support throughout all phases of product realisation.

2021 sales volume distribution



2021 distribution of Alce Nero brand references

Alce Nero brand	No. of references	% with respect to total references
Alce Nero by Partner producers	174	52.9%
Alce Nero by non-Partner producers	155	47.1%
Alce Nero Fairtrade	32	9.1%
Alce Nero total	329	100%
Alce Nero Chilled	28	
Alce Nero Frozen	22	
Total Alce Nero brand	379	

The Values and Mission

1.6

Alce Nero is the brand of organic farmers and processors who have been working since 1978 to produce delicious food, the result of farming practices that respect the land and its fertility.

It brings together more than **300 farmers in Italy** and **over 700 small family-run farms in Central and South America (Peru and Guatemala)**⁵. For more than 40 years **it has been focused on organic farming**, nurturing the delicate balance between our Planet and its Inhabitants, and this is why it has decided to produce foods which are good for both. Products that stem from ingredients grown without the use of synthetic chemicals, thanks to state-of-the-art agronomic capacity, with utmost **respect for the land and the people who cultivate it**. Products processed using techniques that protect and exalt the characteristics of the ingredients, also thanks to **ingredient lists that are always short and simple**, and free from additives and preservatives.

Alce Nero proposes **simple, everyday foods**, which have not forgotten about flavour, the pleasure of gathering around the same table, and being shared. **Roughly 400 products** make up its range today, with pasta, rice, tomato purée and pulp, vegetables, legumes and puréed soups, biscuits and fruit juices, preserves and honey, plant-based beverages and a range of baby foods for infants. And then there is the range of chilled produce, including, fruit, vegetables, yoghurt with “TSG Haymilk” and soups, along with the frozen range, ice creams and **organic Fairtrade** produce sourced from Latin America: coffee, chocolate, cocoa, cane sugar, Basmati rice and tea.

⁵ The number of hectares reported here is limited only to the strategic raw ingredients as defined in note number 6 on page 41 and so does not refer to the totality of farmers/hectares that contribute directly and indirectly to the production of the entire range of Alce Nero products.





The Alce Nero concept of sustainability

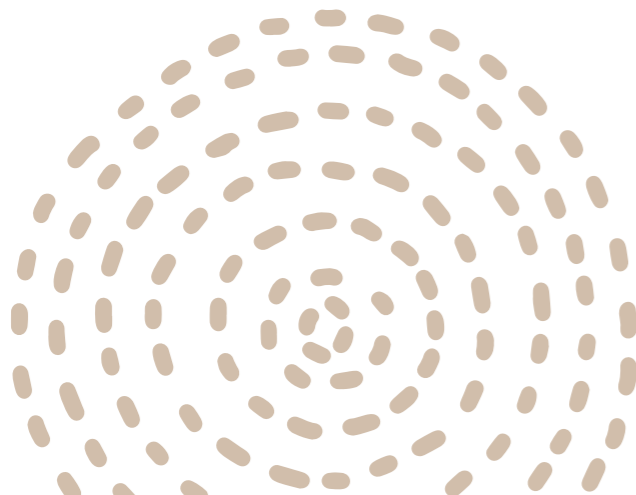
1.7

“Sustainable development means steering our lives and our behaviour towards the goal of prosperity and a state of ‘be-beautiful’ in which People can be fulfilled, achieving greater social cohesion and more equally shared well-being, all while strictly respecting the physical and biological limits of Planet Earth.

To do this, it is essential to understand the complex system of interconnections that connect Man and Earth, doing away with the economic model that considers natural capital to be a mere breadbasket of assets to exploit and accepting the globally accepted scientific idea that humanity is in fact in danger, even more so than the Earth itself.

Our vision of sustainable development represents the **declaration of a commitment** that, like the Indian chief from whom we take our name, we have been pursuing for more than 40 years: our contribution to the turnaround required in order to **safeguard future generations**, as a Company, as a Group of Companies, and as People, by moving towards a new model of “buen vivir”.

Erika Marrone, *Quality, Supply Chain and Sustainability Director*



Buen Vivir*

39

Buen Vivir, literally “good living”, is a concept that is referred to in the Constitutions of Bolivia and Ecuador and that is essentially seen as a legal principle in these countries.

The concept and expression is rooted in the indigenous culture and particularly in the formula

“suma qamaña”

The word qamaña means “to inhabit, to live”; more specifically it can also refer to the stone semi-circle behind which the shepherd shelters while tending to his herd: in this latter sense, the word implicitly communicates the coexistence with Mother Earth (Pacha Mama), the giver of life. As for the adjective linked to the word qamaña, or rather suma, this means “beautiful, lovely, pleasant, good, nice”, but also “refined, excellent, accomplished, perfect”, expressing a sense of fullness, the maximum level of something. It appears, then, that “suma qamaña” has even greater reach than the translation of “good living”, if taken literally. Closer reading highlights an allusion to the highest life form, represented by the values of sharing, love and respect for others, the environment and Mother Earth; a reference then to a life philosophy that can be converted into both a proposal of coexistence and a legal principle.

Based on *IL “buen vivir”: note sul recepimento di un principio innovatore nell’ordinamento colombiano* • by Perona and Zavalteri.



Distinct factors of the Alce Nero model

1.8

The Alce Nero business model has always been rooted in sustainability and is based on a few distinct factors that make it unique in many ways:

Pioneering

Alce Nero is a pioneer of the organic agroindustry in Italy and has operated for more than 40 years with an **innovative approach** as it **looks for new territories and pathways**.

Multi-supply chain

An **ecosystem**, unique in terms of its size and product variety, made up of organic farmers and processors who are also owners and producers of the Alce Nero brand. It goes beyond the concept of the supply chain, and is **a system made up of People and relationships**.

Inclusion

The Alce Nero business model stands out for its **Unique Governance**. Innovative and inclusive, it serves as a primary expression of the interests of producers. The Board of Directors is in fact largely composed of farming and product processing representatives. This brings some particular features to the project:

- **Creation of value** centred around the development of a unique brand, owned by the group's farmers and processors;
- **Guarantee** of fair distribution of the value created, thanks to the system of governance;
- **Maximum responsibility** in carrying out the production activity and transparency in terms of managing the business;
- A sustainable **Supply Chain** and identifiable product origins;
- **Management committed** to growing the economic and social value of the brand as a whole as well as the strategic supply chains of all Shareholders;
- **Producers are protected** from any price fluctuation resulting from speculation on goods exchange markets and investments are safeguarded over time.

De-commoditization

Alce Nero products are not commodities, but **expressions of the territories in which the company operates**. This is made possible thanks to:

- **continuous Research** to rediscover and promote those standout foods and products that best express the territories and agro-biodiversity, such as Cappelli durum wheat, Panela cane sugar, EVO oil from the Biodistretto delle Lame and all the other adaptable products;
- close **contact and communication** with (and between) the producers so as to guarantee human and commercial relations that are direct, honest, fair and transparent;
- **fairer Distribution of the value** along the chain to protect the producers and the value of the food itself, on a market that is increasingly crowded, destined to feed a growing number of people, and exposed to speculative price fluctuations.

Trust

Having pursued quality for more than 40 years, the Alce Nero brand has gained the **trust of the consumers and clients, but also the producers themselves**. For the customers, Alce Nero is the **ideal pantry**, the brand able to support them through every life phase (right from infancy) and guarantee both flavour and safety, while producers view Alce Nero **as a Partner with whom to share the values of organic farming and utmost quality**, a safe haven on the market and a guarantee of stability and durability over time.

Agroecology

Alce Nero recognises just how **valuable organic farming is** in contributing to the sustainable development of the agro-food system. The company is committed each day to converting precious hectares of land to the organic method, with maximum distribution of its products across Italy and the world.

Territoriality

With its products, Alce Nero represents, recounts and contributes to the development of places near and far, also recognising the **social value of farming in its respect for, and development of, the communities**. Alce Nero strategic products⁶ are 100% Italian, with the exception of those cultivated elsewhere for pedoclimatic reasons (cocoa, coffee, sugar).

⁶ For the purposes of this report, we deem the following to be "strategic":

- products processed by Shareholders;
- products not processed by Shareholders that generate income of more than 2 mil;
- products obtained from raw agricultural materials directly managed by Alce Nero as supply chain head and/or by its Shareholders as supply chain head within the scope of the relative supply chain agreements;
- products obtained from raw agricultural materials overseen by Shareholders on the base of consolidated, long-term agreements.
- products resulting from special projects and/or with particular environmental and social value.





Fairness

Alce Nero is committed to **creating value that is fairly distributed**.

Product prices reflect the value and quality of work across the entire supply chain, work that is remunerated in a shared and transparent way, with values coherent with those of a brand with super-premium positioning.



Nutritional integrity

Alce Nero proposes **organic food** that brings joy to those who taste it, that tells the story of those who produce it and that provides healthy, well-balanced nourishment. The firm is committed to preparing its food with **short recipes, using ingredients from its supply chains that are carefully selected** and blended in a well-balanced way. Whenever possible, it avoids **additives, flavourings, colourants, sweeteners** and anything else that enhances or conceals the sensory characteristics of foods. And furthermore, having begun to eliminate palm oil from its products back in 2004, the company has been **completely palm oil free** for more than 10 years.



Flavour

Alce Nero aims to produce organic foods that are, first and foremost, **good** but also balanced, nutritious, light, healthy and above all tasty. It is not chained to health trends but **focuses on the essence of flavours without any additions**.



Coherence

Alce Nero believes that the function of a real food is not just to provide the body with nourishment, but that there is room to produce **foods that can generate greater value** for those who choose to buy them, for those who produce them and for the Planet.



De-commoditization

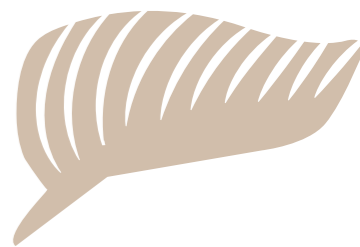
A commodity is an undifferentiated asset that can be easily found on the market and that is totally standardised also because it is easily stored and conserved over time without losing its original characteristics; it is an asset whose price is determined exclusively by the market itself, based on the supply/demand mechanism and/or on the speculative dynamics of key players.

Strategic farm products (soft and durum wheat, soy, corn, barley and sunflower among the non-colonial, but also sugar and coffee) are all traded according to this principle today, to the point of being the object of financial speculation that indirectly influences all local markets, the economies of which are not reflected in any way in the prices proposed by buyers.

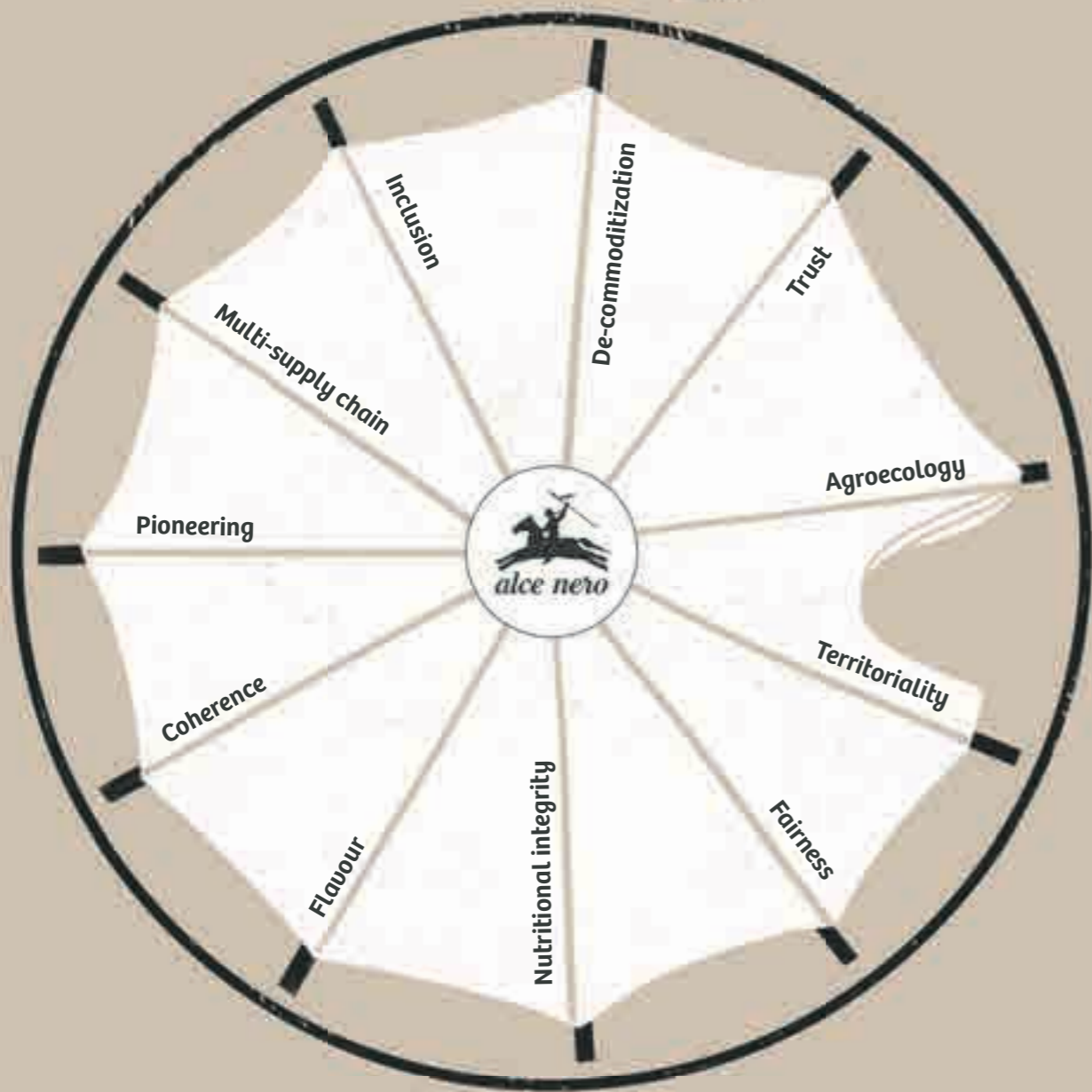
Among its goals, **the Alce Nero agro-industrial model aims** to counteract this phenomenon in order to **restore the producers' identity and farming's dignity and recognise the real value of quality food**.

How?

- With **R&D activities** designed to oppose food standardisation and the prevalence of extensive mono-cultures;
- By **continuously communicating with producers and seeking out specific cultivation areas**;
- By making **agronomic and processing decisions that preserve the quality of the products the Earth offers**.



The distinct factors



The Sustainability Plan and materiality analysis

1.9

The sustainability strategy revolves around the Group's business model. With its People, Alce Nero positions itself at the centre of a network of agricultural, industrial and commercial partners. In this sense, it acts as a conductor with the ultimate aim of generating the right profit by exploiting the network's shared know-how and providing the end customer with high-quality food.

On the one hand, Alce Nero enlivens the network by developing products and projects and, on the other hand, it organises operations and manages complexities with its logistics and supply chain activities.

The Sustainability Plan **translates the Alce Nero strategic vision into concrete goals and actions**, while also trying to respond to global challenges such as the United Nations' SDGs.

Approved during an Alce Nero S.p.a. Board Meeting, the Plan hinges on **four main cornerstones and 11 commitments**, defined on the basis of material issues that reflect the economic, environmental and social impacts of the organisation or influence the decisions of stakeholders and are therefore deemed relevant.

For each commitment, the company set itself at least one target during 2021 that it will strive to achieve in 2022 and the following years.



RESPONSIBLE BUSINESS

- 1. To best protect** the **Brand Reputation**, maintaining an offer that coheres with the brand values;
- To apply and continuously **improve** the Alce Nero **supply chain model** by gradually integrating environmental and social sustainability aspects of its value chain;

STAKEHOLDER RELATIONS

- 3. To involve** the **Partners and producers** in an active and participatory way when it comes to the sustainability pathway and reducing the environmental impacts;
- 4. To design growth paths**, both professional and personal, that contribute to boosting human and technical knowledge at both the individual and systems level;
- 5. To develop new partnerships** that can generate innovation, also *out of scope*;

GREATER VALUE FOR ALL

- To continue with the work to **extend the ideal pantry** for Alce Nero consumers, promoting a positive food model that effectively nourishes right from infancy and throughout every life phase;
- To support the presence of its products across all distribution channels with a view to **multi-channelling**;
- To maintain adequate marginality to **support investment**, also with a view to sustainability;

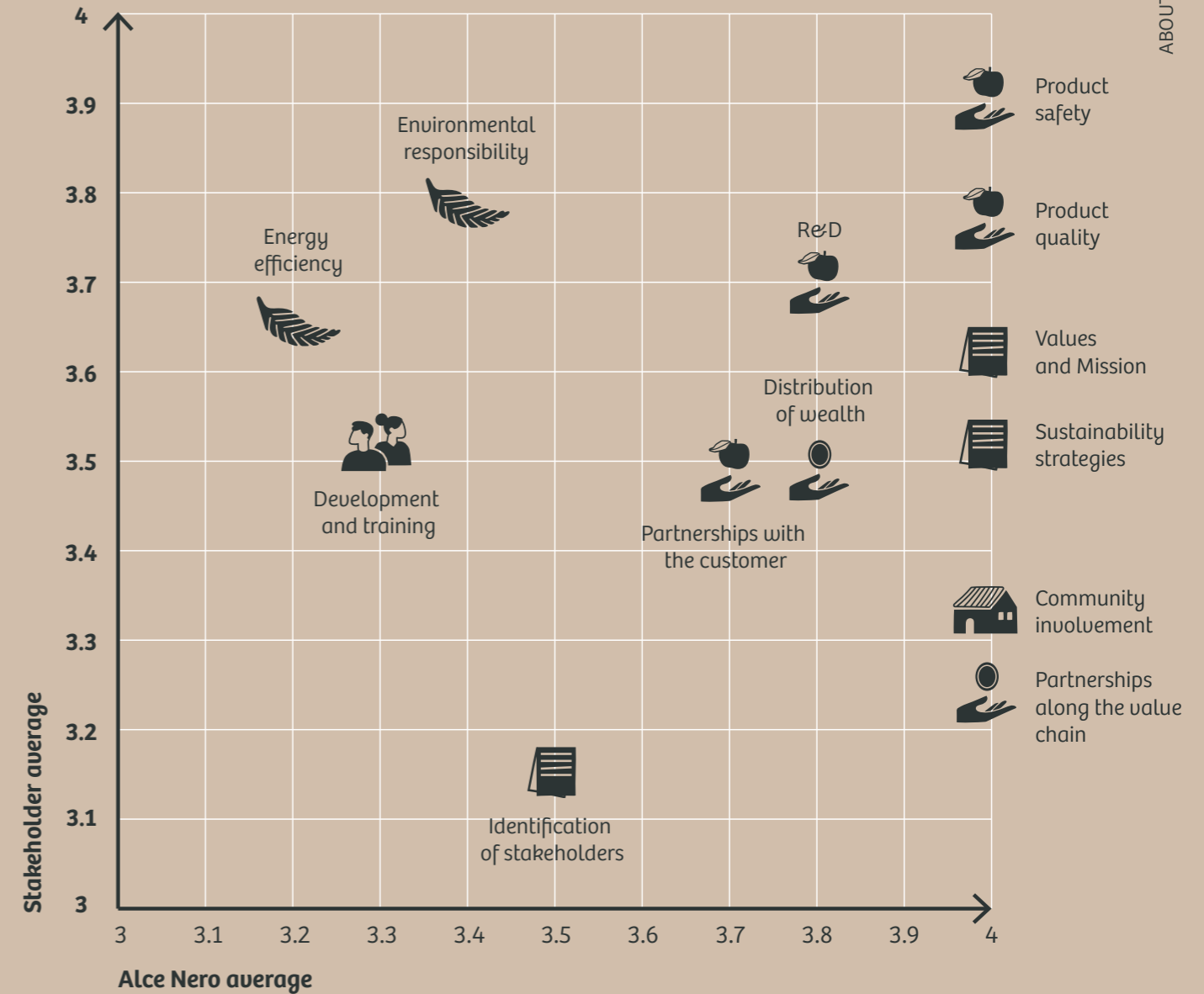
FOOD CULTURE







- To continue to **build relationships** with communities near and far, and with private and public representatives useful for the dissemination of a conscious food culture;
- 10. To spread awareness and knowledge** about the organic method, increasing the number of "converted" producers and farmers;
- 11. To strengthen the connection with the Italian territory** of origin, opposing the phenomenon of commodity distribution and instead focusing on the market distribution of **food that is good to eat and conceive**.

Materiality analysis

This **pathway of awareness and sharing relating to sustainability issues** has seen Alce Nero involved in a series of meetings during which specific themes have been carefully explored. Firstly, the organisation of **a workshop with the first and second lines of business** with a particular focus on the positioning of Alce Nero in relation to ESG (Environmental, Social and Governance) themes, the context of reference and the strategic trajectories. Following on from this first meeting came a series of **interviews with Management**, designed to identify strong points in the current management of sustainability issues as well as the less protected areas. A **benchmark analysis** provided greater understanding as to the positioning of Alce Nero with respect to relevant sustainability-related issues and its specific core business, allowing, also in this case, for identification of the most protected areas, to bear in mind when defining the sustainability-related commitments and strategies. This analysis was followed by a **workshop with the business functions**, with the aim of identifying the best operational tools with which to pursue the ideas that emerged

This activity was followed by a materiality analysis, the process via which to define the sustainability aspects relevant to both Alce Nero and its stakeholders. The first phase of the materiality analysis process involved non-Partner suppliers and employees who compiled an online survey, while the opinions of the Partners were collected at a later date. Subsequent analysis of the information collected allowed for the construction of a **materiality Matrix**, the representation of which is reported below.



-  Product and customer responsibility
-  Environment
-  Economic responsibility, suppliers and partners
-  Local community
-  Governance
-  Human resources

Group Governance

1.10



The corporate governance model that Alce Nero adopts responds to the need to integrate, as far as possible, the principle of maximum value creation for the supply chain and proper remuneration for the producers. The Board of Directors, the ultimate governing body, is comprised of 11 members who represent the direct interests of the farming and agro-industrial producers.

Composition of the Board of Directors as of 31/12/2021

Name and Surname	Group represented	Age	Sex	Term of office	Independent yes/no
Arturo Santini	Farmer / processor	>50	M	2021-2023	no
Luca Artioli	Farmer	>50	M	2021-2023	no
Luigi Santini	Processor	>50	M	2021-2023	no
Debora Franceschini	Processor	<50	F	2021-2023	no
Fabrizio Ceccarelli	Processor / seed selector	>50	M	2021-2023	no
Riccardo Felicetti	Processor	>50	M	2021-2023	no
Benedetto Fracchiolla	Farmer	>50	M	2021-2023	no
Rita De Padova	Farmer	>50	F	2021-2023	no
Gianni Amidei	Farmer	>50	M	2021-2023	no
Marco Santori	Processor	>50	M	2021-2023	no
Massimo Monti	Alce Nero	>50	M	2021-2023	no

All members of the Board of Directors have the right to vote and each director remains in office for three years. In terms of day-to-day management, the Board of Directors is validly constituted with the majority of its members and makes decisions with the majority vote of those present. This means that the power to deliberate is not dependent on the possession of a certain percentage of shares and that, regardless of the shares attributed, all members have equal power. The attendance rate for the 2021 meeting of the governing body equated to 100%. As you can see from the table above, most of the members fall into the over 50 age bracket while in terms of gender, 82% of members are men.

The Board of Directors includes:

- the **President**, responsible for controlling the general progress and approval of proposals by the CEO in terms of strategic development and company organisation;
- The **CEO**, who represents Alce Nero within the limits of the power delegated by the Board of Directors and who proposes and carries out the company's Strategy and Development Plan.

In addition to the Board of Directors, an **Executive Board** is nominated. Comprised of four members of the Board of Directors, it has consulting and propositional responsibility as well as the specific role of evaluating, defining and approving company strategies and policies regarding "Environmental and Social Sustainability". The members of the Executive Board are men and fall into the over 50 age bracket.

The system of governance also foresees a **Board of Auditors**, comprising three members, which is responsible for checking that the law and statute is properly observed, that correct administrative principles are respected and, in particular, that the company's organisational and accounting structure is suitable and functions correctly.

In addition, in order to continue to integrate sustainability into the business, Alce Nero has created a specific sustainability unit that is made up of Management figures and a member of the Board of Directors who reports directly to the Executive Board for matters of sustainability.



Risk management

1.11

The Alce Nero commitment to sustainability issues also translates into the **management of risks of a non-financial nature**. In particular, as well as risk analysis relating to the products (see “The products” chapter further on) Alce Nero is equipped with an **Organisational and Management Model in accordance and compliance with Legislative Decree no. 231 of 8 June 2001**, which addresses the **administrative responsibility of the companies** (“Model 231”), in order to identify and prevent the committing of certain crimes.

The model is defined based on specific analysis of those company areas and processes that are potentially exposed to 231 risks. A map of “sensitive activities” is constructed based on the method of *risk assessment*, or rather by identifying an initial inherent risk and then evaluating the adopted control system and/or carrying out a *gap analysis* before accepting and managing any residual risk.

The analysis focused predominantly on **categories of predicated offence foreseen by Decree 231** that could potentially lead to illegal conduct. In particular, though mapped and evaluated as posing different levels of risk:

- Industrial and trade offences;
- Offences relating to relations with the Public Sector;
- Violation of accident prevention regulations;
- Tax-related violations;
- Corporate violations;

The Model comprises **a collection of rules and procedures designed to prevent anyone operating on behalf of the Company from committing an offence**.

A **Supervisory Body** is nominated to support this activity and is granted full autonomy and independence. It is specifically tasked with monitoring the suitability and application of the Model itself by harnessing its **inspection and supervisory powers**. The Supervisory Body has developed an internal training activity for all employees relating to Model 231, and makes all pertinent documentation available to everybody. The Supervisory Body also provides an email address to which all employees are free to write. Such activity (whistleblowing) is regulated by Model 231 and anyone using this signalling method is guaranteed anonymity.

Model 231 also incorporates the **Code of Ethics**, a first version of which was approved by the Board of Directors in 2021 and summarises the values and commitments that Alce Nero promotes.

It defines the **values and key principles of Alce Nero conduct** and serves as a reference

for the behaviour of all those who collaborate, in various ways, so as to achieve the goals and carry out the activities of Alce Nero. All stakeholders are bound to conform with the principles set forth in the Code of Ethics, circulated via the company’s website.

In order to ensure full awareness of the regulations contained in Model 231 and the Code of Ethics, **the rules and principles** that the various stakeholders are bound to follow will be communicated and circulated with dedicated activities during the course of 2022. These activities will vary depending on the specific category of stakeholder.

During the course of 2021, no detrimental situations or violations of the adopted Model were reported or identified. Furthermore, there were no cases of non-conformity with laws and regulations during the period of reference.

Lastly, the goals that Alce Nero has set itself for 2022 include proceeding with a **review of the current risk mapping** while also extending its evaluation to include **specific ESG risks**.

The climate risk

“The **climate risk** is particularly relevant to our sector. We are seeing a paradox whereby **farming** (and its related activities, including animal farming) represents **one of the greatest sources of climate-altering gas emissions** on a global scale but is also the sector that will suffer (and is already suffering) due to climate change, with serious consequences for the entire food system and global stability.

Climate change also has an effect on the **degradation of soil**, the quality of which is already compromised due to poor cultivation practices, the irrational use of water, herbicides and pesticides, the cutting of trees, but also fire, drought and intense rainfall, all factors that further reduce the capacity to absorb carbon, amplifying the climate crisis in an exponential way and threatening both food safety and farmers’ profitability.

Healthy soil is essential in order to guarantee the health of the plants we eat and with which we create our products, and in order to draw nutritional benefits from these.

Organic farming now represents a **fundamental tool with which to mitigate climate change** and is the only sanctioned alternative to conventional farming.”

Erika Marrone, *Quality, Supply Chain and Sustainability Director*



The products





2021 results for the main product categories

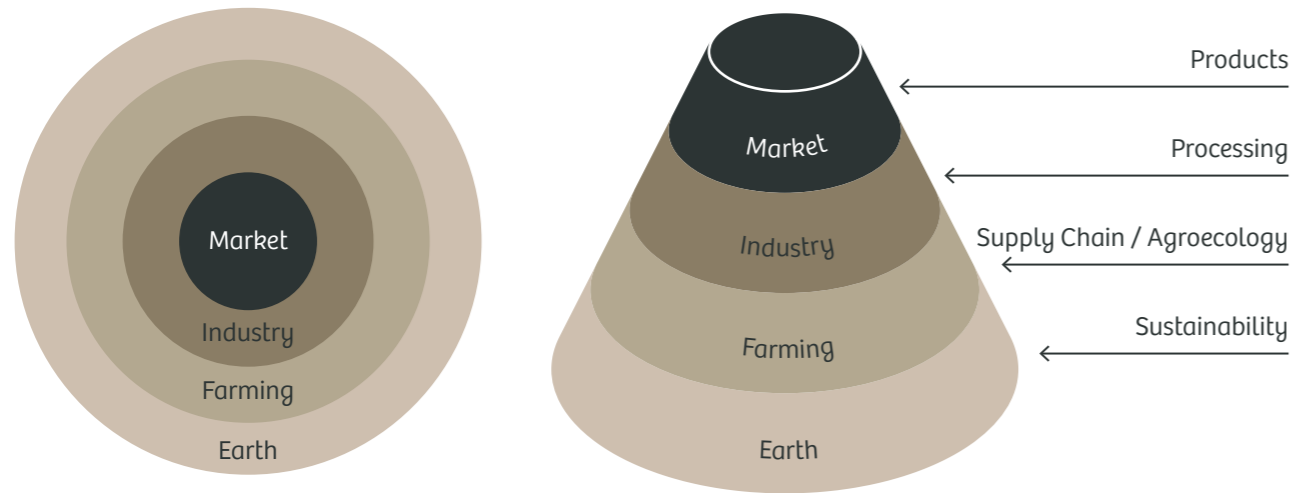
Alce Nero brand range	Revenue (Euro)	Net weight (kg)	Shares % Net weight
Pasta	8,551,290	3,276,434	19.9%
Tomato purées and pulp	8,225,817	2,900,223	17.6%
Biscuits	5,367,443	759,943	4.6%
Cooked legumes	5,222,957	1,135,442	6.9%
EVO oil	5,010,935	445,642	2.7%
Baby food	4,929,190	571,158	3.5%
Plant-based drinks	3,552,976	1,668,776	10.1%
Fruit spreads	3,548,339	349,120	2.1%
Cane sugar	2,485,098	761,938	4.6%
Tomato sauces	2,455,974	410,829	2.5%
Other	21,700,333	4,197,349	25.5%
Alce Nero total	71,050,353	16,476,854	100.0%

Ranking by product family – cumulative channel Sell-In data. Source: internal.

The Alce Nero product development model

2.1

Alce Nero has defined **its own development model for new products**, one based on an understanding of the interconnection and dependence of various elements in the System to which we belong and on the concept of **integrating different “levels”**, essential in designing and producing the products themselves.



The first level is our habitat, the Earth. Looking at the diagram from above, the Earth is the level that contains and includes all the others, so the outermost circle. Looking at the diagram in section, it is the level that is at the base of all the others and on which the other levels therefore rest. The Earth therefore represents the primary dimension, necessary for the existence of all others and from which we draw the very resources needed to live, including our nourishment.

For Alce Nero, the relationship with the Earth should not be extractive, but should be characterised by reciprocity - farming should not impoverish the land, but must contribute to its regeneration. The farming decisions Alce Nero makes respect the vocation of a territory, or rather its character, so defined by its agricultural history, its resources, its People, its culture and its gastronomic tradition. Furthermore, for Alce Nero **farming**

is synonymous with supply chain and so is a relationship, an authentic and circular relationship that must be maintained and promoted, but also be self-supporting. It must therefore ensure continuity, consistency of intent, flexibility and efficiency. This is why **Alce Nero supports the development of local businesses (biodistricts) and the related agricultural biodiversity.**

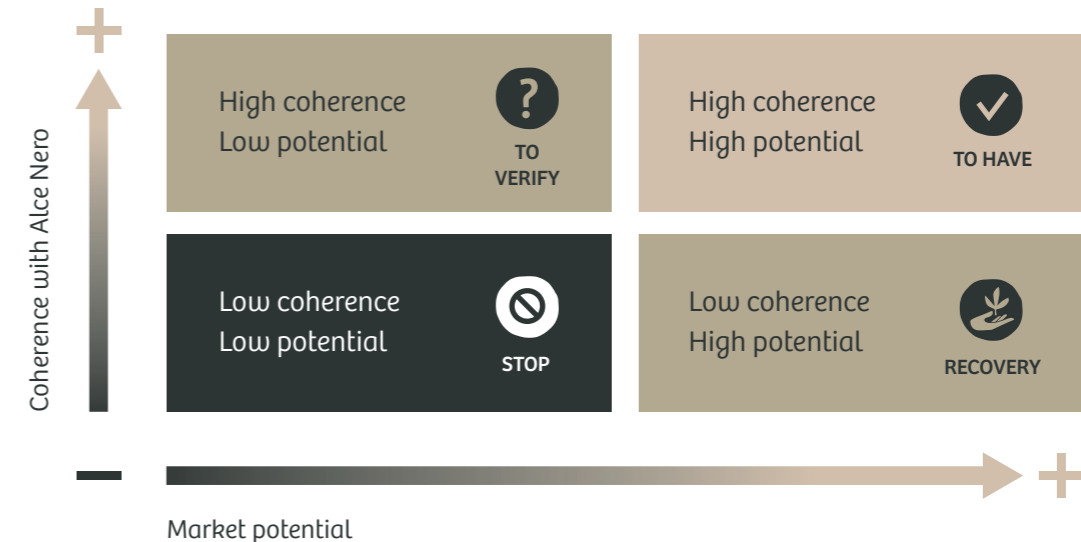
Based on this model, a development plan is drawn up annually to keep track of:

- Market potential;
- Coherence with Alce Nero.

Coherence with Alce Nero is determined by considering the following aspects:

- possibility to **work with a Partner farmer or processor** to create a product;
- possibility to have **raw materials from own supply chain**;
- possibility to have **Italian ingredients**;
- possibility to create **short recipes**;
- possibility to create **“clean” recipes**, without the use of flavourings, additives or chemically derived elements;
- possibility to create **products with a high nutritional density.**

In controlling these two elements, four possible results emerge, on the basis of which Alce Nero identifies its development priorities:



Product guidelines

2.2

For Alce Nero, the **ongoing commitment to creating the ideal pantry** – a range of products that contribute to maintaining a balanced diet, in daily life and during growth phases, with an offer that is varied, complete and balanced both in assortment and in its individual formulas – translates into **a series of preferential guidelines for the product development process**:

- to use **only 100% organic raw materials**;
- **to use raw materials that come from its own supply chains** wherever possible;
- to use **Italian raw materials** as the primary ingredients (with the exception of products that are not available, such as cocoa, coffee and brown sugar);
- **to avoid adding flavourings**, even natural ones: the flavour of Alce Nero products derives from the blend of select raw ingredients;
- **to avoid thickeners**: the consistency of Alce Nero products depends on a combination of the ingredients selected and the production process;
- to have **ingredient lists that are as short as possible** and that contain ingredients that our grandmothers would recognise⁷;
- **to avoid additives** unless necessary for the safeguarding of the product;
- to use **only carefully selected ingredients** (assessment of origin, contaminants, persistent pollutants, packaging migration, nutritional/calorie profile);
- to use ingredients and create products that require **a low level of processing**;
- to use mainly **plant-based raw materials**⁸ also for the products that are sources of protein;
- to create **products with a high nutritional density**, limiting salt, added sugars, saturated fats and overly refined ingredients and favouring polyunsaturated fats (from olives, nuts, seeds), herbs and spices as natural flavour enhancers (in place of salt), and fibre and protein to reduce the insulin response of carbohydrates;
- to create “real food” in **packaging designed to increasingly limit the environmental impact** (see page 88 “The commitment to packaging”).

“We want to create foods in which the nutritional balance is not just the result of combining nutrients, but a combination of territorial and environmental variables, clean farming practices, processing choices and the know-how of People.”

Erika Marrone, *Quality, Supply Chain and Sustainability Director*

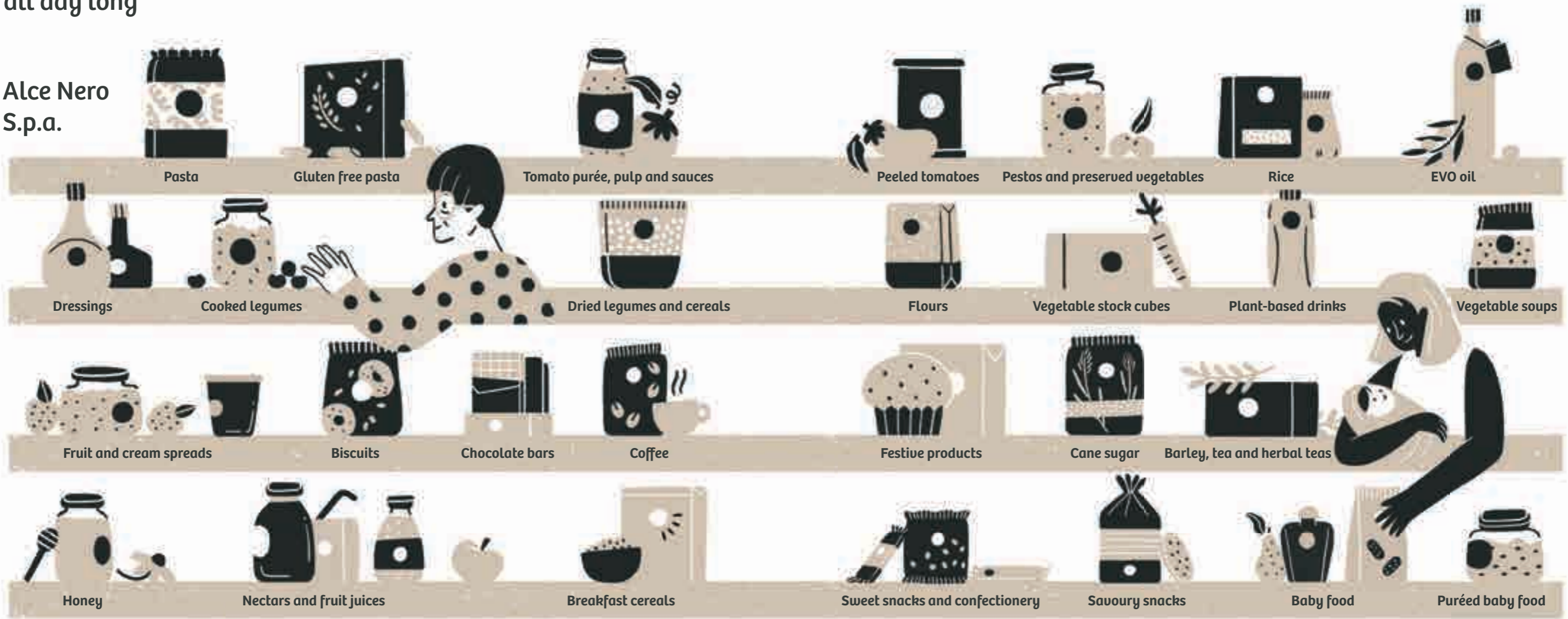
⁷ See Michael Pollan “Food Rules”.

⁸ The ingredients of animal extract currently present are used in the range of puréed baby food.



The Alce Nero pantry, for everyone, all day long

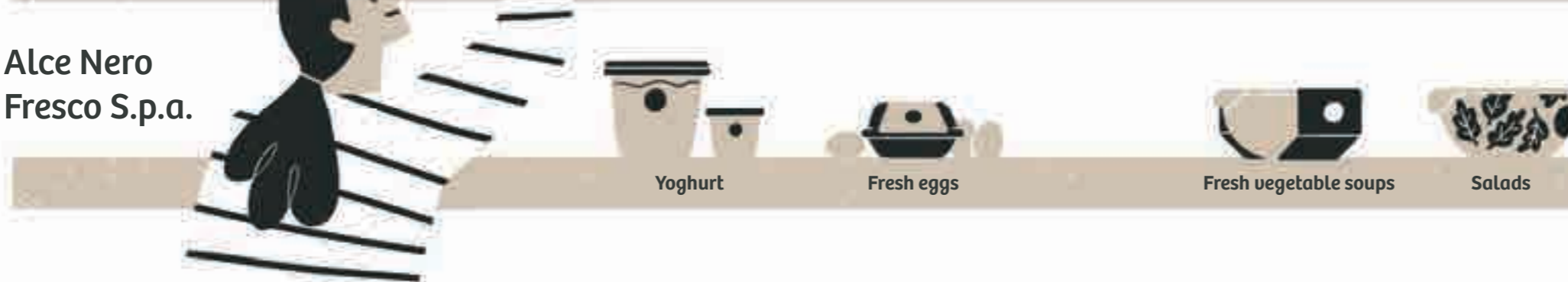
Alce Nero S.p.a.



Alce Nero Freddo S.p.a.

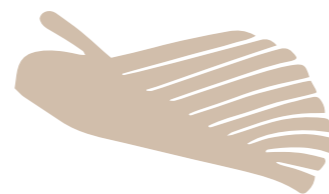


Alce Nero Fresco S.p.a.



Alce Nero proposes **simple, everyday foods** that have not forgotten the flavour and pleasure of being shared. Roughly 400 products make up its range today, **to suit every moment of the day**, with pasta, rice, tomato purée and pulp, vegetables, legumes and puréed soups, shortbread biscuits and fruit juices, preserves and honey, plant-based beverages and a range of baby foods for infants. Added to this is the **chilled product line**, including, fruit, vegetables, yoghurt with "Haymilk TSG" and soups, along with the **frozen range**, ice creams and organic **Fairtrade** produce sourced from Latin America, which includes coffee, chocolate, cocoa and brown sugar.

2021 trends for the main Alce Nero product categories (Sell-Out data)

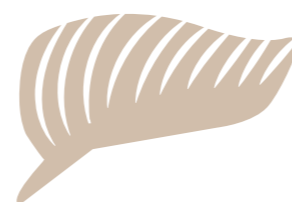


Position	1	2	3	4
Main categories	Cooked legumes	Pasta	Tomato purées	Baby food
Sales value (Million Euro)	5.1	4.8	4.6	4.3
Sales volume (1000 kg/lt)	748.8	1.1*	1.3*	350.5
Trend	↑	↑	↑	↑

5	6	7	8	9
Biscuits	Plant-based drinks	Fruit spreads	Nectars	EVO oil
4.1	3.9	3.6	3.1	1.6
445	1.1*	236	688.8	113.3
↑	↑	↑	↑	↓



1 First organic brand player **2** Second organic brand player



* Mil. kg/lt

Source: Nielsen. Iper+Super. Week ending 02/01/2022.

Alce Nero products in figures



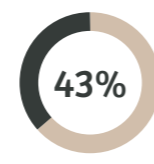
Guarantee of origin



items with indication of origin



items processed by Partners



of products contain at least 1 supply chain ingredient

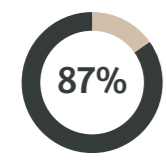


items with raw agricultural materials of Italian origin⁹

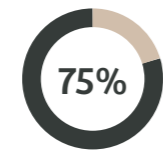


items with regional specificity

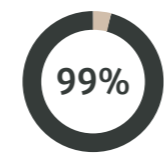
Products with nothing extra



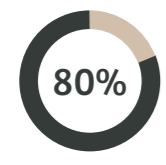
plant-based items



items formulated with no added salt



products without flavourings



items without additives¹⁰



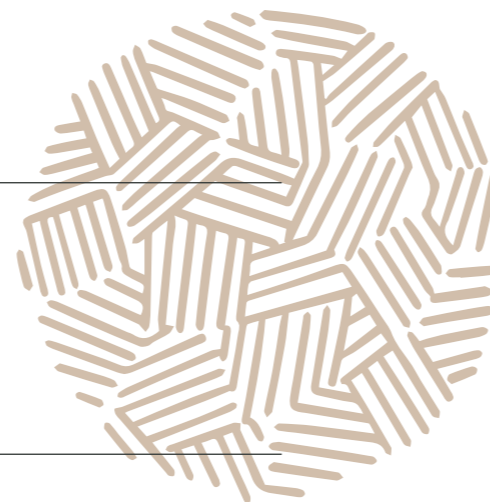
items that are low in fat



items with a maximum of 7 ingredients



items that promote leguminous plants



Distinctive products



items with narrative labels



items with Fairtrade certification



line of pasta specifically formulated for coeliacs



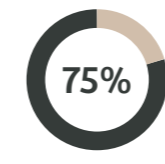
items with whole grains



items with extra fibre



items that promote leguminous plants



items also suitable for vegans



⁹ As per Reg. UE 848/2018: in indicating the place where the raw agricultural materials from which the product is composed were grown, small quantities of ingredients, in terms of weight, may be omitted provided that the total amount of omitted ingredients does not exceed 5% of the total quantity (weight) of raw agricultural materials.

¹⁰ The additives used in our references are:

- raising agents used to increase the volume of doughs;
- citric acid and potassium carbonate, used as acidity correctors;
- ascorbic acid with its anti-oxidant function;
- sunflower lecithin with its emulsifying function.

“Our products are the words with which we express our understanding of food today, in an attempt to restore some of the value that the Earth offers us, in the form of quality food that also stimulates general well-being for society.”

Erika Marrone, *Quality, Supply Chain and Sustainability Director*

Alce Nero product recognition

Thanks to its commitment, Alce Nero received various prizes and recognition for its products during the course of 2021:

For Alce Nero

2020 TESPI CHARITY INITIATIVE PRIZE: “Buono come il pane” gift box

For Alce Nero Chilled

SANA 2021 | BIO AWARDS 2021 | FOOD SECTION: Semi-dry herbs

For Alce Nero Frozen

BRAND AWARD 2021 | NEW ENTRY PRIZE: Biscuit ice creams
B-OPEN and BIO & CONSUMI | II° ECOPACKAGING AWARDS 2021: Chocolate ripple ice-cream



Quality and consumer safety

2.3

The **premium quality** of Alce Nero products is **ensured by sharing company values, commitments and standards with the producers** who process the raw agricultural materials into finished, packaged, branded products. The company's **relationship with the supply chain is stable over time, based on mutual trust** and on the **co-creation of products**. The exchange of knowledge becomes a fundamental aspect of this relationship, which focuses on reciprocal growth: on the one side, the **processor** offers their technological and manufacturing know-how, and on the other **Alce Nero** provides its expertise regarding the organic method, market dynamics and quality standards with a view to distributing the product on the market and disseminating ideas, values and culture.

68% of Alce Nero S.p.A revenue and 76% of its volume is generated with products processed by its Shareholder Partners on the basis of a creative idea developed by the Alce Nero Marketing and R&D departments. In cases where Partner production facilities are unable to process the new products, the group turns to external Partners. This is why real care must be taken when selecting the producers who will be entrusted with creating the branded products and, therefore, with a part of the company's reputation.

	From Partner producers	From non-Partner producers
Revenue in Euro	48,468,865	22,581,487
Kg of product sold	12,545,782	3,930,372
Revenue share %	68%	32%

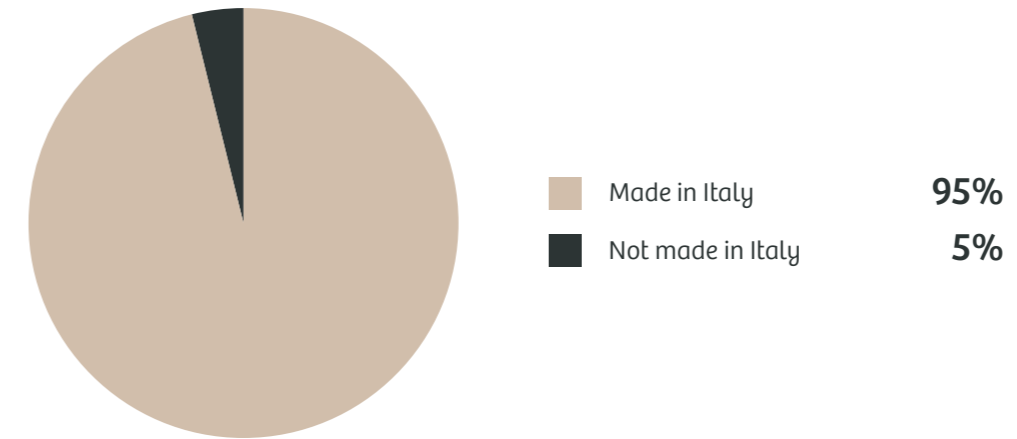
This process is based on a series of **documented evaluation criteria** that centre around quality, food safety, the willingness to use strategic primary materials from the supply chain and, increasingly so in the coming years, specific criteria of a social and environmental nature.

As of now, the non-Partner processors of Alce Nero finished products total 44 and are almost exclusively located within Italy.

Business Unit	Alce Nero	Alce Nero Chilled	Alce Nero Frozen
Number of non-Partner suppliers of finished products	38	5	8
Number of Partner suppliers of finished products	5	1	1
% with legal and operational base in Italy ¹¹	98%	100%	100%

¹¹ It is not possible to cite the percentage of procurement budget used for local suppliers due to data extraction limitations. That budget will therefore be calculated in future tax years.

Sales volume allocation based on processing country



The only **non-Italian processing Partners** are: Chocolat Stella (Switzerland), Norandino Cooperative (Peru) and Ipagua (Guatemala) for reasons relating to the nature of the product itself.

The Alce Nero procurement process begins with the **authorisation of suppliers** and continues over time with **periodic, regular monitoring**. Initial **supplier selection** is managed with **a specific procedure** that sets out the evaluation criteria and the minimum requirements for approving a supplier.

Part of this process is an **on site audit**, or rather a visit to their facility.

The controls are entrusted to experienced internal or external personnel and focus on:

- Organisational quality;
- Document security;
- Health and hygiene status of production facilities;
- Risk management and legal compliance;
- Organic approach.

In addition, **already approved suppliers undergo maintenance audits**, or rather goal-based audits during which specific evaluations are made. The entire supplier management process hinges on a **thorough risk analysis** that considers a series of criteria, which are used to establish the proper control frequency.

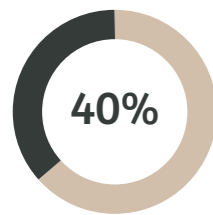
These include:

- **Intrinsic product and/or ingredient risks** (chemical, physical, microbiological, allergenic, etc.);
- **Emerging risks;**
- **Ingredient-related:** single or multiple ingredients;
- **Supplier procurement system;**
- **Non-conformities** identified in previous years.

The supplier audit plan and analytical control plan are drawn up based on these evaluations.

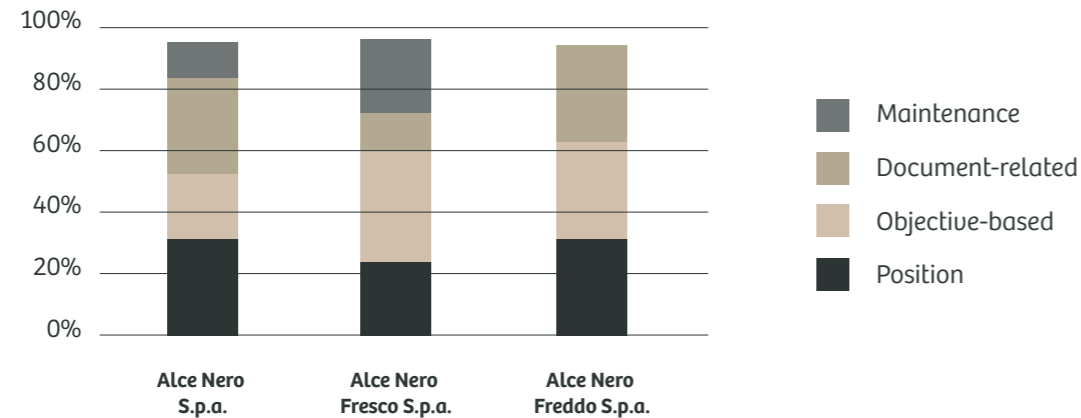
The goal relating to the 2021 audit programme* was achieved and exceeded:

Suppliers subject to audit*



* The data refers to the suppliers of finished products for the 3 Business Units: Alce Nero S.p.a., Alce Nero Fresco S.p.a., Alce Nero Freddo S.p.a.

Type of audit completed by Business Unit



The controls carried out by Alce Nero are in addition to those that the individual Partners and suppliers carry out throughout every production phase. During the course of 2021, the **analytical budget** was increased so as to carry out the following types of analysis.

Analytical budget allocation



* Generally related to the evaluation of nutritional complaints.

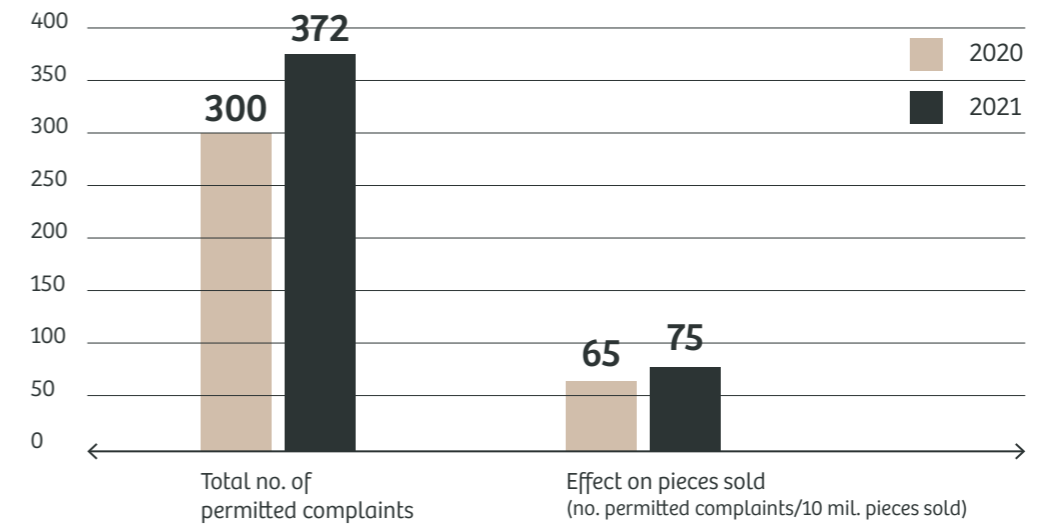
** Analyses not foreseen by the standard plan.

*** Defined year on year based on the outcome of the preventive risk analysis.

110 parameters studied in 2021

For Alce Nero, then, the **processors are strategic Partners** who are to be constantly involved in the ever increasing dissemination of a **culture of responsibility and sustainability**, and supported along a pathway of continual improvement, bearing in mind that products in violation of the standards of reference are never acceptable. As part of this pathway, all internal and external recommendations and non conformities are monitored on a weekly basis while a full analysis of the qualitative performance of products and suppliers is carried out at least once per year.

The **2021 results** can be summarised as follows:



In particular, an increase in the number of complaints (+15%) compared to the previous year, deriving from an increase in organoleptic and packaging defects. The organoleptic defects mainly related to the shortbread biscuit family, where a dark base was identified in two production batches in particular. The problem was resolved during the course of the same year.

Packaging defects mainly had to do with the plant-based drink family, with sealing problems relating to the side flaps and cap.

Along this path of continuous evolution, Alce Nero is also working to **formalise a code of conduct** that all suppliers must follow, and **implement a system with which to evaluate its product Partners** that also considers social and environmental criteria.





A closer look: Alce Nero certifications

The need for Alce Nero to offer **only safe, quality products** has always served as a guide in ensuring a **policy of continual improvement** as the company pursues the following objectives:

- **to guarantee**, throughout all phases of the process, **the safety level and quality of the raw materials and finished products**;
- **to boost client and consumer satisfaction** by improving the perceived quality of products;
- **to extend the** range of distinctive and wholesome organic products;
- **to promote**, as far as is possible in Italy and abroad, **a sustainable, organic model**;
- **to increase the level of organisational internalisation**, improving product and service design to ensure the maximum level of customer satisfaction;
- to improve the stakeholders level of **awareness regarding food safety aspects**.

To maintain a high level of product quality and safety, and in addition to the reported certifications, Alce Nero has implemented a food safety management system certified in accordance with standard **UNI EN ISO 22000:2018** that has the **goal of protecting the health of consumers** from both real and potential risks deriving from its products or activities. It ensures this by:







- **controlling the food dangers** relating to raw ingredients and finished products supplied by Partner producers and third-party suppliers;
- **controlling particular risk factors**, specific to certain categories of “at risk” consumer, such as children and coeliacs;
- **protecting the organic and Fairtrade supply chains**, which exclude the use of pesticides and guarantee an adequate level of social equity while respecting food safety and the environment.

Alce Nero has had a **policy in place for its food quality and safety** for several years already. Available on the company website, the policy defines the commitment Alce Nero makes to positioning itself as a brand of reference for all those who seek to eat in a healthy way, both for themselves and the surrounding environment. This commitment extends to the broadening of an **agro-food system based on the organic farming method** that is able to respond to all consumer and customer expectations, including those that are not expressed. The policy is periodically revised so as to be kept updated and coherent with the company philosophy and goals, and is also distributed to all suppliers, employees and clients.

Alce Nero Partner certifications

In addition to the certifications adopted by Alce Nero, all Partners and suppliers are entered into the Organic Control Regime (in accordance with Regulation 848/2018) and many of these have implemented **certification standards relating to Food Quality and Safety**, as well as the **Environment** and **Ethics**.

For a complete overview of the certifications, refer to the websites of the Partner companies.

 La Cesenate Conserve Alimentari	 Pastificio Felicetti	 Molino De Vita	 Finoliva Global Service	 Brio	 Chocolat Stella
BRC <i>Global Standard for Food Safety</i>	BRC <i>Global Standard for Food Safety</i>	IFS <i>International Food Standard</i>	BRC <i>Global Standard for Food Safety</i>	BRC <i>Global Standard for Food Safety</i>	FSSC 22000 <i>Food Safety System Certification Scheme 22000</i>
IFS <i>International Food Standard</i>	IFS <i>International Food Standard</i>	UNI 11381:2010 <i>Insect monitoring systems</i>	IFS <i>International Food Standard</i>	IFS <i>International Food Standard</i>	FLO <i>Fairtrade</i>
JAS <i>Japan Agricultural Standards</i>	JAS <i>Japan Agricultural Standards</i>	UNI EN ISO 22005 <i>Certification of the traceability system within the food and animal feed supply chain</i>	JAS <i>Japan Agricultural Standards</i>	UNI ISO 9001 <i>Quality management systems</i>	Renewable energy
FSSC 22000 <i>Food Safety System Certification Scheme 22000</i>	UNI ISO 9001 <i>Quality management systems</i>		UNI ISO 14001 <i>Environmental management systems</i>	FLO <i>Fairtrade</i>	Energy efficiency
Halal	Kosher			GLOBAL G.A.P	
FLO <i>Fairtrade</i>	Halal		UNI EN ISO 22005 <i>Certification of the traceability system within the food and animal feed supply chain</i>		
UNI ISO 14001 <i>Environmental management systems</i>					

Considering also those products coming from non-Partner suppliers, a total of **96% of Alce Nero suppliers possess at least one food safety certification**.

Alce Nero Adaptable products

2.4

“We have perhaps always been in the habit of carefully selecting the words we use, of using words that don’t quickly become empty, that aren’t abused, already misunderstood, used to disguise aspects that we want to conceal from the spotlight.

Maybe because we have been taught to take the phrase¹² with which we opened this Sustainability Report very seriously. There can be no **real sustainability** if we don’t feel it is right, or truly useful, to develop an **economic model that respects People and the Earth**; there can be no **real food** if we cannot feel what it is doing for a Person, contributing to their health, their well-being and that of the Planet that hosts them, and appreciate that the words we use to convey this will nourish them in the same way.

One of the terms used to describe a food resulting from an “industrial firm” is **processed product**. In our heads, we often consider this to be a controlled, safe and well-packaged product, but also a product that has lost its identity, in which there is often not a trace of the history of its land of origin or the people who have cultivated it. The ingredient lists are often long and full of “empty and often unknown components” that do not nourish well and simply satiate.

For this reason, we’ve identified a term that can help us highlight the fact that it is possible to produce large volumes of food without compromising on the care and attention shown. It’s true that we process raw materials into products, so we do in fact make processed products, but we believe that what counts is the way this is done and the thinking that is behind it and that goes into it. It is possible to create food that transforms the territory in which it is born into a positive, in that it results from a farming method that respects the land and preserves its fertility and that seeks out the best ingredients and uses as little of them as possible. It is possible to create food that tells of the history, the people, the land, because giving a name to things is part of recognising the value. It is possible to create food that is a joy to conceive, to grow, to process and to eat.

An **adaptable** product, born out of a supply chain that creates value rather than removing it. As we transform it, it transforms us.”

Chiara Marzaduri, *Communications Manager*

¹² “Food and words are digested by a person and have the capacity to change them”.





Great Life project

Millet and sorghum biscuits for farming that is resilient to climate change

This **adaptable product** is the **symbol of a sustainable and responsible approach** towards every element of the complex system in which we live. At an environmental level, this Alce Nero shortbread biscuit represents the **evolutionary power of the organic method**, a sort of organic 4.0. It is not only an expression of the company's clean and regenerative method of farming, but is also a concrete example of **tomorrow's farming**, "resilient" in that it adapts when faced with the impacts of climate change, a need (that of adaptation) that we cannot fight but neither suffer, and that represents the global challenge for survival.

With the aim of promoting this awareness, **Alce Nero has taken part in Great Life**, a project co-financed within the framework of the European LIFE programme and led by the Department of Agricultural and Food Sciences at the Alma Mater Studiorum – Università di Bologna, with Alce Nero, Kilowatt, Comune di Cento and LCE-Life Cycle Engineering as partners. With a sustainable production and consumption model based on organic, resilient farming, Great Life aims to create an agro-ecosystem that is stable over time, sustainable for the environment and a source of income, key for the well-being and future of the community.

The strategy involves focusing on those **resilient crops** particularly suited to organic farming, **such as millet and sorghum**, which can grow in areas with a continuously changing climate and are therefore very adaptive. Despite their very high nutritional profile, these cereals were first forgotten and then gradually abandoned, but they have a long history with the Emilia-Romagna territory and were once key ingredients in the region's diet. Requiring less water and other external inputs than other cereals, millet and sorghum have less of an impact on the environment.

The aims of Great Life align perfectly with the strategic plan of the European **Green Deal**, which foresees the implementation of various measures with a view to achieving climate neutrality in Europe by 2050. The "European green pact" focuses on the safeguarding of biodiversity, the (environmental) modification of food production and consumption methods, and the promotion of a waste-free circular economy.

Resilience, biodiversity, organic farming, and agro-ecology are all part of the same model. To function, this model also needs the support of a community made up of People who care about their health and that of the planet, adults and children who themselves promote the need to eat in a healthy, sustainable way. This is why the Great Life project focuses on an innovative and integrated approach, which goes from agricultural production, to processing, and all the way to the final consumer.





Blockchain project

Technology at the service of organic EVO oil supply chain traceability

The **first Blockchain experimentation by Alce Nero** was conducted with the aim of tracing the entire life cycle of its **organic EVO oil**, obtained from producers operating mainly in the *Biodistretto delle Lame*, of which Alce Nero is a promoting Partner, having also participated in its foundation.

Blockchain allows for the recording of all data pertaining to every phase of the production chain. Using a shared network that is accessible but cannot be modified, every step is verified and certified.

This represents an **important guarantee of quality for the consumer**, who can access the information by scanning the QR code located on the collar of each bottle with a smartphone. A **simple and efficient way to access all the certified information about the history of the product** from the territory where it was farmed, to the techniques used, with reference to every single producer and processor, right through to the processing and packaging phases. Consumers can therefore verify that the oil is in fact 100% Italian and organic, a P.D.O product from a reliable source that is high in quality and a guarantee of legitimacy and transparency, on every level, something that is further controlled and certified by CCPB in accordance with standard ISO 22005, which attests supply chain traceability.



Batch no. 2207.05.



Biodistretto delle Lame

The Biodistretto delle Lame includes the **towns of Bitonto and Ruvo di Puglia** and covers a total area of **40,000 hectares**. It is located in a territory that perfectly combines the farming culture with sustainable modernity. The landscape is characterised by shallow erosive furrows and karstic formations typical of the Murge plateau.

This is a key area for the production of **high quality extra virgin olive oil, wine grapes and table grapes, almonds, cherries and durum wheat**. Here, **roughly 4000 hectares of land are farmed with the organic method**, while another **1000 are being converted** and **an additional 12,000 are protected by the Parco dell'Alta Murgia**.

This territory is unique in terms of its identifying elements, or rather its drove roads, large farms, dry stone walls, cathedrals, museums, art galleries, theatres, and cultural and musical associations. This, combined with a natural vocation towards **sustainable farming, high land productivity** and **significant innovation**, creates great opportunities for economic development that is fair and respectful.

The aim of the Biodistretto is to **promote both the territory and sustainable, quality agricultural production**, which is pursued thanks to the association between the municipal bodies, the individual or associated producers, the companies that package and sell the agricultural products, the social cooperatives, and the cultural and pro-loco associations.

The founding Partners include Alce Nero, which today distributes a large part of this territory's oil and organic durum wheat production; **cooperatives and private companies** with significant organic production experience; **cultural associations** that are already aligned with environmental sustainability themes, and **municipal administrations** that have shown to be sensitive to matters of sustainable development. Relations are also strong with the Parco dell'Alta Murgia, the GAL, the Istituto Agronomico Mediterraneo and the Università di Bari. Each is driven to operate as a network for a common good. The goals shared by the parties include: commercialisation and communication, global quality, interrelations with the entire territory, respect for the environment, the management of waste, renewable energy, social farming and the rural culture.



The commitment to packaging

2.5

The Alce Nero commitment results from an awareness of the environmental impact made by food packaging waste.

For this reason, during the course of 2021, roughly **11% of** Alce Nero references have been **involved in projects to improve packaging**, with the aim of introducing **innovative ecological packaging** that can be managed with a view to a circular economy. To this end, roughly **34% of brand references** offer the consumer the opportunity to exploit all or some of the components, thus extending their life cycle. In this way, for example, the Alce Nero honey jar can be used as a container for small items.

But it is only right to take a step backwards and clarify some of the aspects that those not working in the field often confuse.

The **recycling supply chain** is comprised of **three macro-processes**, as outlined in guidelines by CONAI, a key player in the Italian green economy:

1. The first phase involves **waste sorting** by the citizen, an initial separation that is carried out in the consumer's home. This is why the instructions concerning domestic waste sorting that are communicated on Alce Nero products in the form of environmental labels are so important. The labelling conforms with **Legislative Decree no. 116 of 3 September 2020**, the company having acted in a timely fashion despite the delay with which this regulation came into force. It is in this way that the consumer knows whether their packaging constitutes sorted (paper and card, glass, plastic, steel, aluminium, organic, etc.) or unsorted waste.



For example Environmental label - paper collection (Alce Nero product)

2. The second phase plays out at **sorting centres**, where packaging is processed.
3. The third and final phase regards **recycling flows**. Here, the goal is to put the materials to good use, giving them a new life.



Plastic recycling supply chain diagram (CONAI guidelines)

In **evaluating the environmental impact** of packaging, we must consider how each container can be made up of **various components** (e.g. Alce Nero fruit preserves come in a GL70 glass jar with a C/FE91 steel lid).

Considering all the individual components that make up Alce Nero product packaging, **more than 99% has a dedicated waste channel**. So the consumer can play a central role and is a key player in the paper, plastic, steel, aluminium or glass recycling supply chain.

In particular, roughly **30% of the components of Alce Nero packaging** is destined for **plastic recycling** and roughly **27% is destined for paper recycling**, while roughly **20% is glass**, approximately **19% steel** and around **3% aluminium**.

Waste sorting of Alce Nero product packaging components (in Alce Nero S.p.a.).



Percentage of Alce Nero packaging components that constitute sorted waste¹³

Less than 1% of components constitute unsorted waste and so must be disposed of according to the rules in place in each town. One example is the paper carton containing granulated stock, which has a base in poly laminate material. This cannot be recycled but guarantees the wholesomeness and safety of the food product throughout the course of its shelf life. In any case, Alce Nero has already committed to various **projects with a view to ensuring that 100% of its components constitute sorted waste by 2023.**

To fully understand the following data, it is important to be clear on one concept - packaging that is deemed to be sorted waste can be recyclable or non-recyclable. Packaging that is considered **recyclable**, in accordance with technical standard UNI EN ISO 13430, satisfies the suitability criteria relating to current recycling technologies. These criteria need to be evaluated with specific surveys and studies. It is important to underline that, in order for real recycling of the various materials to occur, there must be at least one facility that processes the post-consumer packaging and transforms the materials of which it is comprised into a second (or rather recycled) raw material. This recycled material must then be acquired by companies that are able to use it to create new products.

The Alce Nero commitment is reflected in its choice of **predominantly single-material packaging or packs comprising a number of easily identifiable materials that can be separated** from each other, which means the packaging is easier to recycle.

Alce Nero extra virgin olive oil

The company's commitment to packaging is further highlighted by the Alce Nero organic **EVO oil** destined for the Japanese market. The cap, complete with pourer, is a single piece of single-material plastic that is inserted using pressure into the neck of the glass bottle and that, at the end of its life, can be wholly removed from the bottle. So, unlike other oil bottles, this solution allows the consumer to fully sort the packaging, with each component having its own specific collection channel - glass for the bottle and plastic for the cap.

With regard to Alce Nero oil references, the Finoliua Global Service packer is evaluating the use of new plant-based adhesives with which to seal cartons. These adhesives are formulated without using any raw materials of fossil origin and allow above all for a product consumption saving of up to 40%.

As previously considered, **packaging in the Alce Nero range** may be made up of various components in different materials. These include:

- 100% of components sorted as **glass** (for example the fruit preserve jars) are recyclable;
- 85% of components sorted as **aluminium** can be recycled. The only exceptions are Alce Nero stock cube and granulated stock packs as these incorporate a composite material (plastic+aluminium) to preserve the products' organoleptic and qualitative characteristics;
- 63% of components sorted as **plastic** can be recycled, while the remaining plastic components cannot be recycled as they must effectively preserve the product (for example, the bags containing stone ground flour, conserved in a modified atmosphere);
- Just 3% of components sorted as **steel** can be recycled, as it is still difficult to find recyclable materials on the market that satisfy the high Alce Nero quality standards, that preserve product quality and that adapt to the processing methods;
- the greatest Alce Nero commitment in 2021 related to its **paper** components, 97% of which are currently recyclable.



The new Alce Nero pasta pack

Alce Nero Cappelli durum wheat, emmer and whole emmer pasta varieties have **new packaging** that stems from a commitment to **reduce the use of plastic** and mitigate the post-consumption environmental impact, in that it can be given a new life cycle once it becomes waste.

Alce Nero paper packaging can be fully recycled and has received **Level 1 Aticelca 501/19 certification** from Aticelca, an impartial third party institution, which attests its paper recyclability.

As part of its sustainability-oriented innovation process, Alce Nero has developed **compostable** wrappers that satisfy the requirements of **technical standard UNI EN ISO 13432**, that replace traditional plastic and that can be managed within the organic waste supply chain. The 100g chocolate bars are just one example.



In 2021, Alce Nero developed **innovative solutions** for 3% of references, introducing packaging made up of **bio-based** materials, or rather materials derived at least in part from biomasses such as corn, sugar cane and hemp. Thanks to collaboration with key technological companies in the sterile packaging sector, Alce Nero has introduced a new pack for its range of plant-based drinks, created with layers of paired materials that include **bio-plastics obtained from sugar cane and paper**. A new product pack in which 74% of the raw materials come from renewable sources, and which preserve product quality and ensure the same safety and durability characteristics as traditional plastic. In addition, FSC certification guarantees that the product comes from a responsibly-managed forest and supply chain.

Although eco-friendly packaging also serves as a marketing tool today, Alce Nero is working hard to eliminate packaging that constitutes unsorted waste and increase the percentage of recyclable components, as required by the European Union by 2030, demonstrating significant environmental awareness and meeting the growing demand of increasingly responsible consumers.

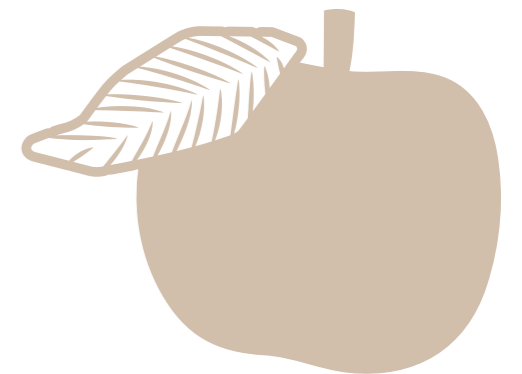
Generally speaking, and considering that Alce Nero is increasingly committed to finding alternative and innovative solutions for its packaging, its positioning is also reflected in the numbers relating to the Alce Nero Chilled and Frozen Business Units:

- references involved in projects to improve packaging: 8% of Frozen references, 0% of Chilled;
- references with an extendible life cycle: 0% of Frozen, 14% of Chilled;
- references with packaging in bio-based materials: 0% of Frozen, 6% of Chilled.

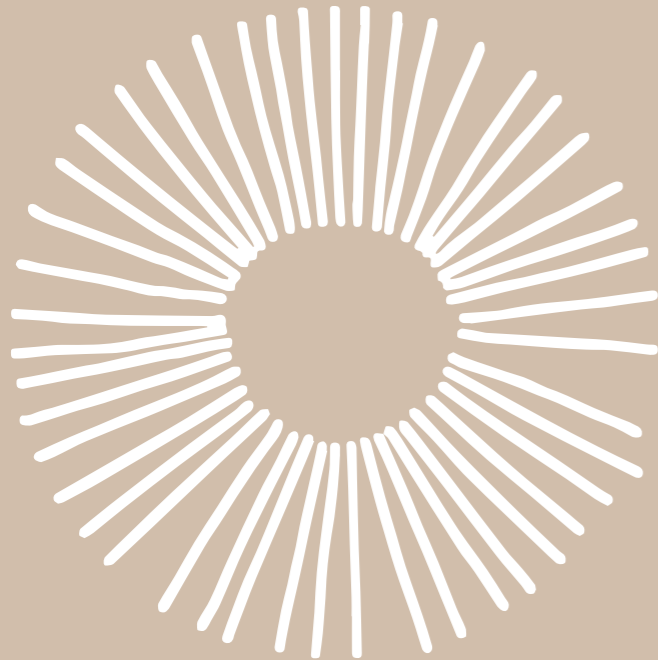
As previously considered, the packaging for products in the Alce Nero Chilled and Frozen ranges can be made up various components in different materials. These include:

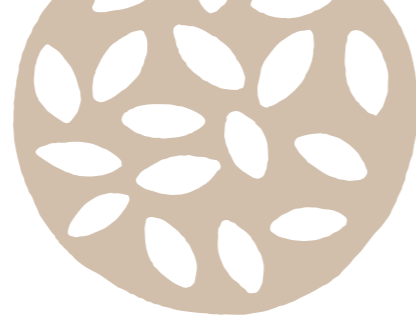
Alce Nero Chilled product components	% sorted waste	% recyclable	% compostable
Plastic	69%	66%	0%
Paper	25%	100%	0%
Steel	0%	0%	0%
Glass	0%	0%	0%
Aluminium	6%	100%	0%
Unsorted	0%		

Alce Nero Frozen product components	% sorted waste	% recyclable	% compostable
Plastic	7%	100%	100%
Paper	93%	100%	24%
Steel	0%	0%	0%
Glass	0%	0%	0%
Aluminium	0%	0%	0%
Unsorted	0%		



The communities





“Behind every Alce Nero product are people with a face and a story to tell. At Alce Nero, humans play a central role because only with human know-how are we able to transform what the earth offers us into nourishment for the body and mind of others, in a virtuous circle of reciprocity.”

Erika Marrone, Quality, Supply Chain and Sustainability Director



The key to obtaining products of high value lies in the quality of the agricultural product from which these derive.

It is only by cultivating excellence that a company can create products with no frills, that use no “make-up”, such as flavourings for example, to mask poor characteristics. Furthermore, an agricultural product of value can only grow in healthy soil and in a healthy environment.

For this reason, each **farmer** is the **guardian of their own territory, representing it and protecting the biodiversity** by committing to a resilient, organic farming method that is always innovative. Within this system, Alce Nero serves as a **connecting element between the agro-industrial assets and the final consumers** and as a **guarantor of quality, which is not just a product attribute**, but an overarching approach that spans different dimensions and aspects.

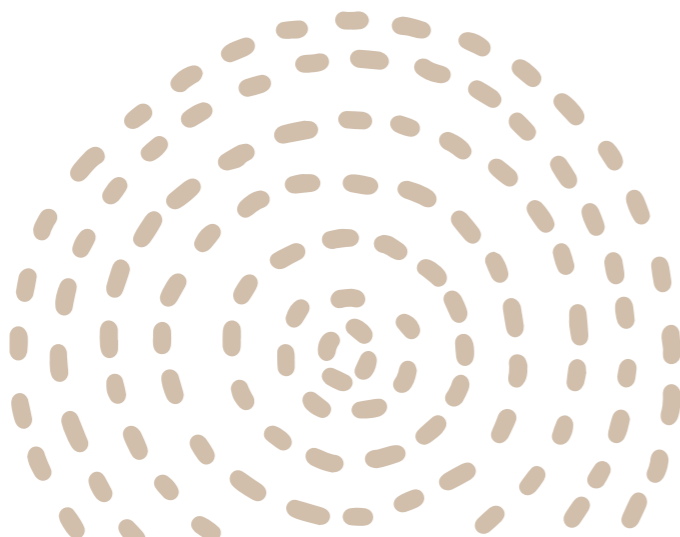
Its partner farmers have significant organic farming experience, on average, a minimum of ten years for cereals and eight years for tomatoes. For almost a decade, the soil in which Alce Nero raw materials grow has benefited from **crop rotation**, the **integration of organic matrix-based manuring**, the **use of mycorrhizae** and, more generally speaking, an **ecological approach**.

The Alce Nero supply chain model

Together with its Partners, Alce Nero has always been committed to building an **open and replicable supply chain** that **is in continuous evolution** as a result of applying the principle of continual improvement, with the gradual extension of the evaluation criteria, the sharing of knowledge and the goals to achieve.

The Alce Nero model considers various dimensions as outlined below.

Main management elements of the Alce Nero supply chain model



Alce Nero strategic supply chain features

Durum wheat

Its production basin is centred around the **regions most suited** to this grain, specifically **Puglia** and **Tuscany**. The cultivation areas in Puglia vary from windy plains to the rolling hills of the Subappennino Dauno, to the area of Le Murge in Bari, within the Parco Nazionale dell'Alta Murgia. In Tuscany, the grain grows between the sea and the low lying areas of Grosseto, inside or close to the Parco Regionale della Maremma. Around one hundred farmers sow the durum wheat at a late stage, using the false sowing technique, to then harvest it in the heat of June. The areas in which the wheat plants grow vary considerably in terms of both climate and land type, from the deepest and most fertile soils of the Foggia province, to the more stony, difficult to work earth in Le Murge, in the Bari province.

Number of farmers

103



Regions of cultivation

Puglia 94%
Tuscany 3%
Basilicata 3%



Area involved

2519 HA



2021 durum wheat production

6,370 tonnes



Number of Alce Nero finished products obtained

67



Disadvantaged areas* involved

43%



Controls carried out in the field by Alce Nero

10% farms



The **durum wheat** is mainly used to **produce pasta**, but also **couscous**.

The pasta supply chain is made up of the following players:

- **Agricultural producers:** Coop. Lavorazione Prodotti Agricoli, Coop. Daunia & Bio, Az. Agricola Desiante Maria, Az. Agricola Denora Filippo, Az. Agricola Pace Salvatore, Az. Agricola Berardi;
- **Mediterre.bio** (Partner): An Alce Nero Shareholder, with which Alce Nero is Partner. Together with Alce Nero, it is responsible for the operational management of the durum wheat supply chain throughout all planning and production phases, from sowing to harvesting, as well as for monitoring and auditing. Mediterre.bio comprises 17 Partners including the Fondazione Siniscalco Ceci Emmaus, Molino De Vita, Alce Nero, Libera Terra Mediterraneo, Coop. Daunia & Bio, Coop. Lavorazione Prodotti Agricoli, OP Oliveti Terra di Bari;
- **Molino De Vita** (Partner): responsible for storing the grain and milling the semolina;
- **Pastificio Felicetti** (Partner): an historic Trentino pasta maker that processes the semolina, combining it with water from Latemar in the Dolomites to create pasta.

Research into new varieties

A **project to identify Alce Nero durum wheat varieties has been underway since 2018**, with the collaboration of CREA - Foggia and Sais S.p.a. The aim is to identify and test new varieties suited to the Alce Nero areas of cultivation that can guarantee a high level of pasta-making.

In making these evaluations, it is also important to consider the adaptability of varieties to the organic method, particularly in terms of their competitiveness with weeds and resistance to lodging.

* Agricultural areas characterised by structural and natural variations as defined by the EC standard.



Cappelli durum wheat

The varieties of durum wheat that are most important to Alce Nero include **Cappelli durum wheat**. This variety is the result of work by geneticist *Nazareno Strampelli* who began to crossbreed different North African varieties of the 'JENAH-RHETIFAH' population in the early 1900s, testing them in experimental fields in Foggia. The variety is named after Abruzzese marquis *Raffaele Cappelli*, senator of the Kingdom of Italy and a key player in the 'agrarian reform' of the early 1900s, who indirectly contributed to Strampelli's work to seek out new varieties. The success of the Cappelli variety lies in the fact it is extremely adaptable and **rustic**, and offers **quality semolina**. Various studies have shown **that the pasta obtained with Cappelli semolina is easy to digest**, even for those who suffer from a sensitivity to gluten¹⁴. Cappelli durum wheat stands out for the fact that:

- it is a **tall variety**, a characteristic that is highly appreciated when it comes to competing with weeds;
- it **adapts well** to impoverished soil. In soil that is excessively fertile or where there is incorrect crop rotation, it tends to flatten itself to the ground, resting on the soil so that it is more difficult to harvest;
- it **produces many proteins**, an essential component in order to obtain quality pasta. On the down side, as an ancient grain, it is not very productive.

Number of farmers

69



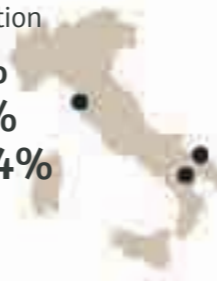
Area involved

1215 HA



Regions of cultivation

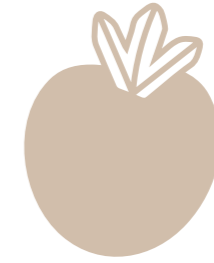
Puglia 90%
Tuscany 6%
Basilicata 4%



The Cappelli variety of durum wheat is used for the production of **pasta, flour, biscuits, porridge for infants** and **crackers**.

The supply chain is the same as previously outlined for 'durum wheat', except for the Cappelli Parchi della Toscana durum wheat pasta that is produced with Cappelli wheat grown predominantly on the *Ente Terre Regionali Toscane* farm, in Alberese, in the heart of the Maremma. The cultivated fields extend almost to Pineta Granducale, Bocca D'Ombrore and the woods that are part of Parco della Maremma, in Alberese, in what is a special patrimony for the biodiversity of flora and fauna.

¹⁴ <https://www.mdpi.com/2072-6643/11/4/712>.



Tomato

The **tomatoes** are grown in **Emilia-Romagna**. Coming mainly from the provinces of Ravenna and Ferrara, in the Romagna region, the tomatoes grow not far from the sea in an area that is well-known for its industrial tomato production and the know-how of its expert tomato farmers. The processing is also carried out in Romagna, in Cesena, at the facilities of Partner **La Cesenate Conserve Alimentari**. Tomatoes are definitely **among the most demanding crops**, in terms of both the time and resources (water, fertiliser, etc.) they require. The plants remain in the field for roughly three months, from when they are transplanted to when they are harvested, and require constant care and daily monitoring during this time. The plants can be attacked by both fungal diseases and insects and so, as a first barrier, it is important to select **resistant or tolerant varieties**. The tomatoes grow between late spring and summer, during a period that is increasingly affected by problems relating to lack of rain and drought.

Number of farmers

15



Area involved

350 HA



Regions of cultivation

Emilia-Romagna
100%



2021 tomato production

10,000 tonnes



Number of Alce Nero finished products obtained

33



The **tomato supply chain** is comprised as follows:

- **Agricultural producers:** from the PRO.PA.R Cooperative;
- **Apo Conerpo** (Partner): organisation of fruit and vegetable producers. It procures the raw material and serves as guarantor of the tomato production and quality.
- **La Cesenate Conserve Alimentari** (Partner): responsible for processing the tomatoes.





Emmer

Alce Nero **emmer** is grown mainly in **hilly areas** across different regions of Central South Italy, particularly in the Pre-Apennines of Emilia-Romagna, close to the sea in Tuscany, inland in Lazio and in the Apulian area of Le Murge. Emmer is **not a demanding crop** and can easily adapt to impoverished or marginal land. It also tolerates the cold. Like Cappelli durum wheat, it is a medium/tall plant and so competes well with weeds. Unlike durum wheat, the seed produced by the plant is covered with glume and glumella that mean it is 'emmer'. Post-harvest, specific processing is required, or rather hulling, where the outer layer is removed so that the grain is ready for the subsequent stages of processing.

Number of farmers
33



Main regions of cultivation
Lazio 9%, Marche 4%
Emilia-Romagna 6%
Tuscany + Puglia 15%



Area involved
484 HA



2021 emmer production
908 tonnes



Number of Alce Nero finished products obtained
26



Disadvantaged areas* involved
54% of areas



Controls carried out by Alce Nero in the field
12% farms



Emmer is used in many Alce Nero products, from **pasta** to **couscous**, as well as in **biscuits, crackers, flour, and in creams and pasta for infants**.

The emmer supply chain involves partner San Donato which manages the agricultural producers together with Alce Nero and takes care of hulling and storing the raw material. The material for biscuits is milled by Molino Naldoni and processed by Gandola. For pasta, the milling is done by Molino De Vita and processed by Pastificio Felicetti.



Olive tree

Of all the tree crops, the **olive** is the most abundant among our partner farmers. The production basin is concentrated in **Puglia**, in the **Biodistretto delle Lame**, which includes the towns of Bitonto and Ruvo di Puglia and spans an area of 40,000 hectares. Here, roughly 4000 hectares of land are used for organically-farmed olives, while another 1000 hectares are being converted and an additional 12,000 are protected by the Parco dell'Alta Murgia. In addition to Puglia, olives are also grown in **Calabria** and **Sicily**, where the Biancolilla variety used in our monocultivar oil is grown. The main varieties used for Alce Nero oil are Coratina and Ogliarola, two historic varieties that are an expression of the Apulian identity. A majestic presence, the olive (together with the fruit trees) is a natural element that stands out for its resilience and that, unable to move, must adapt to the most varied of seasons, the signs of which are visible on its bark.

Number of farmers
125



Regions of cultivation
Puglia 70%
Calabria 25%
Sicily 5%



Area involved
920 HA



2021-22 olive production
4,800 tonnes



Number of Alce Nero finished products obtained
16



Disadvantaged areas* involved
100% of surfaces



Controls in the field
70 per year, rotating between producers and mills

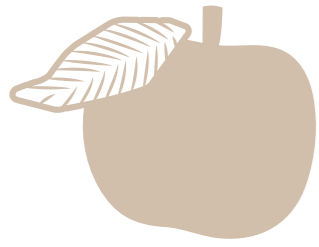


Number of trees involved
130,000



By way of its associated facilities, **Finoliva Global Service** is the Partner responsible for managing procurement of the raw materials, transforming the olives into oil, and storing and labelling the bottled oil.

* Agricultural areas characterised by structural and natural variations as defined by the EC standard.



Fruit for industry

Alce Nero fruit comes from **areas particularly suited to fruit trees**, mainly in **Romagna** and **Tuscany**. The pears, apples, apricots, peaches and plums grown are used to produce the juices, nectars and puréed baby food. Organic fruit trees also require the correct agronomic procedure, in terms of managing both the rows in which the trees grow and the inter-rows, or rather the spacing between one row and the next (normally managed with spontaneous vegetation), and the pruning. Unlike an annual herbaceous crop that produces seeds each year, the fruit trees need at least four years before entering production. If agronomic management is not implemented correctly, and depending on the age of the tree, biennial bearing may occur, with a heavy crop one year but a very light crop the following year.

The most widely grown tree crop is **pear**, followed by **apple, apricot, peach and plum**.



Number of farmers

6



Regions of cultivation

Emilia-Romagna 84%
Tuscany 16%



Area involved

274 HA



2021 fruit production

2,631 tonnes



Number of Alce Nero finished products obtained

29



Number of fruit trees involved

279,119



Legumes

Legumes are a **fundamental crop in organic farming terms** in that they are a natural source of nitrogen for the soil, thanks to the nitrogen fixation that is carried out at root level by specific micro-organisms. Planting legumes means providing the soil with nitrogen. Alce Nero legumes come mainly from the regions of **Umbria**, the **Marche**, and **Tuscany** in the case of its **chickpeas**. **Soy** is grown in **Emilia-Romagna**, in the province of Ravenna, while **cannellini and borlotti beans** are grown in both **Emilia-Romagna** and **Piedmont**. Alce Nero legumes are used to produce the **canned legumes** and packaged soups, and are also sold **dry in bags**. Soy is also used to produce the corresponding **plant-based drink**.

Chickpeas

Number of farmers

17



Regions of cultivation

Central Italy 60%

(Tuscany, Lazio, Marche, Umbria and Abruzzo).

The remainder in Piedmont, Emilia-Romagna, Puglia and Basilicata



Borlotti beans

Number of farmers

4



Regions of cultivation

Piedmont 50%

Emilia-Romagna 50%



Cannellini beans

Number of farmers

5



Regions of cultivation

Piedmont 80%

Emilia-Romagna 20%



Soy

Number of farmers

3



Regions of cultivation

Emilia-Romagna 100%



Raw cane sugar

Alce Nero raw cane sugar of the 'panela' variety is produced in both **Peru**, by Partner **Norandino Cooperative**, and in **Guatemala**, by **Ipagua**. The sugar cane is grown in Peru at high altitudes, at 1570 metres above sea level on average, by many small family-owned farms with plots measuring an average of just 1.5 hectares. The sugar cane production season spans August and September, while harvesting takes place in December/January. Sugar cane is a **multi-annual crop**, the stem of which is harvested each year from the offshoots produced each year. The juice is extracted from the sugar cane and then concentrated, during a series of cooking phases, until it becomes cane sugar. The sugar cane needs to be processed as quickly as possible after harvesting and so it is important for the fields to be close to the processing districts.

There are many districts in Peru, all of which are close to the fields.

Peru

Number of farmers

715



Number of areas or districts

31



Area involved

1110 HA



Guatemala

Number of farmers

9



Number of areas or districts

2



Area involved

30 HA



The **Panela sugar** supply chain comprises:

- **Norandino Cooperative** (Partner): small-scale Norandino Partner farmers grow the cane and produce the sugar which is homogenised and packaged in the Piura factory in Peru;
- **Ipagua**: grows the sugar cane in Guatemala, exporting it as an already packaged product.



Other key raw materials

Rice

Rice is a crop that is historically important for Italy, which is one of Europe's main producers. Our rice is grown mainly in **Piedmont** and **Lombardy**, as well as in **India** (in the case of the Basmati variety). It is one of the most complex cereal crops in terms of management and agronomy. Water management is challenging, both in terms of organising the land into specific production chambers and implementing the right irrigation schedule, and so requires experience and significant care. Alce Nero rice is carefully selected by **Riseria Martinotti** and used also for the processing and production of the **ready-made cream for infants** and the **rice-based drink**.

Cocoa

The procurement of Alce Nero cocoa for its **chocolate bars** is managed directly by Partner **Chocolat Stella**, a company that has operated in the chocolate world for almost a century. The cocoa is mainly cultivated by the **APPTA Cooperative** in **Costa Rica**, Partner **Norandino Cooperative** in **Peru** and by the **Cocabo Cooperative** in **Panama**.

The APPTA Cooperative was founded in 1987 in Talamanca and comprises more than 1000 small, family-run firms that mainly produce cocoa, bananas and fruit. The Norandino Cooperative was founded in 2005 and is made up of more than 6000 small, family-run firms that mainly produce cocoa, sugar and coffee. Lastly, the Cocabo cooperative, founded in 1952, processes only cocoa coming from roughly 200 small family-run firms.

Coffee

Roughly 50% of the 117 tonnes of **green coffee** imported by Alce Nero in 2021 came from Partner **Norandino Cooperative**; this is the arabica variety produced in the areas of Piura and Cajamarca. The remaining 50% came from Nicaragua.





Places that speak of Alce Nero

Within the Alce Nero ecosystem, the supply chains stand out for their **diversity**, with everything from tree crops like olives to herbaceous crops like cereals and tomatoes grown in various places across Italy, from north to south, and even in South America. These locations specifically suit the production in question and vary greatly in terms of their climate, morphology, culture and traditions.

Alce Nero products are an expression of the places, typicalities and traditions that make up a territory.

This is the Alce Nero commitment to decommodification.

Product	Main regions of cultivation	Processing locations
Honey	Abruzzo	Abruzzo
Tomato	Ravenna, Ferrara	Cesena
Durum wheat	Puglia, Tuscany, Basilicata	Puglia for semolina; Trentino for pasta
Emmer	Central Italy	Emilia-Romagna
Cane sugar, cocoa, coffee	Peru, Nicaragua, Cuba	Peru; Switzerland for chocolate
Fruit (apples, apricots)	Tuscany, Romagna	Cesena
Legumes	Central Italy, Piedmont	Cesena
Olives	Puglia, Calabria, Sicily	Puglia
Rice	Piedmont, Lombardy	Piedmont



As a joint stock company born with a **strong vocation to launch a brand that safeguards the quality of food and proper remuneration for those who produce that food**, Alce Nero has less resources for the activities making up the commercial phases (sales, distribution and communication) compared to “more traditional commercial joint stock firms”.

For this reason, the relationship Alce Nero has with its users continues to centre around the label: the product is the company’s most regular point of contact, while only later are there opportunities for contact generated by classic advertising, events, and the direct management of the online store and social media platforms.

And this is why in recent years, with a digital vision that is increasingly omni-channel, Alce Nero has worked to build **direct and increasingly personalised dialogue with its consumers**, developing an **updated digital ecosystem** that can put the consumer at the centre of a unique experience that integrates the online store, the brand narrative and the product narrative.

And so the decision to **include as much information as possible on the label**, details such as the cultivation and processing method, the territory and the type of raw material, highlights the fundamental message that Alce Nero wants to share with those that choose it, recounting the story of the product, the commitment and the people who are behind it, to build greater awareness as to the foods with which we nourish ourselves.

For this reason, Alce Nero was one of the first brands to get on board with the “Narrative Label” project, launched in 2013 by Slow Food, with the aim of providing the consumer with information about the areas of origin, the varieties of raw material, the cultivation techniques, processing, conservation and consumption.

The second cornerstone of the relationship with the consumer is the **“product-content” pairing**. Using different channels, particularly social media, events and the website, Alce Nero promotes information and activities with the primary aim of sharing recommendations for a proper diet, promoting and supporting the territories in which the raw materials are grown, and supporting projects relating to the social fabric in which the company operates.

This strong desire to develop a relationship with the consumer is also highlighted with the project to open **single-brand stores**, which aims primarily to promote a culture of real food that looks out for the health of People and the Planet, via a **daily relationship between the consumer and the company**.



The single-brand stores do not just offer a complete range of Alce Nero products but also encourage local development, by integrating the presence of local suppliers.

These are currently in the experimental phase in the towns of **San Lazzaro di Savena** and **Imola**.

Social Media Editorial Plan

With its social media, Alce Nero does not just tell of its brand and products, but also strives to communicate its **values** and **People** and carry out **advertising activities**.

In particular, in order to have information that is always useful, reliable and up to date, the company has long worked with consultants who are experts in **nutrition, cooking, pedagogy** and **sustainability**, in order to be able to delve deeper into themes that relate to its mission and that are deemed of interest to its users. Content is published mainly on the FattidiBio blog, before being transmitted via the relative Facebook, Instagram, Twitter and LinkedIn profiles.

With its social channels, Alce Nero has developed a **daily conversation with its users**, while also maintaining smooth communication with all project partners, from foundations to non-profits and from associations to media sources.

These methods also allow the company to **bring People into the field** at key times of the year for the various harvests, and show them the organic system, the supply chains and the People that make the Alce Nero ecosystem so unique.



17
Purées



2
Fruit juices



6
Fruit purée
in doypacks



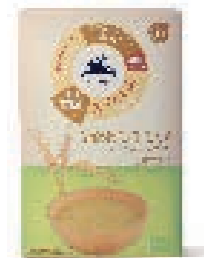
1
Biscuits



3
Porridges



1
Ready-meals



3
Pasta



1
EVO oil*



2
Sauces



1
Chamomile*

The **line of baby food products** is developed in accordance with laws regulating the formulation of products destined for children (D.P.R. 128 of 7 April 1999, Directive 2006/125, Regulation 609/2013, and directives 96/5/CE and 98/36/CE regarding cereal-based foods and others foods destined for nursing infants and children).

The baby food products are designed in accordance with guidelines that serve as a prerequisite for the development of every new Alce Nero reference, so no flavourings or additives other than those required by law or necessary in order to ensure the safety of the food and its life span.

Characteristics of the baby range

- **100% Italian¹⁵ and organic raw materials;**
- **With cereals from the Alce Nero supply chain.** The biscuits, emmer cream, Cappelli durum wheat semolina, emmer 'stelline' and Cappelli durum wheat 'corallini' are all produced using cereals from the Alce Nero supply chain;
- **With fruit from the Alce Nero supply chain;**
- **With nothing extra.** Some of the products in the range that would commonly contain gluten are in fact gluten-free, like the ready meal with rice and vegetables for example. In the same way, the puréed baby foods, including those that are meat-based, contain no oil or fats other than those naturally present in the raw ingredients. Lastly, the fruit purées contain no fruit juice, but only blended fruit with no added sugars.

Whether a purée, a pastina or a biscuit, all the references mentioned are designed around the fundamental concept that guides all Alce Nero development: **the recipe must be as "clean" as possible** and largely made up of **plant-based raw materials**, with the aim of reducing as far as possible the environmental impact generated as a result of growing and processing the raw materials.

All the **ingredients** used must be **processed as little as possible**, according to "minimal processing" criteria: this means that the raw material must undergo **as few chemical/physical-mechanical treatments as possible**, with a view to protecting and guaranteeing food safety, which is a prerequisite. As a result, the baby food range offers the highest possible nutritional density, with minimal processing.

¹⁵ With the exception of Fairtrade certified bananas.

* Products that cannot be classified as baby foods according to current laws in force.

Valuable partnerships



3.4

Working in food production has various implications for the Community, impacting on the salubrity of the environment, on the protection of natural resources, on the fertility of the land, on the type of economy that exists in that area and, last but not least, on the health of People who will eat the food.

“Making food for others” means considering that every step in the production cycle has an impact on the environmental, economic and social dimensions in which those People live. You can make food, or any other product, by either removing its richness throughout the phases or by preserving it, helping to build and restore it.

In the case of Alce Nero, the main impact on the Community is clearly determined by the type of farming that the company chooses to use, but this cannot be separated from the **commitment to create opportunities to explain and raise awareness about food and its history**, outlining the implications of a given food choice and promoting knowledge around the topics of organic farming and the connection between our food choices and our well-being.

This is why, over the years, the company has developed a number of **collaborations with People and companies operating particularly in the sectors of sustainability, health, culture and the promotion of positive life styles**. In 2021, the company invested a total of 270,000 Euro in these projects.

Each year, this report will touch on the most significant projects undertaken.

Alce Nero relationships

Alce Nero maintains relationships with a series of **institutional bodies**, with which it develops advocacy strategies that seek to stimulate projects and concepts that can help highlight the interdependence between the different aspects of sustainability. Examples include Legambiente, Consorzio il Biologico, Assobio, Fairtrade, Slow Food and Opta. It then strives to promote this awareness with **players who operate in the world of culture** such as the Festival di Internazionale, KUM Festival, Resilienze Festival and **those that focus more on a circular economy**, like Premio Spreco Zero and Non Sprecare.



The **link with the local community** also means returning value and planning ability with cultural players such as universities and foundations that activate projects for children (like Fondazione Golinelli and Teatro Testoni for the Emilia region), Cineteca di Bologna, and the sports world (with youth teams and associations, also at national level, like UISP, Eroica and non-profits that harness sport, like Komen and Maratona Alzheimer).

Added to this is the relationship with and support of **subjects working to safeguard health**, like the Fondazione Umberto Veronesi and the non-profit Fondazione Policlinico Sant'Orsola in Bologna with which Alce Nero has developed initiatives to promote a proper diet, whether among the general public, with the "**Alimenti Buoni**" project with Fondazione Umberto Veronesi for example, or among vulnerable categories, as with "**La Buona Cucina**" project with Fondazione Sant'Orsola.

Casa Emilia – Fondazione Policlinico Sant'Orsola non-profit

Casa Emilia is a new facility belonging to *Fondazione Sant'Orsola* that accommodates patients, and their family members, who travel from outside the region to be treated at Sant'Orsola hospital. Ten apartments and shared spaces in which People can get to know each other and spend time together, and a large terrace with plants and a small vegetable garden that is made available to all guests.

In this case, Alce Nero stocked **apartment pantries with its foods** and organised **nutrition courses to promote simply and tasty cooking** inspired by the Mediterranean diet. The courses were designed to highlight the nutritional principles of organic ingredients such as pasta, cereals, rice, legumes, tomatoes and EVO oil, and underline just how helpful these foodstuffs can be during a very fragile phase of life.

The project also involved two people with whom the company has collaborated for a while, namely **Dr. Renata Alleua**, a Nutritionist and Food Science Specialist, and **Chef Simone Saluini**. They helped build dedicated pathways for guests and their relatives that were soon transformed into opportunities to grow, share and develop connections and friendships.

“At the end of this experience, we gained more than we gave, as is often the case. As we sat around the table, we grew close to People as they shared their stories, their fears but also laughter.

Many of us have someone we love who is undergoing treatment at the hospital, and

Area of intervention:
Health and well-being



so many of us experience that sense of helplessness and defeat in wanting to help but knowing we can't. To be able to develop a project like this was a privilege as well as a unique opportunity. I don't know whether the number of People involved is significant at the reporting level, or whether it's useful to cite this in the report (I'd say no), but what I do know is that it was extremely significant for those of us who sat around that table. I want to thank Stefano, Primavera, Elisabetta and all the volunteers at the Foundation for having conceived, and strived to create, a place of Life, and allowing us to be a part of that."

Chiara Marzaduri, Communications Manager

Area of intervention: **The projects with Antoniano of Bologna**

Culture and Charity

The **collaboration between Antoniano and Alce Nero was born in 2015** with the aim of improving the quality of meals served at the Father Ernesto refectory and supporting the well-being of guests.

It all began with the creation of a **vegetable garden**, tended to by Antoniano guests, for the self-production of vegetables to use in meals for the needy people who visit the centre. This was followed by the launch of a **"Bread and Cookery School"**, thanks also to collaboration with chefs, bakers and pastry chefs, including vegetable cuisine cooking chef Simone Salvini. Such activities, in addition to fund-raising, have helped one of the Antoniano guests to enter the world of work, hired for the daily production of bread inside the kitchens.

And that's not all, as over the years Alce Nero has responded to calls such as the **Fondo di Emergenza** activated by Antoniano to tackle the increase in requests for help, donating food products to families in difficulty. In 2021, it donated funds to help with the **restructuring of the base** and took action to create and promote **Christmas fund-raising projects** to guarantee meals for the needy at the Father Ernesto refectory.

The collaboration between Antoniano and Alce Nero results from a **sharing of common values** and a desire to build relationships that are long-lasting, useful and significant for the territory and the communities who live there.

Antoniano of Bologna

Antoniano was born in Bologna during the second world war thanks to a Franciscan monk. In 1954, Father Ernesto Caroli lay the first brick in the building of a soup kitchen that would feed the many desperate people who crowded the city. But his dream was bigger than that. He knew that bread was not enough and that people needed hope, a soothing of the soul. During war times, this was something that music could sometimes offer. Alongside the soup kitchen was a cinema/theatre and a choir school for children and, just a few years later, the Zecchino d'Oro Festival entered homes across Italy.

From its very foundation, Antoniano has carried out social activities to support those who live in poverty or are marginalised and children with disabilities (activities made possible thanks to fund-raising by private individuals, companies and foundations) as well as cultural, musical and TV production activities (the profits from which go towards the social activities).

Publication with ISDE

Together with **ISDE**, the Association of Doctors for the Environment, Alce Nero has promoted a publication entitled **"Ambiente , Cambiamenti Climatici, Agricoltura e Alimentazione"** (**"Environment, Climate Change, Agriculture and Food"**).

An educational text edited by Roberto Romizi (President of Doctors for the Environment Association - ISDE Italy), Fabio Taffetani (Professor of Botany at the Università Politecnica delle Marche), Patrizia Gentilini (ISDE national executive committee), Gianna Ferretti (Associate Professor of Biochemistry and Director of the Health Education and Promotion Research and Service Centre, Faculty of Medicine, Università Politecnica delle Marche), Stefania Grando and Salvatore Ceccarelli (Geneticists/Plant breeders, Consultants), and Renata Alleua (Ph.D, Food Science Specialist, ISDE Scientific Committee).

The publication deals with topics relating to sustainability, the effect of agricultural practices, the global food production system and climate change, observing the effects on the health of People and the Planet.

Educating together with Fondazione Golinelli

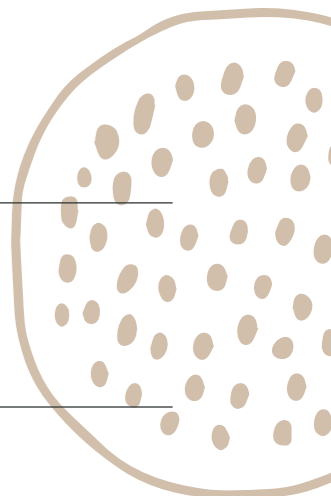
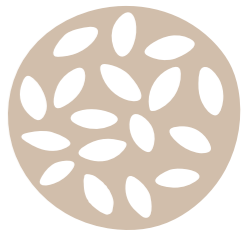
Alce Nero has also developed a valuable partnership with **Fondazione Golinelli in Bologna**. For several years, it has promoted the educational initiative **"La scienza in tavola" (Science on the table)**, to coincide with the *FAO World Food Day*, with a week of dedicated activities to promote a conscious food culture and food-related themes among local schools, and a session for families, teachers, students and individuals interested in matters of nutrition.

In 2021, the **"Direzione salute: buone pratiche per noi e per il Pianeta" (Direction health: good practices for us and the planet)** event saw the participation of Renata Alleua, Nutritionist and Food Science Specialist and Fiorella Belpoggi, Scientific Director of the Cancer Research Centre at the Istituto Ramazzini in Bologna. A session moderated by Raffaella Spagnuolo, Scientific Workshop Manager and 14-18 Teaching Program Manager at Fondazione Golinelli.

The initiative to involve schools achieved significant numbers in 2021, with the participation of 20 early childhood educators, 599 primary school students (29 classes), 75 students from lower secondary school (4 classes) and 197 students from upper secondary school (9 classes), despite the Covid-19 restrictions that were still in place.

Between 2017 and 2021, the "La Scienza in tavola" (**Science on the table**) initiative reached:

93 schools	173 classes	3741 students
306 teachers and assistants	76 teachers	883 general users

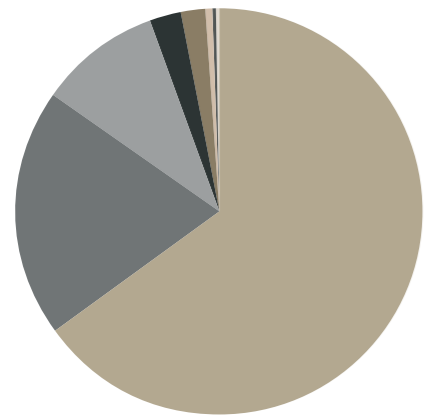


Clients and channels

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With the aim of promoting the idea of **transformational food** as widely as possible, Alce Nero commits to **distributing its products across different channels** to reach as many consumers as possible.

2021 Alce Nero revenue distribution by sales channel



Sales channel	Revenue in Euro	Revenue share %
Large-scale retail	46,202,881	65%
Export	14,154,453	19.9%
Specialist	6,852,669	9.6%
Pharmacy and Baby Shop	1,705,004	2.4%
E-commerce	1,465,732	2.1%
Food Service	380,257	0.5%
Other	203,175	0.3%
Direct sales	86,182	0.1%
Alce Nero total	71,050,353	100%

The most important channel is the large-scale retail trade, which experienced growth of +1.4% with respect to 2020. Alce Nero is present in all the biggest Italian chains such as Coop, Conad, Selex, Vegè and Esselunga.

It is important to note that, in 2021 and despite very crowded shelves, Alce Nero S.p.a. was able to introduce important new product categories at its main clients' stores. To cite just a few examples, June saw the introduction of boiled legumes at Esselunga stores, for a revenue of 247,500 Euro by 31/12/2021. Another example was the introduction of Cappelli durum wheat pasta to stores belonging to the North West Conad Cooperative (in November 2021). This allowed Alce Nero to be present on a shelf (that of pasta) that it had not previously controlled.

Direct channels, particularly e-commerce (in that single-brand sales outlets continue to represent only marginal revenue), have tripled their volumes in the last three years, now accounting for more than 2% of sales. 2021 brought a positive increase of 2%, a solid response to the significant demand of the 2020 pandemic period.



The **Pharmacy and Baby Shop channel**, with which Alce Nero achieved a revenue of 1.7 million Euro in 2021, allows for products to be distributed in all children's chains, in independent sales outlets and in many pharmacies, for a total of more than 500 sales outlets across Italy.

Here, the consumer can find a wide range of Alce Nero baby food products, particularly puréed foods.

To this end, Alce Nero developed a promotional activity in 2021, introducing roughly 400 single-brand display stands into more than 140 sales outlets. The stands held different puréed baby foods (four per stand) and reached new consumer families as a result.

In 2021, **Specialised Retail** achieved a turnover of 6.85 million Euro. This channel allows Alce Nero to sell a significant quantity of references, while allowing the consumer to explore all those products, sometimes niche, that are not found in large-scale retail chain stores.

In 2021 for example, Alce Nero developed a fruitful collaboration with distributor Ki Group S.p.a. (revenue of 295,000 Euro in 2021), which serves specialist organic retail stores across Italy. A total of 177 Alce Nero S.p.a. references and 10 Alce Nero Fresco S.p.a. References were bought and resold.

Exportation

The **export channel** makes up 20% of sales revenue for Alce Nero. Strategic client countries include Japan, which Alce Nero services via its partnership with Alce Nero Asia.

Cluster	Revenue in Euro	Number of Countries Serviced
Japan	6,521,066	
Total Alce Nero Asia	8,049,970	8
Other countries	6,104,483	45
Total Alce Nero export	14,154,453	53



During the course of 2021, a total of 117 references were exported to Japan. The most significant were the following:

Alce Nero product category	Revenue share % Japan
Pasta	23%
EVO oil	42%
Tomato sauces	7%
Tomato purées and pulp	8%
Vinegars	7%
Gluten free pasta	10%
Vegetable stock cubes	1%
Pestos and pâtés	1%
Biscuits	0.3%
Peeled tomatoes	0.2%
Fruit spreads	0.2%
Chocolate bars	0.3%

Alce Nero Asia: a winning partnership

Denis Group was founded in 1862 and is a group of companies still controlled by the heirs of the French founder, Etienne Denis. The business activities of the Denis family have always focused on Southeast Asia and today the group pursues its main activities, mainly in the Food industry, in the Far East. Convinced of the need to offer increasingly safe, healthy and environmentally friendly foods, Denis Group has forged a solid partnership with Alce Nero.

In 2006 Alce Nero and Denis Group established a Joint Venture, **Alce Nero Asia Ltd** which coordinates development strategies for the Alce Nero brand throughout the Far East (including China and Japan) from its headquarters in Singapore.

The rules governing this Joint Venture are clear and simple: Alce Nero S.p.A produces in Italy and Alce Nero Asia Ltd. then imports, promotes and sells the produce on site, via the operative and commercial companies of Denis Group present in almost all Far Eastern countries.

Thanks to this collaboration, not only is Alce Nero the undisputed leader of the organic market in these areas, but it is also one of the most widely distributed and visible organic and non-organic Italian food brands. Specifically, Japan is the country in which Alce Nero has achieved the best results after Italy, both in terms of sales and reputation.



For more than 40 years, Alce Nero has strived to inject dignity and value into work and life in its various forms. Right from the outset, the company stood out for its strategic goals, namely to ensure the health and safety of workers along the entire supply chain as well as their sustenance and psychological/physical well-being. The first step is to protect them from chemical agents normally used in agriculture. Fully committed to the organic method, Alce Nero immediately introduced those cultural elements central to the business, values that penetrate deep into company management and that, over time, continue to be of reference when it comes to policies and internal and external relations.

Those who collaborate with Alce Nero are the source of the firm's success. They clearly represent company values and achieve the business objectives thanks to their personal and professional expertise. Alce Nero is a company in which it is not only “what” is done that counts, but also “how” and particularly “why”. All this value-based effect lies in the People, animating and uniting them.

Alce Nero People are steered by solid values and are highly skilled in terms of their communications, creativity and organisational expertise. The company, in turn, is responsible for providing a work setting in which these talents, as well as the significant diversity that each person brings to the table, are valued. Gender, generation, sexual orientation, religious beliefs, geographic origin, ability or inability... None of these variables have, or have ever had, an impact on Alce Nero policies. To back up this position, 2022 will see the company's personnel management draw up guidelines and policies, starting with the content shared and approved with the trade union organisations over the years of cooperation and evolution, while always keeping one eye trained on the future and on social evolution.

“We are Alce Nero”: a programme for the well-being of People

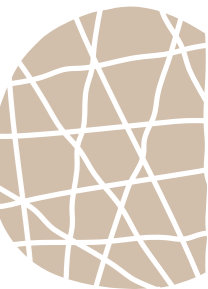
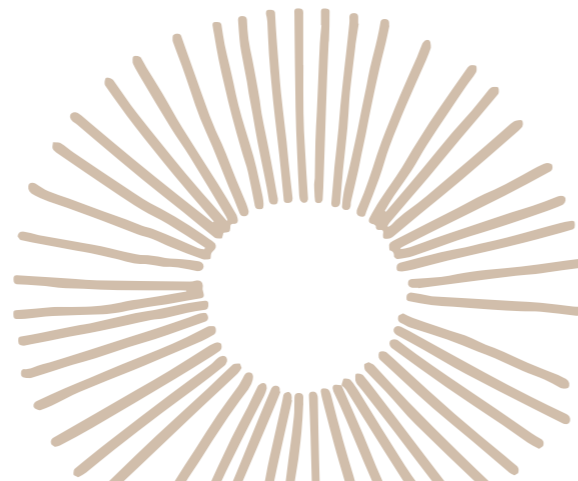
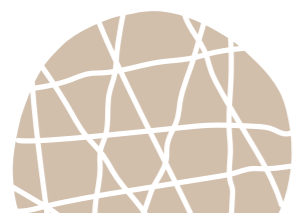
In 2021, as employees returned after months of smart working, the company soon saw that much of the balance had been disturbed. Employee interviews highlighted a necessity, and subsequent desire, to address needs that had previously been suppressed and moved to the background, specifically the **need for recognition**, for **a sense of usefulness and belonging**, for **personal and professional growth**, and for **structured agility and flexibility**.

In partnership with professional counsellor Erika Sartori, the company launched the **We are Alce Nero** programme, with a series of creative workshops designed to identify company welfare and well-being activities. **30% of employees** took part in the workshops, voluntarily and enthusiastically, assuming the responsibility experiencing the satisfaction of acting as spokespersons.

The creative workshops involved **activities of co-planning** so as to generate concrete, feasible proposals that were then presented and voted on during an open-air party attended by the entire company. These discussions carved an innovative path, naturally leading to inter-departmental collaboration. Each participant had six hours (three two-hour sessions) in which to discuss and plan with colleagues from different departments. The cognitive sphere was put aside and intuition was brought to the fore, with the use of creative cards, mental maps, automatic writing and guided imagery.

And this led to the identification of some of the activities that will make up the People-focused work over the next two years. These include **company trips** to meet Partners and explore Alce Nero territories, the creation of a relaxation/meeting space inside the company, **opportunities for exchange and facilitation between departments, team building, a counselling service, and professional and personal growth pathways**.

The **We are Alce Nero** project has facilitated communication, reactivated relationships, stimulated employees contact with each other and **put People at the centre**. All elements that have shown to contribute to the success of company processes.



Employees by gender and contract type

FY 2020

Men	Women	Total
Number of employees		
39	40	79
Permanent employment contract		
36	37	73
Fixed-term employment contract		
2	-	2
Apprentices		
1	3	4
Number of full-time employees		
36	39	75
Number of part-time employees		
3	1	4

FY 2021

Men	Women	Total
Number of employees		
43	54	97
Permanent employment contract		
40	40	80
Fixed-term employment contract		
1	9	10
Apprentices		
2	5	7
Number of full-time employees		
39	51	90
Number of part-time employees		
4	3	7

In 2021, the **total number of Alce Nero employees** equated to **97 people**, all operating in Emilia-Romagna. With respect to the 79 people present in 2020, the **workforce has grown by 22.8%**. In calculating the total number of employees, we considered those with permanent and fixed-term contracts and apprentices, but excluded those with supply contracts and or internships, as they cannot strictly be classified as employees. In 2020, there were two people with a supply contract, one man and one woman, while in 2021 just one woman. In the same way, the number of interns dropped by one between 2020 and 2021, going from two (one man and one woman) to one man in 2021.

As for **external workers**, a contract is in place for the e-commerce area, for the preparation of orders, and so in this case numbers vary depending on requirements. In addition, there is one internal collaborator in the Purchasing Department.

As for the significant increase in Alce Nero staff numbers between 2020 and 2021, here below are charts summarising the **hires and resignations**.

FY 2020	Women			Total women	Men			Total men	Total
	< 30 years	30-50 years	>50 years		< 30 years	30-50 years	>50 years		
Number of employees	5	28	6	39	8	27	5	40	79
Number of new hires	2	-	-	2	2	3	3	8	10
Number of resignations	-	6	-	6	1	3	1	5	11
Employment rate	40%	0%	0%	5%	25%	11%	60%	20%	13%
Turnover rate	0%	21%	0%	15%	13%	11%	20%	13%	14%

FY 2021	Women			Total women	Men			Total men	Total
	< 30 years	30-50 years	>50 years		< 30 years	30-50 years	>50 years		
Number of employees	10	37	7	54	4	31	8	43	97
Number of new hires	7	11	-	18	1	7	1	9	27
Number of resignations	1	1	-	2	-	1	-	1	3
Employment rate	70%	30%	0%	33%	25%	23%	13%	21%	28%
Turnover rate	10%	3%	0%	4%	0%	3%	0%	2%	3%

Employee hires and resignations by gender and age

In 2021 **27 new employees** joined the Alce Nero workforce, of which **18 women** and **9 men**, while three employees had left as of 31 December. Divided by gender and age range, the employment rate shows that 70% of women under 30 were hired during the course of 2021.

Similarly for men, the largest percentage of new hires fell into the under 30 age bracket. The **total employment rate**, calculated as the ratio of new hires to total number of employees, has risen with respect to 2020, climbing from 13% to 28%.

As for **turnover rate**, calculated as the ratio between resignations and the total number of employees, the highest figure relates to women in the under 30 bracket, which equates to 10%. In general, the total turnover rate relating to women has dropped from 15% in 2020 to 4% in 2021. In the same way, the male turnover rate has also fallen from 13% to 2% in 2021. In 2020 and 2021 nobody retired and all resignations were voluntary, hence there were no support or transition programmes.

In taking a closer look at the Alce Nero staff makeup, most people fall into the professional category of **clerk**, which grew by 13 during 2021 with respect to 2020. As for age range, 69% of people are between 30 and 50 years of age, up on 2020 figures (65%). There has been a slight drop, from 15% to 14%, in the number of people aged under 30 and those aged 50 and over (from 20% to 16%). If we consider gender, the workforce is **comprised mostly of women in 2021** (56%), an increase compared to 2020, when the percentage of women working at the company amounted to 49%. Here below, the number of employees divided by professional category, gender and age range.

Employees by gender, age range and professional category

Employees by professional category and age bracket

	FY 2020				FY 2021			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	-	3	1	4	-	2	2	4
Managers	-	9	4	13	-	7	3	10
Clerks	6	28	9	43	8	39	9	56
Blue-collar workers	6	11	2	19	6	19	2	27
Total	12	51	16	79	14	67	16	97
Percentage	15%	65%	20%	100%	14%	69%	16%	100%

Employees by professional category and gender

	FY 2020			FY 2021		
	Women	Men	Total	Women	Men	Total
Executives	-	4	4	-	4	4
Managers	5	8	13	5	5	10
Clerks	33	10	43	42	14	56
Blue-collar workers	1	18	19	7	20	27
Total	39	40	79	54	43	97
Percentage	49%	51%	100%	56%	44%	100%

In 2020 and 2021, of the senior managers, or rather those belonging to the managerial category, 100% were hired from the local community, taken to be the region of Emilia-Romagna.

For 2021, we have also calculated the ratio between women's base wage and salary and that of men with regard to the professional categories of manager, clerk and blue collar worker, in that there are no female executives at the company during the year in question. Base wage refers to the minimum fixed sum that an employee receives for the tasks they are assigned, excluding any additional remuneration, while the term salary refers to the base wage plus any additional sums paid to a worker. Here below the figures divided by professional category:

Male-female base wage and salary comparison

Correlation between women's base wage and that of men - FY 2021

Managers 0.78

Clerks 1.09

Blue-collar workers 0.83

Correlation between women's salary and that of men - FY 2021

Managers 0.76

Clerks 0.92

Blue-collar workers 0.70

Across the entire Alce Nero workforce, six staff members belong to protected categories, an increase of one compared to 2020. Of these six people, 67% are women (80% in 2020), while 33% are men (20% in 2020). One person belongs to the professional category of manager, while five are clerks, a trend in line with that of 2020, when there was one manager and four clerks.

Other initiatives for internal collaborators

Right from the start, Alce Nero focused on building an agile, elastic team that could take a naturally flexible approach to activities and tasks. Over the years, the number of employees has grown to almost 100, and this calls for a slightly more structured organisational set-up.

In both 2020 and 2021, 100% of collaborators hired as blue collar workers, clerks or managers benefited from the application of the **CCNL (National Collective Labour Agreement) for employees in the Tertiary Distribution and Services sector**. Managers have meanwhile long benefited from the collective bargaining of Cooperative Managers. Permanent employees, both full- and part-time, receive health cover, pursuant to the aforementioned CCNL. The health care services, as foreseen by the CCNL, are outlined during the recruitment phase, particularly those services relating to prevention. The four managers also receive disability coverage and life insurance. Already in 2007, Alce Nero equipped itself with a **Corporate Supplementary Agreement, signed with trade union representatives**. The document aims to improve regulatory conditions and those of the CCNL and labour law, and focuses on the flexibility of hours, the accrual of leave, greater coverage in case of illness and pregnancy, the granting of paid and unpaid leave when required at a personal/family level, and the facilitating of access to TFR paid while at the company. Alce Nero employees are also able to purchase branded products with a significant discount. The company is well aware that its **staff members are front-line ambassadors for the brand's quality and integrity**. During the first months of the pandemic, to safeguard the health of employees and their families, Alce Nero significantly altered the work hours and spaces. Alternating shift patterns were introduced in the warehouse, so as to halve the number of workers present in the facility at any one time and reduce the risk of absences owing to illness, which could have brought the logistics activity to its knees, the team under significant pressure due to an increase in the volumes being handled. As for the office area, the devices and tools required for smart working were acquired in the space of just ten days, with everybody able to work from home thanks also to a recent company switch to the Google platform. A smart working training programme was delivered in 2020 to identify any difficulties and address them, while in 2021 the goal was to reactivate sociality, participation and an adherence to those Alce Nero core values. To this end, a **coaching pathway for managers** was also developed.

In addition, once the state of emergency came to an end in 2022, the company implemented a **smart working model** in agreement with the Workers Council that will allow employees to work three days in the office and two days elsewhere, in accordance with their role and while respecting safety regulations. This policy results from an acknowledgement of the sense of responsibility employees showed during the pandemic, working for many months in isolation and conditions of general uncertainty. The agreement seeks to protect against any work/personal life imbalance and was tested during the second phase of the pandemic, during which maximum staff thresholds were set on-site to avoid any hotspots within the company.

Health and safety

The **health and safety of workers** has always been a primary objective for Alce Nero, particularly for those operating in a medium risk environment like the warehouse. The safeguards put in place to cover all the risks mapped in the DVR, which is updated annually, include anti-seismic shelving, cutting-edge vehicles and the provision of barriers and blockades. All recommendations are taken into consideration so that the employee not only operates in an objectively safe context in accordance with legal standards, but also feels safe, perceiving their work environment to be a secure space.

Alce Nero guarantees the quality of its processes to prevent or remove risk with an **annual inspection by the RSPP** and the **company doctor**. In addition, within the warehouse and office areas, a number of **fire officers and first aid officers** have been identified. In the warehouse specifically, the safety manager directly involves the workers to improve the health and safety conditions. Any incidents are recorded with the compilation of a near-miss injury form, or with reporting to INAIL in cases where the event has caused the worker any injury. These tools are evaluated by the RSPP (prevention and protection supervisor) to understand the need for any modification to the identified risks. The management system is in fact implemented based on this risk evaluation. A safety meeting is held once a year and involves company managers, the RSPP, the company doctor and the RLS (worker safety representative), with the RSPP having previously conducted an inspection.

In 2020, no injuries of any kind were recorded among employees¹⁶. In 2021, the only two injuries recorded among employees were classed as not serious, out of a total of 162,210 hours worked. The work-related injury rate recorded for 2021 equated to 12.33¹⁷. In terms of occupational illness, there were no cases recorded for any category of worker in 2020, while in 2021 there were two cases among the employees, both of which resulted from improper use of the equipment.

Each year the HR department supplies the safety training plan: the planning of refresher courses includes an evaluation of any deadlines, in order to be able to plan all courses. From time to time, the RSPP suggests additional training topics to consider during the planning phase. Health and safety-related training has seen a 25% increase between 2020 and 2021, and an even greater increase (45%) in terms of the people involved, going from 20 in 2020 to 29 in 2021. The type of training is outlined in the following table.

¹⁶ The company is unaware of any injuries among non-employee workers.

¹⁷ Calculation formula: (number of injuries/number of hours worked) * 1,000,000.

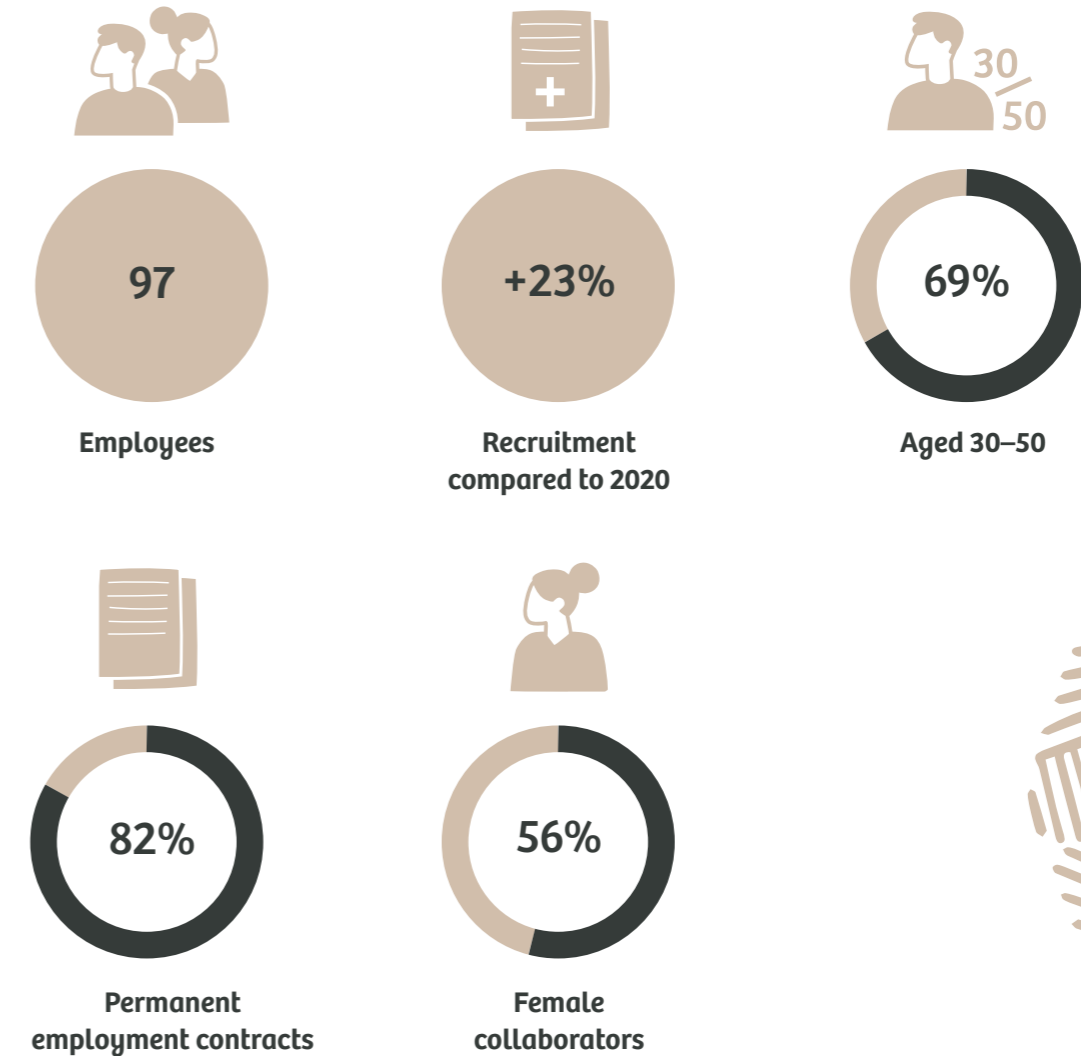




Health and safety training activities

Type of training	FY 2020	FY 2021
	Hours	Hours
General training	4	4
Specific low-risk training	4	4
Specific medium-risk training	8	8
Forklift driver training (update)	4	4
Supervisor training (update)	-	6
First aid officer training	12	16
Fire officer training	8	8
Total	40	50

Collaborators: 2021 highlights



CH 4

Value for all

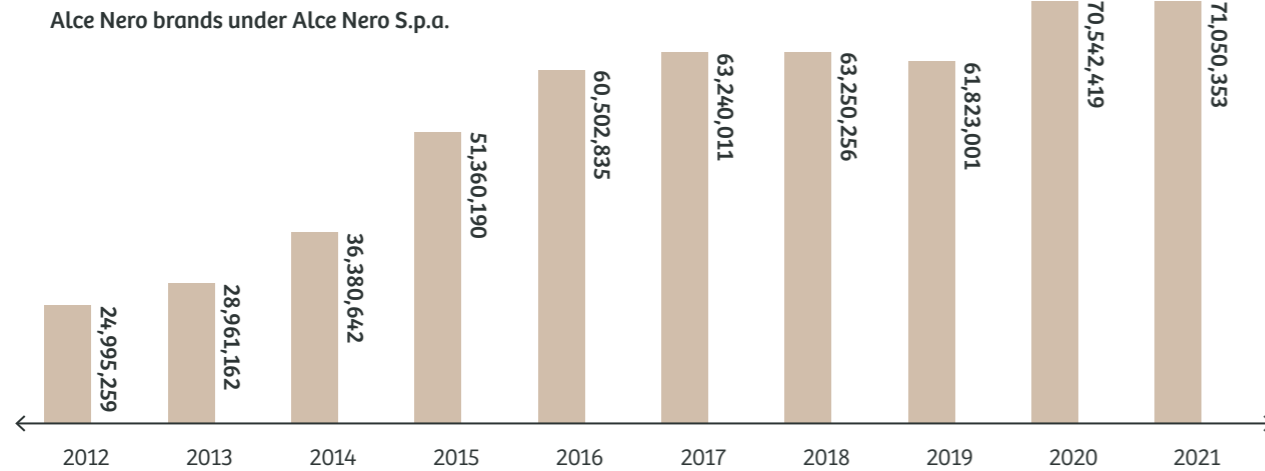


Creating Economic Value

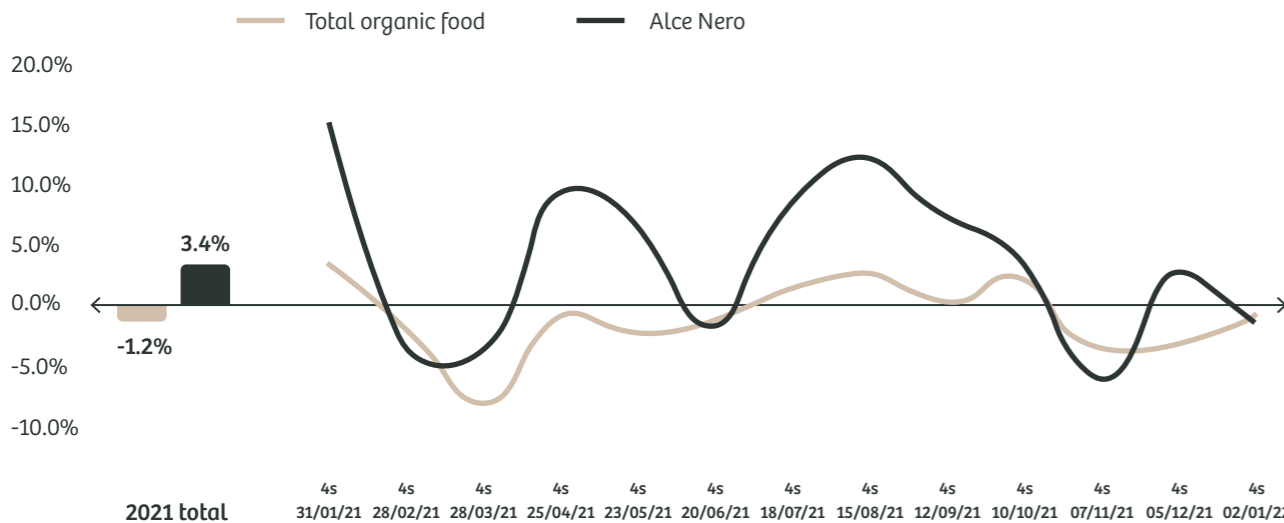
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Financially positive results and a fair profit are essential in order to continue to plan the evolution of Alce Nero and distribute organic foods across Italy and the world. The **Alce Nero Group has grown** in a consistent way over the last ten years, as illustrated in the diagram below.

Revenue trend in Euro¹⁸



2020 was an important growth year due to the Covid-19 pandemic, but Alce Nero was again rewarded by the market in 2021, growing more than the organic market average, as shown in the following chart (+ 3.4% vs. - 1.2%).



Source: Nielsen Dati Iper+Super

The following diagram shows the **Generated and Distributed Economic Value** that can be defined as the wealth created by the company in carrying out its activities. In particular, the **Distributed Economic Value** is one of the elements to consider when evaluating the economic and social impact of Alce Nero, as well as the wealth generated and distributed among certain categories of subjects that, with their different contributions, have contributed to producing it and/or are among the company's main stakeholders. The **Retained Value** on the other hand are those economic resources kept within the company for its self-sustenance and sustainability over time. The following figure highlights how certain stakeholders have benefited from the wealth produced by Alce Nero, thus quantitatively demonstrating the relationship between Alce Nero and the socio-economic context in which the company operates.

During the 2021 financial year, Alce Nero reported overall earnings of **76,718,692 Euro** relating to the sales of Alce Nero brand and third-party brand products, excluding the earnings generated by Alce Nero Fresco and Freddo that amounted to **2,934,430 Euro** and **1,655,769 Euro** respectively.

The most significant investments made during 2021 with a view to Alce Nero growth related to the implementation of new company software, an important achievement on the Alce Nero digitalisation pathway.

The company decided to implement a new and fully cloud-based ERP that is state of the art in terms of its management software.

A significant and serious investment, completed with the implementation of a new Business Intelligence and Reporting tool and a CRM to support the B2C after-sales process, which will also allow Alce Nero to review core company processes with a view to improving efficiency.

The main results expected are:

- an improvement in client service levels;
- optimisation of the collaboration with suppliers and Partners;
- greater control of the supply chains;
- optimisation of information in support of decision-making processes.

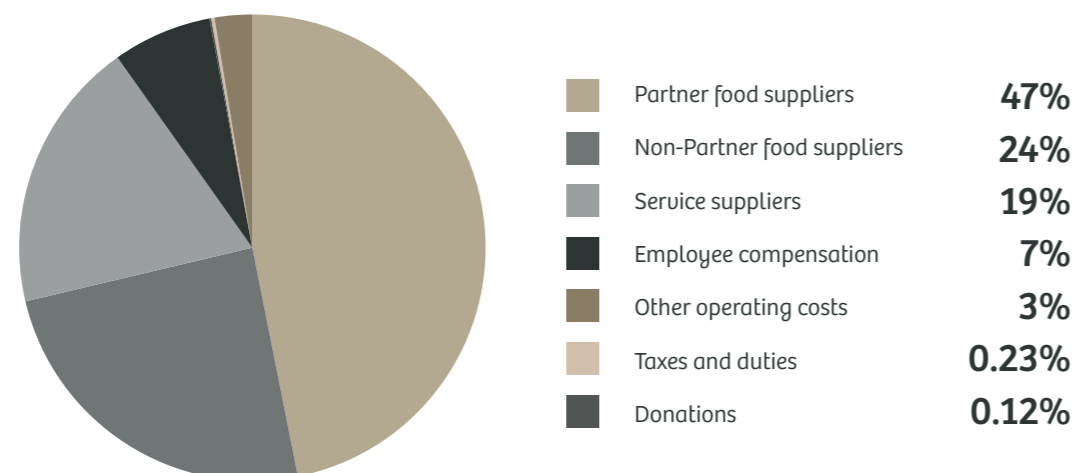
Economic Value Generated and Distributed - in Euro

Economic Value Generated and Distributed	FY 2020	FY 2021	Variation
Revenue*	76,592,168.00	76,718,692.00	126,524.00
Financial profits	977,501.00	542,978.00	- 434,523.00
Other income/Taxes	1,429,298.00	1,309,137.00	- 120,161.00
Total Economic Value Generated	78,998,967.00	78,570,807.00	- 428,160.00
Operating costs	- 72,510,602.00	- 72,303,634.00	206,968.00
Staff remuneration	- 4,871,584.00	- 5,363,571.00	- 491,987.00
Debt and risk capital	-	-	-
Taxes and duties	- 463,213.00	- 177,036.00	286,177.00
Donations and membership fees	- 173,960.00	- 96,312.00	77,648.00
Total Economic Value Distributed	- 78,019,359.00	- 77,940,553.00	78,806.00
Economic Value retained by the organisation	979,608.00	630,254.00	- 349,354.00

*of which:

Revenue from the sale of branded products Alce Nero	70,542,419.00	71,050,353.00	507,934.00
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Economic Value Distributed



In analysing the **Economic Value** produced and distributed by Alce Nero S.p.a. in 2021, it emerges that:

- the greatest share, equating to **47%**, served to remunerate the Shareholders in accordance with the company business model;
- **24%** was used to remunerate suppliers;
- **7%** served to remunerate human resources, benefits included;
- a **minor sum** was destined to the Public Sector (state and local authorities) in the form of taxes and duties¹⁹.

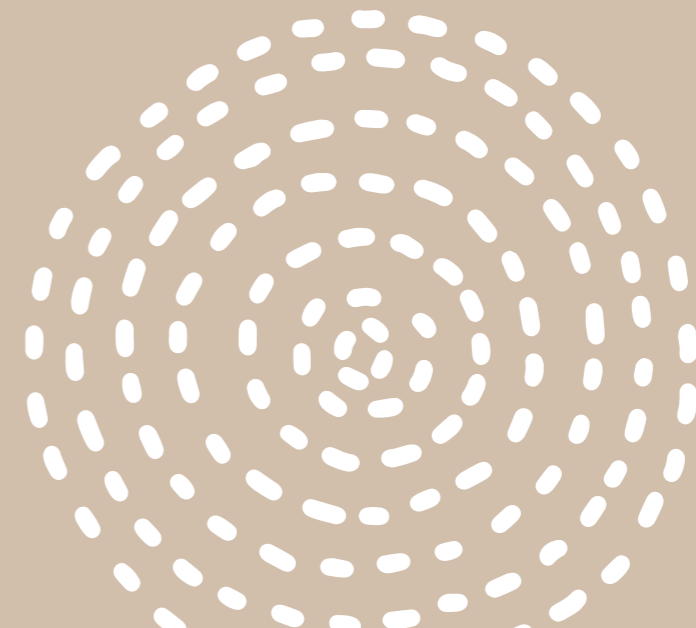
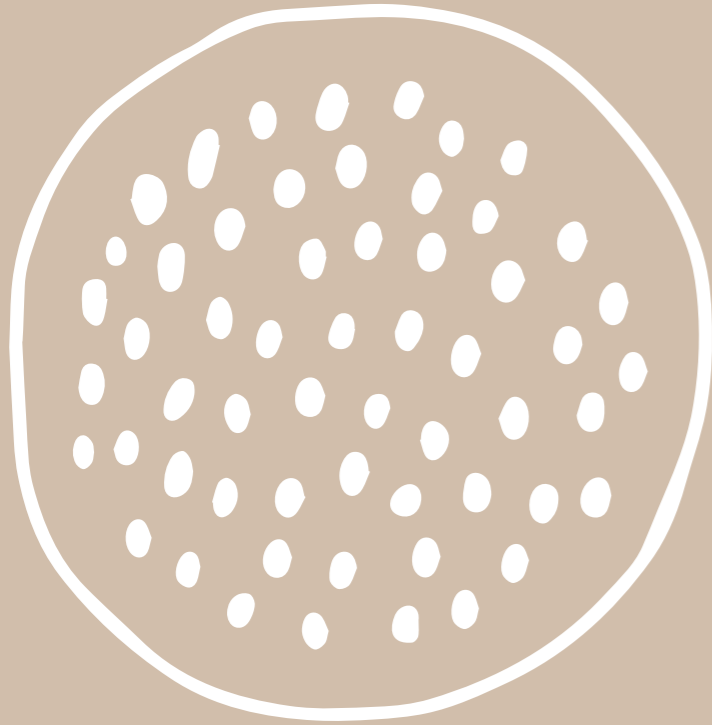
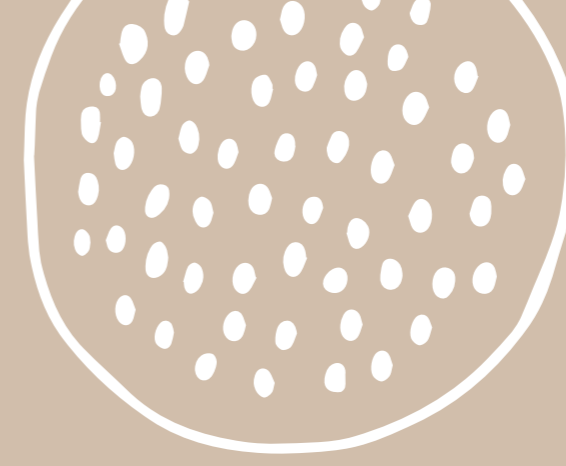
Of the economic value generated, client bonuses equated to 6%.

The difference between generated and distributed economic value represents the share kept by the organisation, which amounts to 630,254 Euro.

As for its fiscal approach, Alce Nero has not defined a strategy and therefore complies with the provisions of Italy's **Consolidated Income Tax Act**. The Governing Body that monitors the company's fiscal approach is the **Board of Directors**, which evaluates the correct application of the laws in force. With the support and supervision of a tax consultancy firm, the various risks and compliances are identified, managed and monitored as far as is possible. In order to guarantee the company's tax-related integrity, periodic checks and/or sampling are carried out by the **Supervisory Body**, the **Board of Statutory Auditors** and the **Auditing Firm**. Generally-speaking, decisions relating to company business do not depend on tax breaks. The involving of stakeholders in fiscal matters is an approach that sees collaboration and openness on the part of all areas involved. Stakeholders' considerations, opinions and worries are dealt with during board meetings.

¹⁹ VAT (value added tax) is not included in calculating the taxes.

Environment





Total commitment to organic farming

5.1

“Organic farming is an agricultural production model that supports the health of the soil, the ecosystem, and People. It is based on ecological processes, biodiversity and cycles that suit local conditions rather than on the use of inputs that have adverse effects. Organic farming combines tradition, innovation and science to the benefit of the shared environment and in order to promote proper relationships and a good quality of life for all those involved.”

IFOAM General Assembly, Vignola, June 2008

Contrary to what many might think, **organic farming** is not an expression of past legacies, of low-yield production methods or the prerogative of a few fanatics. It is our job to clear up these misconceptions.

According to the IFOAM manifesto (www.ifoam.bio/en/organic-land-marks/principles-organic-agriculture), organic farming is based on the following **four main principles**:

- the principle of **well-being**;
- the principle of **ecology**;
- the principle of **fairness**;
- the principle of **precaution**.

It was by embracing this vision that the founders of Alce Nero became pioneers of organic farming more than forty years ago, well before the drafting of the first European Regulation.

Of particular relevance according to Alce Nero is the **principle of well-being**, which asserts that organic farming must support and encourage the well-being of the soil, plants, animals, human beings and Planet, as one single, inseparable whole. This principle underlines how the **well-being of individuals and communities cannot be separated from that of the ecosystems**. Healthy soil makes for healthy plant-based raw materials that properly nourish both People and animals. To preserve soil health, the use of production factors must be reduced and the resources managed in an efficient way.

It is this awareness that sees Alce Nero assume responsibility, as a producer of organic foods, and contribute to the well-being of the individual, of communities and of the entire system in the way it knows best.

Organic food actually **improves the health of the agro-ecosystem** with its sustainable agronomic practices and interventions that respect the different life forms. Organic food contributes to **restoring the original environmental conditions and regenerating the system, and represents the end result of valuing the territories** from which we draw our nourishment.

Organic farming is a universally recognised and publicly codified method of **sustainable farming**, a necessary approach in a context in which farming and animal breeding contribute in a significant way to the emission of climate-altering emissions (11% in 2019 according to the European Environmental Agency, but as much as 25% on a global level). The current economic system and an industrial farming method that has extracted resources and used chemical inputs for decades has led to a situation in which we are exceeding the biosphere’s safety limits²⁰, with **serious environmental and social consequences**, including:

- Impoverishment/degradation of the soil and a loss of fertility, which also impacts on productivity;
- eutrophication of surface and subsurface waters;
- loss of biodiversity;
- increase in the emission of GHG gases with a subsequent rise in temperatures and greater vulnerability to the impacts of climate change;
- appearance of “death zones” in the oceans;
- exposure to pesticides, both for the farming operators and via our diet;
- irregular distribution of resources;
- general social and economic instability;
- an increase in migratory flows.

Organic farming is not an end for Alce Nero but rather a vehicle, a tool that allows us to prosper in the ecological, cultural, social and environmental sense. And this is why all the brand’s products have always been organic.

Due to the very nature of its business model, the environmental impacts of Alce Nero are, for the most part, indirect and result from production activities that are not under its direct control. Cultivation and processing are in fact carried out by Shareholders and third-party Partners who directly harness resources to create Alce Nero branded products. All agricultural production is carried out according to the organic method.

So despite the fact that Alce Nero is not an energy-intensive company with significant emissions, the environmental emergency we are experiencing calls for broader consideration that is not just limited to organisation of the company, but extends to the entire value chain and even beyond, with the dissemination of a culture and awareness as to climate change causes and the effects on our lives, actions and commitments.

²⁰ See <https://www.stockholmresilience.org/research/planetary-boundaries.html>.

Intelligence of the soil

Interview with Paolo Pileri

Professor of Environmental and Urban Planning at the Politecnico di Milano.

What does it mean when we talk about soil intelligence? What is the value of soil?

With extreme efficiency, gratuitousness and resistance, the soil carries out a series of functions that allow nature, and so also us humans, to live and be well. On one condition though - that we respect its fragility. Or rather that we refrain from unleashing our stupidity to pollute the soil, extract humus, which is the organic substance, or, particularly, to cover it with concrete, which kills it forever. And us with it. The soil is a living laboratory that has set up permanent employment contracts with billions of micro-organisms, fungi and the plant world in order to exchange favours, energies, foods and moisture. We are not so good at forming alliances. We're not smart when it comes to forming partnerships. We tend to exploit, use up and consume while the soil recycles, renews, recovers and maintains itself by carefully using only that which is required by its world, the most powerful but invisible ecosystem that we have. If this is not intelligence... It has only been naive in one respect, blindly trusting in the behaviour of its tenant on the floor above - us. And so it's up to us, with our farming, our way of conceiving cities, our way of shopping, to take care of it. We've been given a real responsibility.

What is the current condition of the soil in Italy and what are the environmental and social costs of this condition?

In Italy, we don't have a robust law protecting the soil or one that prevents the incessant urbanisation. In Italy, soil consumption, or rather the transformation of everything that is natural and agricultural into urban, occurs at a rate of 2m²/second, which equates to more than 5000 hectares of fields per year. And it's been like that for more than five years. With no sign of slowing. No pandemic can slow soil consumption. The national ISPRA report (<https://www.isprambiente.gov.it/it>) estimates that the loss sustained by concreting over ecosystem services, services that the soil would otherwise supply to nature and man, equates to an artificial public spending of roughly 80,000 Euro per hectare per year. An enormous figure that no administration will cite on its budget sheet and that no economic activity will include in their liabilities when they build a warehouse or a road in place of a field. And we know even less about the social costs. How can we measure the sadness in the eyes of a child who no longer sees hills from the window but the walls of a warehouse? What conception of walking and beauty can a teenager possibly have if they experience only asphalt and no longer know what land is? We don't yet know, but we'd do well to be more cautious and stop to ask ourselves.

In your opinion, what is the relationship between the quality of the soil and the quality of the raw agricultural materials?

It's like breathing the air at the top of a mountain or breathing it in a street full of traffic. If the soil is healthy and respected, then it can give back so much in terms of quality. If the soil is exploited, compacted, exposed to the sun for days or weeks, its biodiversity is mortally wounded and, with it, its living matter, which is what is able to sustain agricultural production. Without good soil, there can be no good food. If we intervene, drugging it with fertilisers and pesticides, the foods will be nothing other than drugged products, edible but definitely not of the best quality or safety. In the 60s, Rachel Carson wrote *Primavera Silenziosa (Silent Spring)*, a wonderful and scientifically accurate book that revealed the extent of the damage that treatments were having on raw agricultural materials. One wonderful chapter is dedicated to the kingdoms of the soil, explaining just how close the relationship between the quality of silent and industrious soils and that of food was, and still is today. We never tire of explaining that, of remembering it. The Italian word for remember, 'ricordare', has wonderful origins and means 'returning to the heart'. We bring good soil back to the heart of People by seeking the right, convincing words, encouraging them to slowly explore fields and woods rather than rushing around cities and motorways.

How can a particular type of farming such as organic contribute to reducing soil degradation?

Biodiversity - the answer lies in this crucial word for humanity. Almost 30% of the Planet's biodiversity lies in the first 30 cm of soil. Not in all soils though, only those that we respect. Urban soils contain very few traces of biodiversity. Biodiversity also admits defeat in soils subjected to intensive farming, where agro-chemicals destroy anything that is not needed in the moment. Organic farming is referred to as such because it respects the body of the soil and is more respectful of the soil's biodiversity. This means a lot for both the environment and for us. Let's not forget that biodiversity is the Earth's most powerful and best stocked pharmacy. That tangle of bacteria, fungi, tardigrades and nematodes has saved our lives millions of times over, providing us with antibiotics and medical remedies without which I wouldn't be here writing. Organic farming does not impoverish the soil like traditional farming but, more than that, it better preserves that biodiversity that is so vital to nature and to us. So it's a farming method that does good on three fronts, helping the soil, nature and us. What more could we ask for?

Climate change and Alce Nero crops

The **Mediterranean basin** is increasingly becoming one of the climate change 'hotspots'²¹, both in terms of temperature - with a warming that exceeds the average global rise by 20% - and in terms of rainfall, with significant reductions. In particular, over the last decade in Italy, temperatures have been between 1.21°C and 1.71°C higher than average in eight out of ten years. And there has also been significant variability in terms of accumulated rainfall, with an increase in alpine and pre-alpine areas and a reduction in average rainfall in some southern regions, including Sicily, Puglia, Sardinia and locally in Alto Adige and Valle D'Aosta. Expected future scenarios include these previously outlined trends, with temperatures that will rise by up to 2°C during the 2021-2050 period (with respect to 1981-2010), less but more intense rain, more hotter, drier days, an increase in surface temperatures and sea levels, ocean acidification and coastal erosion (*Source: CMCC report*).

In 2021, **some of the products in the Alce Nero strategic supply chains** really felt the effects of climate change, namely **honey, apricots and raspberries**. Why is this?

- **Temperature anomalies:** particularly late frosts that damaged fruit crops, wiping out the apricot harvest as the frost came during the flowering period, but also cereal crops, preventing the ears of wheat from filling out and therefore causing a drop in production in some areas of Puglia. Acacia honey also suffered a blow due to low temperatures and unexpected frosts during the flowering period. And the very hot summer temperatures caused a crisis in areas where grains and tomatoes are grown, calling for increased irrigation. Autumn and winter grains are not usually irrigated, but in recent years it has become usual to carry out emergency irrigation in response to prolonged periods of drought. In addition, the general rising of temperatures is expected to bring variation in the development dynamics of insects, including the phytopathogenic, which will allow them to occupy habitats they do not yet populate and possibly extend their life cycles, with increased survival and more generations per year. The dynamics of the populations may well adapt and evolve to suit the new temperatures and the vegetation itself, but also adapt to the extreme phenomena. Faced with plants that are weakened due to greater stress, one might also hypothesise a diminished plant response to insects, at the biochemical level, and therefore greater susceptibility with serious consequences in terms of production, quality and quantity;
- **Anomalies in rainfall:** a drop in rainfall, irregular distribution throughout the season (heavier from November to January) and little rain during summer expose the plants to greater stresses and reduce the time frame for certain agricultural operations such as sowing and/or transplanting, manuring and harvesting;

²¹ For more details:

<https://www.copyrpco.it/blog/147006182991232/come-i-cambiamenti-climatici-agiscono-sugli-insetti/>

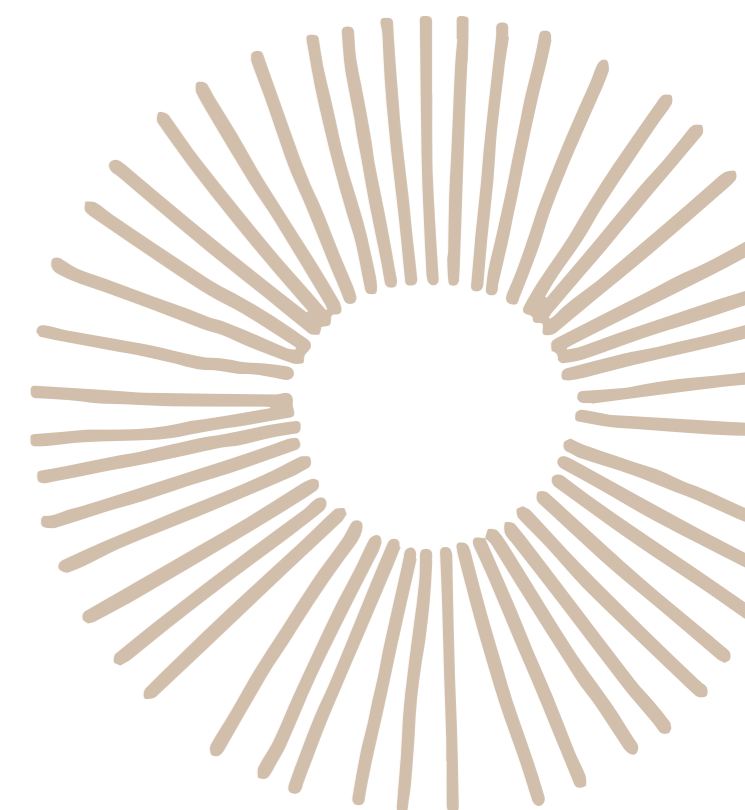
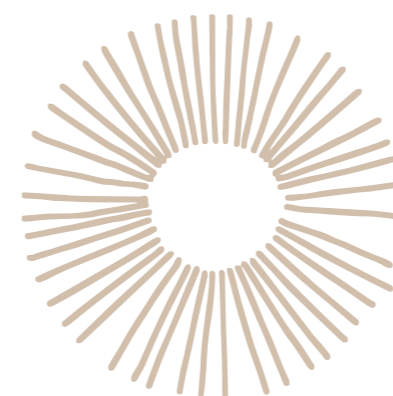
<https://cordis.europa.eu/article/id/120575-studying-insects-response-to-short-term-climate-events/it>

<https://agricoltura.regione.emilia-romagna.it/psr-2014-2020/notizie/notizie-2020/revisione-delle-zone-soggette-a-vincoli-naturali-significativi-diverse-dalle-zone-montane>

https://files.cmcc.it/200916_REPORT_CMCC_RISCHIO_Clima_in_Italia.pdf

- **Extreme climatic events:** particularly hail, flooding caused by intense rain, and fires.

Over the years, the assessment of disadvantaged areas has been redefined at European level with the integration of eight biophysical factors indicated in Annex III of UE regulation no. 1305/2013. These factors are, in turn, connected to climate change and are: a) low temperature, b) dryness, c) excess soil moisture, d) limited soil drainage, e) unfavourable texture and stoniness, f) shallow rooting depth, g) poor chemical properties, h) steep slope. This was followed by the exclusion of certain areas in which the disadvantage highlighted by biophysical indicators has been overcome by way of investment, or rather where agricultural production has achieved a productivity that is equal to or greater than the national/regional average.



Consumption and emissions

5.2

Alce Nero energy, fuel and water consumption and CO₂ emissions

Alce Nero carries out its activities at its **only site in Castel San Pietro Terme**, home to both the offices and warehouses for the storage of packaged products that are then shipped all over the world.

Due to the nature of its activity, **Alce Nero is not an energy-intensive company**. Its consumption mainly relates to **electric energy** acquired from non-renewable sources. In 2021, total consumption amounted to 589,213 kWh, or 2121.17 GJ. An 11% reduction compared to 2020 in fact, thanks to greater environmental attention in carrying out its warehousing activities, such as switching off the air conditioning depending on the external climate conditions. The following table illustrates the consumption of acquired electric energy in kWh and GJ.

Consumption of acquired electric energy

The facility, like the San Lazzaro di Savena shop, is not owned by Alce Nero but rented, which means that decisions relating to energy sources and the timely monitoring of consumption is entrusted to the third-place owners.

Consumption of acquired energy ²²	Unit of measurement	FY 2020	FY 2021	Unit of measurement	FY 2020	FY 2021
Electric energy acquired from non-renewable sources	kWh	662323.00	589213.00	GJ	2384.36	2121.17
Total acquired energy consumed	kWh	662323.00	589213.00	GJ	2384.36	2121.17

Alce Nero **fuel consumption** can essentially be broken down as natural gas, diesel, petrol and methane. As for natural gas, used for heating, and diesel, consumption grew slightly between 2020 and 2021. This was due to a greater staff presence in the offices post-Covid, while the use of methane dropped slightly. The most significant variation between 2020 and 2021 regards a reduction in the use of petrol, from 6469.71 GJ in 2020 to 802.12 GJ in 2021. This significant reduction had to do with an increasing amount of work being done remotely, thus limiting transfers and movement.

Fuel consumption

Fuel consumption ²³	Unit of measurement	FY 2020	FY 2021	Unit of measurement	FY 2020	FY 2021
Natural gas for heating	SCM	9752.05	12,542.00	GJ	351.31	451.81
Diesel	litres	3361.54	5471.23	GJ	121.68	198.04
Petrol	litres	201,181.5	24,942.61	GJ	6469.71	802.12
Methane	MC	4447.49	3552.83	GJ	160.11	127.90
Total non-renewable sources	GJ	7102.81	1579.88			

The **total energy consumption** within the organisation has gone from 9487.17 GJ in 2020 to 3701.04 GJ in 2021, for a reduction of 61%.

²² The factors used to calculate electric energy consumption in gigajoules were published by the department for environment, food & rural Affairs (defra) in 2021.

²³ The factors used to calculate fuel consumption in gigajoules were published by the department for environment, food & rural Affairs (defra) in 2021.



Direct emissions - conversion to equivalent tCO₂

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ENVIRONMENT

Scope 1 emissions ²⁴	FY 2020		FY 2021	
	GJ total	Tot. GHG emissions (Tonnes eq. CO ₂)	GJ total	Tot. GHG emissions (Tonnes eq. CO ₂)
Natural gas for heating	351.31	19.71	451.81	25.35
Diesel	121.68	9.09	198.04	14.80
Petrol	6469.71	470.70	802.12	58.36
Methane	160.11	9.05	127.90	7.23
Total	7102.81	508.56	1579.88	105.74

Indirect emissions - conversion to equivalent tCO₂

Scope 2 emissions ²⁵	FY 2020			FY 2021		
	GJ total	Total GHG emissions (Tonnes eq. CO ₂) Location based	Total GHG emissions (Tonnes eq. CO ₂) Market based	GJ total	Total GHG emissions (Tonnes eq. CO ₂) Location based	Total GHG emissions (Tonnes eq. CO ₂) Market based
Electric energy acquired	2384.36	342.42	304.01	2121.17	304.62	270.45

As for **Scope 2 emissions**, the use of 2121.17 GJ of electric energy in 2021 led to the production of 304.62 tonnes of equivalent CO₂ or 270.45, depending on whether the calculation method used is location-based or market-based. In line with the reduction in kWh of electric energy acquired, CO₂ emissions were also lower in 2021 than they were in 2020.

During 2021, Alce Nero's **water supply** amounted to roughly 2.34 megalitres of water coming solely from surface water bodies. In 2020, the figure was 1.72 megalitres, meaning a year on year increase of 36%. This increase was caused by damage to the water mains that went unnoticed for a period of time before being restored.

²⁴ The factors used to calculate the emissions deriving from the use of energy sources were published by the department for environment, food & rural Affairs (defra) in 2021.

²⁵ The factors used to calculate located-based and market-based emissions were published by ISPRA TERNA 2019/2020.

Choice of materials and waste

5.3

Choice of materials

Attention to sustainability also has to do with the **choice of materials** and a **reduction in the use of plastic**. During the course of 2021, in addition to the work done with primary packaging, **Alce Nero has reduced its use of plastic material to just 1%**, while the card it uses is 100% **FSC** certified.

Alce Nero is also working to reduce the use of plastic for its B2B shipments. The stretch film used to wrap the pallets, thanks to its significant pre-stretch, allows for as much as a 20% reduction in the total grams of plastic used for each pallet.

Furthermore, plastic cups and bottles are not used on company premises. Each employee receives a reusable insulated cup and can access hot and cold water from different supply points.

Waste management generally relates to waste generated at the warehouse in Castel San Pietro Terme. The main waste generated by Alce Nero in 2021, but also 2020, involved empty printer cartridges and mixed packaging, the latter generated mainly by activity in the warehouse.

The warehouse receives finished organic products on wooden pallets protected with plastic film, which come with a layer of card at the base and, in the case of certain products, hard plastic or cardboard corners. When the pallets are opened, the packaging components are sorted as far as they can be into dedicated waste boxes or specific areas of the warehouse. Sorted paper and plastic waste is taken to the company compactor on a daily basis. Unsorted waste is stored in an external waste collection container. Three categories of special waste, which is kept in specific places and/or identified containers, are found at the Alce Nero warehouse. This waste is collected once a year by a private waste collection company. Data issued by this external provider relating to the category and weight of waste collected is recorded in a monitoring file and in the Alce Nero S.p.a. Waste Loading and Unloading Register. The same data will then be used annually to compile the MUD (Environmental Declaration Form).

Here below, the **subdivision of hazardous and non-hazardous waste** generated by type of material and recycling or disposal operation.

Hazardous waste generated

Non-hazardous FY 2021

waste by type of material	Unit of measurement	Quantity	Of which not destined for disposal			Of which destined for disposal		
			Quantity	Recycling operation	Recycling occurs on-site or at an external site	Quantity	Disposal operation	Disposal occurs on-site or at an external site
Empty printer cartridges	tonnes	0.10	0.10	Other recycling operations	At an external site			
Packaging containing residues of hazardous substances	tonnes	0.01	0.01	Other recycling operations	At an external site			
Ink residues containing hazardous substances	tonnes	0.01				0.01	Disposed as landfill	At an external site
Total hazardous waste	tonnes	0.11	0.10			0.01		

Contrary to 2020, some of the waste generated in 2021 can be classified as hazardous waste, although this equates to only a small percentage, 5%, of the total waste generated. As for non-hazardous waste, in both 2020 and 2021, none of it was disposed of, rather 100% of this waste was sent to an external site for recycling. In cases where waste is not collected by public services, all Alce Nero waste is managed by various third-parties, depending on the category of waste. Third-parties must be registered with the National Register of Environmental Managers and/or be in possession of an Integrated Environmental Authorisation (AIA).

Non-hazardous waste generated

FY 2021

Non-hazardous waste by type of material	Unit of measurement	Quantity	Of which not destined for disposal		
			Quantity	Recycling operation	Recycling occurs on-site or at an external site
Waste that cannot be used for consumption or processing	tonnes	1.78	1.78	Other recycling operations	At an external site
Paper packaging	tonnes	26.32	26.32	Other recycling operations	At an external site
Plastic packaging	tonnes	9.47	9.47	Other recycling operations	At an external site
Mixed packaging	tonnes	30.54	30.54	Other recycling operations	At an external site
Iron and steel	tonnes	1	1	Other recycling operations	At an external site
Plastic	tonnes	1.92	1.92	Other recycling operations	At an external site
Total non-hazardous waste	tonnes	71.03	71.03		

The **total waste generated** in 2021 therefore equates to 71.14 tonnes, a 17% reduction with respect to 2020. Contributing to this reduction are improvements relating to the choice of materials used for the various activities carried out in the Alce Nero warehouse. These include:

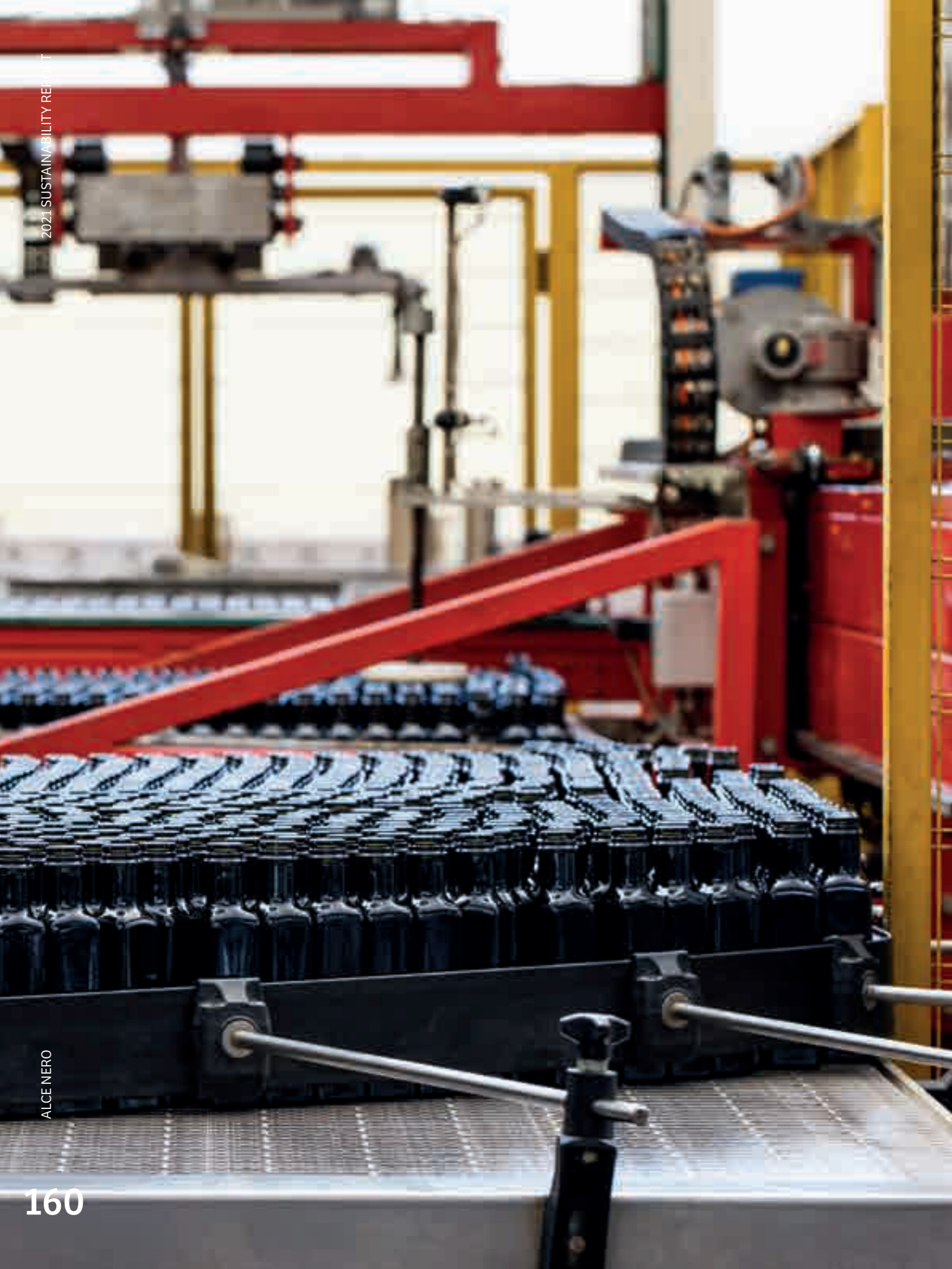


FY 2020

Non-hazardous waste by type of material	Unit of measurement	Quantity	Of which not destined for disposal		
			Quantity	Recycling operation	Recycling occurs on-site or at an external site
Waste that cannot be used for consumption or processing	tonnes	17.72	17.72	Other recycling operations	At an external site
Paper packaging	tonnes	27.43	27.43	Other recycling operations	At an external site
Plastic packaging	tonnes	9.5	9.5	Other recycling operations	At an external site
Mixed packaging	tonnes	29.12	29.12	Other recycling operations	At an external site
Other discarded equipment ²⁶	tonnes	0.03	0.03	Other recycling operations	At an external site
Mixed waste from building/demolition activities	tonnes	0.12	0.12	Other recycling operations	At an external site
Paper and cardboard	tonnes	1.43	1.43	Other recycling operations	At an external site
Total non-hazardous waste	tonnes	83.35		83.35	

²⁶ Discarded equipment other than cited between 16.02.09 and 16.02.13.



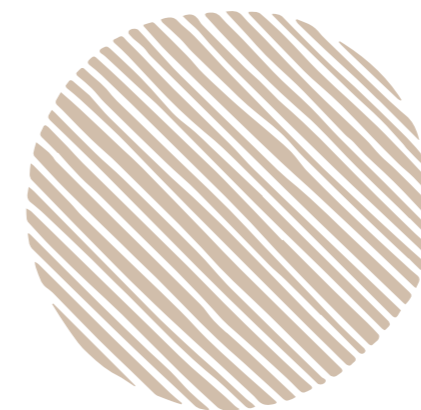


- **E-commerce:** 98% of packaging used for shipping is made up of paper, while the strap is the only plastic element used. In addition, the boxes and paper used for e-commerce packaging are FSC certified;
- **B2B sales:** The film used to wrap the pallets containing outgoing orders is made up of virgin material, but with a pre-stretch of 270%. The high level of pre-stretch is achieved thanks to both the characteristics of the film itself and the advanced carriages on the machines used. With a pre-stretch of 270%, less kilograms of plastic material are needed to obtain the same number of loops of film around a pallet.

In addition, Alce Nero seeks out second-hand pallets, unless it needs types that are hard to procure on the market or specifically requires pallets with particular characteristics and certifications.

As for the **management of waste relating to collaborations along the value chain**, Alce Nero:

- **encourages circularity** using a local supplier that manages the disposal and recycling of waste;
- **does not dispose of food products that cannot be sold**, due to minor packaging defects or dents, but donates them to charitable associations like the Food Bank;
- **compacts and recycles plastic;**
- **compacts and recycles paper and card;**
- commits to minimising **the production of waste**, as far as is possible.



Logistics and transport

5.4

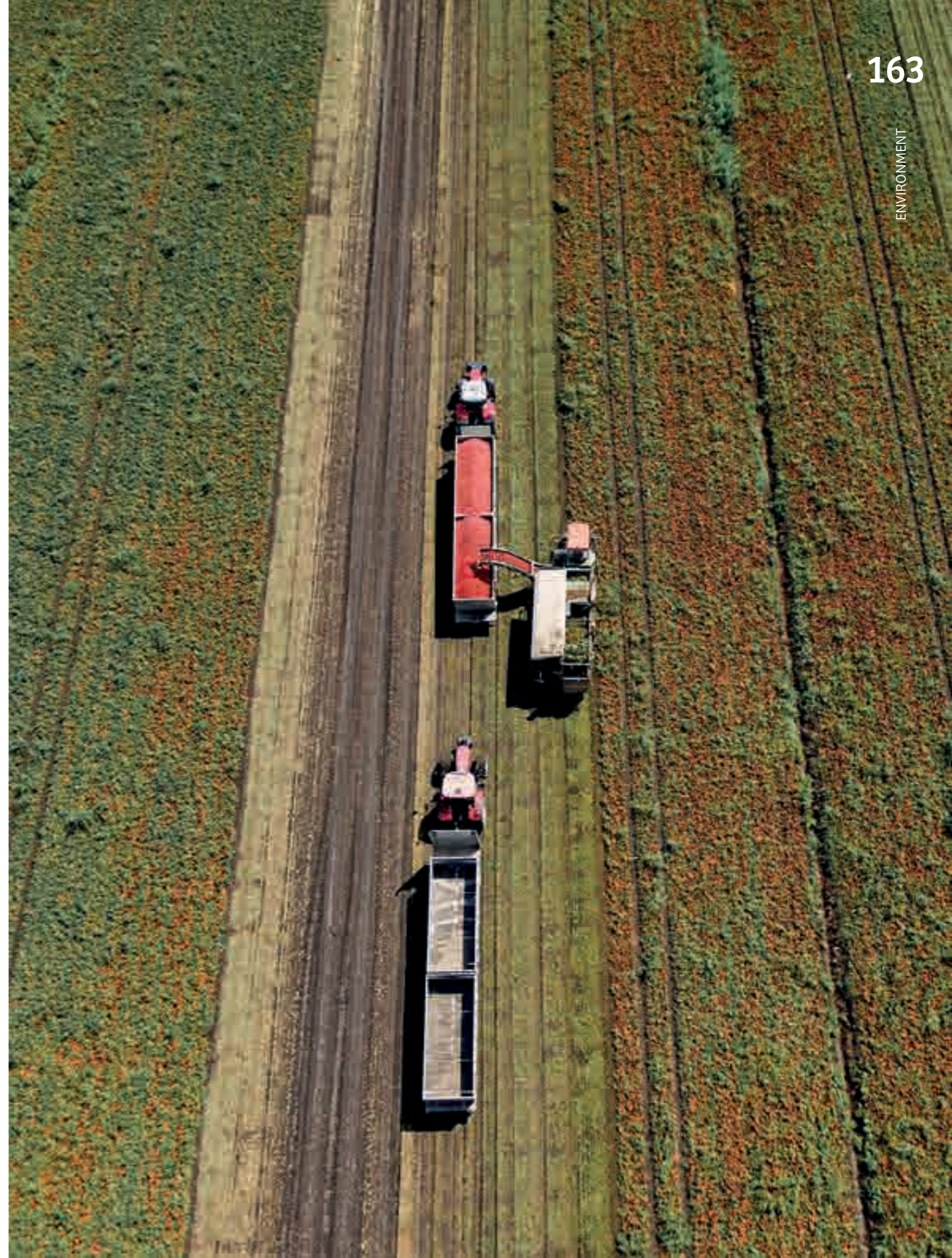
The **Alce Nero logistics system** takes in the complex logistics of finished products going in & out, or rather to and from the logistical hub in Castel San Pietro Terme. Suppliers send the packaged products here, after which they are checked and stored, before being sent to clients across Italy and around the world. The logistics relating to distribution are managed by third-party suppliers. Logistics are well-structured in Italy, with more than 3600 delivery points (without considering direct deliveries to consumers who buy in the online shop). Hence, the system is organised into different levels - a first level that serves to collect all the shipments, which are the main Alce Nero transportation partner hubs, a second level comprising the platforms present across the country, and a third level, which represents the vehicle that carries out the final mile of the delivery. Each of these levels allows for the optimisation of logistics flows, ensuring the proper synergies between all partner clients, optimising the routes and encouraging vehicle saturation.

Alce Nero selects **logistics partners that are able to ensure a high level of service and respect delivery times**, but also looks to suppliers that adopt increasingly sustainable systems and transportation methods. As it has already done in the past in fact, the company seeks to develop a collaboration with its logistics partners, working together to take the next steps to ensuring product logistics are increasingly sustainable. Specifically, **Alce Nero uses four main criteria in developing a low-impact logistics system:**

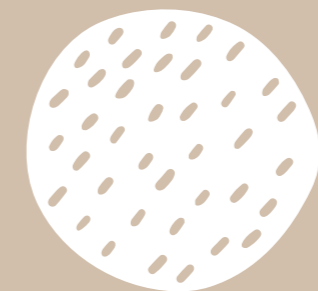
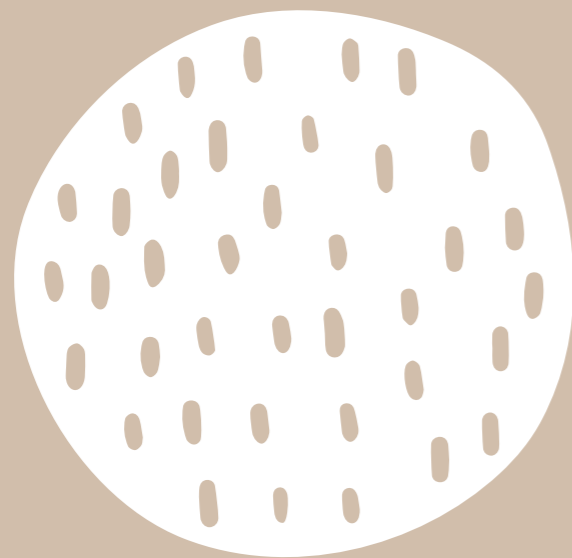
- flow optimisation to minimise movement;
- load optimisation;
- space efficient pallet-loading so that the same volume of product takes up less space when shipped;
- careful use of resources;

On top of this, as of 2021, Alce Nero has decided to develop a **pathway that will allow the company to also evaluate its logistics partners** based on their commitment to mitigating environmental impacts (such as the use of low-impact vehicles or actions to offset CO₂ emissions, for example).

Lastly, for its **non-EU shipments**, Alce Nero transports almost exclusively by sea, with only primary transportation carried out by road. In addition, it is looking to intermodal transport as a way to ship containers coming from its South American Partners, another way to reduce potential environmental impacts.



Method



Methodological note

6.1

The Sustainability Report responds to a need to provide a non-financial summary with which to highlight information relating to social aspects, staffing, human rights, health and safety, as well as environmental information, relating to water, energy, emissions and waste.

This document is **aimed at every kind of stakeholder** - citizens, public bodies, public administration, schools, trade associations, etc. - and for this reason, the editorial team has chosen to use clear, simple language and present the data using graphs and tables to make it easier to understand and more interactive. The result indicators reflect the performance measurement, regardless of whether this is positive or negative. The data presented in the document has been processed and supplied by department heads.

The first Alce Nero S.p.a. Sustainability Report details **initiatives and results of an economic, social and environmental nature relating to the 2021 financial year** (1 January - 31 December 2021). In line with the principles of comparison, data and information is also provided for the previous year, unless otherwise stated.

The **reporting scope** relates to Alce Nero as Alce Nero S.p.a., and therefore excludes third-party brands, managed brands, bulk product and the service carried out for Libera Terra Mediterraneo. The reporting scope does not exclude products in the fruit and vegetable category managed and sold directly by Brio S.p.a., as part of an agreement to temporarily transfer use of the Alce Nero trademark.

The performance of Alce Nero Fresco S.p.a. and Alce Nero Freddo S.p.a. is detailed in certain sections of the Sustainability Report, in order to provide a complete overview. The sections in question are as follows:

Financial section - Creating Economic Value

Product section - The products and the commitment to packaging

In any case, every piece of data relating to Alce Nero Fresco S.p.a. and Alce Nero Freddo S.p.a. is clearly marked and, where possible, compared with 2020 data.

Furthermore, with reference to sales data cited in the report, the following is meant:

- **by "Sell - In"** sales activity that the goods producer carries out with the client, taken to be a commercial intermediary (reseller/distributor/retailer). This data is usually held by the manufacturing company;



- **by “Sell – Out”** sales activity that the client, taken to be a commercial intermediary (reseller/distributor/retailer), carries out with the end consumer. This data is usually held by the client and is shared with research institutes (e.g. Nielsen) that are then able to provide the producer with indications about the sold goods.

This Sustainability Report is drafted **in accordance with GRI Universal Standard guidelines** published on 5 October 2021 by the Global Reporting Initiative (GRI), according to the *in accordance with the GRI Standards* option. In order to manage data and information collection and processing, a specific work group was created, comprising managers from all the areas involved and that fall within the perimeter of reference.

The document details the **Company’s most significant economic, environmental and social impacts**, identified via materiality analyses. As a result, the document is able to frame the type of activity carried out by the company in a wider context, illustrating those aspects that are relevant to the sector and highlighting the territorial system of reference.

The 2021 Sustainability Report stands out for its specific references to the situation relating to the Covid-19 pandemic, and the relative management procedures implemented by the organisation.

The Alce Nero Sustainability Report was approved during the Shareholders’ Meeting on 13 May 2022.

The 2021 Alce Nero Sustainability Report was not subject to external revision. Nevertheless, the organisation will consider obtaining certification with a view to future reporting years.

The Sustainability Report is also published on the internet, on the *www.alcenero.com* website.

The contact details with which to request information relating to this document are as follows:

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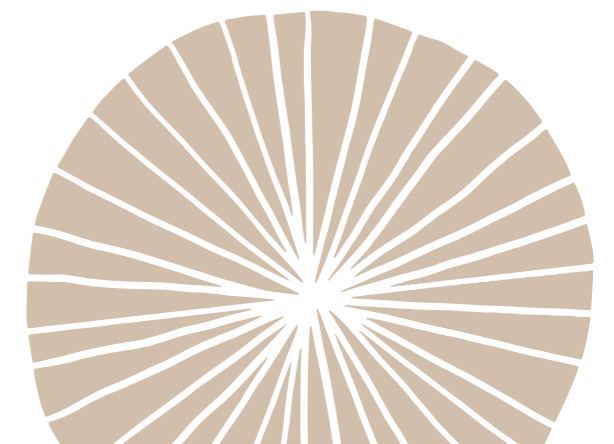
GRI content index

The table includes an index to help the reader identify those document sections that refer to specific GRI indicators.

GRI Standard	Indicator number	Indicator title	Page no. and notes
GRI 2: General Disclosures	2-1	Organisational details	page 6; 166-168
	2-2	Entities included in the organisation’s sustainability report	page 6; 166
	2-3	Reporting period, frequency and point of contact	pages 166-168
	2-4	Information restatements	pages 166-168
	2-5	External assurance	pages 166-168
	2-6	Activity, value chain and other commercial relationships	pages 18-24
	2-7	Employees	pages 128-131
	2-8	Non-employee workers	page 129
	2-9	Governance structure and composition	pages 50-51
	2-10	Appointment and selection of the main Governing Body	pages 50-51
	2-11	President of the main Governing Body	pages 50-51
	2-12	Role of the main Governing Body in supervising impacts	pages 50-53
	2-13	Delegation of responsibilities for the management of impacts	pages 50-53
	2-14	Role of the main Governing Body in reporting on sustainability	page 168
	2-15	Conflict of interest	pages 50-53
	2-16	Communication of criticalities	No critical concerns were communicated to the main governing body in that none were identified during the reporting period.
	2-17	Collective knowledge of the main Governing Body	page 48

GRI Standard	Indicator number	Indicator title	Page no. and notes
	2-18	Performance evaluation of the main Governing Body	pages 52-53
	2-19	Remuneration policies	The information is not available for the current reporting period, due to incomplete data. The organisation will strive to ensure greater disclosure in future reports.
	2-20	Process via which to determine remuneration	The information is not available for the current reporting period, due to incomplete data. The organisation will strive to ensure greater disclosure in future reports.
	2-21	Comparison of total annual payments	The information is not available for the current reporting period, due to incomplete data. The organisation will strive to ensure greater disclosure in future reports.
	2-22	Sustainable development strategy statement	page 5
	2-23	Political commitments	No political commitments were pursued for responsible business conduct during the reporting period
	2-24	Integration of political commitments	No political commitments were pursued for responsible business conduct during the reporting period
	2-25	Processes to remedy negative impacts	pages 46-47
	2-26	Mechanisms for consultation and expression of doubt	pages 52-53
	2-27	Conformity with laws and regulations	page 53

GRI Standard	Indicator number	Indicator title	Page no. and notes
	2-28	Associations	The Company is associated with Legambiente during the reporting period
	2-29	Stakeholder engagement approach	page 48
	2-30	Collective bargaining agreements	page 132
GRI 3 - Material issues	3-1	Process via which to determine material issues	pages 48-49
	3-2	List of material issues	page 49
	3-3	Management of material issues	pages 40-43; 48-49; 122-124; 126-127; 138-141; 146-151; 152-154; 166
GRI 201 - Financial performance	201-1	Economic value directly generated and distributed	page 138-141
GRI 202 – Presence on the market	202-2	Proportion of senior managers hired from the local community	page 131
GRI 204 - Practices of	204-1	Proportion of spending on local suppliers	pages 72-73
GRI 205 – Anti-corruption	205-2	Communication and training regarding anti-corruption policy and procedure	page 52
GRI 206 - Anticompetitive behaviour	206-1	Legal action relating to anticompetitive and antitrust behaviour and monopolistic practices	No legal action relating to anticompetitive behaviour, monopolistic practices or violations of antitrust regulations was taken during the reporting period



GRI Standard	Indicator number	Indicator title	Page no. and notes
GRI 207 – Taxes	207-1	Fiscal approach	page 141
	207-2	Fiscal governance, risk control and management	page 141
	207-3	Involvement of stakeholders and management of fiscal concerns	page 141
	207-4	Country by country reporting	Group companies are subject to the exclusive jurisdiction of Italy; the organisation will strive to ensure greater disclosure in future reports.
GRI 302 – Energy	302-1	Energy consumption within the organisation	pages 152-153
GRI 303 – Water and waste water	303-3	Water abstraction by source	page 155
GRI 305 - Emissions	305-1	Direct (Scope 1) GHG emissions	page 153
	305-2	Indirect (Scope 2) GHG emissions from energy consumption	page 155
GRI 306 - Waste	306-3	Waste generated	pages 156-161
	306-4	Waste diverted from disposal	pages 156-161
	306-5	Waste directed to disposal	pages 156-161
GRI 401 – Employment	401-1	Recruitment and turnover	pages 129-130
	401-2	Benefits for full-time employees that are not available to fixed-term of part-time employees	pages 127; 132



GRI Standard	Indicator number	Indicator title	Page no. and notes	
GRI 403 - Health and safety in the workplace	403-1	Occupational health and safety management system	pages 133-135	
	403-2	Hazard identification, risk assessment, and incident investigation	page 133	
	403-3	Occupational health services	page 133	
	403-4	Participation and consultation of workers and communication relating to matters of occupational health and safety	pages 132-133	
	403-5	Occupational health and safety training activities	pages 133-135	
	403-6	Promotion of employee health	pages 132-135	
	403-9	Work-related injuries	page 133	
	403-10	Occupational illnesses	page 133	
	GRI 404 – Training and education	404-2	Employee refresher programmes and transition support programmes	pages 126-127; 132
	GRI 405 – Diversity and equal opportunity	405-1	Diversity and equal opportunity	pages 128-132
405-2		Women's base wage and salary with respect to men	page 131	
GRI 413 – Local communities	413-1	Activities that engage local communities, impact assessments and development programmes	pages 118-121	
GRI 416 - Client health and safety	416-2	Episodes of non-conformity relating to health and safety impacts of products and services	During the reporting period, no cases of non-conformity with self-regulation standards and/or codes relating to health and safety impacts of products and services were identified	



The first Alce Nero Sustainability Report has been produced with the collaboration of all company departments and partners and with consultation from BDO Italia.

A document that results from strong company integration and a desire to report the Alce Nero S.p.A. approach to sustainability in a professional and timely way.

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"Our vision of sustainable development represents the declaration of a commitment that, like the Indian chief from whom we take our name, we have been pursuing for more than 40 years: our contribution to the turnaround required in order to safeguard future generations, as a Company, as a Group of Companies, and as People".

Erika Marrone