



Sustainability
REPORT **2022**





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INTRODUCTION TO THE SALOV 2022 SUSTAINABILITY REPORT

Interview with CEO
P. Eng. Fabio Maccari

(GRI 2-22)

HOW HAS THIS YEAR BEEN FOR THE SALOV GROUP?

Undoubtedly, it has been a tough year; in fact, the past few years have all been very challenging. To elaborate, 2022 was characterised by major events, not just related to business. One event stands out: the outbreak of the Russian-Ukrainian war, which certainly had a significant impact. It affected not only the general increase in energy costs that impacted both businesses and families, but also had serious consequences on transport, packaging materials, and the increased cost of some of our raw materials, such as sunflower oil sourced directly from the conflict zones. This disruption caused a breakdown in the supply chain. However, the most important factor for Salov's business was the drought in the Mediterranean last summer. It caused a serious reduction in the production of olive oil, which is our core business, and resulted in a steep increase in costs. This exemplifies what sustainability and climate change are all about: they can have severe consequences on the availability of food commodities like ours.

Nonetheless, the Group has reacted robustly with its usual speed and focus. As a result, we not only ended the year positively and experienced growth, but also continued investing in our future projects in all areas: brand and market consolidation, distribution expansion, range extension, digital and industrial development. This was complemented by an ever-greater focus on sustainability.



WHAT ARE THE ORIGINS OF SUSTAINABILITY IN SALOV? AND WHAT ARE THE FUTURE PROJECTS IN THIS AREA?

Salov has always cared for the environment and people. In fact, in our Code of Ethics created over 15 years ago, in 2009, we were already discussing “ensuring environmentally friendly sustainable development.” In 2010, we obtained the ISO 14001 certification for the implementation of our environmental management system. In addition, in 2012, we prioritised worker health and safety by obtaining the OHSAS 18001 certification, which is now ISO 45001.

We have continued on this path with a wide range of initiatives. We have implemented several industrial projects to increase and improve the efficiency of our production facility in Massarosa, leading to more sustainable processes. In sourcing raw materials, we are strengthening the certified network of producers who adopt sustainable practices of integrated agriculture. For our product packaging, we strive to increase the use of recycled materials. Additionally, we conduct research activities with Italian and international universities and research centres, mainly funded through public grants. In particular, various projects focus on energy efficiency and quality improvement related to refining activities, as well as agronomic projects in our experimental olive grove at Villa Filippo Berio. For these agronomic projects, we collaborate with CNR (The National Research Council), the largest public research institution in Italy and the only body in the Research Ministry performing multidisciplinary activities, and other distinguished research centres on olive growing studies. These studies were included in the first edition of our Sustainability Report published in 2021.

2022 marks another important milestone for Salov because, for the first time, we have designed a Sustainability Plan to lead the Group in tackling future challenges and guide our decisions in the coming years.

WHY IS SUSTAINABILITY SO IMPORTANT FOR SALOV?

Sustainability is now essential to the choices we all make. Companies, in particular, play a fundamental role in taking direct and concrete actions and promoting a culture of sustainability among their stakeholders. For us at Salov, this is one of the pillars upon which we build our growth strategies. Our company is based in Tuscany, in the province of Lucca, a territory of outstanding natural beauty. Our facility lies on the border of the Natural Park of Migliarino, San Rossore, and Massaciuccoli. This protected oasis inspires us with its nature and instils a sense of responsibility and respect for the territory.

Similarly, the main product of our company, Extra Virgin Olive Oil, is steeped in culture and tradition, taste and conviviality, and ultimately, health and well-being. It focuses on the individual, which is at the core of all matters related to sustainability. These are the two enabling factors that make it natural for us to pay attention to all ESG topics.

IN THE CONTEXT OF THE TOPICS AND UN GOALS OF AGENDA 2030, WHAT INITIATIVES HAVE YOU UNDERTAKEN?

We align with many of the 2030 Sustainable Development Goals, particularly those related to our core business, such as food safety, sustainable economic growth, equitable and responsible industrial innovation, and more generally, sustainable models of production and consumption. Specifically, I am referring to goals 2, 8, 9, or 12. All of our projects, from the oldest, such as the trigeneration power plant, to more recent ones like ENZYMATICA DEGUMMING (for refining using natural enzymes) or LONG LIFE OIL (for prolonging the organoleptic characteristics of olive oil), contribute to these objectives. Furthermore, our agronomic projects and product-specific projects (e.g. METODO BERIO or SUSTAINABLE SELECT) based on sustainable principles of integrated agriculture encourage actions to fight climate change, preserve biodiversity, and promote sustainable agriculture for all. This includes SDGs 7, 13, and 15. All these programs support the sustainability pillars included in our plan: control of the supply chain, quality, research and innovation, enhancement of human capital, and responsible communication.

HOW CAN SALOV RECONCILE THE TRADITION OF A PRODUCT THAT HAS EXISTED FOR MILLENNIA WITH INNOVATION, RESEARCH, AND SUSTAINABILITY?

It's true that our product is the embodiment of a cultural and culinary tradition that prioritises the taste and well-being of people. However, meeting the demands of delivering this product to consumers' tables in Italy and around the world requires us to keep up with the changing times. In fact, if we want to be effective, we must be pioneers.

This is why we have made significant investments in new technologies and digitalisation in recent years. We allocate 5 million Euros annually to new technology investments and 1.5 million Euros to digitalisation.

All of our research projects are developed in collaboration with Italian and international universities and research institutions across all areas of corporate interest. From industrial to agronomic processes, from product to packaging and supply chain, the rationale remains the same. To maintain our corporate credibility in the eyes of our customers and consumers, we must demonstrate that our company is leading the way in innovation towards an even better and more sustainable quality product.

IN CONCLUSION, WHAT MESSAGE WOULD YOU LIKE TO DELIVER TO SALOV'S STAKEHOLDERS?

Firstly, I would like to express my gratitude because our progress to date is certainly thanks to them as well.

At our company, we believe in the need for continuous improvement, so there is a long road ahead that we must walk together. We have over 150 years of history with the Filippo Berio brand and we're now looking forward to the next 150 years! We will pass on this goal to future generations by maintaining a clear identity and mission: to be the ambassador of 'quality' olive oil worldwide, encompassing all of its aspects. This is my sincere wish for myself, the Salov Group, and our stakeholders. I am confident that together we will succeed.

Filippo Berio





2022 - SALOV GROUP IN NUMBERS

120 million
approximately of oil sold (unchanged from 2021)

491 million
Euros turnover (+30% vs 2021)

75 countries
where the Company and its brands are present

5 foreign subsidiaries
(USA, UK, Russia, Brazil, China)

314 employees
(+11 vs 2021)

21,000 analyses
carried out on 3,700 samples

Contributed to 14 out of 17 SDGs
(UN Sustainable Development Goals)

44% of purchases
from Local Suppliers

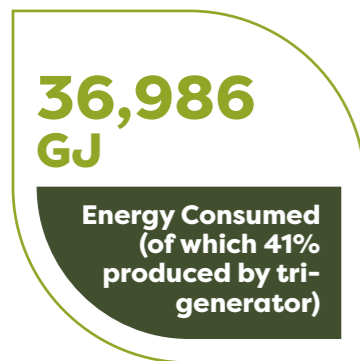
12 certified processes
for the Berio Method - Sustainable Select ranges

19+
Active projects

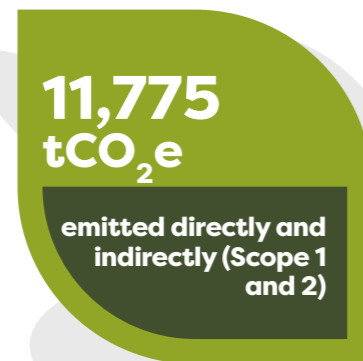
- 5 on research and implementation on product quality and characteristics
- 2 on environmental focus
- 4 on corporate processes digitalisation
- 5 on low impact agronomics and biodiversity protection
- 3 in HR for soft skills development
- Social projects+ to ensure opportunities for talented young people and vulnerable adolescents



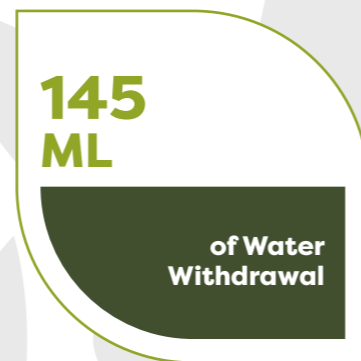
2022 SALOV S.P.A. NUMBERS REGARDING ESG TOPICS



-1.2%
of electricity
used vs 2021



-6.7%
of direct
emissions
(Scope 1)
vs 2021



-8.6%
vs 2021



equal to **46.5%**
of all recycled
materials
used in 2022



100% coverage
of the Massarosa
plant, Segrate
offices and Villa
Filippo Berio



-5.0%
vs 2021



devoted to
olive-growing
research



+6.3%
vs 2021



+113.4%
vs 2021



1 OUR IDENTITY

1.1 A Story that goes back more than 100 years

(GRI 2-1, GRI 2-2)

The story of the Salov Group (hereafter also “Group”, “Salov”, “Company” or “Organisation”) began over a hundred years ago, in 1919 when a group of prominent businessmen from Lucca founded **SALOV - Società Anonima Lucchese Olii e Vini** [Lucca Oil and Wine Company]. Among them were the heirs of Filippo Berio, the mentor who had founded **Filippo Berio & C.** in 1867, to export olive oil all over the world under this same brand name, following the Italian emigrants to their various destinations. At the end of the 1800s and in the first years of the twentieth century, a great number of Italians had been forced to leave their home country for the Americas, fleeing the dire economic crisis and extreme poverty. Many were very young, seeking a new life and hoping to help support their families back home in Italy. Filippo Berio would supply them with olive oil to take with them on the long transatlantic crossing and to their new countries, where the taste of home was one of the few consolations for those faced with new situations, a different language and the challenges of an unaccustomed lifestyle. That was the beginning of the story of both Filippo Berio and Salov, marked by various achievements and triumphs but always with a single goal: to promote awareness of olive oil, continually innovating the sector in terms of both production and distribution, spreading Tuscany’s culture and olive oil traditions across the world while adapting them to local traditions and culture.

The Company was established in Lucca, but the **first Salov plant** was set up in Viareggio to take advantage of its proximity to maritime traffic. From the very beginning, it was a modern, state-of-the-art plant based on a patented production system for olive oil processing.

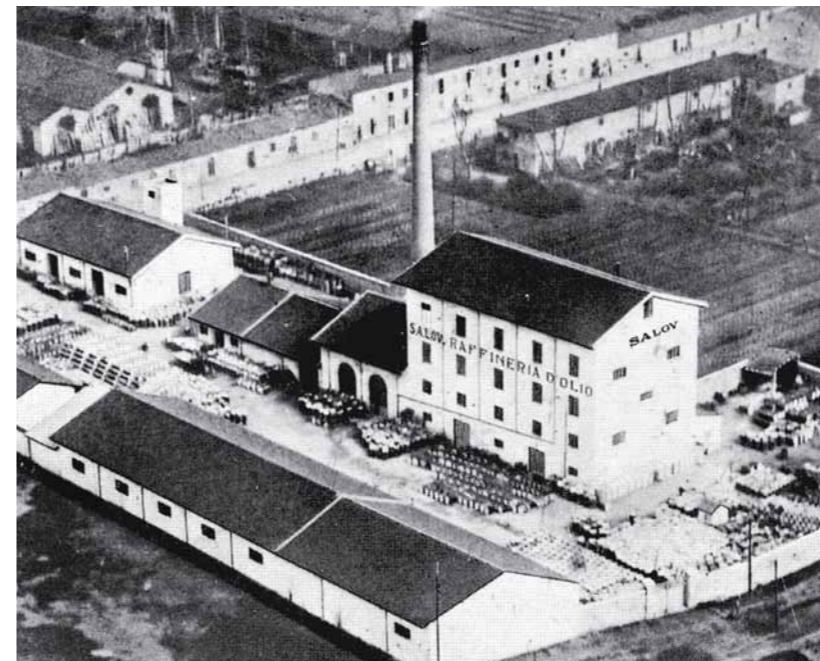
Farsighted policies and vision led to the expansion of the plant over the years as the Group bought up adjacent land and developed new olive oil processing infrastructures. It continued to grow successfully, pausing only when World War II wrought damage to the infrastructure. After the war, Salov found the energy to rebuild the plant and make a new start. The Company has grown steadily ever since. Its restart in the ‘50s was followed by the economic boom in the ‘60s, the acquisition of the Sagra brand in the ‘70s, the establishment of its first subsidiaries (in the ‘80s and ‘90s and still ongoing) and, last but not least, the agronomic investments in the Villa Filippo Berio olive grove in the ‘90s. In 2004, given the continued expansion of the business, the plant moved to Massarosa, close to the Massaciuccoli Lake and the Migliarino-San Rossore and Massaciuccoli Natural Park.

Product and process innovation has always characterised the Salov Group’s management approach. All plants feature state-of-the-art equipment, top-notch technology and digitalisation, ensuring the highest production standards and quality control.

Salov’s reputation has grown stronger and stronger over time. Major industrial entities have relied on the Company to carry out their projects. In 1959, Carlo Erba, an Italian Pharmaceutical Company, launched Sagra, a new brand of Extra Virgin Olive Oil sold in pharmacies because of its quality features. Only a partner of the highest prestige could have developed such a product. This marked the beginning of the collaboration between Salov and Sagra, which is still present on the Italian market and renowned as the first brand to have launched a low-acidity Extra Virgin Olive Oil.

In 1975, by which time Sagra products had become the watchword in Italy for quality olive oil, Salov acquired the brand.

The Group has assumed an increasingly international identity over time, expanding its market boundaries worldwide. This long-term vision has enabled the Group to open **subsidiaries in five different countries**. The first two were in the United States and the United Kingdom, consolidating the results achieved in the Company’s oldest and most traditionally successful markets. The Filippo Berio US and Filippo Berio UK subsidiaries were established, in 1987 and 1999 respectively, in New Jersey and London. Three new subsidiaries opened between 2011 and 2020 in Russia, Brazil, and China. In line with the Group’s strategy to become a benchmark for the olive oil industry worldwide, sales offices opened in Singapore and Canada to handle distributors in the Asia-Pacific region and North and Central America (the United States excluded). 2015 marked a turning point as the **Shanghai-based Bright Food International Group** acquired Salov, consolidating the impressive Chinese market trend towards a healthy diet and eating habits and recognising the benefits of olive oil and Salov’s ability to promote product distribution where it is little known and appreciated.



The Group’s mission:

quality olive oil with respect for all

While remaining loyal to its roots, ethics and core values, the Salov Group has constantly pursued its mission and evolution: selecting, producing and distributing quality olive oil everywhere in the world, satisfying consumer and customer needs while maintaining an environmentally-friendly approach. It applies the best quality and technological standards to products, services, systems and processes to achieve gradual, steady and ongoing improvement in every context, market or region in which Salov operates, both in Italy and abroad. At the same time, it fully respects the cultural, social and economic diversity of the various countries, and the interests of the local communities and civil society in general.

Still today the story continues. A story of excellence, quality, passion and tradition that began over 150 years ago.

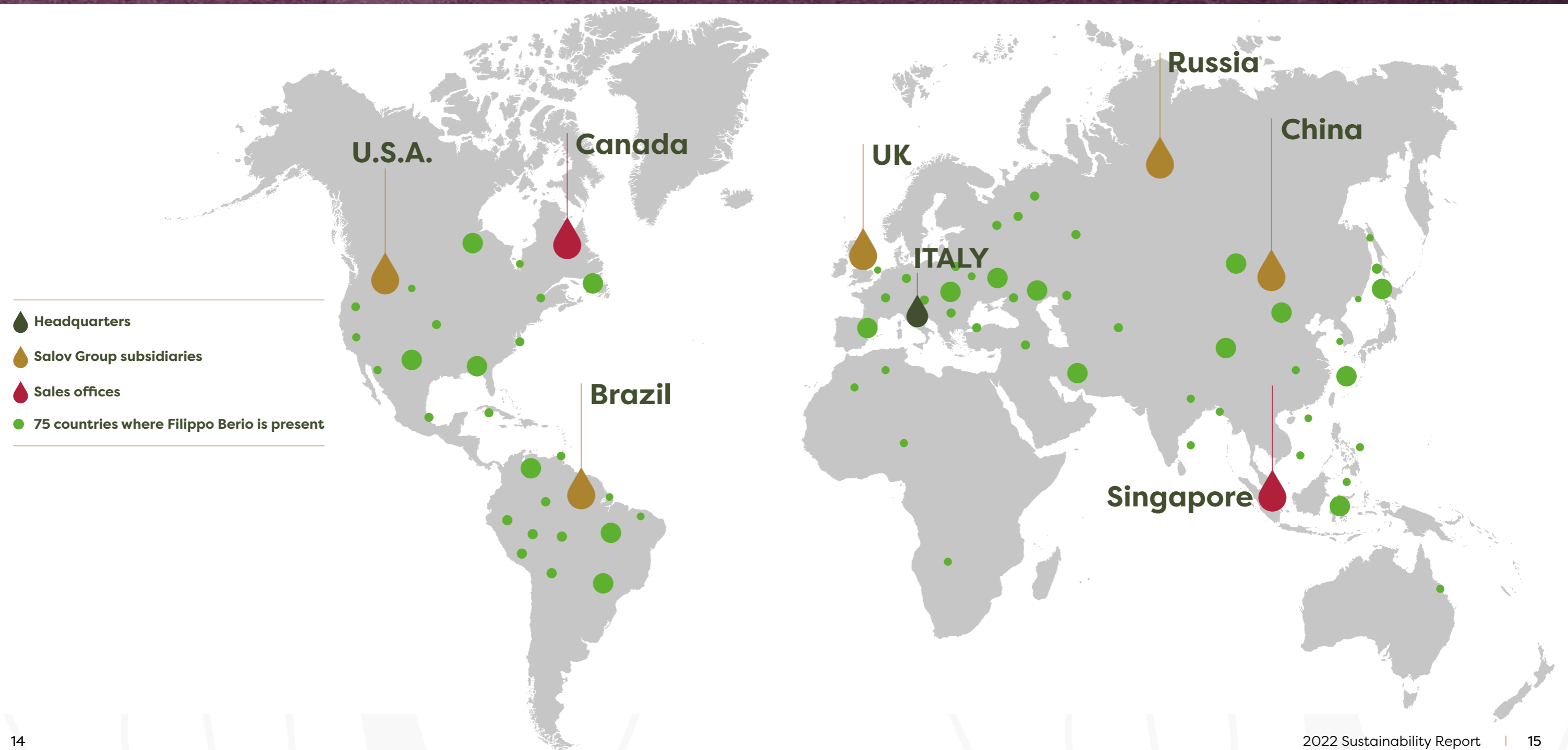
Focus: Salov and Filippo Berio

Salov was founded in 1919 with an initiative of prominent entrepreneurs from Lucca among which: the Fontana family, which would head the Company for three generations, and Giovanni Silvestrini, a longstanding business partner of Filippo Berio, who joined Filippo Berio & C. in 1891. Filippo Berio was already globally renowned

for olive oil production and marketing. When he died in 1894, his daughter Albertina and Giovanni Silvestrini carried on his mission and established Salov to pursue Filippo's goal of distributing quality olive oil globally with the brand named after its founder. In the 1800s, the Filippo Berio brand had acquired a leading position among

the most exported Italian olive oils, winning many prizes and awards, including medals at the World Exhibitions of Lyon, Paris and Chicago in 1872, 1878 and 1893 respectively. Today, Filippo Berio's successors, the Salov Team, remain torchbearers for their founder's passion, producing quality olive oil for use throughout

the world, promoting Tuscan olive oil culture and Filippo's mission to ensure a place in history for the Company.





Establishment of Filippo Berio & Co
1867

Establishment of Salov
1919

Construction of the new factory in Viareggio
1920

Construction of the new olive oil refinery in Viareggio based on a patented system
1922

Opening of the first subsidiary in the US: Filippo Berio USA
1987

Opening of the second subsidiary in the UK: Filippo Berio UK
1999



Acquisition by the Bright Food Group of 90% of Salov shares. In 2017, the Group acquired the remaining shares
2015

Establishment of a subsidiary in Russia: Filippo Berio Russia
2017

Establishment of a subsidiary in China: Filippo Berio Shanghai as part of Bright Food International
2020

Drafting of Salov's first Sustainability Plan
2022

1829
Filippo Berio was born

1896
Registration of the Filippo Berio trademark in the USA



1975
The Sagra brand, founded by Carlo Erba in 1959, is acquired by Salov

2004
Relocation of the factory from Viareggio to Massarosa, still in the province of Lucca

2011
Opening of a sales office in Singapore

2019
Establishment of a subsidiary in Brazil: Filippo Berio do Brasil Alimentos; a sales office in Canada and a sales office in Segrate (Milan)

2021
Acquisition by Salov of 100% of Filippo Berio Shanghai shares and publication of Salov's first Sustainability Report



1.2 Our Business Model

The Salov Group's innovative and proactive approach translates into a business model capable of responding to the diverse and complex challenges of the international scenario. In line with the EU and international organisations like the UN, the Group is striving towards a more sustainable development model that involves re-thinking consumption patterns to respect the ecosystems and existing and future populations.

Salov's business model therefore aims at **shared value creation**, taking into account the main market risks and opportunities and listening to the demands and needs of all the stakeholders with whom the Group interacts, while respecting the environment and promoting sustainable development.

Salov operates in the **agribusiness sector** and, in particular, produces olive oil and seed oils. Its activities mainly include the marketing of Extra Virgin Olive Oil, olive oil and seed oil through the Filippo Berio and Sagra brands (accounting for over 60% of total sales), and the production and distribution of bulk oil for industrial customers of the agribusiness sector (about 40% of total sales).

Over time, the Company has expanded its product range, especially through its international Filippo Berio brand, adding related categories such as vinegar, pesto, olives and, more recently, sauces, to meet the needs of different target consumers, especially abroad.

Conversely, the Sagra brand sells olive oil and seed oils exclusively in the Italian market. Salov can boast an **international presence**, with a network of offices and subsidiaries in the United States, United Kingdom, Russia, China, Brazil, Canada, Singapore and Italy. These enable the Group to operate locally in markets

considered strategic while ensuring targeted action in neighbouring countries as well. The Company's headquarters are still located in the province of Lucca, in the Tuscany region, where the Filippo Berio story, with its vocation towards internationalisation, began in 1867. The Salov



Group's consolidated global network is one of its major strengths, allowing it to operate via different distribution channels, directly and indirectly, with the support of longstanding and reliable partners.

For the upstream supply chain, Salov's commitment over many years means it can count on an extensive knowledge of the supplier market and a network of long-term relationships. The Group's in-house team, operating from different plants abroad, can oversee both relations with small-scale growers and mills (Italy, Greece and Tunisia) and the more modern and structured markets (such as Spain and Portugal, where the agribusiness is technologically more advanced and organised in cooperatives and consortia). These different origins enrich an agriproduct that is subject to variations during the different harvests and requires careful assessment each year to ensure continuity of quality and taste. With its high-quality standards and its team of tasters and master blenders, Salov can offer its consumers a consistent and guaranteed standard of quality.



1.3 Statement on Sustainable Development Strategy (GRI 2-22)

The Company began its sustainability journey many years ago, drafting its first Sustainability Report in 2020. Salov considered the publication and circulation of its Sustainability Report so important that it organised a video event at Villa Filippo Berio to present it with the participation of the Group's CEO and two key stakeholders: CNR and SGS. The event was attended by 20 journalists and live-streamed via ADNKRONOS, resulting in 543 users with a total of 1,241 views and 175 press reports.

Salov is committed to sustainability across all of its business activities and aims at improving its environmental and social performance. Compliance with sustainability is also testified by the **Group's contribution to the UN Sustainable Development Goals (SDGs)**.



With a view to improving its ESG performance, the Company collaborated in 2022 with an external and independent entity to measure its state of play in terms of sustainability. This all-round assessment took into account the constantly evolving regulatory and strategic industry trends, environmental and social issues, and aspects related to governance and supply chain management.

This Assessment represented Salov's first-ever critical and constructive analysis of its sustainability-related activities. It had the following objectives:

- **To identify high-value sustainability areas for business growth from the perspective of sustainable development**
- **To obtain a clear overview of the level of integration of sustainability in the Company's business activities through an assessment of its environmental and social performance and its management of the various stakeholders that have an impact on sustainability.**

The sustainability areas to be assessed were identified by analysing the corporate and territorial context in which the Company operates, taking into account current trends in the industry and the main pressures on sustainability-related topics. This enabled the Group to map numerous ESG (Environment, Social, Governance) topics, which were later grouped into areas according to the GRI Standard classification.

All company areas were analysed through the lens of sustainability, with special emphasis on the activities performed, the current goals and the methods and tools used for monitoring. After completion of the internal process, the Company extended the analysis to obtain an overview of the sector in general.

The identification of gaps and opportunities enabled the Group to lay the foundations for a **Sustainability Plan** to guide Salov's development and growth in the upcoming years. The **distinctive pillars** describing the Group's strategic and operational ambition are:



Furthermore, to obtain 360° control over sustainability issues, Salov has also included a number of **commitment areas** in its Plan, identified through the main demands of the sector and the requirements of the various international agreements on sustainability. Salov's commitment areas are:

- **The fight against climate change**
- **Efficient management of materials**
- **Efficient management of resources**
- **Support to local communities**
- **Sustainability governance**

All the areas in the Sustainability Plan contribute to the achievement of the various Sustainable Development Goals (SDGs) of the UN 2030 Agenda.

In the upcoming years, the Group will continue to engage in both industrial and agronomic

research and development projects to give a concrete contribution to Italian olive growing and its quality olive oil tradition and culture by implementing techniques, methods and processes increasingly oriented towards respect for the environment. The strengthening of collaborations with the various suppliers, partners and stakeholders aims to promote and increase their engagement in sustainability, in line with the Group's own orientation. Employee well-being and advancement through targeted training plans that improve inclusiveness and involvement, along with an increasingly structured development of Sustainability Governance, complete the panorama of the actions set in motion by Salov.



Areas of commitment

Commitment

SDGs 2030

Supply chain control	The Group expects to have more control over the supply chain, transport and time-to-market through increased warehouse digitisation and optimisation.	SDG 2: Zero hunger SDG 3: Good health and well-being SDG 7: Affordable and clean energy SDG 8: Decent work and economic growth SDG 9: Industry, innovation and infrastructure	SDG 13: Climate action SDG 15: Life on land SDG 17: Partnership for the goals
Quality, Research and Innovation	Quality, Research and Innovation are Salov's founding pillars, pursued steadily through collaborations with high-profile institutions and universities on both agronomic and industrial projects.	SDG 2: Zero hunger SDG 3: Good health and well-being SDG 6: Clean water and sanitation SDG 8: Decent work and economic growth SDG 9: Industry, innovation and infrastructure	SDG 12: Responsible consumption and production SDG 15: Life on land SDG 17: Partnership for the goals
Employee protection and Human capital development	The Company's well-being goes hand in hand with the well-being of its employees. This is why safety and education create opportunities for employee growth and ensure fair treatment of personal needs.	SDG 5: Gender equality SDG 8: Decent work and economic growth SDG 10: Reduced inequalities	
Fight against climate change	The Group's commitments in the fight against climate change include energy efficiency and reduced CO ₂ emissions.	SDG 7: Affordable and clean energy SDG 8: Decent work and economic growth SDG 9: Industry, innovation and infrastructure SDG 13: Climate action	
Efficient management of materials	The Group targets an efficient management of materials by optimising their quality, minimising waste and using packaging with a percentage of recycled material.	SDG 12: Responsible consumption and production	
Efficient management of resources	The Salov Group intends to increase its efficiency in the management of resources, also through the implementation of Circular Economy projects.	SDG 12: Responsible consumption and production	
Support to the local communities	The Group intends to support the development of the local communities in which it operates, through targeted projects in collaboration with local players.	SDG 8: Decent work and economic growth SDG 11: Sustainable cities and communities	
Sustainability governance	The Company intends to increase its monitoring of sustainability-related topics through the identification of clear and shared responsibilities and procedures.	SDG 12: Responsible consumption and production SDG 13: Climate action SDG 16: Peace, justice and strong institutions	
Responsible communication	Communication is fundamental to convey the Group's vision and mission. For this reason, in addition to the traditional media, the Group effectively communicates its strategy through its websites, social media channels and the press - both consumer and trade - to disseminate information properly both inside and outside the Company.		



1.4

Our Products

(GRI 2-6)

The Salov Group's product range includes **different types of oil with a special focus on olive oils (Extra Virgin Olive Oil and olive oil).**

The Group's mission is to take the utmost care in the selection of the products it offers: from the search for **raw materials** to the incoming and outgoing analysis and evaluation processes and from the processing and transportation of the finished products to the final delivery to consumers.

The impressive volumes and variety of oils led the Company to set up a state-of-the-art laboratory to perform chemical and organoleptic analyses that go well beyond those required by regulations. The main categories of oil produced by the Group are Extra Virgin Olive Oil, Refined Olive Oil, Olive Oil (blend of refined olive oil and Extra Virgin Olive Oil) and Seed Oils. Below is a summary of the product and brand portfolio:

Olive oil is the Group's flagship product both for its role in our history and in terms of the volumes produced. Its unchallenged nutritional value as a fundamental part of the Mediterranean diet, the wide range of its potential uses, its history, its culture and the mission of the Group's founder put "**olive oil at the centre of everything**". Its importance has induced the Group to extend its use to related products which are now part of the Company's portfolio.

Over the last few years, in fact, the Group has added to its product range a number of olive oil-related items, all typical of the Italian culture and the Mediterranean diet. These products reflect, in their recipes and their authenticity, the simplicity of the basic ingredient – Extra Virgin Olive Oil, which is used in the products that call for its presence. These foods, all bearing the Filippo Berio trademark, are characterised by natural ingredients and raw materials that are carefully selected and checked. Specifically, we have added a line of pesto sauces with various tastes and versions, a range of wine and balsamic vinegars to complement the olive oil and a selection of pasta sauces, with four variants, launched in 2022. With this category of product, too, research on the ingredients, care over the recipes and focus on quality are always supported by market and consumer studies in order to respond to the various alimentary and cultural needs.

	Extra Virgin Olive Oil	Olive oil	Seed oil	Related products
Filippo Berio	👉	👉		Vinegar - Pesto sauces Pasta sauces - Olives
Sagra	👉	👉	👉	
B2B (bulk oil)		👉	👉	

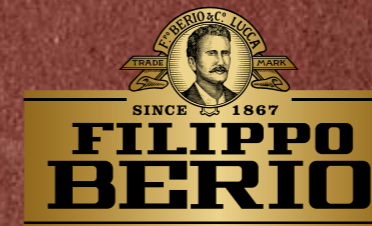
To date, the Salov Group operates in around **75 countries** with a turnover of more than Euro 491 million Euros, showing a 30% increase on a year-on-year basis. The 2022 turnover has reflected stress on both raw materials and supply chain slowdowns, which generated various cost increases. The Russian-Ukrainian conflict depleted the availability of certain raw materials, such as sunflower oil, due to the closure of ports especially in the first half of the year. In 2022, the drought heavily hit agriculture and, in particular, olive production in the Mediterranean area with disastrous consequences for the availability of olive oil throughout the campaign.

In addition, the numerous lockdowns in China caused further delays and slowdowns in transport to and from the country, with containers blocked in the main ports, reduced stocks and increased freight costs.

The energy crisis, too, has had reverberations on the overall scenario with skyrocketing source costs, which had a strong impact on company operations.

In 2022, Salov **sold approximately 120 million litres of oil**, in line with 2021. Of these, approximately 54 million were sold abroad, almost entirely under the Filippo Berio brand, while the remaining 65 million were distributed on the domestic market in the form of both bottled products and bulk oil for the food industry (B2B, Business-to-Business). **To date, Salov sells nearly 60% of its oil through branded products while approximately 40% is destined for the B2B market.**

The Salov Group operates in the various markets with two **main brands**:



Filippo Berio is the Group's brand that has been sold for over 150 years in around 75 countries worldwide and launched on the Italian market in 2019 with a specific concept for a more demanding and sustainability-oriented consumer. Its multiple organoleptic features make Filippo Berio oil one of the most important and well-known brands globally, holding positions of leadership in many markets, including the USA, the UK, Russia, Belgium, Switzerland and Hong Kong.



From 1959 Sagra, Salov Group's second brand was sold only in Italy. Today it is also available in a very limited number of countries. The Sagra brand has remained true to its mission of making quality oils available at affordable prices meeting consumers' diverse nutritional and dietary needs. The Sagra product range does not only comprise olive oils but also seed oils, including sunflower, peanut, corn and grape seed oil.

"Quality without compromise" is the Group's promise to its consumers. The various certifications play a key role in ensuring the quality of the products sold.

¹Below are the certifications held by Salov : ISO 9001:2008; ISO 22005:2008 (soya oil and corn oil); BRC (British Retail Consortium); IFS (International Featured Standards); Kashrut Certificate; Halal Certificate; NON OGM soya oil and corn oil; Conformity Organic Products.





1.5


The Berio Method and the Sustainable Select Line - Sustainable and Traced


The Berio Method is the most virtuous example of Salov's commitment to Sustainable Development. The Filippo Berio Extra Virgin Olive Oil bears the Berio Method certification for the Italian market and presents complete tracking of the entire production process, from field to bottle, for the purpose of promoting an oil product that complies with the sustainable principles of integrated farming, high quality and third party certification.

The Berio Method for Extra Virgin Olive Oil is based on four main pillars:

-  **1. Environmental sustainability:** the companies involved in the supply of raw materials apply integrated farming protocols periodically controlled by an external, independent and renowned entity such as SGS. Specifically, specialist technicians are tasked with the monitoring of the plant cultivation phase to check:
- Cultivation methods, including reduced use of pesticides
 - Leaf analysis
 - Pruning
 - Integrated pest control

-  **2. Traceability:** traceability spans over the entire production chain of Extra Virgin Olive Oil. Specialist technicians monitor the correct implementation of the protocols of integrated farming at the different production stages. This process allows the traceability of each single batch (via the institutional website www.filippoberio.it), enabling consumers to know more about the area of origin of the oil, the chemical analyses performed and the sensory profile of the bottled oil.

-  **3. Definition of the chemical-physical and organoleptic parameters:** the objective is to apply the most stringent quality parameters – even exceeding the regulatory requirements – to maintain a chemical and organoleptic profile that ensures high and steady quality over time.

-  **4. Certification:** the entire process is certified by SGS, an external body responsible for performing product quality controls and compliance with the protocols of integrated farming. SGS carries out audits on the suppliers and farmers selected by Salov for the Berio Method. To date, there are 12 certified supply chains.



Integrated farming

and environmental sustainability in the Berio Method

Integrated farming is a complete farm management system of food production with a low environmental impact that optimises the use of resources and biological regulation mechanisms, ensuring a virtuous and sustainable production cycle. The cultivation techniques used and the chemical processes chosen ensure a balance between environment, profitability and social needs.

IOBC– International Organisation for Biological Control

The principles of integrated farming are:

- Managing the soil through correct rotations
- Use of mineral nutrients to enhance fertilisation based on crop requirements and the analysis of the soil
- Weed control through agronomic and mechanical means
- Use of biological defence and preventive strategies to minimise the use of pesticides, to be used only with

- low toxicity products and when strictly necessary
- Use of a variety of plants with different natural resistance properties and suitable for the environment
- Chemical-free preservation



Having a forward-looking vision means looking to the future with a commitment to ESG issues that extends to suppliers for the production of sustainable and certified products.

The Berio Method enables Salov to play an **important role in monitoring and managing sustainability and the quality of olive oil** through the involvement of several producers and the rewarding of farming systems that call for greater commitment (also economic) that would be meaningless without commercial opportunities.



From the Berio Method to the Sustainable Select line

In 2022, Salov launched the new Sustainable Select line in the US market. With a view to reaching out to younger consumers increasingly attentive to sustainability, waste reduction and environmental protection at a global level, Filippo Berio USA introduced a new product line that guarantees a sustainable and fully traceable from-field-to-bottle consumer experience. The Sustainable Select line replicates the Berio Method concept, following the same process and based on the same pillars of environmental sustainability, traceability, control of the chemical-physical parameters and SGS certification.

The **Sustainable Select line** uses Extra Virgin Olive Oils from olive groves cultivated with integrated farming techniques following the principles of sustainable farming. On the website www.filippoberio.com, each bottle is traced throughout the production process and features a **QR code** that enables consumers to visualise the chemical and organoleptic analyses of the oil, the variety, origin, and even the location of the production mill.



The **Sustainable Select line** in 750 ml glass format presents two varieties of Extra Virgin Olive Oil:

- **Smooth Harmony:** oil with a smooth and balanced taste with notes of fresh grass, artichoke, tomato and a slightly spicy aftertaste.
- **Hearty Balance:** oil with an aromatic and fruity taste, well balanced with hints of fresh grass.



Every bottle in the Sustainable Select range tells a unique story of tradition, people and places. Customers can play a part in these stories using the on-line traceability function to discover the origins of the Extra Virgin Olive Oil that they bring home.



1.6

Approach to Stakeholder engagement

(GRI 2-28, GRI 2-29)

The path to sustainability undertaken by the Salov Group follows the direction of sustainable development. Responsibility and awareness materialise in the unfailing commitment to the markets in which the Company operates, alongside the definition of a clear strategic positioning on sustainability issues in the medium-to-long term.

Considering the Sustainable Development Goals of the UN 2030 Agenda as a beacon, the Group confirms its commitment also through the approach adopted in managing relations with stakeholders.

As stated in the Company's Code of Ethics: ***"In order to achieve its goals, Salov cannot do without its partners, who must therefore know and share the values expressed in this Code and actively contribute to their attainment. Unethical conduct or behaviour compromise the trust relationship between the partners and Salov. Therefore, compliance with the principles of the Code is a fundamental condition for establishing and developing a collaboration with the Company."***

In particular, Salov puts great emphasis on respect for the principle of stakeholder inclusiveness and is committed to strengthening both upstream and downstream relationships, engaging and involving all stakeholders so that they can embrace the same sustainable path.

The process of **ongoing improvement** is strongly influenced by the ability to respond to stakeholder expectations and requests. The Group operates globally in five continents and this requires a comprehensive analysis of the expectations of the various stakeholders involved in order to make them part of the process while strengthening the Group's values and identity.

In line with previous years, in 2022 Salov has

also been consolidating its relationship with its stakeholders by improving its dialogue with all the subjects and different strategic entities with which it has come into contact. Already in the previous Sustainability Report, the Group had identified the relevant stakeholders through an upstream and downstream analysis.

In 2022, Salov concentrated on the dialogue with its employees and, specifically, on the internal information flow and its possible implementation.

A survey was conducted to understand how far internal communication tools were used and accessed for the ultimate purpose of improving them further. The survey revealed that the most successful sources of information were: colleagues or the direct supervisor (ambassadors), responsible for the circulation of information; the corporate website www.salov.com and LinkedIn, reactivated and subject to a more dynamic restyling in the last two years. Specifically, the institutional website, the SELFWEB portal and the corporate intranet show the Company's press releases and reviews, periodically posted for the benefit of all the stakeholders and with a view to increasing both involvement and engagement in corporate life.

Salov has a long-lasting and well-established relationship with the majority of its stakeholders. Such a relationship is based on collaboration and listening, and represents a key element of the Group's operations.

Below are some of the verbatim comments expressed and collected during the performance of the survey on the importance of information:

SURVEY FEEDBACK ON THE IMPORTANCE OF SALOV INTERNAL COMMUNICATION

Because it is just right that every employee knows about the projects, changes, news and whatever is happening within the company

Strong sense of belonging to the Group

This makes me feel more involved and increases the sense of belonging

It's part of my life, a second family, and I want to know what's going on and if there are any problems

Because I want to know about the general situation

The table below lists the Group's stakeholders broken down by strategic priority and level of engagement:

<i>Category</i>	<i>Stakeholder of the Salov Group</i>	<i>Level of Engagement Ways</i>
Internal	Bright Food	Board of Directors - Business reviews/meetings - Sustainability Report
	Employees	Company Broadcasts - SELFWEB ² portal - Intranet - Social Media (e.g. LinkedIn) Company Conventions - Team building events - Sustainability Report
External	Customers	Business reviews/meetings - Trade shows and events Company visits - Customer service - Sustainability Report
	Consumers	Marketing communication (Social Media, Press, TV, Billposting, Websites) Trade shows and events - Product labelling Sustainability Report (available on www.salov.com)
	Suppliers and partners: logistics, Co-packers and others	Business reviews/meetings - Company visits Audits - Sustainability Report
	Berio Method suppliers	Business reviews/meetings - Audits - Direct supply chain projects and NRRP (National Recovery and Resilience Plan) based projects
Supporting stakeholders	Mass Media	Press Agencies and PR Agencies - Press Tours - Sustainability Report
	Local communities and Territory	Sponsoring of local events and participation in events - Sustainability Report - Corporate events
	CNR	Business reviews/meetings - Participation in activities with journalists and clients Regular presence at Villa Filippo Berio olive grove - Sustainability Report
	Local institutions (Natural Park Authority, Municipality, Province, etc.)	Participation in corporate events Business meetings Sustainability Report
System stakeholders	Category associations (Confindustria, Assitol, etc.)	Participation in meetings and discussion tables - Sustainability Report
	Universities and Research Centres	Research projects (agronomic and industrial) Participation in working groups on various projects Company visits Business meetings Sustainability Report

² The SELFWEB portal is a web portal that employees can use to visualise their pay slips, income certifications and any other useful company communication. Since 2022 the portal has featured a menu dedicated to press releases and reviews concerning the Group.

<i>Associations that Salov belongs to</i>	<i>Salov's role in the association</i>
Assitol (Italian Oil Industry Association)	Salov CEO is Vice President
Confindustria Toscana Nord (Union Of Industries Of Northern Tuscany)	Salov General Director Operations is Vice President
Consorzio Italia del Gusto (Private consortium of leading Italian food and wine producers)	Salov CEO is Board Member
Centromarca (Italian Association of Brand Industries)	Salov is a member without any specific role

Focus: prioritisation of strategic stakeholders

Stakeholders (internal and external)	Primary stakeholders are all those who actively contribute to the achievement of Salov's mission and goals and represent the raison d'être of the Company. They are divided into two sub-categories: internal and external.
Supporting stakeholders	Supporting stakeholders are all those who collaborate with the Group to make it achieve its mission and goals.
System stakeholders	System stakeholders are all those who indirectly contribute to the achievement of the Salov Group's mission and goals.





1.7

Materiality Analysis

(GRI 2-22, GRI 2-25, GRI 3-1, GRI 3-2, GRI 3-3)

The Materiality Analysis guides Salov in identifying the topics to be reported in order to give full and clear representation of the significance of the economic, environmental and social impacts of the Group's activities. The 2022 Sustainability Report includes a Materiality Analysis updated in accordance with the new requirements of the GRI 2021 Standard. The Company has identified materiality topics according to the GRI Standard requirements by analysing its current, potentially significant impacts generated or likely to be generated on the economy, the environment, the people and also on human rights through all of the activities and business relationships of the Organisation. These impacts can be negative, positive, short-term and long-term, actual and potential, reversible and irreversible. In collaboration with a team of professionals, the materiality analysis included four different phases:

1. Understanding of the context in which the Group operates: analysis of the olive and olive oil industry, taking into consideration different categories of sources, both internal and external to the Company.

2. Identification of Salov's current and potential impacts: current impacts are events that have occurred over time, while potential impacts are events that may occur in the future.

3. Assessment of the significance and materiality of impacts: impacts were assessed through a process measuring the degree of significance developed in accordance with the GRI Standard criteria.

4. Prioritisation of the most significant impacts for reporting: the most significant impacts for Salov were prioritised and the impacts deemed most relevant guided the identification of the materiality issues reported in this Report.





The table below includes a list of the topics considered material following the identification and aggregation of the relevant impacts. Each topic was associated with the relevant GRI Disclosures and identified with the appropriate reporting boundary specifically indicated in the "Scope of the Report" section in the "Methodological Note".



materiality topic		impacts
Protection of the environment and ecosystems	The oil supply chain generates greenhouse gas emissions related to the production and transport of the bottled oil and the sale of the final product. In addition, a business activity concentrating on olive tree monoculture can result in a loss of biodiversity and a large consumption of water. Water is a resource that is also crucial in production processes. To mitigate these impacts, Salov is committed to implementing energy efficiency measures targeting reduced emissions into the atmosphere. For more information, see Chapter 5 "Our Environmental Conscience".	Generation of greenhouse gas emissions
		Emission of pollutants
		Damage to biodiversity
		Excessive consumption of water
Management of resources and waste produced	The business activity involves the processing of various materials, which generate waste in the phase of production and transport. In particular, the impact on raw materials also concerns the protection of the highest levels of food safety, quality and authenticity. For more information, see Chapter 5 "Our Environmental Conscience".	Impacts caused by production waste not sent for recycling
		Lack of sustainable management of raw materials and materials
		Exploitation of production waste
Responsible business management	The potential impact of corruption can be generated along the entire value chain, including in the countries in which the company has distribution offices. This can also lead to violations of human rights and political instability. For more information, see Chapter 2 "Our Management Style".	Adoption of corrupt conduct
		Economic impacts
		Lack of health and safety
Protection and development of the human capital	The impacts relating to employee health and safety are linked to the presence of physical risks embedded in production activities. Moreover, considering the main purchasing categories, health and safety risks can also be considered relevant to supplier operations concerning the provision of goods and services. In addition to these risks, there are also those related to the failure to respect diversity and equal opportunities. This could result in episodes of discrimination and/or violations of human rights. For more information, see Chapter 6 "The Value of People".	Violation of human rights
		Lack of talent attraction and retention

characteristics	significance	GRI Topic specific disclosure
Negative Actual		GRI 302 305
Negative Actual		GRI 305
Negative Actual		GRI 304
Negative Actual		GRI 303
Negative Actual		GRI 306
Negative Actual		GRI 301
Positive Actual		not related to GRI
Negative Potential		GRI 205
Positive Actual		GRI 201
Negative Potential		GRI 403
Negative Potential		GRI 405 406 407 408 409
Negative Potential		GRI 401 404

materiality topic		impacts
Sustainable supply chain	Oil production, including all the phases of the supply chain, must take place in full respect for diversity and equal opportunities for all workers. Therefore, all the different stakeholders involved must properly assess and address the risk of inadequate working conditions and potential cases of discrimination and/or violations of human rights. In particular, when considering sourcing, any form of non-standard employment - unfortunately common in the agricultural sector in general - may represent a potential trigger for discriminatory treatment of workers. For more information, see Chapter 3 "The Journey of our Olive Oil".	Violation of human rights
		Lack of transparency in the supply chain
Research and innovation	The Salov Group has several research projects in collaboration with universities. The Company aims at enhancing the know-how of the entire olive and oil production chain through the improvement of the organoleptic and nutraceutical properties of the product. For more information, see Chapter 4 "Research and Innovation to Build Culture".	Contribution to research and innovation
Consumer health and safety	Food safety can be compromised due to contamination phenomena that can occur at various stages of production. In order to ensure food safety and compliance with legal requirements, Salov implements strict quality controls carried out both internally and externally. Audits are performed on all incoming raw materials (before unloading) and spot controls are carried out at all stages of the production process. For more information, see Chapter 7 "Customer and Consumer Care".	Damage to consumer health and safety
		Lack of control for the prevention of nutrition-related diseases

characteristics	significance	GRI Topic specific disclosure
Negative Potential		GRI 308 414
Negative Potential		not related to GRI
Positive Actual		not related to GRI
Negative Potential		GRI 417
Negative Potential		GRI 416





2 OUR MANAGEMENT STYLE

2.1 Integrity, Transparency and the Fight against Corruption

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-15, GRI 2-16, GRI 2-26, GRI 2-27, GRI 205-3)

The Group's structure is as follows:

SALOV GROUP					
Salov S.p.A. (Parent Company)					
Foreign subsidiaries					
Società Agricola Villa Filippo Berio S.R.L.	Filippo Berio USA, LTD	Filippo Berio UK, LTD	OOO Filippo Berio RU	Filippo Berio Do Brasil Alimentos LTD	Filippo Berio (Shanghai) Food Co., Ltd.

Salov is a company operating in the olive oil industry and deals with the production and marketing of edible oils. The Company's headquarters are located in the municipality of Massarosa, in the province of Lucca, where the Group's industrial and production activities are also concentrated. The Company's registered office is in Lucca, Viale Luporini No. 807.

In 2015, the Shanghai-based Bright Food Group acquired Salov. Mr. Tonghong Wu was appointed President of the Group on 31 December 2022 and Fabio Maccari was appointed CEO at the end of 2018 and is still holding the office. Salov's corporate governance is based on the principles of fairness and transparency to protect the interests of its stakeholders. Salov S.p.A.'s corporate bodies are the Board of Directors, the Board of Statutory Auditors and the Shareholders' Meeting.

The Board of Directors

The Board of Directors (also "BoD") is the Company's highest body. All corporate functions report to the Chief Executive Officer, who is also a member of the Board of Directors. The BoD is appointed by the Shareholders' Meeting, is tasked with the Company's management and holds economic, environmental and social responsibilities. The Board of Directors also defines the Strategic Guidelines and is committed to measuring the Company's performance, including sustainability-related aspects. The members of the Board of Directors are appointed every three years by the Shareholders' Meeting.

Salov's Board of Directors plays a fundamental role in identifying and pursuing the Company's strategic objectives. The BoD has the power to carry out all formalities and transactions it deems appropriate to implement and achieve

the corporate purpose in full compliance with the applicable regulations. Based on the resolutions made by the BoD and according to the corporate structure, the Chief Executive Officer is responsible for implementing the resolutions regarding economic, environmental and social aspects. The analyses

conducted internally are shared with the entire Board of Directors. During the periodic meetings, the BoD takes stock of the general management trend, taking into account, specifically, the information received from the delegated bodies, and periodically compares the results against the programmed budget.

Composition of the Board of Directors in 2022	
Chairman of the Board of Directors	Wu Tonghong
Chief Executive Officer	Maccari Fabio
Deputy Chairman of the Board of Directors	Rinaldi Stefano ¹
Board Member	Fang Min
Board Member	Zhao Jianfu
Board Member	Zhang Bin
Board Member	Ma Weijun
Board Member	Yan Zhao

¹Resigned in April 2022.



Board of Statutory Auditors

The Board of Statutory Auditors is responsible for supervising compliance with the law, the By-Laws, compliance with the principles of proper

administration and the appropriateness of the organisational, administrative and accounting structure.

Composition of the Board of Statutory Auditors in 2022	
Chief Statutory Auditor	Dini Roberto
Statutory Auditor	Casagni Stefano
Statutory Auditor	D'Isanto Andrea
Alternate Auditor	Dini Filippo
Alternate Auditor	Marchetti Lorenzo

In addition to these bodies, the independent Auditors - EY S.p.A. - are tasked with the auditing of the company accounts, the Financial Statements and compliance with the Civil Code

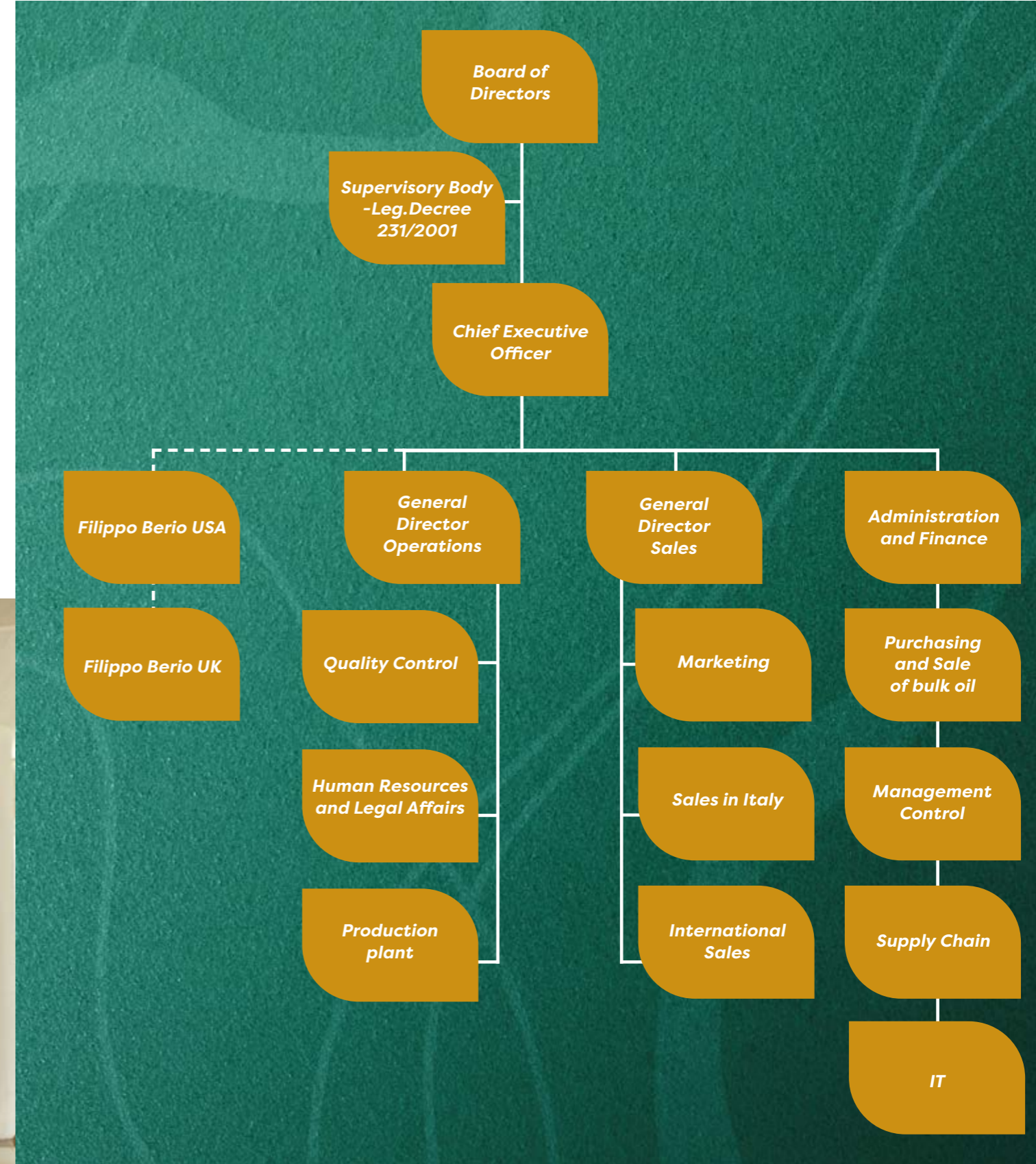
regulations concerning the valuation of the company's assets. The independent Auditors submit to the Shareholders' Meeting the results of their auditing activities on an annual basis.



Shareholders' Meeting

The Shareholders' Meeting is responsible for appointing the members of the Board of Directors and the Board of Statutory Auditors. In addition,

the Shareholders' Meeting approves the annual financial statements. The table below illustrates the organisation chart at 31.12.2022:



Focus: Bright Food

(Group) Co., LTD.

Bright Food is an industrial Group operating mainly in the food industry and is wholly owned by Shanghai SASAC (STATE-OWNED ASSETS SUPERVISION and ADMINISTRATION COMMISSION), a direct agency of the Shanghai municipal government. The Group operates as an integrated entity within the food industry controlling all steps and processes, from production to sales. The Group's purpose is the development of a technologically advanced food industry that protects the environment and its stakeholders. Bright Food is committed to ensuring high standards of quality and food safety and its growth is based on ongoing research for new and innovative solutions, optimising the use of all available resources while achieving excellence in all operations.

The core values and managerial efforts of the Bright Food Group have earned it second place in terms of sales volume in the food processing industry in the People's Republic of China and, thanks to the high recognition of its brands, the Group enjoys a leading position in most food categories and the retail sector. In 2010, the Bright Food Group implemented a strategy of international expansion. In 2011, the Group established Bright Food International Limited, which acquired the Salov Group in 2015 to increase the use of olive oil in China **while solidly maintaining the Company's Italian identity and traditions**, strengthening and developing its international vocation and leveraging on Salov's great expertise in the industry.

Model 231 and Code of Ethics

Salov is aware that a fundamental part of its expansion strategy and market presence requires a **profound sense of responsibility throughout the Group's activities** in all the countries in which it operates.

From this perspective, since 2009 to date, the Group has adopted the Organisation, Management and Control Model of the Italian Legislative Decree 231/2001 to ensure and guarantee fairness and transparency in the management of the Company's operations².

Model 231 is a voluntary tool the Company has implemented to integrate into its processes compliance with the regulations governing administrative and criminal liability for specific

categories of crimes. These include crimes committed in relations with the Public Administration, forgery, corporate crimes, crimes related to market abuse, health and safety, against the individual, terrorist crimes, trade frauds, and environmental crimes.

Model 231 also identifies the risks associated with crimes covered by the Legislative Decree and the measures to mitigate them. The **Company's Supervisory Body**, responsible for its compliance, is a collective body appointed by the Board of Directors and composed of at least two external members and at least one member from within the Company.

The Supervisory Body in 2022

Chairman	Stancampiano Francesco
External member	Dini Roberto
Internal member	Francini Marcello

The **Group's Code of Ethics**, drafted in 2009, is an integral part of the model. It sets out the ethical principles that the Company is committed to pursuing in achieving its business objectives. In particular, the Code of Ethics identifies the general and fundamental values, disseminating the principles of transparency and integrity to its stakeholders. It is worth underscoring that one of the fundamental principles of the Group's Code of Ethics is the **commitment to respect the environment** through a proactive approach towards **Sustainable Development**, testifying to the Company's long-time rooted engagement to Economic, Social and Environmental Sustainability.

To ensure broader circulation, the Company publishes its Code of Ethics on its institutional website³. Furthermore, the Company implements dedicated and targeted policies to manage and regulate conflicts of interest concerning relations with stakeholders. These are circulated to all employees and, in particular, top managers and specific categories of consultants identified as subjects acting on behalf of the Company by virtue of an employment contract or other contractual relationships of professional collaboration.

Focus: conflict of interest policy

The Salov Group is committed to ensuring the legal performance of transactions in the market and combatting corruption and unfair competition. **Model 231** is regularly updated in accordance with the relevant regulations to promote the consolidation of a corporate culture that enhances the principles of transparency, ethics, fairness and compliance with applicable regulations.

The Group did not report any verified cases of corruption involving employees and business partners. To reduce further the risk of corruption along the value chain, the Group carried out **risk assessments**, which did not result in the identification of significant risks. These activities were carried out through periodic audits performed by a third-party entity.

² In 2022, in line with the previous year, no significant cases of non-compliance with laws and regulations were reported, for which the Company was subjected to fines or non-monetary sanctions.

³ For more information, see the Group's Code of Ethics at this link (https://www.salov.com/wp-content/uploads/2022/03/sustainability_report_2020.pdf).

GRI 205-1: Operations assessed for risks related to corruption			
Year	2020	2021	2022
Total number of operations assessed for risks related to corruption	19	19	19
Percentage of operations assessed for risks related to corruption	37%	26%	16%
Significant risks related to corruption identified during risk assessment	0	0	0

The Model also includes a **whistleblowing** system, which ensures anonymity to employees reporting any irregularities. To promote the dissemination of corporate culture in line with the Group's business objectives, all corporate bodies are involved in **training activities** on the contents and disclosures of Model 231 and the Code of Ethics. The Group pays special attention to managerial

and multidisciplinary training for the creation of positions files that may be engaged in different roles so as to respond quickly to changes in the industry. For this reason, the Group has organised targeted anti-corruption training courses for five employees and a middle manager to provide them with the **necessary tools to deal with corruption risk situations.**



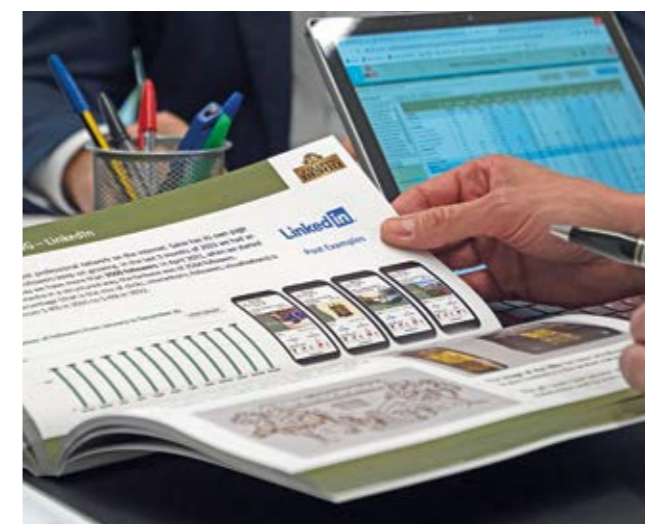
Transparency and fairness are the principles guiding the tax compliance and approach of the Company and its subsidiaries.

The Group pays utmost attention to compliance with current tax regulations to meet stakeholder expectations, while also contributing – as of the law – to the development of the countries and communities in which it operates through the payment of taxes.

Considering the Group's commitment to innovation and research, Salov's approach to taxation aims at benefiting from the opportunities offered by the regulators by participating in **public tenders and funding**, such as Industry 4.0, the NRRP (the National Recovery and Resilience Plan), and others.

The Group collaborates fully with the supervisory authorities in Italy and abroad, where its subsidiaries are located.

Salov also considers it fundamental that all transactions and activities carried out by the Company comply with **corporate procedures and protocols on accounting, administrative, commercial, financial and fiscal, environmental, quality and safety issues.**



2.2

Economic Sustainability

(GRI 201-1, GRI 205-1)

GRI 201-1: Economic value generated and distributed	
	€ (thousands)
Generated economic value	492,210
Value of production	491,456
Other financial income	754
Distributed economic value	476,482
Operating costs	445,554
Costs of raw materials	394,034
Overhead costs	51,520
Distributed value to employees	25,821
Costs of personnel	25,821
Distributed value to investors	2,188
Interest and other financial expenses	2,188
Distributed value to Public Administration	2,919
Income tax (current and deferred)	2,919
Retained economic value	15,728
Profit for the period (net of dividends)	9,939
Amortization, depreciation and provisions for funds	5,789

Investments to foster Continuous Improvement

The Salov Group has always looked to the future through the lens of innovation. Innovation means introducing new systems and criteria for doing business through a process of continuous improvement, adapting to new challenges and changing context. In particular, the Company has made investments in process digitalisation and supply chain streamlining to increase the flexibility and sustainability of Group companies and respond better to upstream and downstream changes while reducing operating costs and related risks. This also applies to sustainability and its application. Technology, properly used, is an important driver in value creation and plays a central role in creating a common identity with a positive impact on **the environmental, social and governance (ESG) objectives**, which are not only financial but also value-related. Investments in ICT (Information and Communication Technologies) in 2021 and 2022 mainly referred to the following two areas:

Company digitalisation:

- ◆ Starting from 2019 and in line with a “One Company” vision, Salov has been upgrading its IT systems to revise its core processes and increasingly adjust them to the market, responding to the need for greater flexibility at the level of the organisation and processes.
- ◆ Salov has strategically decided to expand globally its organisation and operating model, leveraging:
 - process and core technology re-engineering
 - the resulting transformation in the organisation through centralised and localised, new and standardised processes and roles
 - a solid global model supported by a strong IT footprint with two objectives. The first to be more efficient, improving the go-to-market and customer care. The second to achieve speed of adaptation and resilience in applying the operating model to better respond to global evolution.

Process efficiency:

- ◆ The development of efficient and digitised production processes enables the Group to focus on reduction of waste in the use of resources and materials, its carbon footprint, and the environmental impact generated. In this respect, several investments have been made and are planned for the coming years in different areas, including bottling, refinery and ancillary services. Moreover, new stainless steel, temperature-controlled storage tanks for Extra Virgin Olive Oil have been or are currently being installed, which will significantly reduce energy costs and possible organoleptic changes in the oil due to temperature changes.

2.3

Risk management

(GRI 2-23, GRI 2-24)

The Group operates globally. For this reason, the Group has adopted a **proactive approach to managing and controlling environmental, economic, social, geopolitical and technological risks**.

Concerning potential crime risks included in Model 231, the Group has developed a Risk Assessment procedure to identify risk areas. The first step is the identification of the activities that each area/function of the company performs. Interviews are then conducted with the Top Managers and Middle Managers, and finally activities are identified according to the relevant risks. When the process is complete, procedures are set up to prevent potential crimes.

In 2021, the Group implemented a Risk Management system to identify, analyse and prioritise risks, so as to identify strategic actions targeting risk management. The project was also dedicated to developing a more efficient

management framework and maintaining control over investments. The project focused mainly on operational and financial risks. Other risks were integrated at a later stage. The objectives are:

- Development of a risk management framework
- Digitalisation of the risk management process
- Improved operational efficiency
- Risk level assessment based on specific key risk indicators (KRI)
- Identification and quantification of the main risks

- Risk level presentation using analytical reporting tools
- Creation of a risk management coordination profile.

The Analytical Reporting and Work Flow areas of the new platform are used every month to manage operational and financial risks in structured and ongoing collaboration with the Parent Company Bright Food International.

Cybersecurity:

risk management

The advantages of digitalisation are well known: easier management of activities, reduced operating costs and better control of the complexity of the value chain. This puts the Company in a better position to respond to upstream and downstream changes in the supply chain.

Increased digitalisation shifts the focus to Data Governance and, in particular, the risks associated with its value within companies along with the processes that depend on it. Stakeholder data protection is of the essence in the digitalisation process. All this, together with the socio-economic phenomena, led to an exponential increase in cyberattacks perpetrated by criminal organisations in recent years, which have highlighted the need to protect sensitive data against possible leakage (Data Breach) and service interruptions. Both events can cause considerable damage to companies

and individuals, both economically and reputationally.



To mitigate the risks described above, Salov S.p.A. has decided to invest in a specific multi-year programme aimed at protecting its assets and the relevant data while fostering correct behaviour within the organisation.


The programme includes three steps:

1) **Vulnerability Assessment & Technical Remediation** for the physical protection of technological assets; 2) **Cybersecurity awareness** for the promotion of correct behaviour by members of the organisation in the use of IT resources, and 3) **ISO 27001:2022 Certification** for the management system regulating data protection processes and assets.

To date, the Group has completed the first and second steps while the third is currently in progress and should be completed by 2023.

The main risks identified by the Group in relation to the topics considered relevant for its business are:

 Environment	<p>With regard to its environmental impact, Salov has identified risks related to water and energy consumption, discharges into the soil and emissions of pollutants into the atmosphere. The Group has designed, organised and is carrying out processes maintaining the utmost respect for the environment, adopting strategies to minimise the risk of harmful events while implementing targeted procedures to gradually reduce the impact generated by the activities performed. To this end, Salov has confirmed its commitment to establishing an ongoing dialogue with its suppliers by monitoring and controlling supplier activities for the reduction of their environmental impact.</p>
	<p>Salov's activities are by nature subject to the consequences of climate change, including severe droughts, water scarcity, storms and reduced biodiversity. The development of strong relationships with its suppliers and a direct dialogue based on ethical values enables Salov to manage the impact these consequences have on its activities while raising awareness of the importance of increasingly concerted and targeted actions across its entire supply chain.</p>
 People	<p>The main risks related to personnel concern health and safety in the workplace, employee recruitment and retention, and respect for diversity. The approach to the monitoring and possible reduction of these risks is set out in the Code of Ethics and the ISO 45001 certification regarding health and safety management systems. Concerning diversity, Salov guarantees fair and equal treatment for all employees.</p> <p>Finally, Salov offers continuous training to upgrade progressively employee skills. Salov pays special attention to young employees for whom the "Talent Garden" project was launched in 2022. Risks associated with failure to protect the human capital can have significant repercussions for Salov: there is the risk of losing an important talent for the Company, not being able to attract new talents, and the Company may also suffer damage to its image in the event of loss of personnel.</p>
	<p>Another risk related to the Group's activities is the violation and non-respect of human rights, both within Salov's operations and along the supply chain. Risks related to the violation of human rights would result in severe reputational damage and sanctions for the Group. For this reason, the Company is committed to complying with applicable laws and regulations governing the matter.</p>

 Product	<p>Another category of risk relates to supplier management based on relevant products. Suppliers may not be compliant with the strict regulations governing the quality, authenticity and purity of olive oil, which should not contain other oils deriving from other plants, and/or with Salov standards, also in the area of sustainability. For this reason, traceability along the supply chain together with laboratory controls is very important. The Code of Ethics specifies that Salov suppliers must always comply with the principles of quality, cost-effectiveness and fairness. For instance, the Filippo Berio UK subsidiary requires information on forced or child labour along its supply chain in accordance with the provisions set out in the UK Modern Slavery Act (2015). Due to the importance of the supply chain and its monitoring, the Integrated Supply Chain project was completed in 2022, resulting in the digitalisation of the oil production supply chain to ensure quality, flexibility and environmental awareness. A digital ecosystem was created that leverages the opportunities for evolution offered by new technologies (Data Analytics, Digital Twin), making the entire oil production process more efficient and responsive (from raw material processing to supplies and warehouse management) while at the same time guaranteeing the environmental sustainability of the plants through an Energy & Environment Monitoring system.</p>
	<p>The Group is also exposed to risks related to food product safety, which affect all food industries in general. There are numerous regulations on food product safety with frequent amendments and Salov Group pays special attention to any change implemented. Food production must ensure the avoidance of contamination by foreign bodies and/or potential allergens, as well as the presence of contaminants of various kinds. To this end, Salov has implemented a set of hygienic-sanitary self-control procedures (HACCP) to formalise the control systems and monitor the hygienic-sanitary aspects of the production process, along with preventive measures to ensure product safety.</p> <p>This process includes chemical analyses, control of all production environments, plant and equipment control, monitoring of the production settings (many contaminants in vegetable oils, especially refined oils, derive from process settings) and, last but not least, staff training.</p>



3 THE JOURNEY OF OUR OLIVE OIL

3.1 Our focus on Raw Materials

The history of olive oil dates back more than 6,000 years in the Mediterranean region. Still today, this geographical region is home to the world's largest producers of olive oil, namely Spain, Italy, Greece, Portugal, Tunisia, Turkey, Morocco and Syria¹.

The European countries produce about two-thirds of all olive oil traded in the world. Spain is the leading global olive oil-producing country with a share of between 45% and 60% (depending on the harvests) of world production volumes², followed by Italy and Greece.

Olive oil production is highly volatile in terms of quality and quantity as a result of climate and other macro-economic factors. In 2022, the extreme drought, especially in the Mediterranean

region, caused disruptions in water supply and damage to crops. Consequently, the production of olive oil was low, with increased costs.

Moreover, in 2022, the Russian-Ukrainian conflict also had an impact on the cost of edible oils. Rising inflation, increased fuel and energy costs, and delays in logistics due to the conflict resulted in increased costs of raw materials along with increased prices of packaging components and materials.

Special attention and care are applied to the **production of Extra Virgin Olive Oil**, which represents the Company's premium line. This process requires the involvement of a number of expert and professional figures and close collaboration with our business partners.

Below is a description of **the Group's supply chain and production process**, including both in-house and outsourced activities necessary to prepare finished products and ensure high quality.

3.2 Our Production Process

Our oil production process involves several stages subject to high and rigorous controls. Olive oil is produced in the **Massarosa production plant** (Lucca), which is one of Europe's largest technological facilities, built with due attention to safety and the environment.

¹ Source: European Commission (2023). *Market situation in the olive oil and table olives sectors*.
² *Ibidem*. Values refer to the two-year period 2020-2021.

The supply chain and production process of Extra Virgin Olive Oils, olive oils, and seed oils	
1. Procurement and Purchasing	
<p>Purchasing: this step includes the activities of purchasing raw and subsidiary materials. The raw materials used are Extra Virgin Olive Oil, lampante olive oil and seed oil. Subsidiary materials include components used for product packaging, such as glass, R-PET, PET, aluminium, paper, cardboard, printing inks and finished product transportation packaging.</p>	
<p>Production area identification and selection: Salov monitors the production areas and, specifically, the Mediterranean areas for olive growing and analyses the climate variables and agronomic aspects. At this stage, specifically for Extra Virgin Oils, the Master Blender and his team begin the selection process by tasting samples from the various mills and cooperatives. For seed oils, Salov's experts analyse the campaign and the characteristics of the various production areas and collect samples for in-house analyses.</p>	
<p>Supply and analysis: in the next step, samples that pass the tasting selection (for Extra Virgin Olive Oil) undergo chemical and physical analyses in the in-house laboratory. The laboratory is responsible for approving the products that meet the quality and regulatory standards. When the organoleptic and chemical aspects of the samples have been approved, Salov proceeds with the purchase of the batch of oil. Upon delivery and before unloading, the batch of oil is analysed again and, if it doesn't match the initial sample, the batch is rejected and sent back to the supplier.</p>	
2.1 Extra Virgin Olive Oil Processing and Production	2.2 Processing and Production of Other Oils
<p>Filtering: when the outcome of the analyses performed is positive, the product is filtered and prepared for storage. At this point, the oil is purified to prevent any possible deterioration caused by impurities. In accordance with the principles of sustainability and environmental protection, Salov uses natural products – diatomaceous earth flours – for filtering.</p>	
<p>Oil storage: when the batch has been approved, oil is stored in controlled atmosphere and temperature tanks according to product origin and organoleptic characteristics.</p>	<p>Oil storage: The next step includes the storage of the raw material in the dedicated tanks at the Massarosa plant.</p>
	<p>Refining: Before their use, lampante oil and seed oils undergo refining in compliance with relevant regulations, to remove defects, impurities and excess acidity. Some oils are also purchased already refined, such as corn and grape seed oil.</p>

<p>Blending: the blender produces blends of Extra Virgin Olive Oils with different origins and organoleptic characteristics to create a finished product that reflects the organoleptic and analytical profile defined by Salov.</p>	<p>Preparing oils for bottling: the various expert teams are involved in the composition of blends according to Salov’s regulations and standards. In some cases, this stage also includes tasting. In the case of olive oil, this stage involves the blending of refined oils with some percentage of Extra Virgin Olive Oil.</p>
<p>Cellulose natural filtering/neutralisation or polishing filtration: all oils (Extra Virgin Olive Oils, olive oils and seed oils) are processed with cellulose-based filters to obtain clear oils free of water/moisture.</p>	
<p>Bottling: oil is then bottled in different format sizes and types of packaging, from 200 ml up to 5 litres, in glass, PET or tin containers to meet consumer and market needs based on category penetration and characteristics of use.</p>	
<p>Quality control: based on internal evaluations, some products are also subjected to final external quality control.</p>	
<p>Extra Virgin Oil quality control: all Extra Virgin Olive Oil blends are analysed by an in-house expert panel and, for the major European markets, all bottled batches undergo organoleptic testing by a certified third-party expert panel.</p>	
<p style="text-align: center;">3. Distribution</p>	
<p>Distribution: distribution activities include all activities relating to the organisation and management of outbound logistics of the finished product delivery to customers according to pre-established time scales and at predetermined storage points.</p>	
<p style="text-align: center;">4. Subsidiary Activities</p>	
<p>Marketing: marketing activities are necessary to advertise the product to end consumers and provide them with all information about the product (nutritional details, taste, proper use, packaging disposal, etc.). See Chapter 7 “Customer and Consumer Care” for more information on marketing and labelling practices.</p>	
<p>Research and Development: research and development activities are mainly, but not exclusively, geared to improving quality. This concept includes product quality, process quality, respect for the environment and growth of the sector in which the Company operates both from a scientific and technological standpoint. For more information on R&D activities, see Chapter 4, “Research and Innovation to Build a Culture”</p>	

The entire production process includes **several points of control and analysis**, both chemical-physical and organoleptic. The tests and the expert panels are responsible for assessing

and certifying the chemical and organoleptic characteristics and also identifying any possible defects of the finished product that could have a deteriorating impact on the product itself³.

Focus:

the Art of Blending in Extra Virgin Olive Oils

For years, Salov has relied on the art of **blending**, i.e. **the blending of oils from different varieties of olives and different origins**. This is an extraordinary expertise that the company has acquired over **more than a hundred years** to guarantee the quality of its products. This is done because thorough knowledge of raw materials, careful selection and skilful blending of different oils results in balanced flavours and aromas that are consistent over time. During the oil harvest, Salov is committed to sourcing the best oils from an organoleptic and chemical standpoint. The collaboration with its partner suppliers enables Salov to select the best cultivars and, after finding excellent raw materials, it moves on to the delicate phase of oil processing and **blending**. This art requires in-depth knowledge of olive oils to evaluate the characteristics of each Extra Virgin Olive Oil, with all its nuances.

Blending is an important stage in Salov’s production process. The **Master Blender** plays a central role in quality. Drawing on his experience, passion and knowledge, he blends oils based on a clear vision of the organoleptic profile of the product. The Master Blender’s expertise ensures that the oil’s flavour profile is “**proper and authentic**” with a consistent balance over time to meet customer needs. Salov carries out several studies on the organoleptic properties of the oil, focusing on the

different aromas and flavour nuances. To this end, Salov has established a collaboration with the **University of Zurich (ZHAW)** to study **harmony**, i.e., the balance of the positive properties of Extra Virgin Olive Oil. This has enabled Salov to create a specific and unique blend. In addition, to offer different sensory performances in different markets, the Group has also established a collaboration with **SAM Sensory and Marketing Research International**, a leader in sensory research. The collaboration will result in the optimisation of the organoleptic blend profiles according to consumer preferences in different target countries⁴.



³ For further details on our commitment to quality, see section 3.5 “Uncompromised quality: tests and controls”.

⁴ For more information on the above-mentioned collaboration see Chapter 4 “Research and Innovation to build a culture”.



3.3 The Suppliers: Salov Ethics (GRI 2-6, GRI 204-1)

To Salov, supply chain management has always been a priority in order to ensure that all suppliers comply with applicable regulations. Of particular importance are regulations concerning; environmental protection, workers' rights, and the location of the suppliers' production facilities.

The Purchasing of Bulk Oils and Packaging Materials and Quality functions, located in the Massarosa plant, are responsible for supplier management at the centralised level. They collaborate in the management of operations, ranging from order placement to final product delivery to customers.

In 2022, Salov purchased more than **80 million litres** of olive oil, more than **34 million litres** of seed oil, and about **4.2 million kilograms** of non-oil products (pesto, vinegar, and pasta sauces). The main markets from which Salov sources its supplies are also the world's largest olive oil producers, namely Italy, Greece and Spain. To a lesser extent, the Group also sources products from other markets in the Mediterranean area. In 2022, Salov sold **119,457,172 litres**, including oil, vinegar, pesto and pasta sauces. Of these, about 73.5 million litres (equal to 66 million units/bottles), or 62% of the total, are bottled. The remaining 38% is sold in bulk, almost entirely to industrial food operators in Italy (B2B), accounting for 46 million litres of oils refined at the Massarosa plant.

The Company's core business is selling bottled oil almost entirely under the Filippo Berio or Sagra brands. Of the 73.5 million litres mentioned above, nearly 54 million (or 74% of total bottles) were exported: the two main markets are the US and the UK.

However, the share of bottled product sales for the Italian market is significant at 26%.

The data below confirms some key metrics:

- **International expansion** - Salov has always had an international approach, since the time of the young Filippo Berio, who – in the second half of the 1800s – was selling his oil to emigrants embarking in the Tuscan ports for a new world and destiny, and wishing to carry with them a piece of their “home”.

- **Focus on the Brand** – This is also connected to Filippo Berio, the brand's mentor and founder, whose focus was not only on producing fine olive oil but developing a brand that could be recognised and directly referred to him. This is why his signature has been featured on each product since 1867.

He also participated in numerous international expositions where the brand won awards and recognition (Universal Expositions of Lyon 1872, Paris 1878 and World Columbian Exposition of Chicago in 1893).

- **Refining** – This activity was developed later, when Salov was founded. Just one year after Salov's establishment in 1919, the Company invested in a state-of-the-art refining plant (1920). Since the beginning, quality was a priority, even if it was difficult to guarantee in those days. To this end, the founders adopted an innovative refining process. The same focus is present today and reflected in research and innovation for the projects developed by the Refining Department in collaboration with renowned universities that share these principles (for more information see Chapter 4. “Research and Innovation to Build a Culture”).

Responsible management of the supply chain according to sustainability criteria represents a key aspect of the Company's operations. All the Group's functions and the top management

pay a great deal of attention to these topics, recognising their strategic role. The table below illustrates the economic value of **raw materials and materials purchased** from suppliers:

GRI 204-1: Proportion of spending on local suppliers (total spending vs local spending)			
Spending by purchase category	2020	2021	2022
Total spending on raw material and material procurement	€252,123,245	€286,064,024	€396,279,591
Packaging	€17,729,691	€18,753,791	€25,225,057
Partner products	€13,702,910	€12,234,700	€16,703,633
Product transportation	€3,029,000	€3,596,000	€5,642,000
Oils	€217,661,644	€251,479,533	€348,708,901
Spending on raw material and material procurement from local suppliers	€172,456,438	€126,275,610	€175,104,695
Packaging	€17,419,446	€18,357,126	€24,856,711
Partner products	€13,702,910	€12,234,700	€16,703,633
Product transportation	€3,029,000	€3,596,000	€5,642,000
Oils	€138,305,082	€92,087,784	€127,902,351
Spending % on procurement from local suppliers⁵	68 %	44 %	44 %

The significant increase in total spending on procurement from local suppliers in 2022 was due to the following:

- **increased raw material costs**, as a result of the severe drought of the previous summer (in addition to the aforementioned Russian-Ukrainian conflict). The combination of heat and drought resulted in lower production: in some cases, the small fruits, which had grown

with difficulty, dried up and fell; in other cases, the olive ripening process was reduced with an impact on oil production.

- **difficulty in sourcing some packaging materials**, such as glass, paper and wood, with repercussions on prices. Despite this situation, in 2022, Salov maintained procurement from local suppliers in line with the previous year.

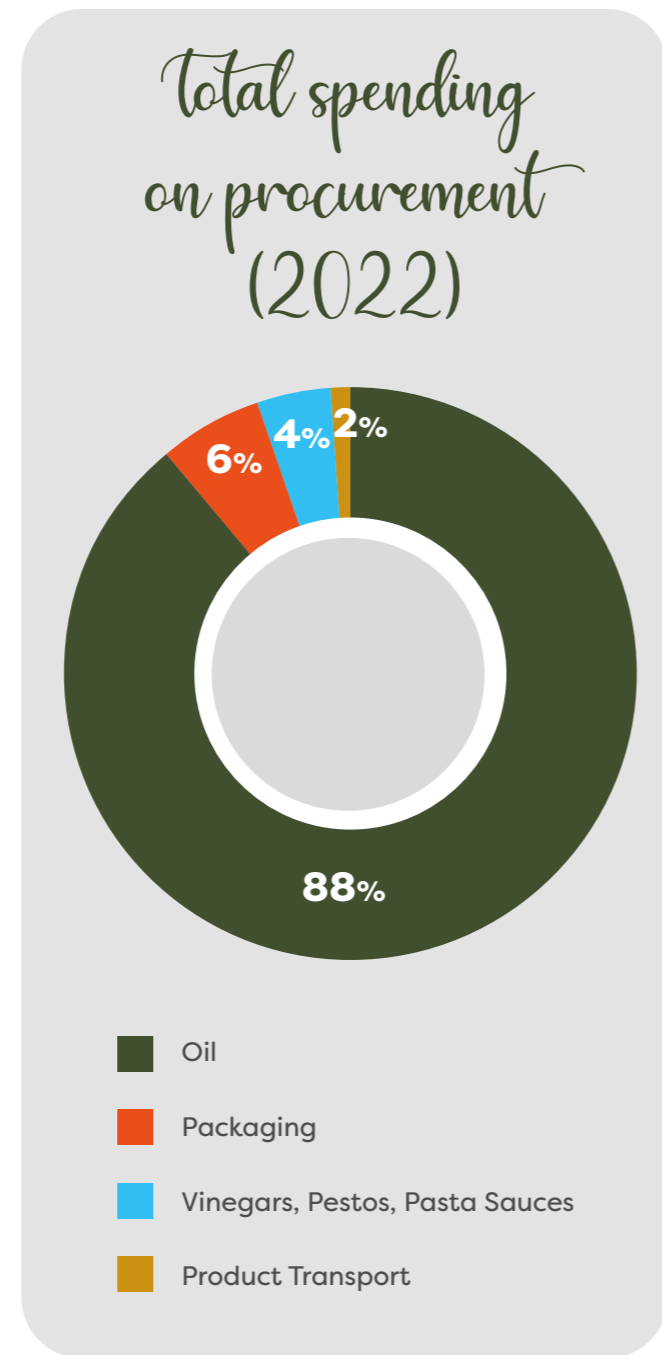
⁵ “Local supplier” means a supplier operating in Italy.

Purchases of **oil** to be used in the production process represent the main share of Salov's supplies. In addition, other purchases include products marketed by partner suppliers (vinegar, pesto, and pasta sauces) under the Filippo Berio brand. Finally, the remaining portion of purchases refers to packaging, mainly used for finished products⁶. Whenever possible, the Group sources from **local supply chains**. Salov recognises the central role played by local suppliers in the development of increasingly sustainable products and corporate

policies at every stage of the production process. To carry out its activities, the Company can rely on a solid supplier structure, which has remained largely unchanged over time. This is evidence of the long-lasting relationships established and maintained. Moreover, to ensure efficient monitoring of supplier selection and assessment, the Quality Department is responsible for the following activities:

REGISTRATION OF A NEW SUPPLIER: a questionnaire is sent out to potential new business partners to gather information on their operations and policies. When a supplier meets the requirements concerning compliance with applicable regulations, has the necessary certifications and also meets the requirements set out in Salov's protocols, Salov carries out an **audit to check the information provided**. If the outcome is positive, the supplier is included in Salov's supplier list.

EXISTING SUPPLIERS: a questionnaire is sent out annually to identify potential differences from the previous year's records. Salov carries out supplier audits regularly or more frequently in the case of primary suppliers (raw materials and packaging). Since the end of 2022, Salov has expanded the scope of the issues it investigates during the supplier selection process to include **ESG aspects**. Before the audit, suppliers are asked to provide some preliminary data:



Preliminary data requested for Supplier Audit	
Safety and Quality	
Salov asks potential suppliers to provide the following certifications: BRC (British Retail Consortium) and IFS (International Featured Standards). These are necessary to ensure product safety. The supplier must also give evidence of the availability of a Documented Quality Management System at its premises. Below are the 8 topics included in a supplier audit:	
<ul style="list-style-type: none"> • Process (technologies; procedures and control policies of production defects) • Berio Method Management - where applicable - (operator training and space organisation) • Warehouse and Traceability (batch and raw materials organisation and management) • Outsourced Storage (checks on the suitability of transportation means and storage and distribution conditions) • Quality Assurance (implemented ISO 9001 and ISO 14001 certification systems; in-house audits; supplier assessment system) • Finished Product and Semi-Finished Product Quality Control (types of controls performed; management of complaints and evidence of compliance with applicable regulations) • Raw Materials (monitoring of the materials used and procedures to reduce resource use) • Production Facilities and Equipment (compliance with the GMP (Good Manufacturing Practices) regulations and appointment of a person in charge; control plan for incoming materials; management of non-compliant materials). 	



⁶ For more information on the environmental impacts connected with procurement: see Chapter 5 "Our environmental conscience".

Safety and Environmental Protection

Details on how food safety of products is ensured and how it is implemented (e.g., absence of contamination or allergens). Moreover, information on the availability and implementation of a certified HACCP (Hazard Analysis Critical Control Point) system. Below are the 8 topics included in a supplier audit:

- **HACCP** (implementation and updating of the HACCP system; risk analysis and assessment)
- **Pest control** (pest control management system; control measures)
- **Hygiene and Cleaning** (cleaning programmes; storage of used products; condition and cleanliness of spaces and facilities; aeration of facilities)
- **Food Protection** (physical site security; security of incoming supplies; security of shipments; site security; personnel security)
- **Packaging Management** (packaging reduction and recycling goals/programmes)
- **Pollution Prevention** (life cycle analysis tools; systems/ goals to prevent and reduce the use of hazardous substances)
- **Transportation** (goals for reducing impacts due to transportation logistics)
- **Workplace Management** (SA8000 certification; adoption of B-Corp scheme or similar schemes; institutional policies on occupational health and safety standards).

Application from late 2022

Environmental Requirements

Details on the reporting of environmental data and any activities implemented to reduce the environmental impact generated. For example, energy consumption data, energy efficiency measures, greenhouse gas emission reduction targets, etc.; implementation of an environmental management system and, if available, the related certification. Below are the 5 topics included in a supplier audit:

- **Management and Training Systems** (implementation of an environmental management system and ISO 14001 certifications; environmental policy disclosure; employee training; action plans to improve environmental performance)
- **Greenhouse Gas Emissions and Energy Consumption** (monitoring of consumption; management systems; GHG reduction targets; energy efficiency)
- **Atmospheric Emissions** (monitoring and analysis of emissions)
- **Water Management** (monitoring of consumption; recycling and re-use programmes; water treatment plants; consumption reduction targets)
- **Waste Management** (monitoring of generated waste; procedures/reduction targets).

Social Requirements

Information on personnel management policies, training activities, hiring and salary policies, and prevention activities of discrimination. In addition, suppliers must provide evidence of their involvement with local communities in the countries where they operate and the projects implemented for their benefit. Below are the 5 topics included in a supplier audit:

- **Personnel Organisation** (induction and training; the presence of sub-suppliers for specific processes)
- **Discrimination** (implementation of a policy connected with personnel management)
- **Freedom of Association and Bargaining** (freedom to participate in and recognise trade unions)
- **Health and Safety** (health and safety management systems; ISO 45001 certification; monitoring of work-related injuries)
- **Relations with local communities** (implementation and/or support in activities for the benefit of local communities).

Governance Requirements

Implementation of Model 231 (for Italian suppliers) and the Code of Ethics, and policies to control health and safety in the workplace. Below are the 2 topics included in a supplier audit:

- **Responsibility** (identification of company profiles dedicated to monitoring; implementation of Model 231; the presence of a Code of Ethics and/or Supplier Code of Conduct; drafting of a Sustainability Report or similar documents; availability of a third-party audit on non-financial reports)
- **Supply Chain Management** (supplier assessment procedures based on ESG standards; performance of social audits on suppliers).



All Group suppliers are constantly monitored, particularly with respect to the presence and possible reporting of cases of product breach. Periodically, the Procurement Department prepares and updates the “Vendor Rating” report and, in case of non-compliance, corrective action plans are implemented that are shared with the suppliers concerned. In line with the improvement process implemented to monitor supplier quality performance, at the end of 2022 Salov introduced **a new audit process** to assess and reduce the risk related to ethical, social, and environmental (ESG) issues. It is important to note that since 2015 Filippo

Berio UK has implemented a questionnaire sent out to all suppliers for Anti-Slavery Statement, i.e. *Modern Slavery Statement*, to confirm that the supplier has not been involved in cases of forced labour or human trafficking. The supplier must give evidence that it has put in place all necessary measures to prevent this risk. The questionnaire aims to obtain confirmation that there are no cases of either slavery or human trafficking in the Company’s business activities and across the supply chain⁷. Last but not least, Salov’s Code of Ethics, available on the Company’s website www.salov.com, has been circulated to all suppliers.



3.4 The Packaging: created with an increasingly low environmental impact

(GRI 301-1, GRI 301-2)

The Salov Group has always paid a great deal of attention to the impact it generates on the environment and, over time, it has concentrated efforts to replace the materials used for product packaging with increasingly sustainable materials.

In addition, the Company is committed to using recycled materials. In 2022, the percentage of recycled materials used amounted to 46.5%.



GRI 301-1: Materials used by weight or volume				
Materials for Oils	UoM	2020	2021	2022
Olive oil	t	45,389	40,826	43,686
Extra Virgin Olive Oil	t	39,118	35,213	37,003
Seed oil	t	38,459	34,277	34,313
Total Materials - Oil	t	122,966	110,316	115,002
Materials for Non-oil Products ⁸	UoM	2020	2021	2022
Pesto	t	2,257	1,940	2,308
Vinegar	t	1,055	758	950
Dressing	t	422	426	401
Pasta sauce	t	-	-	328
Glazes	t	191	161	179
Total Materials - Non-oil Products	t	3,925	3,285	4,166

⁷ Filippo Berio UK has implemented this practice since the enforcement of the UK Modern Slavery Act (2015) to address the rise of modern slavery globally according to International Labor Organisation (ILO) studies and surveys.

⁸ For pesto, vinegar, dressing, pasta sauces and glazes, only net weight (excluding packaging) was considered.

Materials – Other	UoM	2020	2021	2022
Salt	t	22	30	59
Paper	t	2,507	2,127	2,344
Wood	t	751	668	899
Total Materials - Other	t	3,280	2,825	3,302
Total Renewable Materials⁹	t	130,171	116,426	122,470
Materials from production ¹⁰	t	2,012	1,625	1,628
Steel	t	694	617	560
Aluminium	t	188	191	218
Mixed	t	49	58	59
PET	t	2,114	1,813	1,919
Plastic	t	4	2	2
PVC	t	367	1,001	1,075
White glass	t	3,138	3,150	3,006
Green glass	t	10,403	11,832	12,260
Total Non-Renewable Materials^{11 12}	t	18,969	20,289	20,727
Total	t	149,139	136,715	143,198

In line with the previous two-year period, also in 2022, the weight of materials/products consumed out of the total Materials Used (GRI 301-1) referred mostly to olive oil (30.5%), EVO oil (25.8%) and seed oil (24%), followed by green glass (8.6%). Salov's commitment to a sustainable supply chain is also demonstrated by the increased amount of recycled products it uses. More than **80% of the glass used by the Group is recycled**.

In 2022, the Company also opted for the purchase of recycled PET (R-PET) instead of virgin PET. In Italy, 50% R-PET is used in the 1-litre and 2-litre formats for Sagra branded seed oils. In the UK, where most products are sold in glass, 50% R-PET has been adopted for the 1.5-litre and 2-litre formats.

Since April 2023, the entire oil range in PET bottles destined for the US market in different sizes (500 ml, 750 ml, 1.5 litre) comes in **50% R-PET**. In the same year, **100% R-PET** was introduced for the 5-litre format in the UK.

Starting from 2023, the Italian market has also increasingly introduced **100% R-PET**, first implemented in the 750 ml formats for olive oil and Extra Virgin Olive Oil under the Sagra brand and, later, in the 1 litre and 1.5 litre formats for seed oils under the same brand.

The paper used for the boxes and bottle labels of the various oils also comes from **FSC (Forest Stewardship Council)** certified suppliers, which promote responsible and sustainable management of forest resources.

⁹ Renewable materials" refer to materials deriving from abundant resources that are rapidly replenished through environmentally friendly cycles or farming processes.

¹⁰ Includes sulphuric acid, caustic soda, citric acid, and sodium sulphate.

¹¹ "Non-renewable materials" include materials derived from resources that do not regenerate in short periods of time (e.g., minerals, metals, oil, gas or coal).

¹² Excluding materials used in the packaging of other non-oil products (pesto, vinegar, dressing, sauces and glazes), whose value is negligible compared to the total.



Primary packaging from recycled material		
2022		2023
80% glass	50% R-PET	100% R-PET
Recycled materials	<p>In ITALY: used for the seed oil range 1 lt and 2 lt formats.</p> <p>In the US: used for the olive oil range 500 ml, 750 ml and 1.5 lt formats.</p> <p>In the UK: used for the olive oil range 1.5 lt and 2 lt formats.</p>	<p>In ITALY: used for the olive oil and EVO oil ranges 750 ml format and the seed oil range 1 lt and 1.5 lt formats.</p> <p>In the UK: used in the olive oil range 5 lt formats.</p>



Lastly, in line with the principle of **transparent communication with its end consumers**, which has always been a priority for Salov, the Company includes additional information on the labels. Specifically, information is provided with particular reference to how to sort and properly dispose of products after their use in compliance with the most stringent regulations applied in the countries in which the Group operates and in which these issues have not yet been thoroughly analysed.

Accurate development and production tests are carried out before any new material implementation to ensure stringent control and attention to packaging materials. Packaging plays a key role in oil products. It is necessary to maintain and protect the quality and organoleptic characteristics of Extra Virgin Olive

Oil, which needs to be especially protected from light and heat, but it is also fundamental for transportation and handling.

To best represent “Salov quality”, the Company pays a great deal of attention to protecting glass, PET or tin packages that travel from one continent to another in order to prevent damages during transportation. In fact, breakages and/or dents often make the oil, the package and in the most serious cases, the entire pallet unusable.



The planning and supervision of business activities are a prerequisite for continuous improvement and product quality. The control activity starts from the procurement of raw materials and involves all stages of production. Products undergo several tests starting from selection to the delivery of the bulk oil to the plant and the shipment of the finished product. Controls are carried out both by in-house operators and third-party laboratories. In 2022, the in-house laboratory performed a total of **about 21,000 tests on approximately 3,700 samples**. The in-house laboratory represents a significant advantage to Salov because tests can be performed quickly and directly. This enables

3.5

Uncompromised Quality: Tests and Controls

Salov to react promptly in case of discrepancies. The in-house testing laboratory is equipped with state-of-the-art technologies to analyse every aspect of the oil and plays an undisputed key role in ensuring the high quality of raw materials and the final product.

In 2022, Salov made a new investment to purchase chemical analysis machinery to measure the potential contamination of raw materials by oils of mineral origin (MOSH/MOHA).



Focus:

The testing laboratory

The testing laboratory is a key element in the Salov Group's organisation. The laboratory carries out product-specific chemical/physical analyses. Below is a description of the Salov Group Testing Laboratory:

- **Analysts:** 6, including the Head of the Laboratory
- **Types of oil analysed:** Extra Virgin Olive Oil, lampante oil, refined olive oil, seed oil
- **Types of analyses carried out:** chemical tests to ensure product quality, its authenticity and identification of potential contaminants.

- **Total analyses carried out on the raw materials:** approx. 12,500 on over approx. 1,600 samples
- **Total analyses carried out on finished products and blends:** approx. 8,500 on over 2,100 samples using nearly 400 external test panels
- **Committees and tables in which the Salov Group participates**
 - ◆ UNI/CT 003/GL 18 "Oils, animal and vegetable fats and their by-products, oil seeds and oleaginous fruits"
 - ◆ ASSITOL (Italian Oil Industry Association)
 - ◆ NAOOA (North American Olive Oil Association)



Salov is focused on creating Services that drive business transformation according to a **"one company"** vision and the revision of core processes to increasingly adapt them to internal demand and external constraints. In a digital world, the goal is to position IT correctly in the Company to expedite processes in the different Group companies while supporting growth and reducing overhead costs and related risks. Technology and its proper implementation are important drivers in value creation and play a central role in developing a common identity. Digital transformation at Salov began as early as 2019 with the design of robust operating models and infrastructure geared toward integrated process management across the Group's different

3.6

Digitalisation: a fundamental tool for Continuous Improvement

subsidiaries. Both the Parent Company and all subsidiaries implemented the SAP software platform, the world leader in Enterprise Resource Planning (ERP). In 2021, integration continued with the **OMNIA (Integrated Supply Chain)** and the **SABI (Group Business Intelligence Platform)** projects. In 2022, Salov concentrated on completing the implementation of the two systems mentioned above and launched the **Procurement Digitalisation** project for the supplier register, contracts for the purchase of goods and services, purchase orders, invoice approval and payments in addition to the digital filing of supplier and customer accounting documents.



Focus:

“OMNIA: Oil Manufacturing Next Information System Architecture” project

The **OMNIA project** was the most important project launched in 2020 and was completed in 2022. This programme was fully adopted to improve operational and organisational processes, systems and related user experience. It specifically focused on **Sales & Operation Planning, Finite Capacity Planning**, production execution system, efficiency and plant maintenance reporting, focused on the **SMART FACTORY** concept. Below is a list of the goals:

- **Management of downstream variability** – responding promptly to changes in demand generated mainly by the numerous promotional activities and different distribution channels with different service requirements
- **Management of upstream variability** – responding to different scenarios concerning the increasingly uncertain availability of raw materials and materials.

The key points of the project are:

- **Integrated and Data-Driven Supply Chain Vision:** through a **holistic vision of the processes**, no longer based on consolidated practices but on data and metrics for better control and measurements of the processes involved.
- **Adopting Smart Technology** through the implementation of **Digital Twin production lines**, cancelling the existing ‘digital gap’ between plant machinery and its need to be controlled with targeted software applications.

The digital transformation proved a fundamental tool to enable the monitoring and control of strategic data.

Digital Twin





WE PROMOTE CONTINUOUS INNOVATION

The Italian olive oil industry has a long tradition, encompassing the history of a centuries-old product that is representative of Italy. Innovation is a slow process that requires advanced studies and research in many areas to provide consumers with increasingly higher product quality.

Salov is characterised by the way in which it employs a process of continuous research towards its goal, i.e. delivering **a product that embraces Quality, Environment, Sustainability and Business**. The Group is constantly engaged in study and research projects in collaboration with prestigious academic and institutional bodies to reduce environmental impact and industrial risk, develop innovative processes for the production of olive oil and other oils, and carry out bio-monitoring activities using bees.

For Salov, innovation means “**producing better while consuming less**”. Leveraging **continuous improvement**, the Group recognises innovation and research as distinctive elements that play a central role in the Company’s strategy. This testifies to the Company’s leadership in the olive oil and olive oil production industry, promoting new research and technological innovations in both the agronomic and industrial areas.

BELOW IS A DESCRIPTION OF THE RESEARCH PROJECTS DEVELOPED IN THE 2021-2022 PERIOD:

Long Life Oil: research into technologies to maintain the analytical and organoleptic characteristics of olive oil longer;

Enzymatic Degumming: a project enabling the replacement of certain chemical reagents with natural enzymes in the seed oil refining process.

4 RESEARCH AND INNOVATION TO BUILD A CULTURE

4.1 Partnerships with Universities and Research Centres



Long Life Oil

In 2022, an important project co-financed by the Region of Tuscany was launched under the name of **Long Life Oil**.

The name of the project stands for “development of technoLOGical iNnovations for prolonGation of the shelf-LIFE and maintenance of a high nutritional and sensOry quality in oIlve oiLs”.

This is a strategic research and development project, which aims to increase **Olive Oil durability** while maintaining its organoleptic, nutraceutical and nutritional features.

In line with the technological progress underlying the principles of circular economy and Industry 4.0, the project includes the implementation of an innovative bottling system and the development of a smart label that allows monitoring of product preservation parameters. For longer shelf life, it is fundamental to understand what characteristics and timings can have a deteriorating impact on oil. The project also includes activities targeting the **optimisation of the main operational phases of Olive Oil processing** and the development of a specific business plan to launch the resulting innovations in the market.

Achievement of the Long Life Oil objectives may bring about the introduction of a **new line of products with improved shelf life and quality characteristics** on the global market. This will enable Salov to leverage further advantages in terms of supply chain sustainability, especially in the case of foreign and remote markets, with less stressful delivery times and reduced impact on the environment by reducing greenhouse gas (GHG) emissions deriving from transport.

The project is a collaboration with important partner companies, such as **Sintecnica Engineering Srl, Enertech, Bioclass Srl**, and institutions such as the **Department of Agricultural, Food and Agro-Environmental Sciences of the University of Pisa and the Consortium Polo Tecnologico Magona**. Salov will also leverage the collaboration of **LAB NEST** of the Scuola Normale Superiore di Pisa. LAB NEST (National Enterprise for nano-Science and nano-

Technology) is an interdisciplinary research and training centre where physicists, chemists and biologists study scientific issues at the nanoscale.

Enzymatic Degumming

Enzymatic Degumming is a research project implemented in 2020 in collaboration with the **University of Pisa** - Department of Agricultural, Food and Agri-environmental Sciences and Interdepartmental Centre for Research, Nutraceuticals and Nutrition for Health. The study has made the fundamental process of degumming vegetable oils more **natural** and environmentally **sustainable**, using fewer chemical reagents and resulting in qualitatively better oil and higher yields.

Degumming is a processing phase of vegetable oils consisting in the removal of all those compounds (phospholipids) that are naturally contained in raw crude oil. These compounds can have an impact on the product’s characteristics and preservation. Degumming is a fundamental step both for the yield and for achievement of an optimised final product quality.

Enzymatic degumming represents a valid alternative to the more traditional chemical processes and existing techniques. It is effective in removing phospholipids and among the benefits and operational advantages worth mentioning are the improved sensory characteristics of the processed oil, resulting in a clearer colour, greater stability and resistance to oxidative rancidity, and absence of opacity. All these aspects confirm that phospholipids have been effectively and successfully removed.

The results obtained from the trials initially carried out in the laboratory and on a pilot scale, and also confirmed by the industrial trials

conducted later, showed a significant increase in the possible yield of the degumming phase. This confirmed the potential application of the enzymatic process in industrial practice. Different types of enzymes, belonging to different classes of phospholipases, were tested and compared in the numerous trials performed. This made it possible, based on the operating parameters adopted, to identify the most efficient enzymes suitable for Salov's specific industrial setting and plant equipment. The results obtained fully supported the potential industrial application of the enzymatic degumming process both in terms of higher oil yields and the economic potential of the process. The higher costs of the enzymatic process compared to the traditional chemical process are fully compensated by the increased yield and the ancillary operational benefits analysed in the subsequent processing stages. In addition, enzymatic degumming generates advantages in the management and delivery of the by-products obtained downstream of this

phase, i.e. the "gums" (phospholipids). These are essentially smaller in volume and significantly more fluid than the gums separated with chemical degumming. This means easier transfer and at the same time less maintenance of the centrifugal machines used to separate them from the oil, and, therefore, less downtime required for cleaning the plant.

WE ENSURE A UNIQUE SENSORY EXPERIENCE

Zhaw project – harmony in Extra Virgin Olive Oil

To maintain the highest quality standards, Salov carries out in-depth studies on the organoleptic properties of Extra Virgin Olive Oils in general and of its own in particular. Specifically, Salov focuses on the aromas and nuances of taste that an agro-product can offer depending on cultivars, origin, and different harvesting seasons, and seeks comparisons and benchmarks from outside. In cooperation with the University of Applied Sciences - Institute for Food and Beverage Innovation ZHAW (Zurich), Salov launched a project in 2019 on a specific characteristic of Extra Virgin Olive Oil: **Harmony** (The Harmony Value¹). Harmony represents the balance between the intensity of the different positive notes in an EVO oil: fruity, bitter, spicy (or, in case of lower quality, the disharmonic balance). The Harmony Value measures the presence, purity and complexity of the fruity notes based on the aroma profiling perceived both orthonasally and retronasally.

Persistence is part of the "Harmony Value" and describes the duration of all the positive "Harmony" sensations described above.

The higher the score on the persistence scale, the longer the sensations remain over time. The project resulted in the creation of a specific blend and ongoing research activities are currently in progress focusing on the harmony value of all Salov Extra Virgin Olive Oils. Moreover, Salov is committed to promoting the dissemination of culture and knowledge of olive oils among consumers in partnership with ZHAW.

While drafting this Report, the blend mentioned above has been awarded by the consumers jury of the **2023 Olive Oil Awards Zurich** with the **2023 Oil Prize**. Specifically, the winning product was **Filippo Berio Extra Vergine Classico Olive Oil**, batch ID LEO12U.

Sam Project – optimisation of sensory performances

In 2022, another star project was launched concerning research analysis conducted in cooperation with **Sensory and Marketing International (SAM)**, the international sensory research leader. The project aims at researching and optimising the **sensory performance** of Extra Virgin Olive Oils in specific markets: Italy, the USA, the UK, Canada, Germany, Switzerland, Brazil, China and Russia. The study will make it possible to identify the positioning of Salov blends within the sensory maps, to develop products that can cover different areas of the map without overlapping while allowing the broadest possible range. In this way, it will be possible to identify an ideal Extra Virgin Olive Oil profile, customising it for each specific consumer market/cluster.

Project to create an in-house tasting panel recognised by the Government

In 1992 Salov set up an in-house tasting panel dedicated to quality control of its products, raw materials and competitors. The panel is headed by the Company's Master Blender, who is a certified panel leader.

Currently, the project is in the process of receiving Government recognition for the in-house panel as a "Professional tasting panel for the evaluation of the organoleptic features of virgin olive oils". The hiring of a large number of young graduates in various departments triggered the organisation of a tasting course in 2022 in collaboration with ONAIO - Organizzazione Nazionale Assaggiatori Olio di Oliva (National Organisation of Olive Oil Tasters). ONAIO is the oldest school of its kind in the world, whose task is to train new tasters. To date, there are 3 Panel Leaders and 20 Tasters. The accreditation project is underway and includes 20 "Harmony Value" sessions to complete the training, leading to registration in the National List of Tasters and participation in the activities organised by the professional panels operating in the territory. The 20 sessions are held at the Pisa Chamber of Commerce, which has been promoting for many years activities concerning olive oil, such as organoleptic analysis services, tasting sessions, tasting courses, etc.



¹Bongartz Oberg: Sensory evaluation of the Extra Virgin Olive Oil - extended to include the Harmony Value as a quality factor. JAST (2011); Bongartz, Oberg: "Evaluation of the harmony value - A sensory method to discriminate the quality range in the Extra Virgin Olive Oil category".



THE FUTURE OF OLIVE GROWING

Restored in 2019, **Villa Filippo Berio** is an old farmhouse surrounded by 75 hectares of land and around 22,000 olive trees located a few kilometres from the Massarosa production plant. In addition to representing excellence in agriculture, the Villa is home to numerous innovative olive-growing projects.

Villa Filippo Berio is an open-air laboratory where projects are carried out in collaboration with the **CNR - IBE (National Research Council - Institute for Bioeconomics)**, which has been conducting studies aimed at protecting and describing the genetic resources of the olive tree for over 30 years.

Several projects have been developed in collaboration with CNR:

LIFE RESILIENCE and its continuation

LIFE RESILIENCE was the first project carried out with the CNR.

It is a European project to combat the Xylella Fastidiosa pathogenic bacterium which, transmitted by vector insects, causes serious damage to many woody crops, including olive trees. The extensive damage caused by this pathogen to the olive groves of the Apulia region is well known.

LIFE RESILIENCE aims to develop cultivation techniques and genotypes of productive plants that can resist these pathogens, promoting innovative control systems to protect trees effectively while preventing and mitigating the spread of the bacterium.

At Villa Filippo Berio, 50 of the 75 hectares available have been included in the project. After mapping, these were subsequently divided into 16 plots with different plant and soil management techniques through grassing between the rows

4.2

The collaboration with the CNR at Villa Filippo Berio

according to the local soil and climate conditions. The trees were treated with natural products to increase their performance. Other project partners implemented the same procedure in their olive groves to compare the results. The European Community closed the LIFE RESILIENCE project officially in the autumn of 2022 with extremely positive results for all the tested methods. The project will now continue with the 18 new genotypes developed and potentially resistant to Xylella Fastidiosa. In collaboration with the university and research institutions participating in the project, Salov has selected an experimental area of the olive grove to test the 18 new cultivars. This is further evidence of fruitful international collaboration to combat this severe disease affecting olive trees.

PRECISION FARMING: this is a sustainable farming project designed to increase the use of technology as a management and decision-making support tool in olive growing. The objective is to improve resource management, use fewer pesticides and fertilisers and optimise irrigation water management to reduce the environmental impact.

BIODIVERSITY: this is a sustainable farming project designed to derive the germplasm from olive cultivars rarely found today and coming from different areas of the Tuscany region. The objective is to verify the ability of the trees to adapt to the environment and resist pathogens, as well as their capacity for agronomic management, their productivity and the quality of the oil they produce. At Villa Filippo Berio the “Biodiversity” olive grove includes a specific area reserved for the 57 cultivars being tested.

SUSTAINABLE AGRICULTURE: this project aims to develop sustainable and environmentally friendly agronomic methods in olive growing, maximising productivity while at the same time reducing environmental and climate-related impact and resource consumption. For example, an innovative method has been tested to monitor the Olive Fruit Fly, which is one of the most serious pests in the cultivation of olives. Its control is mainly chemical and based on monitoring the infestation. The use of electronic sensors to detect the presence of adult flies in real time simplifies and improves control strategies while reducing the use of chemicals.

TESTS ON OLIVE CULTIVARS RESISTANT TO VERTICILLIUM DAHLIAE:

The project aims to combat the damage caused by Verticillium (a fungus that affects olive trees and other plant species) by testing the susceptibility of both crossbred plants produced in Spain and plants identified in the Tuscany region by the CNR. The project involves the CNR, the University of Cordoba and the University of Siena.

OUR PARTNERS

Salov works every day to discover new practices and projects aimed at generating value in the territory in which it operates. **Its well-established partnerships** bring together the best players in the sector to promote collectively **advanced research in the Tuscan agrifood industry.**

NEST Laboratory	NEST, National Enterprise for Nano Science and Nano Technology, is an interdisciplinary research and education centre where physicists, chemists and biologists study scientific issues at the nanoscale. Knowledge is exploited to develop innovative nanobiotechnological tools and devices, and nanoelectronic and photonic architectures.
Consorzio Polo Tecnologico Magona	Consorzio Polo Tecnologico Magona promotes technological research and innovation transfer in all areas of chemical engineering and industrial and material processing. It features laboratories for the study of chemicals and materials and a research and development area focusing on new technologies.
University of Pisa	The prestigious University of Pisa boasts a long-established Department of Agricultural, Food and Agro-Environmental Sciences with strong emphasis on research.
ZHAW University of Applied Sciences of Zurich	In addition to extensive research activities in the applied sciences, ZHAW has been organising for many years the Olive Oil Award Zurich with a panel of experts accredited and recognised by the International Olive Oil Council. The Swiss Olive Oil Panel includes tasters who also act as jury members in the competition. The panel is also responsible for the sensory evaluation of Extra Virgin Olive Oil, analysing its harmony value and persistence.

<p>SAM</p>	<p>SAM is an international leader in sensory and consumer research on products and their performance. By studying consumer behaviour and perception, SAM helps entities to develop better products and experiences through the performance of behavioural research, emotional profiling and sensory preference analysis. SAM also carries out sensory audits and provides support in the organisation of professional tasting sessions and identification of solutions to align process standards with final quality requirements. SAM has 19 offices in many countries, including France, Italy, Spain, Switzerland, the UK and the US, and operates in more than 65 countries through a network of partners.</p>
<p>University of Cordoba (UCO)</p>	<p>UCO is one of the leading research institutes in Spain with three focus areas: Food and Agriculture and Science and Technology; Human, Legal and Social Sciences; and Health Sciences. It has an excellent reputation that reflects its quality teaching and research, ranking it among the best academic institutions in Spain.</p>
<p>University of Siena</p>	<p>The University of Siena is an academic institution that offers a broad array of undergraduate, masters, doctoral and educational courses in different subject areas. Founded in 1240, it is one of the oldest universities in Italy and boasts a long tradition of excellence in research and teaching. Located in the old city centre of Siena, the University of Siena is an integral part of the social and cultural fabric of the region, promoting the international mobility of students and teachers, participating in numerous cooperation and development projects and offering quality services to the academic community.</p>
<p>National Research Council (CNR) - Institute for Bioeconomics (IBE), Department of Bio Agro-Food Sciences</p>	<p>The Consiglio Nazionale delle Ricerche (CNR) is a public entity with multidisciplinary competencies under the supervision of the Italian Ministry of Universities and Research (MUR). Established in 1923, CNR carries out scientific research projects in the main fields of knowledge. The results are then implemented to favour the development of the country by promoting innovation, the internationalisation of the “research system” and industrial competitiveness. The CNR includes the Institute for Bioeconomics (IBE) – Department of Bio Agro-Food Sciences. Founded in 2019, the IBE has developed skills and expertise in the strategic sector of bioeconomy over the years. It carries out activities based on renewable bio-resources from the earth’s biosphere to produce food, materials and energy, with applications in the primary production sector (agriculture, forestry, fisheries), as well as the industrial areas of resource use and processing, agribusiness and part of the chemical, biotechnology and energy industries.</p>





5 OUR ENVIRONMENTAL CONSCIENCE

5.1 The Commitment to fight climate change

(GRI 302-1, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-7)

Salov is fully aware of the ongoing climate emergency and knows that its choices, along with those of all other players, can impact future developments. For this reason, the Company is constantly committed to the responsible management of operations that have an environmental impact.

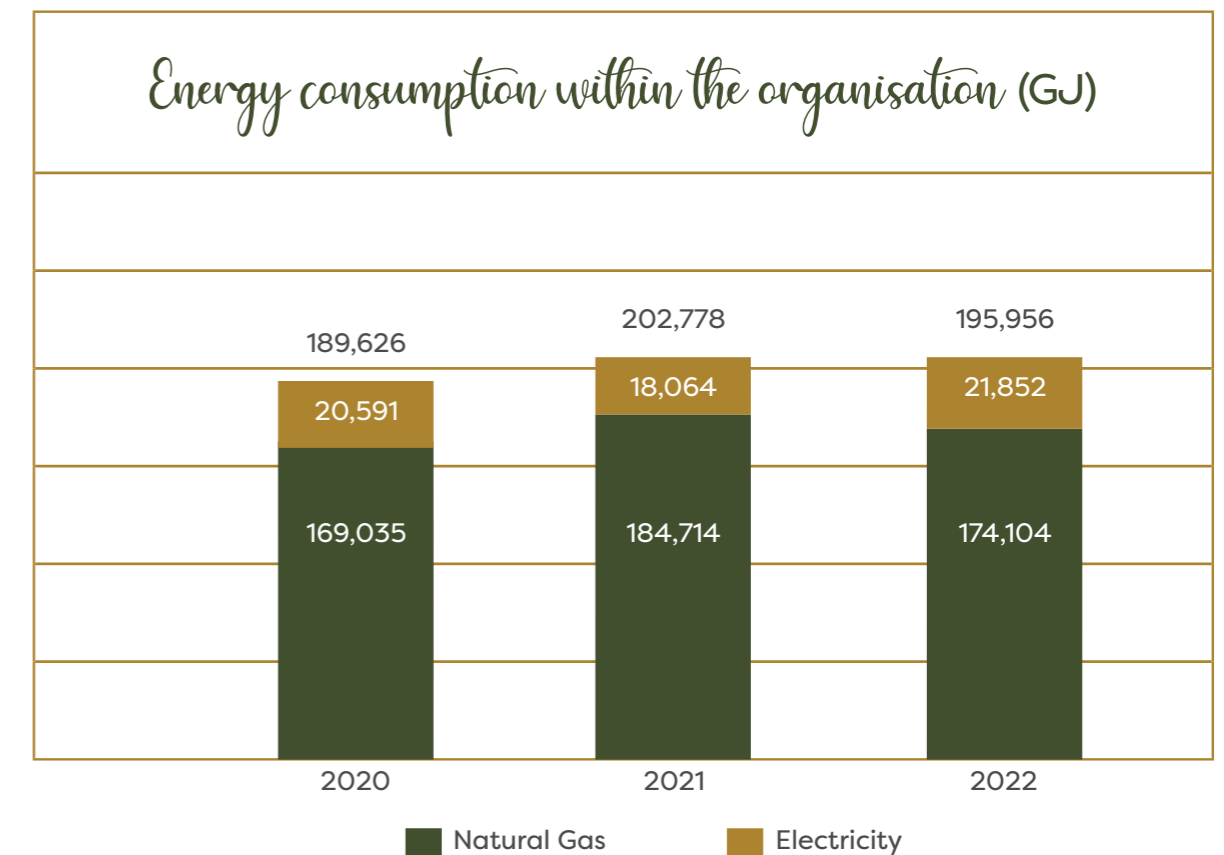
Every year, in March, Salov submits the **Summary of the Results of the Environmental Monitoring and Control Plan** of the previous year to the Region of Tuscany and ARPAT (the Regional Agency for Environmental Protection of the Tuscany Region). The main information reported in the A.I.A. (Autorizzazione Integrata Ambientale, Integrated Environmental Authorisation) is an integral part of this document.

Salov is aware of the increasing concentration of greenhouse gases in the atmosphere and all the harmful activities that contribute to the rise in the average global temperature. For this reason, Salov intends to make a positive contribution by monitoring and reducing its energy consumption

and GHG (GreenHouse Gas) emissions, which are the main contributors to climate change. Salov's production plant is powered by four natural gas boilers that produce steam used in thermal processes, such as refining. This specific solution enables Salov to monitor the plant constantly with automated operation checks every 168 hours.

Thermal energy from natural gas is mainly used for oil refining and storage. Electricity is used for air conditioning in the Extra Virgin Olive Oil department and in the production plant. Part of the purchased natural gas is compressed natural gas (about 26% of the annual total) this powers the trigenerator which produces energy-efficient electricity.

GRI 302-1: Energy consumption within the organisation				
Energy consumption from non-renewable sources	UoM	2020	2021	2022
Consumption of fuels	GJ	169,034.8	184,713.9	174,103.8 ¹
<i>Natural gas</i>	<i>GJ</i>	<i>169,034.8</i>	<i>184,713.9</i>	<i>174,103.8</i>
Consumption of electricity	GJ	20,591.3	18,064.1	21,851.6
<i>Electricity purchased from the grid</i>	<i>GJ</i>	<i>20,591.3</i>	<i>18,064.1</i>	<i>21,851.6</i>
Total energy consumption within the organisation	GJ	189,626.1	202,778.0	195,955.4²



¹ Data differs from the figures reported in the A.I.A. because the ISPRA conversion factor was used for 2022.

² Ibidem.



In 2022, the total energy consumption within the organisation totalled **195,955.4 GJ, down 3.4% year-on-year**. This data includes the consumption of electricity purchased from the grid and thermal energy consumption generated from the use of natural gas for boilers and trigeneration. A share of the purchased natural

gas, and, more specifically, compressed natural gas, feeds the trigeneration unit for the self-generation of electricity. This allows Salov to self-produce about half of its energy requirement, which totals approximately 10 million kWh per year, and purchase the remaining share from the grid.

Consumption of electricity	2020		2021		2022	
	kWh	GJ	kWh	GJ	kWh	GJ
Consumption of electricity purchased from the grid	5,719,800.0	20,591.3	5,017,800.0	18,064.1	6,069,900.0	21,851.6
Consumption of electricity generated from trigeneration	5,247,811.0	18,892.1	5,381,282.0	19,372.6	4,204,069.0	15,134.7
Total consumption of electricity ³	10,967,611.0	39,483.4	10,399,082.0	37,436.7	10,273,969.0	36,986.3

Thermal energy derived from natural gas is primarily used for production purposes related to refining processes and oil storage, while electricity is used for summer air conditioning of the plant and the Extra Virgin Olive Oil department. In terms of energy intensity calculated based on litres of oil produced, there are no particular differences compared to previous years.

Salov changed its energy mix in the last months of the previous year as a result of the increased cost of natural gas that trigeneration lost. The Company was forced to purchase a greater amount (nearly +21%) of electricity from the grid and proportionately reduce self-production from trigeneration.

GRI 302-3: Energy intensity	UoM	2020	2021	2022
Litres of oil produced	L	120,022,068	119,292,278	119,457,172
Energy intensity	(GJ/L)	0.00158	0.00170	0.00164

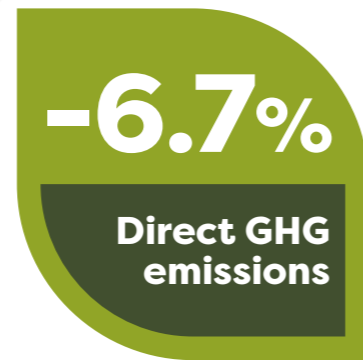
³ The data differ from the figures reported in the total energy consumption table (GRI 302-1) because the value in the table combines the consumption of electricity produced by trigeneration and the consumption of fuel gas used to generate it.

Since 2018, Salov has prepared a summary of the results of the Monitoring and Control Plan for the Massarosa plant and a report confirming the compliance of the plant's operation. This practice has enabled Salov to **monitor its greenhouse gas emissions** in order to measure its environmental impact in terms of emissions resulting from its operations. In particular, the Company has identified two categories of climate-altering gas emissions to measure:

- *direct emissions* (Scope 1), including emissions generated directly by the Company and deriving from sources owned or controlled by it. In the case of Salov, these emissions are mainly due to the consumption of refrigerant gas and compressed natural gas used to fuel the boilers and the trigeneration unit at the production site;
- *indirect emissions* (Scope 2), indirectly generated by the consumption of electricity purchased from the grid.

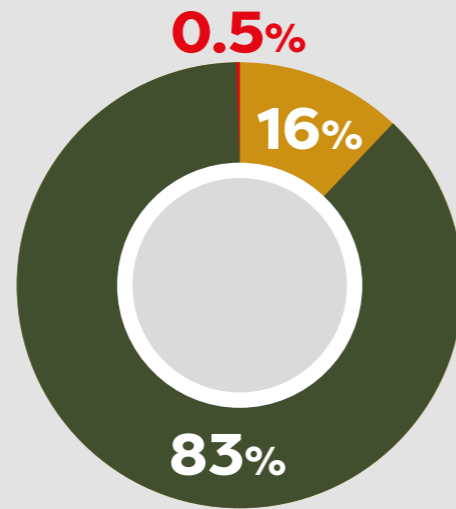
GRI 305-1: Direct GHG emissions (Scope 1)				
CO ₂ emissions Scope 1	UoM	2020	2021	2022
Consumption of fuel from non-renewable sources				
From compressed natural gas	t CO ₂ e	9,505.5	10,382.0	9,809.6
Fugitive emissions from industrial processes				
From leakage of refrigerant gas	t CO ₂ e	47.1	185.0	54.3
Total	t CO₂e	9,552.6	10,567.0	9,863.9
GRI 305-2: Indirect GHG emissions (Scope 2)				
CO ₂ emissions Scope 2	UoM	2020	2021	2022
From purchased electricity (Location-Based, LB)	t CO ₂ e	1,801.7	1,580.6	1,912.0
From purchased electricity (Market-Based, MB)	t CO ₂ e	2,622.9	2,291.0	2,771.3
Total direct and indirect CO₂ emissions (Scope 1 and Scope 2)				
Emissions Scope 1 + Scope 2 LB	t CO₂e	11,354.4	12,147.6	11,775.9
Emissions Scope 1 + Scope 2 MB	t CO₂e	12,175.5	12,858.0	12,635.2

The table above shows – in absolute values – that direct Scope 1 emissions fell by 6.7% over the 2021-2022 two-year period, while indirect Scope 2 emissions rose by 21.0% (both Location-based⁴ Market-based⁵).



Percentage of Emissions GHG (tCO₂e) by source in 2022

- Natural Gas - Scope 1
- Refrigerant Gas - Scope 1
- Electricity purchased from the grid - Scope 2 Location - based

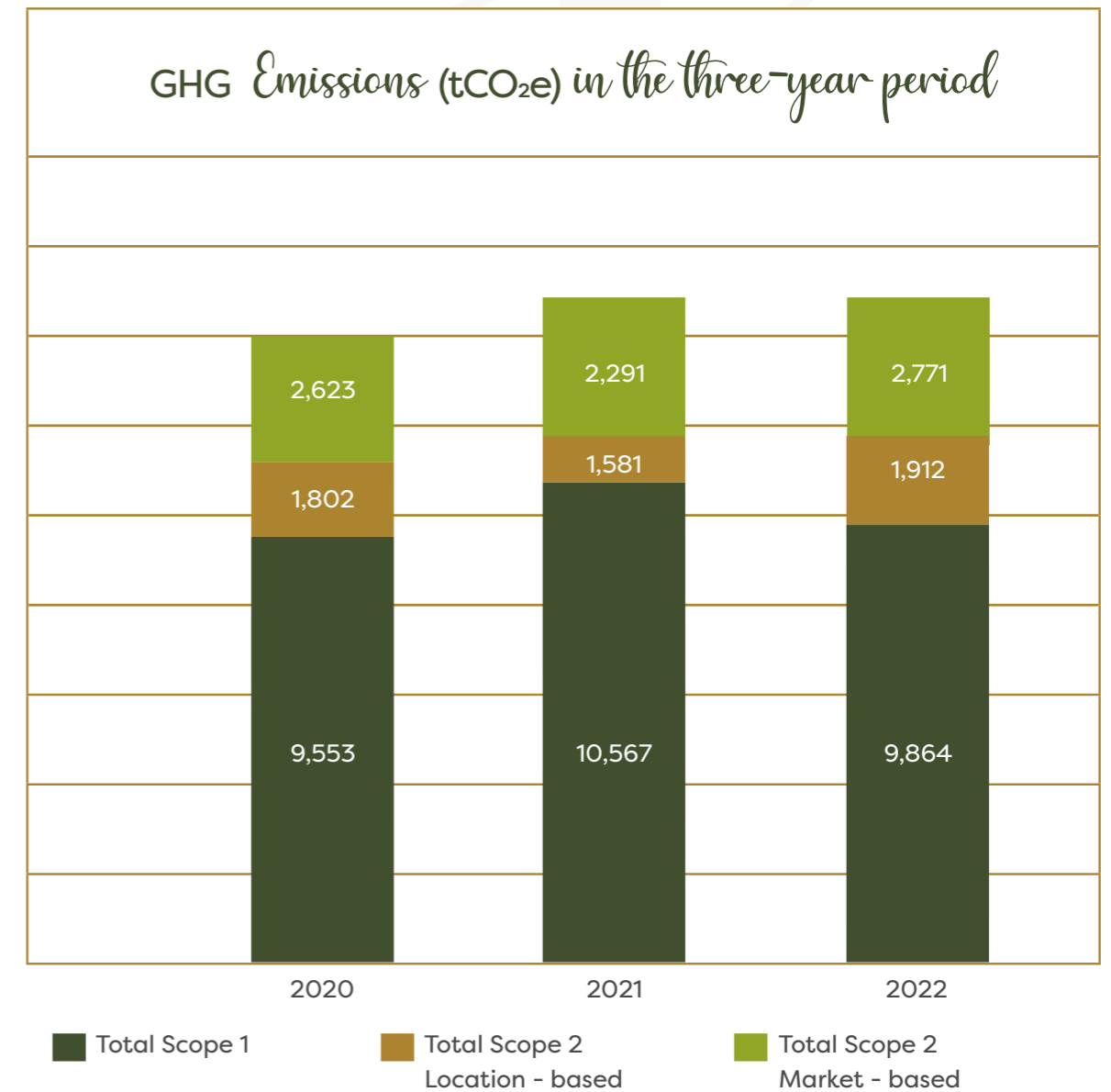


Emissions related to natural gas, i.e., the energy produced by trigeneration, fell by 5.5% in 2022, increasing the share purchased from the electricity grid. The decrease was due to the Company's decision to shut down the trigeneration plant in September 2022, as a result of the ongoing energy crisis.

The previous table illustrates that the Group's emissions in 2022 (Scope 1 + Scope 2) were essentially in line with the previous year, showing a slight decrease (equal to 3.1% considering Scope 2 Location-based emissions and 1.7% for Scope 2 Market-based emissions), which brings emission levels closer to the values recorded in 2020.



⁴ Location based: This assessment method reflects the average emissions intensity of grids on which energy consumption occurs based on well-defined geographic local, sub-national or national boundaries.
⁵ Market based: This assessment method calculates emissions based on the electricity that organisations have chosen to purchase, often spelled out in contracts or instruments like Renewable Energy Certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors relating to the residual mix, i.e. energy and emissions that are not monitored nor reclaimed.



The consolidated emission intensity is 0.00010 tCO₂e/litres of oil produced, in line with the previous year's results.

Emission intensity is calculated based on the ratio of total GHG emissions to litres of oil Salov

produced in the year; total GHG emissions are the sum of direct Scope 1 emissions and indirect Scope 2 emissions (Location-based).

GRI 305-4: Emission intensity	UoM	2020	2021	2022
Litres of oil produced	L	120,022,068	119,292,278	119,457,172
Emission intensity	(tCO ₂ e/L)	0.00009	0.00010	0.00010

To reduce its carbon footprint, the Company has implemented several initiatives. The installation of eight oil **storage tanks** in Italy (another eight tanks are expected to be installed by the end of 2023) was intended to avoid transportation to the warehouses located particularly far away from the Massarosa production plant. This has contributed further to reducing greenhouse gas emissions. The tanks also have a second function of maintaining a constant temperature throughout the year, which is necessary to preserve the organoleptic and chemical characteristics of the raw material. Specifically, the tanks are thermally insulated with a cooling and heating coil and also feature a nitrogen-based mixing system that ensures ideal preservation conditions for the oils. In the last two years, another important change was made in the production plant, targeting energy efficiency. A special system has been installed to **drastically reduce peripheral losses**

of energy, i.e., energy consumption not directly related to the production of the finished product. These include the start-up and safety phase of the refinery, which, before the installation, was absorbing an equivalent of nearly 600/700 kWh of thermal and cooling energy and after, thanks to the new system, only about 18 kWh (**a 97% reduction in terms of energy consumption**). In its foreign subsidiaries, too, Salov concentrates efforts to avoid climate-changing emissions as much as possible. For instance, in the United States, the implemented projects targeting the **reduction of transfers** between warehouses resulted in a decreased number of Distribution Centres from 7 to 2 and significantly fewer transfers of goods in the plants.

Emissions into the atmosphere

As reported in the A.I.A. documentation, Salov reports the total amounts of pollutants emitted. Below are the values recorded for the 20-21-22 three-year period.



GRI 305-7: Nitrogen oxide (NOx), sulphur oxide (SOx) and other relevant emissions into the atmosphere	UoM	2020	2021	2022
NO ₂	kg	9,182.0	7,899.0	9,018.0
CO	kg	314.0	99.0	39.0
H ₂ SO ₄	kg	18.0	2.1	14.9
C.O.T.	kg	80.3	33.2	33.3

Certifications and attestations

Over time, Salov has obtained **ISO (International Organisation for Standardisation) certifications** aimed at ensuring a solid management system oriented to the highest international standards. To limit and mitigate the environmental impacts resulting from its business activities,

Salov undertakes to promote best practices aimed at reducing its energy consumption by monitoring its production activities through periodic environmental analyses and by having an **Environmental Management System** certified according to the ISO 14001:2015 standard.

Focus: The PrintReleaf initiative

In 2020, Salov joined the **PrintReleaf** initiative, a software platform that empowers businesses to reduce their environmental impact by linking a company's paper consumption to a network of global reforestation projects. This tool and the certification of paper consumption enable Salov to sustain and replenish the global forestry system where the planet needs the trees most.

The project allows businesses to choose the areas where they want to make their contribution and monitor their actions. Reforestation projects are verified and certified by SGS International for a period of 8 years to ensure the survival of almost all the trees planted. Since the adoption of the software to date, Salov has contributed to the planting of 178 trees.

ISO 14001 provides guidelines for establishing an environmental management system (EMS). This allows companies to structure a guided and comprehensive set of measures to adopt for an environmentally friendly work environment and production process.





5.2 Management of Resources, Water and Waste

(GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-1, GRI 306-2, GRI 306-3)

Water

The Company pays great attention to water consumption, especially with regard to production processes. It undertakes to raise awareness of the issue also with its suppliers with the ultimate objective of monitoring it to reduce and/or mitigate the impact generated. The olive growing supply chain requires a high quantity of water especially in the upstream processes even if olive growing is a permanent cultivar that needs less irrigation than annual crops. For this reason, Salov is committed to monitoring and making its water management as efficient as possible.

For its production processes, Salov uses water from two main sources:

- the first is the GAIA S.p.A.⁶ aqueduct, which represents the main water supply;
- the second is surface water, used marginally and mainly for irrigation and fire-fighting purposes.

Water is primarily used for refinery processes. Salov managed to improve the control and monitoring of its water consumption. This has enabled the Company to measure constantly the quantity and quality of water consumed. 4 km of water pipes, installed twenty years ago, run underneath the surface of the approximately 220,000 sq m production plant making the **continuous monitoring** of the pipelines complex and extensive. Once a month, water consumption is measured at various meter points in the network. This time frame enables the Company to identify potentially significant changes. In case of an unusual quantity, the shut-off valves are immediately activated to stem the leakage, the fault is identified and a corrective action is implemented. In 2021 and 2022, 2 leakages were identified and repaired. Water consumption for 2020, 2021 and 2022 is reported in the table below⁷.

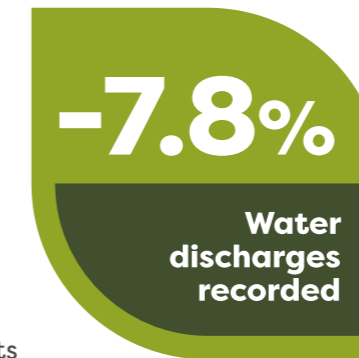
GRI 303-5: Water consumption	UoM	2020	2021	2022
Total water withdrawal	ML	137.1	158.8	145.1
Total water discharge	ML	70.0	66.9	61.7
Total water consumption	ML	67.1	91.9	83.4

⁶ GAIA S.p.A. is the water service provider for the Tuscany region covering the areas of Massa Carrara, Lucca, Pistoia and the Versilia Garfagnana and Lunigiana areas.

⁷ The production plant of Massarosa and Villa Filippo Berio are located in a medium-high water-stressed area (Source: Aqueduct - Water Risk Atlas). Therefore, the entire quantity of water withdrawn comes from a water-stressed area.

To monitor water quality, weekly chemical and physical analyses of pollutants emitted through water discharges are carried out in the in-house laboratory and certified third-party laboratories according to the calendar defined in the Monitoring and Control Plan. Also for sewage discharge, constant monitoring makes it possible to ensure the protection of the surrounding environment and the local communities where the Company operates. The Company has also a **wastewater treatment plant**.

Thanks to its wastewater treatment plant, the Company has managed to improve significantly its water discharge management over time, recording a 7.8% reduction in water discharges in the 2021-22 two-year period and an 11.9% drop in the 2020-22 three-year period, evidence of its commitment to the environment.



Over the years, the Company has also **reduced its specific unitary water consumption** (litres of water consumed/litres of oil produced) through investments to adjust properly the pipelines to the plant, and an annual audit to monitor water consumption in relation to production.

In recent years, the chemical-physical analyses carried out have enabled Salov to **reduce the number of pollutants in its wastewater** thanks to the implementation of plant-targeted solutions and improved technologies in the management of water treatment plants.

Last year, the Company reduced freshwater withdrawals and discharges by 8%.



Water withdrawal by source	UoM	2020	2021	2022
		Total water withdrawal from all areas	Total water withdrawal from all areas	Total water withdrawal from all areas
Total withdrawal from surface water including rainwater (>1,000 mg/L of total diluted solids) ⁸	ML	9.6	5.4	3.8
Total withdrawal from third parties, of which freshwater (<= 1,000 mg/L of total diluted solids) and groundwater	ML	127.4	153.4	141.3
Total water withdrawal	ML	137.0	158.8	145.1

⁸ Water is taken from the lake with heavy seawater contamination.

Total water discharge	UoM	2020	2021	2022
Water discharge to third-party water ⁹	ML	70.0	66.9	61.7

In line with an ongoing improvement approach, the Company intends to continue to pursue the planning and implementation of solutions targeting water consumption reduction and to

consider additional solutions to recover collected rainwater to minimise the use of water drawn from the aqueduct.

Waste management

In addition to compliance with national regulations on separate waste collection, Salov recognises the utmost importance of the management and reduction of the impact generated by waste along the entire value chain of the manufacturing process. The discolouring process is one of the major sources of pollution arising from oil refining, since it produces exhausted bleaching earths that must be properly disposed of to avoid potential environmental impact on the territory.

However, oil production represents a virtuous process overall because the by-products resulting from the manufacturing and refining processes can be sold to other industries and used as raw material in their processes.

The Company is committed to pursuing activities to promote the reduction of waste generated and increase the amount of waste sent for recycling or recovery. The Company aims to increase the recovery of materials at all the different production stages through increased related research and innovation activities and the application of innovative technologies. Waste management takes place mainly in cooperation with the Hera Group¹⁰, with which the

Company has launched projects such as the reuse of bleaching earths. These are certified under the National Sustainability Certification System and are re-used for the production of bioliquids and biofuels.

Waste from the oil production process is sold to third parties collaborating with Salov, testifying to the Company's commitment to enabling a virtuous circle of processing.

Last year, thanks to concerted and ongoing efforts, the Company managed to **reduce overall waste by 5.0%** while maintaining production levels steady. In particular, the amount of bleaching earths, which represents the largest waste category generated, was reduced by 14.7%.

-5.0%
Total waste produced

In line with previous years, the production of hazardous waste has remained marginal at less than 2.7% of total waste produced.

Moreover, non-hazardous waste, which accounts for more than 97% of total waste, decreased by more than 6.4%. In line with previous years, waste sent for recovery totalled 35.4% and Salov intends to increase this share in the coming years through the implementation of waste reuse projects and circularity practices.

-6.4%
Non-hazardous waste

GRI 306-3: Waste generated				
Waste by type	UoM	2020	2021	2022
Total waste generated	t	2,662.6	2,622.6	2,488.3
Total hazardous waste	t	401.8	30.7	64.4
<i>of which sent for recovery</i>	t	52.8	22.0	56.2
<i>of which sent for disposal</i>	t	349.0	8.7	8.2
Total non-hazardous waste	t	2,260.8	2,591.9	2,423.9
<i>of which sent for recovery</i>	t	1,240.9	1,782.8	811.7
<i>of which sent for disposal</i>	t	1,019.9	809.1	1,612.2



⁹ If Water discharged to third parties was subject to biological, chemical and physical treatment.

¹⁰ The HERA Group has been managing companies' provision of energy and environmental services since 2002; it is one of Italy's largest multi-utilities.



5.3

Biodiversity

(GRI 304-1, 304-2, 304-3, 304-4)

Protecting Biodiversity is important to ensure the survival of animal and plant species, genetic diversity and natural ecosystems. These provide clean air and water and contribute to food security and human health. Salov is committed to promoting biodiversity in various areas. Villa Filippo Berio¹¹, the olive grove and the production plant in Massarosa are located in **areas adjacent to the Migliarino San Rossore and Massaciuccoli Natural Park**, which further encourages the Company to protect the environment and its surrounding beauty. The Company does not own,

lease or manage land or subsoil in the protected area but implements research and development practices to protect biodiversity as part of its commitment to reducing the impacts on the areas in which it operates. For more details see section “4.2 The Collaboration with the CNR at Villa Filippo Berio”.

¹¹ Villa Filippo Berio (with adjoining fields) and the Salov S.p.A. manufacturing plant (Massarosa plant floor area) extend over a surface of 2,520.15 sq m and 220,589 sq m, respectively.

Focus:

The Natural Park of Migliarino San Rossore and Massaciuccoli

Salov considers the Park a unique and valuable area. The 24,000 hectares of the Park are also recognised as a Biosphere Reserve by UNESCO. These include more than 10,000 hectares of natural forests; more than 6,000 hectares of wetlands, among the most important in the world according to the Ramsar Convention; 30 km of beaches with constantly changing dunes; and 9,000 hectares of the Secche della Meloria Marine Protected Area. In 2005, it was awarded the European Diploma of Protected Areas. The Park includes 16 high-protection WWF and LIPU (Italian Bird Protection Association) nature reserves, equal to 10% of the total surface area, to protect the ecosystems and their characteristics. The nature areas located near Salov are the Chiarone Nature Reserve, the Chiuso del Lago Nature Reserve and the Padule

Settentrionale Nature Reserve, all of which contain many different species, both terrestrial and freshwater.

The characteristics that sum up **the value of the park** are: 587 species of vascular plants, more than 1,400 species of invertebrates, 90 species of nesting birds, 105 species of wintering birds, and 14 species of bats (there are 34 in total in Italy). Several species listed on the IUCN - International Union for Conservation of Nature Red List - are also found in the Park (for more information on species classified from “critically endangered” to “least concern” see the [IUCN Red List of Threatened Species](#)).



Focus:

Bio-monitoring: the valuable contribution of bees

Bio-monitoring is one of Salov's longest-running and most innovative projects. In 2006, the Migliarino San Rossore Massaciuccoli Natural Park Authority asked Salov to measure the environmental impact of its new plant. To this end, Salov placed 2 beehives (one at the Massarosa plant and the other at the Rigolo bio-monitoring station) to measure air quality through the study of **bees**. Bees represent a biological indicator of air quality because their well-being is closely linked to pollution levels. Monitoring includes two stages: in the first, specific equipment is used to measure pollutants in the environment; in the second, potential changes caused by pollutants are assessed on the installed beehives.

The last survey carried out in November 2022, showed that **honey bees are not impacted in their activity by the proximity of the Salov Production Plant**. The analysis of the biological parameters recorded in 2022 and the **melissopalynologic analyses (the study of pollen collected by bees)** showed a trend comparable to previous years, consequently confirming a sufficient degree of 'natural health' of the visited environment for 2022 as well. The good conditions of the beehives show that the plant's activities are not causing negative damage to the environment in the surrounding area.





6 THE VALUE OF PEOPLE

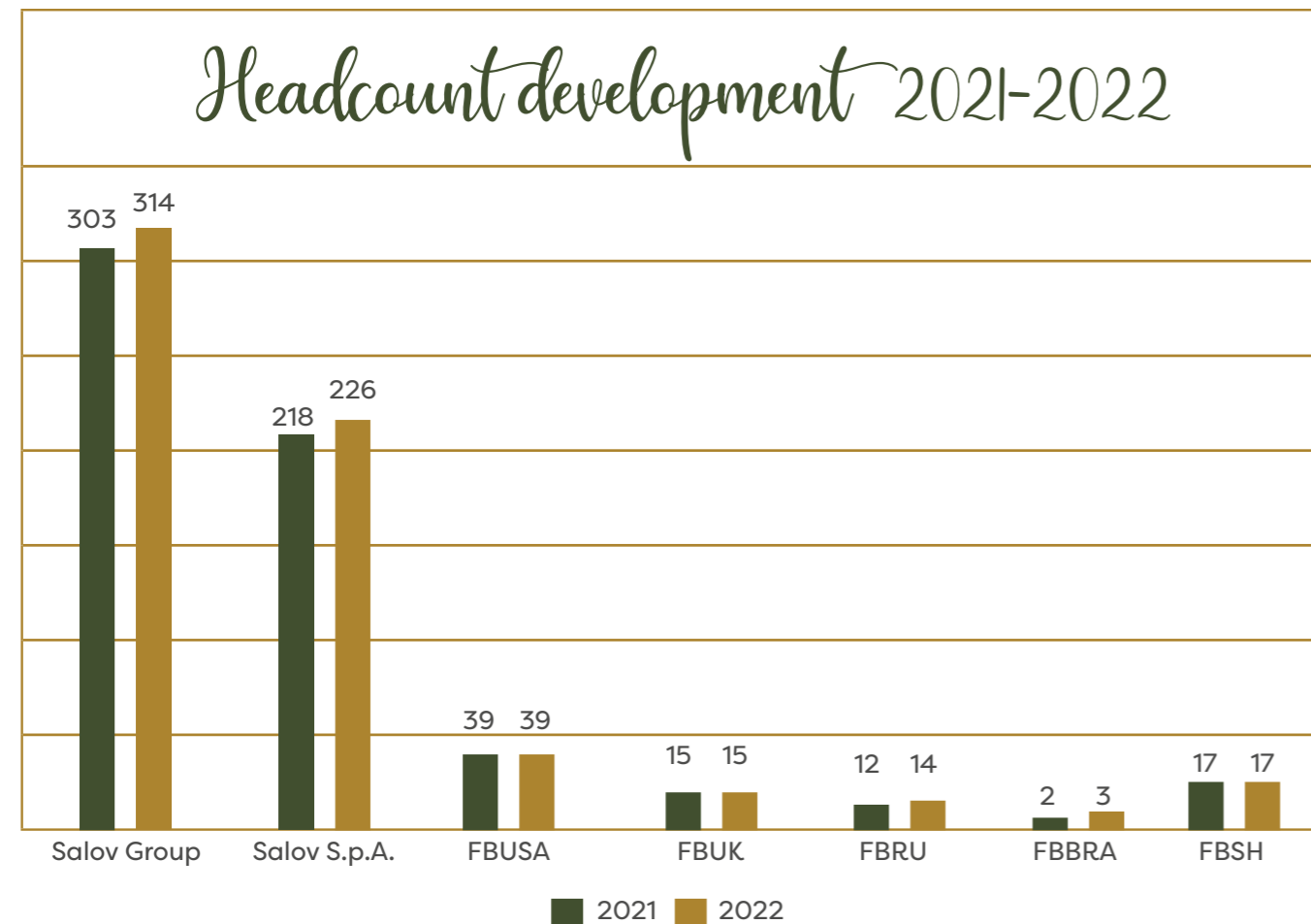
6.1 We are Salov

(GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-2, GRI 403-4, GRI 405-1, GRI 406-1)

The Salov Group has always recognised the importance of its human capital as the beating heart of its activities. The Company is committed to respecting human rights with a special focus on health and safety in the workplace, employees' professional development and training, welfare programmes and, last but not least, respect for equal opportunities.

In 2022, the Group grew by 3.6% year-on-year, adding 11 new resources to the total headcount. The US, Chinese, and British subsidiaries did not record any changes with 39, 17, and 15 employees,

respectively. Conversely, the Russian and the Brazilian subsidiaries recorded an increase of 2 (+16.67% Russia) and 1 (+50.00% Brazil), respectively. Therefore, at the Group level, Italy reported the greatest increase in headcount (Salov S.p.A. or, simply, Salov), as shown below.



At 31 December 2022, Salov S.p.A.'s headcount, including the Italian offices of Massarosa, Villa Filippo Berio, and Segrate, totalled **226 employees** (+3.7% vs 2021), of which **11** under an on-demand employment contract. The total number of direct employees is 215 (-0.5% vs 2021), namely 181 men (-1.6% vs 2021) and 34 women (+6.3% vs 2021).

Equal opportunity and **non-discrimination** are key principles in the process of recruitment. The Company's commitment to greater inclusivity is testified by the growing number of women in the workforce and by the absence of discrimination events in 2022. Employment agreements are stipulated in line with the CCNL (Italian National

Collective Labour Contract) requirements. The employment agreements are almost all permanent (**97.7%**) and full-time (**98.6%**). This gives recently hired employees greater guarantees of work-life balance. At 31 December 2022, **11 workers were under an on-demand employment contract** (+9 vs 2021). These were tasked with manufacturing-related activities and, specifically, product packaging and finished product warehouse management.

GRI 2-7: Employee breakdown by gender and type of employment contract				
		2020	2021	2022
Employees under a permanent employment contract	Total	205	214	210
	Men	176	183	177
	Women	29	31	33
Employees under a temporary employment contract	Total	6	2	5
	Men	4	1	4
	Women	2	1	1
Total employees		211	216	215
GRI 2-8: Workers who are not employees				
		2020	2021	2022
Full-time employees	Total	207	212	212
	Men	179	183	181
	Women	28	29	31
Part-time employees	Total	4	4	3
	Men	1	1	0
	Women	3	3	3
Total employees		211	216	215
On-demand workers	Total	8	2	11
	Total (employees and on-demand workers)	219	218	226

Shown below is a quantitative and qualitative analysis of the 215 Salov S.p.A. employees in 2022. Considering the occupational categories, 42.8% of employees belong to the blue-collar category (of which 98% men and 2% women) while 36.3% belong to the white-collar category (35.9% women and 64.1% men). Of the remainder, 15.3% are managers and 5.6% executive managers. In terms of age groups, the Company's population is predominantly aged over 50 (49.3%), followed by the 30-50 age group (44.2%) and the under-30 age group (6.5%). Salov aims to develop a diverse workforce not only in terms of gender but also of age and pays a great deal of attention to the generational transition. Salov is committed to raising the sense of belonging that emerged from the Company's climate survey conducted in 2020.

In particular, in 2022, the Company focused on increasing engagement among younger employees by providing them with targeted training projects on an array of different topics. For more information see the box dedicated to the "Talent Garden" project. This is an innovative project focused on the development of young talent, consolidating their sense of belonging to the Company. The Company has also confirmed its commitment to its employees through the transfer to permanent contracts, the employment and retention of young professionals and the promotion of an inclusive and stimulating work environment.



GRI 405-1: Number of employees by category and gender							
Executive Managers							
		2020		2021		2022	
		n°	%	n°	%	n°	%
Gender	Men	13	100%	12	100%	12	100%
	Women	0	0%	0	0%	0	0%
Total		13	100%	12	100%	12	100%
Middle Managers							
		2020		2021		2022	
		n°	%	n°	%	n°	%
Gender	Men	23	88.5%	26	86.7%	29	87.9%
	Women	3	11.5%	4	13.3%	4	12.1%
Total		26	100%	30	100%	33	100%
White Collars and Intermediate Employees							
		2020		2021		2022	
		n°	%	n°	%	n°	%
Gender	Men	52	65.0%	51	64.6%	50	64.1%
	Women	28	35.0%	28	35.4%	28	35.9%
Total		80	100%	79	100%	78	100%
Blue Collars							
		2020		2021		2022	
		n°	%	n°	%	n°	%
Gender	Men	92	100%	95	100%	90	97.8%
	Women	0	0%	0	0%	2	2.2%
Total		92	100%	95	100%	92	100%
Total employees		211		216		215	

GRI 405-1: Number of employees by category and age							
Executive Managers							
		2020		2021		2022	
		n	%	n	%	n	%
Age	< 30 y.o.	0	0%	0	0%	0	0%
	30 ≤ x ≤ 50	3	23.1%	2	16.7%	2	16.7%
	> 50 y.o.	10	76.9%	10	83.3%	10	83.3%
Total		13	100%	12	100%	12	100%
Middle Managers							
		2020		2021		2022	
		n	%	n	%	n	%
Age	< 30 y.o.	0	0%	0	0%	0	0%
	30 ≤ x ≤ 50	12	46.2%	14	46.7%	15	45.5%
	> 50 y.o.	14	53.8%	16	53.3%	18	54.5%
Total		26	100%	30	100%	33	100%
White Collars and Intermediate Employees							
		n	%	n	%	n	%
Age	< 30 y.o.	6	7.5%	5	6.3%	8	10.3%
	30 ≤ x ≤ 50	42	52.5%	43	54.5%	38	48.7%
	> 50 y.o.	32	40.0%	31	39.2%	32	41.0%
Total		80	100%	79	100%	78	100%
Blue Collars							
		n	%	n	%	n	%
Age	< 30 y.o.	3	3.0%	5	5.0%	6	6.5%
	30 ≤ x ≤ 50	47	51.0%	41	43.0%	40	43.5%
	> 50 y.o.	42	46.0%	49	52.0%	46	50.0%
Total		92	100%	95	100%	92	100%
Total employees		211		216		215	

The Company has always put much emphasis on well-being, inclusiveness and people development beyond the mere employment relationship. Its commitment is testified by the almost unchanged number of employees from year to year, with limited changes in absolute terms. In 2022, **13 new employees** were hired (-4 vs the previous year) while **14 terminations of employment** (+2 vs 2021). This data also reflects the incoming and outgoing turnover rates¹ calculated on the total number of employees in the reference year:

6.0% and 6.5%, respectively, in 2022. Compared to 2021, incoming employees dropped from 7.9% and outgoing employees rose slightly from 5.6%. In 2020, incoming employees totalled 11.4% and outgoing employees 2.8%, corresponding to **24 resources hired** and **6 resources terminated** on the Salov S.p.A.'s total headcount.

GRI 401-1: New employee hires and employee turnover					
Index	Gender	Age	2020	2021	2022
New employee hires from 1 January to 31 December	Women	< 30 y.o.	0	1	1
		30 - 50 y.o.	2	3	2
		> 50 y.o.	0	0	0
	Total number of female employees		2	4	3
	Employment rate of female employees		6.5%	12.5%	8.8%
	Men	< 30 y.o.	8	5	4
		30 - 50 y.o.	12	7	3
		> 50 y.o.	2	1	3
	Total number of male employees		22	13	10
	Employment rate of male employees		12.2%	7.1%	5.5%
Total number of new employee hires		24	17	13	
Total employment rate		11.4%	7.9%	6.0%	

GRI 401-1: New terminations and employee turnover					
Index	Gender	Age	2020	2021	2022
Employee terminations from 1 January to 31 December	Women	< 30 y.o.	0	0	0
		30 - 50 y.o.	1	3	1
		> 50 y.o.	1	0	0
	Total number of female employees		2	3	1
	Turnover rate of female employees		6.5%	9.4%	2.9%
	Men	< 30 y.o.	0	0	1
		30 - 50 y.o.	1	4	3
		> 50 y.o.	3	5	9
	Total number of male employees		4	9	13
	Turnover rate of male employees		2.2%	4.9%	7.2%
Total number of employee terminations		6	12	14	
Total turnover rate		2.8%	5.6%	6.5%	

¹ The turnover rate corresponds to the ratio between the total number of employee terminations in 2022 and the total number of employees at 31 December 2022. The employment rate corresponds to the rate between the total number of employee hires in 2022 and the total number of employees at 31 December 2022.

The Company ensures equal opportunity during the recruitment process and also during the entire employee corporate life. Salov considers equal opportunity as a guiding principle also in

the implementation of compensation policies, ensuring non-discriminatory conditions for all employees.

GRI 405-2: Ratio of basic salary and remuneration of women to men	2022
Total positions held by men and women	99.4%
Middle manager category*	88.8%
Level 1 middle managers	72.4%
Level 2 middle managers	117.7%
White collar category	95.4%
Blue collar category including female workers	99.1%

*The gap shown was mainly due to the fact that the positions of responsibility occupied by female employees were mainly related to the corporate area and some positions in the commercial area that, notably, have dedicated remuneration policies. Given the above and confirming the Company's virtuous trend, the women/men gap dropped by an additional 5% compared to the results of the previous analysis carried out in 2020.

The analysis of male/female salary differences at Salov shows a general alignment.

Some qualification-related differences reported in the table originated from special situations, including lower professional seniority, limited numbers of resources as a basis for calculation, etc.

Salov has always been committed to ensuring equal opportunity, avoiding male/female salary differentiations, other than those resulting from the employee role, seniority, and individual treatment related to previous professional experiences.

However, the 2020 Sustainability Report highlighted a few areas concerning women's employment that deserved further attention. After completing a thorough analysis of these

areas, the Company designed a process to implement sensitive change. With this in mind, while respecting the necessary timeframes and based on market needs, the Company has undertaken to recruit more women.

In this respect, there are already concrete examples. A female executive manager has been hired at Filippo Berio Russia along with a few operating resources in manufacturing. Dedicated facilities have been also implemented (bathrooms, locker rooms, etc.).



Employee well-being

To ensure employee well-being, the Company has always implemented a competitive and consistent **salary system** in line with the markets in which it operates. Salary updating is regulated by ethical principles and currently applicable regulations. In particular, the comparative analysis between the monthly gross salary indicated by the Italian National Collective Labour Agreement and the salary paid by Salov for a Level 9 employee testifies to Salov's investment in its Human Capital, considering it a competitive factor. On average, the minimum salary paid by Salov in Italy is about 12% higher than that expected by the CCNL (National Collective Labour Agreement). In addition to the fixed salary, Salov has also implemented a role-based, variable incentive system.

In addition to ensuring fair salaries, Salov contributes to employee wellbeing through **corporate welfare programmes**. These programmes take into account specific qualification-related aspects and/or homogenous categories and can include different types of **insurance policies**: health, life and injury related to professional and extra-professional activities. The Company has organised a canteen service at the Massarosa headquarters and pays for a portion of the meal cost. Electronic meal vouchers have been given to the employees of the Segrate offices. Moreover, in full compliance with currently applicable regulations, Salov ensures the use of leave provided for various purposes to its employees, including parental leave. Last but not least, Salov S.p.A. offers its employees the option of supplementary pension schemes, supplementing, where applicable, the employee's share of severance pay accrued with an additional contribution by the Company. This supplement contributes to achieving greater economic security after employees leave. Salov has always paid a great deal of attention to the socioeconomic environment, providing support to its employees through the implementation of additional measures. To this end and because of rising inflation, Salov distributed gift vouchers at the end of 2022 to support the Company's workforce.



6.2

Health and safety at Salov

(GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10)

Health and safety in the workplace represents one of Salov's fundamental pillars, one that is recognised internally and externally by stakeholders. The Company's goal of putting people at the centre goes hand in hand with the aspiration to develop a healthy work environment. This is strictly associated with a zero-injury strategy. To manage and achieve these goals, Salov has implemented a preventive approach of periodic process review based on data collected and the dissemination of a culture of safety in every area of the Company.

Salov S.p.A. has adopted an **ISO 45001:2018** certified management system to integrate aspects related to health and safety. 100% of the employees at the Massarosa plant, Segrate offices and Villa Filippo Berio are covered by this system, which is audited internally and certified by a third-party. Maintaining the ISO 45001 certification is a key step in ensuring the management of risks related to employee health and safety.

Below is a summary table of the sites certified for **ISO Quality, Environment and Safety standards** and the % of employees covered.

% of sites equipped with Certified Quality, Environment and Safety standards						
	2020		2021		2022	
	% of sites covered	% of employees covered	% of sites covered	% of employees covered	% of sites covered	% of employees covered
Quality						
ISO 9001:2015 certified management system	100% Massarosa plant; 100% Segrate offices.	100%	100% Massarosa plant; 100% Segrate offices	100%	100% Massarosa plant; 100% Segrate offices.	100%
Environment						
ISO 14001:2015 certified management system	100% Massarosa plant.	100%	100% Massarosa plant.	100%	100% Massarosa plant.	100%
Safety						
ISO 45001:2018 certified management system	100% Massarosa plant; 100% Segrate offices; 20% Villa Filippo Berio.	100%	100% Massarosa plant; 100% Segrate offices; 100% Villa Filippo Berio.	100%	100% Massarosa plant; 100% Segrate offices; 100% Villa Filippo Berio.	100%

According to the ISO 45001-certified Management System, employees are invited to **participate proactively by providing their suggestions and inputs** without restrictions, using the boxes that are scattered throughout the plant. Monthly meetings are organised with supervisors (Workers' Safety Representatives) who serve as a bridge between management and workers. These supervisors may be part of the Company's Industrial Relations Unit or otherwise be members of the Organisation. Under Legislative Decree 81/2008, as the Company has more than 200 employees, the number of Trade Union representatives is 3 and they all belong to the Company's Industrial Relations Unit. Concerning health and safety, the Company has adopted a "**Risk Assessment Form**" pursuant to Article 28 of Legislative Decree 81/2008. This Form enables the identification of all health

and safety-related risks. The Form is constantly updated in line with regulatory developments, new equipment installation, use of chemicals or organisational changes. All employees are subject to **health surveillance**. The Company verifies that the company doctor is registered in the special list prepared by the Ministry of Health in accordance with the qualifications and requirements of Article 38 of Legislative Decree No. 81/2008. Health assessments can also be requested by individual employees. The services (both planned and not) are carried out internally except for specific needs fulfilled with the services provided by the National Health Service or Specialised Institutes. In addition, in 2022, the Company organised health promotion activities including the promotion of vaccination campaigns and prevention activities.

GRI 403-9: Work-related injuries				
	UoM	2020	2021	2022
Hours worked by employees	h.	339,135	361,194	371,702
Total number of work-related injuries, including deaths	n.	3	1	2
Work-related injury frequency rate	n.	1.8	0.5	1.1

As a result of its commitment to health and safety, in 2022, Salov S.p.A. recorded a total of two work-related injuries and a work-related injury frequency² rate of 1.1 (+1.2% vs 2021 and -0.3% vs 2020). It should be noted that none of the work-related injuries that occurred in the three-year period were serious or fatal. Salov also monitors data on occupational diseases, which remained at zero over the three-year period. Underlying these results are two fundamental decisions made by Salov. Firstly, the training hours provided to all employees and, in particular, to the supervisors. Training activities have grown in the last three years to increase employee awareness

on health and safety issues. Secondly, Salov concentrated investments in the digitalisation process and equipment replacement to improve the level of automation and control. As for health and safety, training activities are carried out in a hybrid mode and delivered by specialised consultants. Every newly hired employee participates in a two-day induction training, during which 60% of the time is dedicated to expertise-specific training while the remaining hours are equally divided between environmental training and mandatory training on safety issues.

² The work-related injury frequency rate was estimated as the ratio of the total number of work-related injuries (excluding commuting) in 2022 to the total hours worked in 2022. The value was then multiplied by 200,000.

6.3 Training

(GRI 205-2, GRI 404-1)



Salov believes that training is important not only to enable employees to acquire knowledge and skills targeted to their duties but, more importantly, as a long-term investment that can generate value over time. Training activities are

designed to develop technical operational skills, disseminate knowledge about standards and regulations directly affecting the Company, and improve the soft skills that stimulate employee empowerment and teamwork.

GRI 404-1: Average hours of training per employee per gender				
Average hours of training per employee per gender	UoM	2020	2021	2022
Women	h	0.52	7.94	21.14
Men	h	0.58	5.13	10.16
Total hours of training - per capita	h	0.57	5.55	11.90
Total hours of training - women	h	16.00	254.00	718.80
Total hours of training - men	h	103.50	944.50	1,839.20
Total training hours	h	119.50	1,198.50	2,558.00



Average hours of training per employee per category	UoM	2020	2021	2022
Executive Managers	h	3.08	4.08	7.15
Middle Managers	h	1.54	11.75	10.68
White Collars and Intermediate Employees	h	0.49	10.09	24.10
Blue Collars	h	0.0	0.0	2.61
Total hours of training – per capita	h	0.57	5.55	11.90
Total hours of training – Executive Managers	h	40.0	352.5	352.5
Total hours of training – Middle Managers	h	40.0	352.5	352.5
Total hours of training – White Collars and Intermediate Employees	h	39.5	797.0	1,879.7
Total hours of training – Blue Collars	h	0.0	0.0	240.0
Total training hours	h	119.50	1,198.50	2,558.0

Training has been one of the main segments in which the Company has decided to focus and invest in recent years. The Company progressively increased the number of **training hours** in 2020 and 2021, doubling in 2022 to **2,558** hours vs the previous year (**1,199** training hours).

The Covid-19 pandemic led to the implementation of very stringent safety policies, which prevented in-person training activities. After two years, in 2022, training activities were delivered in person again. New areas for growth have been identified for projects that Salov had designed in previous years.

The training projects involved every professional category, with technical, specialist and industry-specific courses addressed to executive managers, managers, and white-collar and blue-collar workers.

Moreover, this year's technical training involved hands-on training on new systems and machinery. Along with the acquisition of technical skills, Salov believes that it is necessary to offer training

geared toward the development of soft skills, such as emotional intelligence, leadership and empathy. These activities represent an added value for improving employee professionalism. Specifically, Salov invested in coaching projects that involved and will involve middle managers and executive managers rather than specific areas.

To this end, in 2022, the Talent Garden project was launched. This is a training plan for younger employees with activities performed throughout the year.

Talent Garden: an innovative project to train and attract young talent

The Talent Garden project, held from May to October at Villa Filippo Berio, was one of the most innovative activities performed in 2022. It involved 25 young participants, many of them new recruits who, after an individual assessment phase, took part in eleven meetings addressed to the development of specific soft skills. The project focused on the following topics: interpersonal skills, time management, and project management.





6.4

What we do for our territory (GRI 413-2)

Salov is constantly seeking appropriate measures to generate value in the local communities in which it operates. The concept of “**shared value**” is key to Salov including a set of operating practices to be implemented in the reciprocal relationship between market competitiveness and the well-being of the local communities. An internal survey conducted in 2020 confirmed the need, shared by two-thirds of respondents, for the Company to participate directly in the territory at social and environmental level, testifying to the Company’s engagement with its stakeholders. In 2022, Salov made **donations** to support associations and projects in the local communities, and other support initiatives for emergencies. The **municipalities of Massarosa** (where the company’s headquarters and plant are located) and **Viareggio** (where the company was founded in 1919) are always those focused on most, not least because most of Salov’s employees and workers live in these municipalities. The Company also made donations to charities like **Misericordia (Voluntary Association), Cinque Spighe Caritas Center of Massarosa, Green Cross and Il Germoglio Non-profit organisation of Viareggio**.

Salov is also close to young individuals who face difficulties for different reasons. For instance, the Company has purchased Christmas parcels produced by the **San Patrignano Community (rehabilitation centre for young people)** and distributed them to its employees as Christmas gifts, and made donations to the **Matteo Ricci Hockey and Skating School**, which is also committed to supporting children with disabilities. The Company pays great attention to emergencies. For example in 2022 Salov sent food and necessities to people affected by the flooding in Ischia in November.

FILIPPO BERIO UK and FILIPPO BERIO USA

Salov’s commitment to supporting local communities extends beyond Italy, thanks to the collaboration with Filippo Berio UK and Filippo Berio USA.

In 2022, Filippo Berio UK launched a project to support the homeless, serving free meals to all people in need (**City Harvest London**). For those who cannot reach the meal distribution site, home delivery services were organised. Efforts to support those most in need have also continued through direct donations to charities and community projects.

Filippo Berio UK established a collaboration with the University of Reading, a leading British university specialising in the agri-food sector, to launch a social engagement project. The company made a donation to the university to enable students to complete their education and provided funds for a scholarship entitled the “**University of Reading AESO Donation Student Hardship Fund**”.

Filippo Berio USA has also always carried out projects to support education and, in general, younger people. The various projects implemented include “**KIDS 360**”, a charity that aims to provide children in need with clothing, food, medical support and a viable school offer; the funding of a scholarship to deserving students to attend the **Scuola d’Italia Guglielmo Marconi**; and the collaboration with the **Careers through culinary arts program (C-CAP)** (for more details see the box on the side).

Careers through culinary arts program (C-CAP)

C-CAP is an American non-profit association that aims to provide underprivileged teenagers with a pathway into the world of culinary education. Since 1990, this association has been committed to promoting “**food and social justice**” by making equity and inclusion key tools for use by teens. From middle school through high school, C-CAP provides an integrated approach to employment in the food industry, offering internships/ apprenticeships, mentoring and job opportunities. This extraordinary growth project for young talents led **Filippo Berio USA** to invest more in supporting the school through the donation of olive oil, pesto, and vinegar. In addition, Filippo

Berio USA supports students in pursuing their dreams through the provision of scholarships. To promote education, Filippo Berio USA invites the students to participate actively in the **Company’s events**. This enables them to increase their professionalism through the creation of recipes that are later posted on the Company’s social media and other marketing tools of the US branch.



DONATIONS BY FILIPPO BERIO UK TO CITY HARVEST LONDON

Surplus Food Impact Report

By choosing to provide surplus food to City Harvest, **Filippo Berio** has nourished thousands of people across London experiencing food poverty.

Your donations from 1 July 2022 to 30 June 2023 equal:

2,712 KILOGRAMS
FOOD PROVIDED



to City Harvest London

6,457
MEALS DELIVERED



to charities feeding their communities

10,306 KILOGRAMS
GHG EMISSIONS PREVENTED



by rescuing food for human consumption

Thank you for helping us rescue food, people & planet



7 CUSTOMER AND CONSUMER CARE

7.1 Marketing Communication

The Salov Group has always considered the consumer-centric approach and clear communication a priority and all the stakeholders are involved. The Company's Code of Ethics, in place since 1 October 2009, reads: *"In its operations, Salov has always been committed to applying and complying with strict principles, emphasising seriousness, reliability and professionalism. The principles contained in this Code of Ethics apply to employees, external collaborators (consultants, agents, and service providers) and other subjects who have established relations with Salov. They represent an explicit reference during the performance of their obligations and functions (internal or external). This is meant to recognise that ethics in business management must be pursued along with the Company's economic growth, keeping firmly the principles expressed in this Code."*

This is why the Company pursues many of the ethical goals of the UN 2030 Agenda in its activities by paying special attention to protecting its customers and consumers. Salov is committed to building an ongoing relationship, adapting its communication channels to each market in which it operates and trying to integrate the product into the culture (culinary and otherwise) of reference so as to be close to consumer needs and lifestyle. Consumer communication is one of the main pillars for building a brand both in Italy and throughout the world. The company has always paid a great deal of attention to increasing the visibility of its brands and products with the ultimate goal of disseminating the **culture of Olive Oil**, emphasising its nutritional and health aspects – often still unknown – in the markets in which it operates and, especially, in the most distant

areas of the world where olive oil production and consumption are marginal.

In foreign markets, local communication always originates from the **Filippo Berio Global Campaign**. This is a strategic document drafted to define the key points of the brand's communication, its Values and the consumer communication criteria.

The Global Campaign represents the source from which to develop all communication materials and messages that the brand uses to reflect its essence and image unambiguously in each country, respecting the cultures, traditions and needs of the different markets and considering the increasing number of media that global consumers are currently exposed to.

The Company's Marketing Department also uses local communication agencies in countries with a different cuisine culture from the Mediterranean. They are responsible for understanding the concepts to be presented to consumers, expressing them clearly also to potential or infrequent users, for example by using olive oil in local recipes, which originally included the use of different fats.

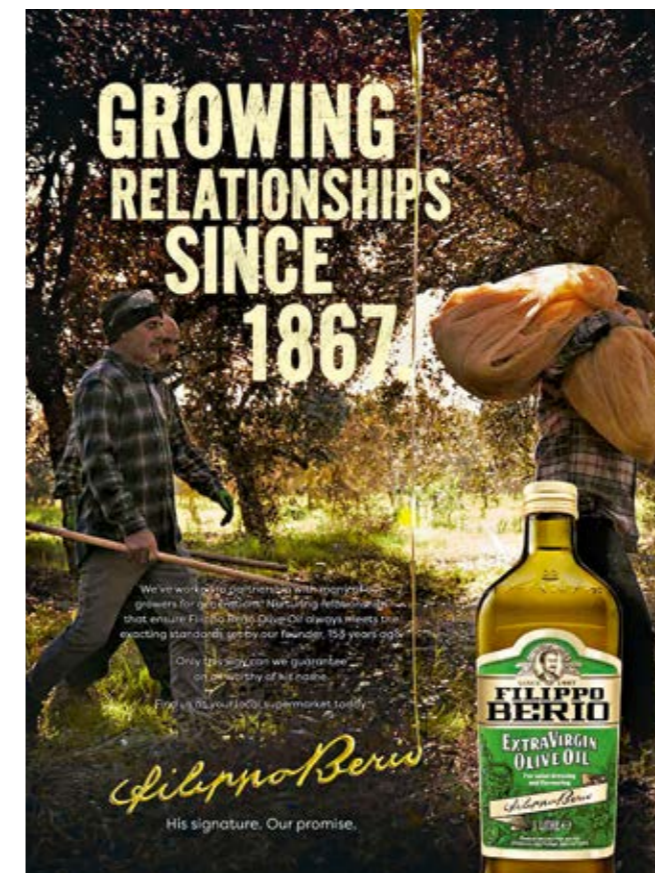
Likewise, Marketing employs professionals for mass media advertising planning in the most important markets including television, printed media, billboard advertising, or, increasingly, digital channels and social media.

Social media makes it possible to communicate extremely frequently with consumers and, above all, interact and exchange information, a key activity for building proximity.

In collaboration with communication experts and professionals, and with twelve marketing agencies, five media centres around the world and two companies specialising in packaging, the Group disseminates its values and also ensures a

comprehensive use of the product, from how best to use it to how best to dispose of it. The Global Campaign enables Salov to communicate effectively the topics to be

conveyed with marketing campaigns tailored to the target market, taking into consideration the culture, the local cuisine and consumer behaviour.



FILIPPO BERIO GLOBAL CAMPAIGN EXAMPLES

In 2022, the Group used the following communication channels:

- TV (UK, Brazil, US, Italy, Belgium and Iceland)
- Billboard advertising and Video Walls (Switzerland, China and Bulgaria)



- Printed media, both directly to consumers and trade (Italy, US, UK, Belgium)
- Digital campaigns (Italy, US, UK, China and Brazil)

Filippo Berio recipes with olive oil

combining tradition and innovation

The Group constantly strives to create recipes according to the season, type of oil, regional cuisine, specific diets, consumer habits and history, always following the traditions of the different countries. All the Filippo Berio products meet **a range of nutritional and dietary needs**.

Quality, traceability, sustainability and innovation ensure that the Filippo Berio consumer experience is unique and in line with different traditions while remaining closely linked to the Mediterranean nature of the product.

At the dawn of the third millennium, olive oil still reflects **a key link** with its place of origin and widest use. Its organoleptic characteristics, undisputed nutritional value, nutraceutical aspects and all the benefits reported in numerous scientific research analyses make it **a fundamental ingredient** of the Mediterranean diet and diets in general.

The benefits on health include **preventive action** on numerous diseases such as diabetes and cardiovascular and neurodegenerative diseases. It is no coincidence that olive oil has a **privileged position** in the food pyramid.¹



The different uses of olive oil

Other ancient, non-food uses of olive oil have continued over centuries and around the world. Olive oil is used in **cosmetics** to produce **body and hair care products** for its **moisturizing, soothing, calming and smoothing properties**. A curiosity: Salov supplies Filippo Berio Extra Virgin Oil to some South-East Asian markets for the production of the famous **Kutus Kutus Oil**, an oil that includes 69 medicinal plants and is used for healing massages in some spas, mainly in Bali.

Thanks to its features, this special oil improves blood circulation by balancing the mind and body.

¹ Source: Ditano-Vázquez, Paola, et al. "The Fluid Aspect of the Mediterranean Diet in the Prevention and Management of Cardiovascular Disease and Diabetes: The Role of Polyphenol Content in Moderate Consumption of Wine and Olive Oil." *Nutrients*, vol. 11, no. 11, 2019, p. 2833.



7.2 Health and safety of our Products

(GRI 416-1, GRI 416-2, GRI 417-1, GRI 417-2, GRI 417-3)

Salov pays a great deal of attention to consumer protection by meeting the various EU and international requirements on labelling. In addition, the Group is committed to providing truthful information and claims, ensuring clarity and transparency of the nutritional data, proper product use and disposal, and correct communication in general. The Quality Department and the Legal Affairs Department are responsible for monitoring the compliance of the product labels. This process includes different steps and a strict collaboration with the partners in the various export markets, especially for the cross-checking specifications written in different local languages.

In particular, for product development, Salov uses a software programme that collects the inputs received from Marketing in agreement with the Sales Department of the market of reference. The flow is coordinated by the Marketing Department which interfaces with the other relevant functions. The various functions involved in the process and, in particular, Quality and Legal Affairs, add information to the software which enables real-time, in-depth analysis of the different product development steps, identifying its state of progress, the function or department examining it in that specific moment.

PRODUCT DEVELOPMENT/ MODIFICATION FLOW

PRODUCT MODIFICATION SCENARIO 1

1 Management of the modification of material already used in an existing article eg. oil type, bottle, label, box, etc.

NEW PRODUCT DEVELOPMENT SCENARIO 2

2 Creation of a new product identifying components already in use in the Company.

NEW PRODUCT DEVELOPMENT SCENARIO 3

3 Creating a new product assessing one or more components not yet used or technically tested by the Company. For example, new recipes for oil products or other categories, new packaging components, etc.

The Company has a Legal Affairs Department composed of one manager and two specialists. Legal Affairs maintains relationships with internationally renowned external law firms, including, among the most important: the Orrick Law Firm, specialising in commercial/corporate/fiscal/tributary contracts; the FTCC Fusi Testa Law Firm, specialising in international trademark and legal opinions, and the Siedly Austin Law Firm, specialising in cross-border issues and litigations.

Legal Affairs collaborates internally and supports the various functions and Company business units in updating and incorporating regulatory changes.

The Quality department carries out rigorous analyses of all product categories to ensure compliance with quality and product-related legal requirements as well as product safety. Quality is also involved – together with Marketing – in the preparation of the labels, to make them simple and usable by consumers globally and available in the different languages of Salov’s export markets. All Salov Group products are checked in terms of compliance with current regulations, including labelling, and, specifically, regarding sourcing, content, safe use and disposal. In 2022, there were no cases of non-conformity that had a negative impact on product safety or consumer health and no cases of non-compliance with regulations concerning marketing communication. In 2022, up to the date of publication of this Report, the Company has recorded 3 cases of non-conformity relating to the organoleptic characteristics of Extra Virgin Olive Oil: 2 were reported in Italy by the Central Inspectorate for Quality Protection and Fraud Repression for Agro-food Products (ICQRF) and 1 in England by the Animal and Plant Health Agency (APHA). As these control analyses are normally performed on bottles taken from the shelf, the product may have undergone stressful situations (exposure to light and/or heat) after delivery from our factory and this may have compromised its quality. In these cases, the Company files an appeal against the measure in compliance with currently applicable regulations and requests a counter-analysis.

To manage potential non-conformities, the Quality Department is also responsible for the activities that relate to the management of queries from consumers and customers (distributors, large-scale retail trade, B2B customers). The Group has implemented a **structured tracking system** to map the different types of non-conformities (packaging/oil). The Company’s procedure also applies to complaints and any orders received from control authorities. Complaints from customers are divided into **two categories**:

1. Complaints related to customer dissatisfaction
2. Complaints involving product returns

Complaints are managed by the different functions (Laboratory, Plant Manager, Marketing, Quality and Quality Assurance and Legal Affairs), which proceed with an assessment of the event and the potential cause.

The control process includes **several stages**: after receiving a product complaint, Quality Assurance notifies the functions involved, which will participate in handling the complaint. The complaint is taken up by the relevant function, which analyses the circumstances and drafts a report. This is saved and filed in the complaints register with a sequence number to keep track of all cases.



For more information see the table flow below.

Complaints management flow

N°	PHASE DESCRIPTION
1	Quality Assurance (QA) office receives the complaint and makes a complaint report
2	QA identifies the relevant internal or external department or function, analyses the complaint and registers the complaint
3	The relevant department or function registers the results of the analysis in the complaint report
4	QA determines whether Salov is responsible for the complaint
5	If Salov does bear responsibility, the QA and relevant departments take corrective action, deciding and implementing a solution and register this in the complaints report
6	If responsibility lies outside the Company, Salov asks the relevant organisation what corrective action it intends to take to resolve the issue
7	If the outcome of stage 4 is negative QA files the complaint report and updates the complaint register
8	QA assesses, together with the relevant function, the opportunity to undertake corrective action in any case, in order to provide even better customer care
9	QA processes the complaint management information to generate data
10	Customer service/marketing departments carry out a <i>Customer Satisfaction</i> survey (reorder rate)

In general, the complaint management process includes 2 categories of events:

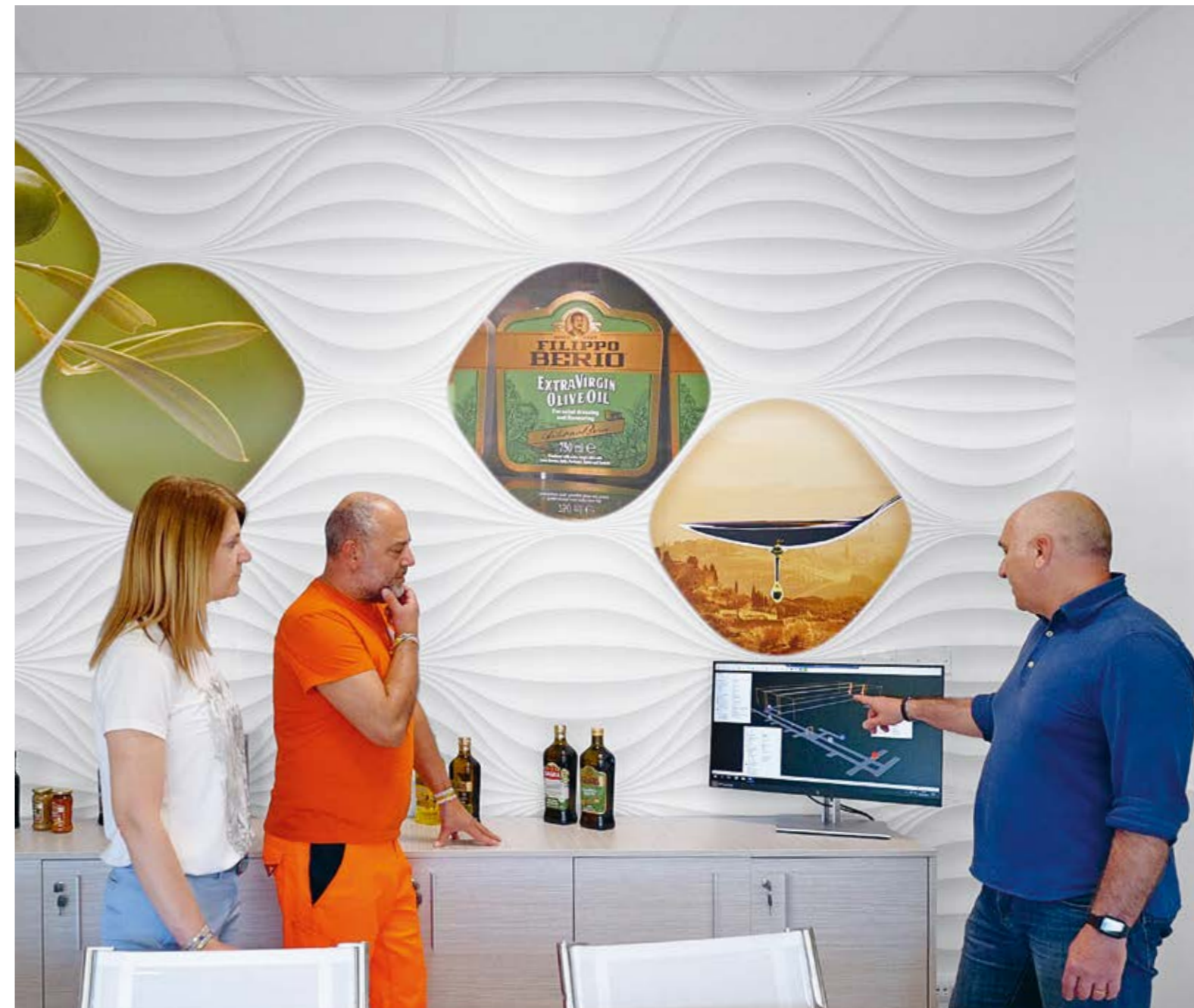
- **Finished product complaints** that can be communicated by consumers:

- **in Italy**, a consumer can get in touch:

- directly with the Company through the email service **info@salov.com** or **call centre**. The complaint is re-directed to Sales/ Customer Care, which is then responsible for the final response to the consumer
- with the distributor (supermarket), which in turn re-directs the complaint to the Company through the Sales/Customer Care function, which is then responsible for the final response to the consumer;

- **abroad**, a consumer can get in touch with the **Company's subsidiaries** or **sales offices** or the **Group's external distributors**. In this case, the subsidiaries or the distributors get in touch with the Company reporting the complaint and the relevant response of the various functions involved, Sales or Customer Care, depending on their usual contacts.

- **Bulk product complaints** communicated by B2B customers, mainly in Italy, are **directly managed by the Quality Department** (more rarely, Sales and Customer Care). In these cases, complaints normally refer to chemical testing. This is why Quality normally deals with these matters in the first instance.





Published in September 2023, this report summarises and confirms the Salov Group's commitment to its sustainability goals. The Salov Group publishes its Sustainability Report every two years, and this report covers the period from 1st January 2022 to 31st December 2022 (the annual reporting period is aligned with the Group's financial year). The report also includes events that occurred in 2021 for continuity purposes with the previous 2020 Report and all the tables, data and figures refer to the 3-year period (2020-2021-2022). The document can be viewed and downloaded from www.salov.com. For any explanation and further information, please send an e-mail to info@salov.com or contact +39 0584 9476.



METHODOLOGICAL NOTE

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-5, GRI 3-1, GRI 3-2, GRI 3-3)

MATERIALITY ANALYSIS

This Sustainability Report has been prepared in accordance with the new requirements of the GRI Standard 2021, under the “in accordance” option. The final document was subject to external validation by an independent company. The contents of the Sustainability disclosures described in the “GRI Content Index” of this document have been defined on the basis of the results of the materiality analysis. In performing the materiality analysis, Salov followed the new provisions of the GRI Standard 2021 reporting framework. The Company conducted a materiality analysis based on negative and positive impacts. The actual and potential impacts generated on the economy, the environment, the people, and the potential human rights violations were considered negative impacts while contributions to sustainable development were considered positive impacts.

The materiality analysis also considered the results of the internal and external stakeholder engagement that Salov measured when drafting the previous Sustainability Report. As the context does not appear to have changed, the results were also considered valid for the analysis conducted in 2022.

The assessment of each positive impact took into consideration the Salov Group's direct and indirect contribution to the Sustainable Development Goals (SDGs) in line with the commitment made and considering the management tools implemented to monitor the goals set. Conversely, the assessment of potential negative impacts took into consideration all policies, procedures and activities put in place by the Company to prevent and mitigate the identified negative impact.

The prioritisation activity allowed the Company to determine the material topics for reporting. Methodologically, the main negative and positive impacts identified have been prioritised and assessed on the basis of their degree of severity and likelihood of occurrence, respectively. While the relevance of an actual negative impact is determined by its severity, the relevance of a potential negative impact is determined by both its severity and impact probability. In particular, the severity of an impact has been measured by taking into account the following three aspects:

- 1. Severity scale:** how severe the impact is and the external context in which it occurs (also including the geographic context);
- 2. Scope of application:** how widespread the impact is and to what extent it can be measured in terms of impact on the value chain;
- 3. Irremediable character¹:** how difficult it is to remedy the damage generated by the impact.

¹The irremediable character has been exclusively considered to assess the negative impacts as specified in the GRI Standard 2021.



Scope of the Report

The Sustainability Report 2022 meets the GRI Standard 2021 requirements for the perimeter of the Company Salov S.p.A. In addition, the Report contains non-financial disclosures also applied to other entities of the Salov Group, which do not fall under the GRI “in accordance” perimeter. Below is a description of the reporting perimeter by each Topic Specific Disclosure of the Report, considering the following aspects:

- **“Production plant”**, refers to the Massarosa production facility located in Via Montramito 1600, Massarosa (Lucca), including also the Executive Direction and Administrative offices;
- **“Villa Filippo Berio”**, refers to the Villa, its olive grove and oil mill located in via Traversagna 49, Vecchiano (Pisa).
- **“Milan offices”** refers to the sales and marketing offices in Centro Direzionale Milano 2, Palazzo Bernini, Strada di Olgia Nuova, Segrate (Milan);
- **“Foreign subsidiaries”** refers to the foreign subsidiaries, namely Filippo Berio USA, LTD; Filippo Berio UK, LTD; OOO Filippo Berio RU; Filippo Berio Do Brasil Alimentos LTD; and Filippo Berio (Shanghai) Food Co., LTD.

Companies included in the non-financial reporting				
GRI Standard 2021 - Specific Standards	Salov S.p.A. Production plant and Executive Direction and Administrative offices	Salov S.p.A. Sales and Marketing offices	Salov S.p.A. Villa Filippo Berio	Commercial subsidiaries Filippo Berio UK, LTD; Filippo Berio USA, LTD; OOO Filippo Berio RU; Filippo Berio Do Brasil Alimentos LTD; Filippo Berio (Shanghai) Food Co., LTD
GRI 201 – Economic performance	yes	yes	yes	yes
GRI 204 – Procurement practices	yes	n/r	n/r	n/r
GRI 205 – Anti-corruption	yes	yes	yes	yes
GRI 301- Materials	yes	n/r	yes	n/r
GRI 302 - Energy	yes	n/r	n/r	n/r
GRI 303 – Water and effluents	yes	n/r	n/r	n/r
GRI 304 - Biodiversity	yes	n/r	yes	n/a
GRI 305 - Emissions	yes	n/r	n/r	n/r
GRI 306 - Waste	yes	n/r	n/r	n/r
GRI 401 - Employment	yes	yes	yes	yes
GRI 403 – Health and safety in the workplace	yes	yes	yes	yes
GRI 404 – Training and education	yes	yes	yes	no
GRI 405 – Diversity and equal opportunity	yes	yes	yes	no
GRI 406 – Non-discrimination	yes	yes	yes	yes
GRI 407 – Freedom of association and collective bargaining	yes	yes	yes	yes

n/a = not applicable n/r = not relevant

GRI Standard 2021 - Specific Standards	Salov S.p.A. Production plant and Executive Direction and Administrative offices	Salov S.p.A. Sales and Marketing offices	Salov S.p.A. Villa Filippo Berio	Commercial subsidiaries Filippo Berio UK, LTD; Filippo Berio USA, LTD; OOO Filippo Berio RU; Filippo Berio Do Brasil Alimentos LTD; Filippo Berio (Shanghai) Food Co., LTD
GRI 408 – Child labour	yes	yes	yes	yes
GRI 409 – Forced or compulsory labour	yes	yes	yes	yes
GRI 413 – Local communities	yes	n/a	yes	yes
GRI 416 – Customer health and safety	yes	yes	yes	yes
GRI 417 - Marketing and labelling	yes	yes	yes	yes

n/a = not applicable

Calculation criteria and assumptions

Below are the main calculation criteria and assumptions used:

- **Employment/Turnover rate:** this index is given by the ratio of the total number of employee hirings/terminations in the period to the total number of employees at closing;
- **Average training hours per capita by gender:** this index is given by the ratio of the total number of training hours delivered to the employees (by gender) and the total number of employees (same gender);
- **Average training hours per capita by professional category:** this index is given by the ratio of the total number of training hours delivered to the employees (by professional category) and the total number of employees (same professional category);
- **Mortality rate resulting from occupational accidents:** this index is given by the ratio of

the total number of deaths resulting from occupational accidents to the number of hours worked multiplied by 200,000²;

- **Rate of occupational accidents with serious consequences:** this indicator is given by the ratio of the total number of work accidents with serious consequences to the number of hours worked, multiplied by 200,000³. Specifically, “occupational accidents with serious consequences” refer to an occupational injury that resulted in the death or injury from which a worker cannot recover, does not recover, or cannot realistically be expected to recover fully, returning to his or her pre-injury condition of health within six months;
- **Recordable occupational injury rate⁴:** this indicator is given by the ratio of the total number of recordable occupational injuries to the number of hours worked multiplied by 200,000⁵;

² The GRI Standard requires the organisation to calculate rates based on 200,000 or 1,000,000 hours worked. Standardised rates allow for meaningful comparisons between statistics.

³ Ibidem.

⁴ Injuries were calculated following INAIL's (Italian National Institute for Insurance against Accidents at Work) frequency and severity indexes, excluding commuting accidents and injuries that occurred at third-party companies.

⁵ See note 2.

- **Fuel consumption from non-renewable sources:** compressed natural gas (methane). The conversion factors based on ISPRA data published by the Italian Ministry of Environment and Energy Security (MITE) in the “National Table of Standard Parameters” updated to 2020, 2021, and 2022 were used to calculate consumption in GJ;
- **Direct GHG emissions (Scope 1):** the emission factors based on ISPRA data published by the Italian Ministry of Environment and Energy Security (MITE) in the “National Table Standard Parameters”, updated to 2020, 2021 and 2022 were used to calculate direct emissions from methane and refrigerant gas consumption;
- **Consumption of electricity purchased from the grid:** the conventional factor (1 MWh equal to 3.6 GJ) from DEFRA’s “UK Government GHG Conversion Factors for Company Reporting - Fuel properties” table, updated to 2020, 2021 and 2022, was used to calculate electricity consumption in GJ;
- **Indirect GHG emissions (Scope 2 – Location-based):** for the calculation of indirect emissions according to the Location-Based method, the emission factors shown in “Table 49 - Key social - economic and energy indicators in 2019” published by Terna, were used. The latest version (2020) of the emission factors, which are updated periodically, was used to calculate the indirect emissions for the three-year 2020-2022 period;
- **Indirect GHG emissions (Scope 2 – Market-based):** for the calculation of indirect emissions according to the Market-Based method, the emission factors shown in the “European Residual Mixes” document, published by the Association of Issuing Bodies (AIB), were used. The latest version (2021, 2022) of the emission factors, which are updated periodically, was used to calculate indirect emissions for the three-year 2020-2022 period;
- **Transactions assessed for corruption-related risks:** concerning the processes and the Group companies subject to assessment for corruption-related risks, the companies that have adopted Model 231

(or similar) and/or have conducted audits are considered as assessed. On the contrary, the companies that have anti-corruption, similar or equivalent procedures are not deemed to be assessed.

- **Raw materials used:** compared to information reported on the raw materials used, it is noted that the data presented in Chapter 3 and related to GRI disclosure 301-1 “Materials used by weight or volume” reflect purchase values and are provided in kg, as per practice. Data on olive oil sold are, on the other hand, reported in litres, using - for reasons of practicality - a 1:1 conversion factor.





GRI CONTENT INDEX

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
General Disclosures						
GRI 2 - General Disclosures (2021 release)	2-1 Organisational details	1.1 A Story that goes back more than 100 years				
	2-2 Entities included in the organisation's sustainability reporting	1.1 A Story that goes back more than 100 years				
	2-3 Reporting period, frequency and contact point	Methodological Note				
	2-4 Restatement of information	Content Index				There were no restatements from the previous report.
	2-5 External Assurance	Methodological Note				
	2-6 Activities, value chain and other business relationships	1.4 Our Products 3.3 The Suppliers: Salov Ethics				
	2-7 Employees	6.1 We are Salov				
	2-8 Workers who are not employees	6.1 We are Salov				
	2-9 Governance and structure composition	2.1 Integrity, Transparency and the Fight against Corruption				
	2-10 Nomination and selection of the highest governance body	2.1 Integrity, Transparency and the Fight against Corruption				
	2-11 Chair of the highest governance body	2.1 Integrity, Transparency and the Fight against Corruption				
	2-12 Role of the highest governance body in overseeing the management of impacts	2.1 Integrity, Transparency and the Fight against Corruption				
	2-13 Delegation of responsibility for managing impacts	2.1 Integrity, Transparency and the Fight against Corruption				
	2-14 Role of the highest governance body in sustainability reporting	Content Index				The Board of Directors is not involved, in its entirety, in the process of approving and reviewing the Sustainability Report, as these aspects are the responsibility of the Chief Executive Officer and a few specific members of the Board of Directors.

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
GRI 2 - General Disclosures (2021 release)	2-15 Conflicts of interest	2.1 Integrity, Transparency and the Fight against Corruption				
	2-16 Communication of critical concerns	2.1 Integrity, Transparency and the Fight against Corruption				
	2-17 Collective knowledge of the highest governing body	Content Index				The members of the Board of Directors are knowledgeable about specific issues relating to sustainability issues and, in particular, social and environmental issues. In 2022, no measures were implemented to expand the collective knowledge of the highest governing body on sustainable development issues
	2-18 Evaluation of the performance of the highest governance body	Content Index				There are no performance assessment procedures put in place by the highest governing body to control the impacts on the economy, the environment and the people.
	2-19 Remuneration policies	-	All requirements	Confidentiality constraints	This information is classified as "Strictly Confidential".	For reasons of privacy and data protection, the Company does not share these details. If published without the appropriate explanations and comments, this information could be misleading or misinterpreted by readers.
	2-20 Process to determine remuneration	-	All requirements	Confidentiality constraints	This information is classified as "Strictly Confidential".	For reasons of privacy and data protection, the Company does not share these details. If published without the appropriate explanations and comments, this information could be misleading or misinterpreted by readers.
	2-21 Annual total compensation ratio	-	All requirements	Confidentiality constraints	This information is classified as "Strictly Confidential".	For reasons of privacy and data protection, the Company does not share these details. If published without the appropriate explanations and comments, this information could be misleading or misinterpreted by readers.

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
GRI 2 - General Disclosures (2021 release)	2-22 Statement on Sustainable Development Strategy	1.7 Materiality Analysis 1.3 Statement on Sustainable Development Strategy				
	2-23 Policy Commitments	2.3 Risk management				
	2-24 Embedding policy commitments	2.3 Risk management				
	2-25 Processes to remediate negative impacts	1.7 Materiality Analysis				
	2-26 Mechanisms for seeking advice and raising concerns	2.1 Integrity, Transparency and the Fight against Corruption				
	2-27 Compliance with laws and regulations	2.1 Integrity, Transparency and the Fight against Corruption				
	2-28 Membership associations	1.6 Approach to Stakeholder engagement				
	2-29 Approach to Stakeholder engagement	1.6 Approach to Stakeholder engagement				
2-30 Collective bargaining agreements	6.1 We are Salov					
Material themes:						
GRI 3 - Material Topics (2021 release)	3-1 Process to determine material topics	1.7 Materiality Analysis				
	3-2 List of material topics	1.7 Materiality Analysis				
	3-3 Management of material topics	1.7 Materiality Analysis				
Material topic: Responsible management of corporate business						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 2.2 Economic Sustainability				
GRI 201 - Economic Performance	201-1 Direct economic value generated and distributed	2.2 Economic Sustainability				
	201-2 Financial implications and other risks and opportunities due to climate change	-	All requirements	Information unavailable/incomplete	No analysis was carried out to report risks and opportunities arising from climate change with a potential to generate significant changes in operations, revenue or expenses.	The Company confirmed its commitment to performing a Climate Risk Assessment and/or similar activities in the coming years.

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Material topic: Responsible management of corporate business						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 2.2 Economic Sustainability				
GRI 205 - Anti-corruption	205-1 Operations assessed for risks related to corruption	2.2 Economic Sustainability				
	205-2 Communication and training about anti-corruption policies and procedures	6.3 Training				
	205-3 Confirmed incidents of corruption and actions taken	2.1 Integrity, Transparency and the Fight against Corruption - FOCUS: Conflict of Interest Policy				
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 6.2 Health and safety at Salov				
GRI 403 - Occupational health and safety	403-1 Occupational Health and Safety Management System	6.2 Health and safety at Salov				
	403-2 Hazard identification, risk assessment and accident investigation	6.2 Health and safety at Salov				
	403-3 Occupational health services	6.2 Health and safety at Salov				
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.2 Health and safety at Salov				
	403-5 Worker Training on occupational health and safety	6.2 Health and safety at Salov				
	403-6 Promotion of worker health	6.2 Health and safety at Salov				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.2 Health and safety at Salov				
	403-8 Workers covered by an occupational health and safety management system	6.2 Health and safety at Salov				
	403-9 Work-related injuries	6.2 Health and safety at Salov				
	403-10 Work-related ill health	6.2 Health and safety at Salov				

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Topic: Protection of the environment and ecosystems						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 5.1 The Commitment to fight Climate Change				
GRI 302 - Energy	302-1 Energy consumption within the organisation	5.1 The Commitment to fight Climate Change				
	302-2 Energy consumption outside the organisation	-	All requirements	Information unavailable/incomplete	Salov has not yet developed a data collection system for the GRI indicator.	The Company intends to carry out an inventory of GHG emissions along the value chain in the coming years.
	302-3 Energy intensity	5.1 The Commitment to fight Climate Change				
	302-4 Reduction of energy consumption	-	All requirements	Not applicable	Salov has not officially published its energy consumption reduction targets.	In this case, "Not applicable" means "Not accountable", as there are no preparatory steps for the measurement.
	302-5 Reduction of energy consumption	-	All requirements	Not applicable	Salov has not officially published its energy consumption reduction targets.	In this case, "Not applicable" means "Not accountable", as there are no preparatory steps for the measurement.
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 5.2 Management of Resources, Water and Waste				
GRI 303 - Water and effluents	303-1 Interactions with water as a shared resource	5.2 Management of Resources, Water and Waste				
	303-2 Management of water discharge-related impacts	5.2 Management of Resources, Water and Waste				
	303-3 Water withdrawal	5.2 Management of Resources, Water and Waste				
	303-4 Water discharge	5.2 Management of Resources, Water and Waste				
	303-5 Water consumption	5.2 Management of Resources, Water and Waste				
	303-6 Water consumption	5.2 Management of Resources, Water and Waste				
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 5.3 Biodiversity				

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Topic: Protection of the environment and ecosystems						
GRI 304 - Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	5.3 Biodiversity				
	304-2 Significant impacts of activities, products and services on biodiversity	5.3 Biodiversity				
	304-3 Habitats protected or restored	5.3 Biodiversity				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	5.3 Biodiversity				
	304-5 Significant impacts of activities, products and services on biodiversity	5.3 Biodiversity				
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 5.1 The Commitment to fight climate change				
GRI 305 - Emissions	305-1 Direct (Scope 1) GHG emissions	5.1 The Commitment to fight climate change				
	305-2 Energy indirect (Scope 2) GHG emissions	5.1 The Commitment to fight Climate Change				
	305-3 Other indirect (Scope 3) GHG emissions	-	All requirements	Information unavailable / incomplete	Salov has not yet developed a data collection system for the GRI indicator.	The Company intends to carry out an inventory of GHG emissions along the value chain in the coming years.
	305-4 GHG emission intensity	5.1 The Commitment to fight Climate Change				
	305-5 Reduction of GHG emissions	-	All requirements	Not applicable	Salov has not officially published its greenhouse gas emissions reduction targets.	In this case, "Not applicable" means "Not accountable", as there are no preparatory steps for the measurement.
	305-6 Reduction of GHG emissions	-	All requirements	Not applicable	Salov has not officially published its greenhouse gas emissions reduction targets.	In this case, "Not applicable" means "Not accountable", as there are no preparatory steps for the measurement.
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	5.1 The Commitment to fight Climate Change				

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Topic: Management of resources and waste products						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 3.4 The Packaging: created with an increasingly low environmental impact				
GRI 301 - Material	301-1 Materials used by weight or volume	3.4 The Packaging: created with an increasingly low environmental impact				
	301-2 Recycled input materials used	3.4 The Packaging: created with an increasingly low environmental impact				
	301-3 Reclaimed products and their packaging materials	Content Index				In 2022, no initiatives were carried out to recover product materials and related packaging.
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 5.2 Management of Resources, Water and Waste				
GRI 306 - Waste	306-1 Waste generation and significant waste-related impacts	5.2 Management of Resources, Water and Waste				
	306-2 Management of significant waste-related impacts	5.2 Management of Resources, Water and Waste				
	306-3 Waste generated	5.2 Management of Resources, Water and Waste				
	306-4 Waste diverted from disposal	5.2 Management of Resources, Water and Waste	partial	Information unavailable / incomplete	No data were collected for sustainability reporting.	Information not reported in relation to point b and c of the indicator.
	306-5 Waste directed to disposal	5.2 Management of Resources, Water and Waste Content Index				100% of hazardous and non-hazardous waste is classified as "Other disposal operations".

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Topic: Protection and development of human capital						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 6.1 We are Salov				
GRI 401 - Employment	401-1 New employee hires and employee turnover	6.1 We are Salov				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 We are Salov				
	401-3 Parental leave	Content Index				In 2022, 2 male employees were entitled to paternity leave. All those entitled have taken leave. At the end of the leave, the 2 employees returned to work and 12 months after they are still employed. The return-to-work rate is therefore 100%; The retention rate is also 100%.
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 6.3 Training				
GRI 404 - Training and education	404-1 Average hours of training per year per employee	6.3 Training				
	404-3 Percentage of employees receiving regular performance and career development reviews	Content Index				Currently, Salov Group assessment process is organised in an informal and unstructured manner.
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 6.1 We are Salov				
GRI 405 - Diversity and equal opportunities	405-1 Diversity of governance bodies and employees	6.1 We are Salov				
	405-2 Ratio of basic salary and remuneration of women to men	6.1 We are Salov				

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Topic: Protection and development of human capital						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 6.1 We are Salvo				
GRI 406 - Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	6.1 We are Salvo				
Material topic: Sustainable supply chain						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis				
GRI 308 - Environmental Assessment of Suppliers	308-1 New suppliers that were screened using environmental criteria	Content Index			In 2022, no supplier assessments were carried out based on environmental criteria.	At the end of 2022, the Company launched a supplier assessment process through the distribution of an ESG-based questionnaire. This was meant to obtain a solid mapping. In the coming years, the Company undertakes to adopt a structured ESG screening process on its supply chain.
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis				
GRI 407 - Freedom of association and collective bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Content Index			There are no significant risks with respect to the activities of the Company and/or its suppliers since operations and procurement derive mainly from low-risk countries.	Disclosure information refers to the Human Freedom Index 2021 https://www.fraserinstitute.org/sites/default/files/human-freedom-index-2021-data-tables-figures.xlsx

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Material topic: Sustainable supply chain						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis				
GRI 408 - Child labour	408-1 Operations and suppliers at significant risk for incidents of child labour	Content Index				There are no significant risks with respect to the activities of the Company and/or its suppliers, operations and procurement derive mainly from countries with a low risk of human rights violations. Disclosure information refers to the Human Freedom Index 2021 https://www.fraserinstitute.org/sites/default/files/human-freedom-index-2021-data-tables-figures.xlsx
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis				
GRI 409 - Forced or compulsory labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Content Index				There are no significant risks with respect to the activities of the Company and/or its suppliers, since operations and procurement derive mainly from countries with a low risk of human rights violations. Disclosure information refers to the Human Freedom Index 2021 https://www.fraserinstitute.org/sites/default/files/human-freedom-index-2021-data-tables-figures.xlsx
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis				

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Material topic: Sustainable supply chain						
GRI 414 - Social evaluation of suppliers	414-1 New suppliers that were screened using social criteria	Content Index			In 2022, no supplier assessment was carried out based on social criteria.	At the end of 2022, the Company launched a supplier assessment process through the distribution of an ESG-based questionnaire. This is intended to generate a reliable map of suppliers. In the coming years, the Company undertakes to adopt a structured ESG screening process on its supply chain.
Material theme: Research and innovation						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis				
Material topic: Consumer health and safety						
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 7.2 Health and safety of our Products				
GRI 416 - Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	7.2 Health and safety of our Products				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	7.2 Health and safety of our Products				
GRI 3 - Material Topics (2021 release)	3-3 Management of material topics	1.7 Materiality Analysis 7.2 Health and safety of our Products				
GRI 417 - Marketing ed labelling	417-1 Requirements for product and service information and labelling	7.2 Health and safety of our Products				
	417-2 Incidents of non-compliance concerning product and service information and labelling	7.2 Health and safety of our Products				
	417-3 Incidents of non-compliance concerning marketing communications	7.2 Health and safety of our Products				

GRI Standard / Other sources	Disclosure	Chapter	Omission			Comments
			Requirement	Reason	Explanation	
Other non-material indicators						
GRI 204 - Procurement Practices	204-1 Proportion of spending on local suppliers	3.3 The Suppliers: Salov Ethics				
GRI 413 - Local Communities	413-2 Operations with significant actual and potential negative impacts on local communities	6.4 What we do for our territory				





AUDIT REPORT



SALOV S.P.A.

Assurance Statement on
2022 Sustainability Report

Protocol n. 1117.23



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Membrî del gruppo SGS

Sede Legale: Milano – Via Caldera, 21 Cap. Soc. € 2.500.000 i.v. C.F./N. Inscr. Reg. Impr. di Milano 04112680378 P.IVA n. 11370520154
REA MI n. 1463706 Cod. Mecc. n. MI223913 Società unipersonale soggetta a direzione e coordinamento di SGS SA

SGS Italia S.p.A. was commissioned by the management of Salov S.p.A. (hereinafter "Salov" or "Organization") to undertake an independent assurance of the Company's 2022 Sustainability Report (Report), in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter the "GRI Standards") in 2021.

Our responsibility in conducting the work commissioned from Salov, in accordance with the term of reference agreed on with the Organization, is solely towards the management of Salov .

This Independent Assurance Statement is intended solely for the information and use of Salov 's stakeholders and is not intended to be and should not be used by anyone other than this specified parties.

RESPONSIBILITY OF THE DIRECTORS FOR THE REPORT

Salov's Directors are responsible for preparing the Sustainability Report in compliance with the "GRI Standards" guideline, and for that part of internal control that they consider necessary to prepare the Sustainability Report that is free from material misstatement, whether due to fraud or unintentional behaviours or events. The Directors are also responsible for defining the sustainability performance targets of Salov, for reporting the sustainability results, as well as for identifying the stakeholders and the significant aspects to be reported.

INDEPENDENCE OF THE AUDITORS AND QUALITY CONTROL

SGS Italia S.p.A. SGS affirms its independence from Salov, being free from bias and conflict of interests with the Organization, its subsidiaries and stakeholders.

SGS Italia S.p.A. maintains an overall quality control system that includes directives and procedures on the compliance with the ethical principles and with the professional principles.

AUDITOR'S RESPONSABILITY

The responsibility of SGS Italia S.p.A. is to express an opinion concerning the reliability and accuracy of the information, data and statements contained in the 2022 Sustainability Report and to assess the compliance of the Report with the reference requirements, within the below mentioned assurance scope, with the purpose to inform all interested parties.

The scope of the work agreed on with Salov included the following aspects:

- analysis, according to Limited Assurance Engagement, of the business and data on sustainability, for the period running from January 1, 2022 to December 31, 2022 as contained in the Report;
- the evaluation of the Report against the Global Reporting Initiative's **GRI Standards 2021**.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the IAASB (International Auditing and Assurance Standards Board) for limited assurance engagements. The standard requires that we comply with applicable ethical requirements, including professional independence, and that we plan and perform our work to obtain limited assurance that the Report is free from material misstatement.

ASSURANCE METHODOLOGY

The procedures we performed consisted in verifying the compliance of the Report with the principles for defining the content and the quality of a sustainability report set out in the GRI Standards and are summarized as follows:

- analysing, through inquiries, the governance system and the process for managing the sustainability issues relating to the company's strategy and operations;
- analysing the process aimed at defining the significant reporting areas to be disclosed in the Report (materiality analysis), with reference to the methods for their identification, in terms of priority for the various stakeholders, as well as the internal validation of the process findings;

- analysing the internal consistency of the qualitative information described in the Report and analysing the processes underlying the generation, recording and management of quantitative data included in the Report. In detail, we carried out:

- meetings and interviews with the Salov 's management to achieve a general understanding of the information, accounting and reporting systems in use to prepare the Report, as well as of the internal control processes and procedures supporting the collection, aggregation, processing and submission of the information to the function responsible for the Report preparation;
- a sample-based analysis of the documents supporting the preparation of the Report, in order to obtain evidence of the reliability of processes in place and of the internal control system underlying the treatment of the information relating to the objectives disclosed in the Report;

The audit team was assembled based on their technical know-how, experience and qualification of each member in relation to the various dimensions assessed.

Auditing activities were carried out in May-June 2023 involving different Company's functions/departments.

Economic and financial data contained in the Financial Statements 2022, included in the Sustainability Report, have not been audited by SGS.

CONCLUSIONS

Based on the work performed, nothing has come to our attention that causes us to believe that the 2022 Sustainability Report of Salov has not been prepared, in all material respects, in compliance with the GRI Standards as disclosed in chapter "Methodological Note" of the Sustainability Report.

Milan, June 20th 2023

SGS Italia S.p.A.

Viviana Salieri
Knowledge
ESG Manager

Nicolò Cristoni
Knowledge
ESG Project Leader

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EY Climate Change & Sustainability

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This Sustainability Report is the result of teamwork throughout the Salov Group. Special thanks go to all colleagues, employees, customers and consumers who have made this accomplishment possible with enthusiasm and dedication.

To learn more about our company, visit:

WEBSITE

www.salov.com

www.filippoberio.com

www.sagra.it

SOCIAL MEDIA

