

SUSTAINABILITY REPORT 2023



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# CHAIRMAN'S letter to

Growth is the main duty of successful entrepreneurs. Inevitably, it encompasses virtuous growth, i.e., creating value for all stakeholders, and sustainable growth, i.e., the ability to generate lasting wealth in terms of business vitality and prosperity, guaranteeing and protecting the common good. The core of De Cecco's sustainable growth lies in the value of product quality, the main company value, which has always been driven the growth of our company family. The focus on achieving sustainable growth objectives and the determination to believe and invest in the fundamental values of our company generate confidence and project us year after year towards new and challenging goals despite the uncertainties associated with an extremely complex geopolitical context and a social and environmental scenario subject to many pressures. The analysis of the economic performance in 2023 clearly indicates that international markets are the new driving force for the Group. Today, Europe, a historically complex market for made-in-Italy pasta, accounts for approximately 25% of De Cecco's foreign sales.

During the year, we continued to strengthen our foothold in the market with revenues exceeding €630 million and recording a 22.5% increase over the past two years. Abroad, we celebrated 130 years of presence in the US market, consolidating our position with 53% of sales coming from exports.

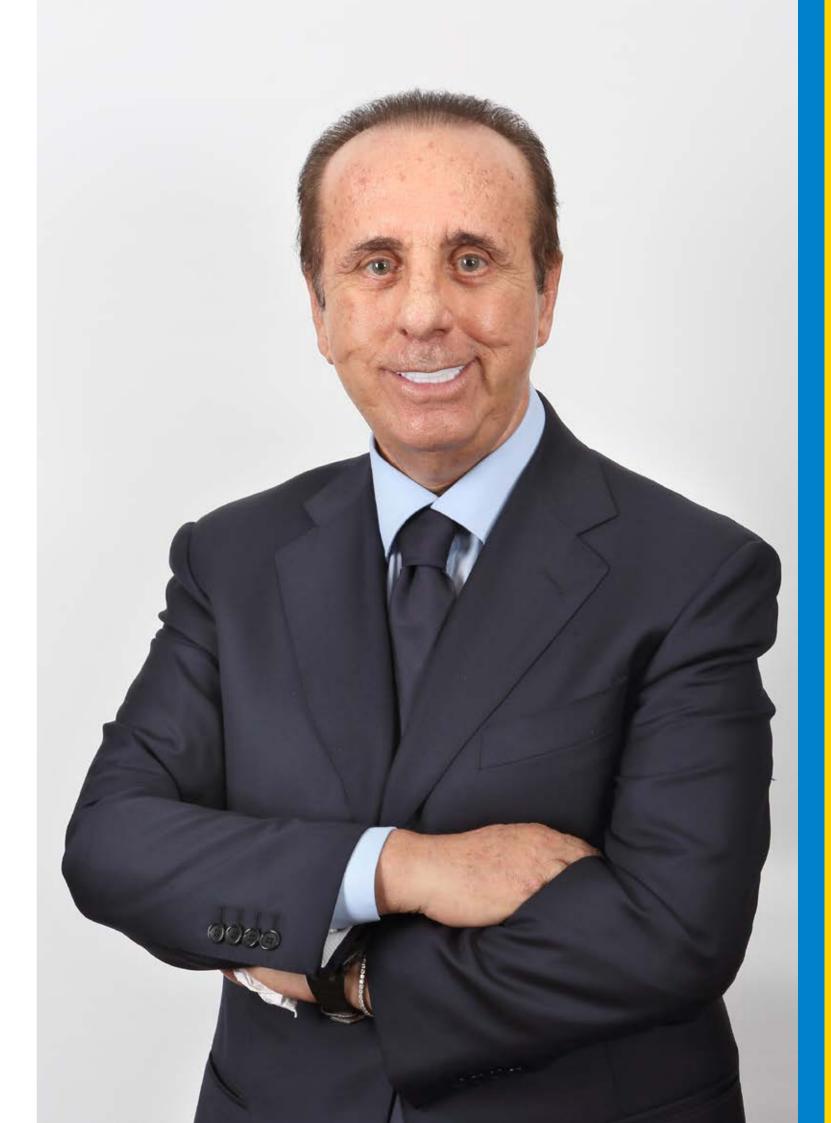
In this respect, "sustainability" plays an increasingly central role and sustainability reporting has become mandatory. In the 2023 edition of our report, we completed the transition from GRI to ESRS that we launched two years ago. Therefore, we began following the ESRS (European Sustainability Reporting Standards) well ahead of the obligation to publish the relevant disclosures, which will apply to our company as of the 2025 financial statements.

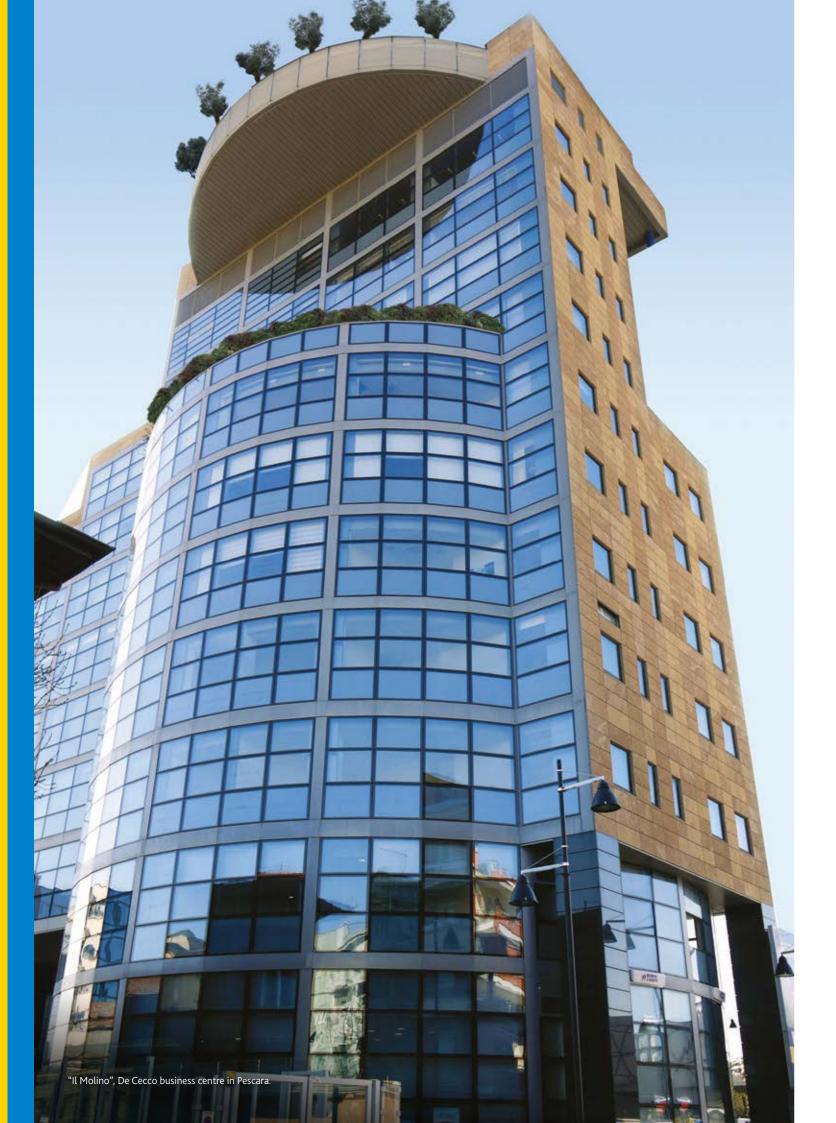
This milestone is the result of a natural, cross-generational approach to sustainability which is part of our historic family business, also supported by the willingness to "measure" and report on it in accordance with a reporting model based on the top international sustainability standards: from the **triple bottom line** of our first social report published in 2008, to the **GRI** in 2021, to the transition to the **ESRS** in 2022, **to the ESGe rating by Cerved Rating Agency with a high-end score in 2022, confirmed and growing in 2023.** 

The 2023 edition of our Sustainability Report is more technical, but its narrative ensures that everyone can fully understand the information and data related to our sustainability strategy, the results and ESG performance of the Group, a strategy, results and performance that can only be achieved thanks to the support and trust of our consumers and of all those who, in various ways, collaborate with us to create value.

I hope you enjoy reading this report.

The Chairman of the Board of Directors Filippo Antonio De Cecco





## Our history in A NUTSHELL

Ours is an ancient story about the bond between tradition, family and territory.

At the foot of the Maiella mountain, in the heart of an area (Fara San Martino) which is now a UNESCO World Geopark, Nicola Antonio De Cecco started his milling business in 1831. Nicola is the ancestor of the De Cecco dynasty.

1886 Filippo Giovanni De Cecco begins making pasta with the ingredients he had on hand: his own flour, "the best in the countryside", produced by his father Nicola, and pure spring water from the Verde river. Pastificio De Cecco is thus born.



Filippo Giovanni De Cecco, founder of the pasta factory

1889 Filippo De Cecco has a life changing idea: he put into operation the first artificial warmair drying plant, that would revolutionise pasta production and that is even mentioned in the Treccani Encyclopaedia. This made the process faster, more controlled, and safer. It also extended the shelf life of pasta and reduced its volume so that De Cecco pasta could be shipped to countries as far away as the United States where there were many Italian immigrants.

1893 De Cecco's "Macaroni" and "Vermicelli" receive a merit certificate and a gold medal for superior manufacture, color and firmness of form after cooking during the Chicago's World's Fair. At the turn of the 19th and 20th centuries, De Cecco pasta received many awards at numerous exhibitions: Rome, San Francisco, Antwerp, Turin, Hamburg, Philadelphia, Nice, L'Aquila and Milan.

1905 The first proprietary hydroelectric power station is built in Fara San Martino.

1924 F.lli De Cecco di Filippo Fara San Martino snc was founded and Filippo handed over the business to his sons: the company's name retains the reference to its founder.

1927 The Molino e Pastificio De Cecco (De Cecco Mill and Pasta Factory) was inaugurated in Pescara near the freight yard.

1943 The years of the Second World War were a sad page in our history too, the Fara San Martino factory was looted and blown up.

1944 The third generation of the De Cecco family undertook major reconstruction work, driving the reconstruction of the whole country.

1952 The famous logo of the young woman farmer in traditional costume is created. This brand will become known worldwide, a global synonym for Italian quality and tradition.

**1950-1960** De Cecco begins its industrial revolution by evolving from a family business to an industrial company.

Thanks to new continuous-cycle technologies, the production unit was expanded in 1965 and daily pasta production rose from 250 to 1,000 quintals.

1980 The "F.lli De Cecco di Filippo Fara San Martino S.p.A." was established, which today is the parent of the Group.

1984 "Olearia" was established, marking the launch of the bottling and sale of extra virgin olive oil, the first step of the diversification of the range of De Cecco products.

1990 The new pasta factory in Ortona replaces the Pescara plant located in the city centre and the Mill in Fara is renovated.

1992 The first foreign commercial subsidiary is opened in New York to better serve the US market. This decade also saw the launch of the sale of tomato derivatives, pulps and purees.

2006 The Sughi Pronti (ready-made sauces) line is launched in collaboration with the three-Michelin-starred chef Heinz Beck. In the following year, the ultra-modern De Cecco "Il Molino" business centre in Pescara, which houses the parent's sales offices, was inaugurated.

2010 Industrial investments continue, increasing the production capacity of the Fara Mill and the Ortona factory. Furthermore, in 2011, De Cecco acquired the Russian PMK Group, the second largest pasta producer in the Russian market, becoming the third largest pasta producer in the world.

**2014** The diversification process continues with the launch of the I Grani bakery line.

2016 In order to mark the 130th anniversary of De Cecco Pasta foundation, the Italian Ministry of Economic Development launched the first limited edition commemorative stamp dedicated to a pasta factory.



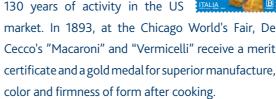
The Ministry of Economic Development includes De Cecco in the Register of Historic Trademarks where it stands out as the first dry pasta factory to have obtained the recognition of "Historic Brand of National Interest."

2022 New claim on pasta packaging, making consumers aware of the company's long history. After careful historical, legal, scientific and archive research, it was confirmed that the De Cecco family have been millers since 1831 and then pasta makers with formal continuity without any corporate changes. De Cecco also joins the Unione Imprese Centenarie Italiane as a Top Brand. On 31 January 2022, De Cecco officially joins the UNITED NATIONS GLOBAL COMPACT (UNGC) program.

COMPACT (UNGC) program, street the world's largest strategic corporate citizenship initiative.

Today, the De Cecco Group is present in over 100 countries. From its homeland of Abruzzo, it has carried the culture of Italian pasta to the U.S., Russia, Japan, and many other countries.

2023 The Italian Ministry of Enterprise and Made in Italy issues another stamp dedicated to the company to celebrate its 130 years of activity in the US



Dececco

A new 200Kwp photovoltaic system is installed on the terraced roof of an existing silo complex.

A new wheat storage facility consisting of 11 silos is put into operation - a strategic investment to seize even more opportunities in the quality wheat market. This storage facility was designed for sustainable economic development

powered by the new photovoltaic system.



Throughout this long history of growth, development and success, the willingness to hand down, safeguard and consolidate the founder's production principles has remained unchanged: blend of fine wheat, use of fresh semolina from our own mill mixed with cold spring water, rough bronze dies, slow drying at low temperature and constant quality control; these are all factors that De Cecco faithfully preserves over time to produce a superior quality tasty pasta, with high nutritional value.

Today, as in the past, everything shows great passion and the ongoing pursuit of no compromise on quality.



At the helm of the company for more than fifty years, on 29 April 1993, Filippo Antonio De Cecco signed his first act as Chairman of the Group. In 2023, we celebrated his 30 years as Chairman, a period marked by great changes that saw the De Cecco Group evolve from a national company into an international player and become the world's third largest pasta producer.





#### Administrative, management and supervisory bodies

## **OVERVIEW**

**De Cecco** report has been prepared on a voluntarily basis in accordance with European indicators (**European Sustainability Reporting Standards** or ESRS), covering all relevant **environmental**, **social** and **governance matters**.

This report provides an understanding of the company's impacts on ESG matters and how these affect the development, performance, brand positioning and direct and indirect business relationships in the upstream and downstream value chain, based on the outcome of the double materiality assessment. The company's approach to sustainability is in the short-, medium- and long-term:

- short-term means the reporting period covered by the financial statements;
- medium-term means a period up to five years;
- long-term means a period of more than five years.

In the case of long-term impacts or actions, De Cecco uses additional time periods in order to provide stakeholders with timely and relevant information.

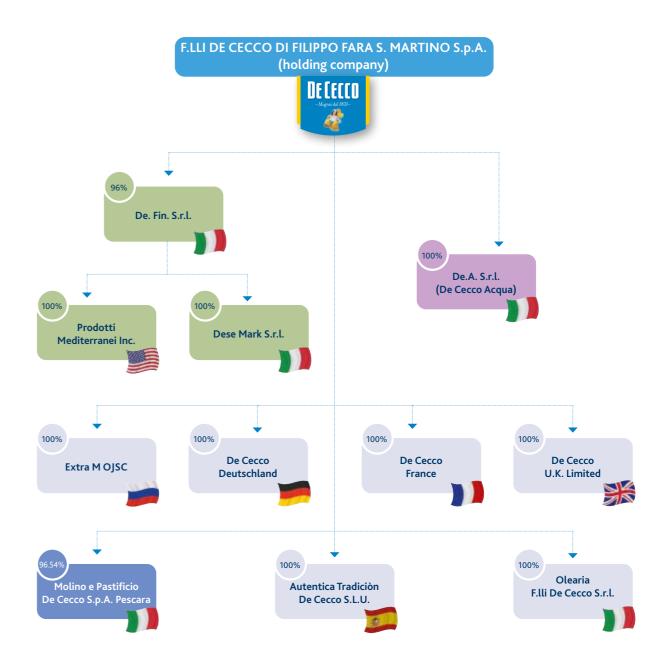
This sustainability reporting has been prepared in accordance with the principles of relevance, faithful representation, comparability, verifiability and understandability.

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## Governance

ESRS - to be	Disclosure Requirement	Paragraph	
	GOV 1	The role of the administrative, management and supervisory bodies	
ESRS 2	GOV 2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	
General disclosures	GOV 3	Integration of sustainability-related performance in incentive schemes	
	GOV 4	Statement on due diligence	
	GOV 5	Risk management and internal controls over sustainability reporting	

Today the De Cecco Group is an international group. De Cecco's world-famous superior-quality pasta is produced exclusively in Italy, specifically in the Abruzzo province of Chieti where the two production units in Fara San Martino and Ortona are located.



#### Sustainable due diligence

The outcome of De Cecco's sustainability due diligence process provides information about the company's assessment of its material impacts, risks and opportunities.

Due diligence is the process by which De Cecco identifies, prevents, mitigates and accounts for how it addresses the actual and potential negative impacts on the environment and people. Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. This process is described in the international instruments of the **UN Guiding Principles on Business and Human Rights** and the **OECD Guidelines** for Multinational Enterprises.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN DE CECCO'S SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	1.1.1 Administrative, management and supervisory bodies 1.1.3 Risk management 1.2.1 Our products 1.2.2 #DE CECCO since 1831 1.2.3 Certifications 1.2.4 Acknowledgments and awards
b) Engaging with affected stakeholders	1.3.2 Stakeholders 1.4 Impacts on the SDGs Policies: 2.1.1 Climate change adaptation 2.1.2 Climate change mitigation 2.2.1 Water consumption and withdrawals 2.2.2 Water use and discharges 2.3.1 Impact on habitat 2.4.1 Inflow of resources and sustainable supply chain 2.4.2 Outflow of resources and waste 3.1.3 Health and safety 3.1.4 Diversity and inclusion 3.1.5 Training and skills development 3.2.1 Impacts on the area 3.3.1 Privacy 3.3.2 Transparent communication 3.3.3 Consumer health and safety 3.3.4 Responsible marketing practices 4.1.1 Business conduct policies and corporate culture 4.1.2 Management of relationships with suppliers 4.1.3 Anti-corruption
c) identifying and assessing negative impacts	1.1.3 Risk management 1.3.1 Impacts, risks and opportunities

1.3.2 Stakeholders1.3.3 Double materiality

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### CORE ELEMENTS OF DUE DILIGENCE

### PARAGRAPHS IN DE CECCO'S SUSTAINABILITY STATEMENT

d) taking	action to address
these n	egative impacts

#### 1.4 Impacts on the SDGs

#### Actions:

- 2.1.1 Climate change adaptation
- 2.1.2 Climate change mitigation
- 2.2.1 Water consumption and withdrawals
- 2.2.2 Water use and discharges
- 2.3.1 Impact on habitat
- 2.4.1 Inflow of resources and sustainable supply chain
- 2.4.2 Outflow of resources and waste
- 3.1.3 Health and safety
- 3.1.4 Diversity and inclusion
- 3.1.5 Training and skills development
- 3.2.1 Impacts on the area
- 3.3.1 Privacy
- 3.3.2 Transparent communication
- 3.3.3 Consumer health and safety
- 3.3.4 Responsible marketing practices
- 4.1.1 Business conduct policies and corporate culture
- 4.1.2 Management of relationships with suppliers
- 4.1.3 Anti-corruption

### e) tracking the effectiveness of these efforts

#### 1.4 Impacts on the SDGs

#### Targets:

- 2.1.1 Climate change adaptation
- 2.1.2 Climate change mitigation
- 2.2.1 Water consumption and withdrawals
- 2.2.2 Water use and discharges
- 2.3.1 Impact on habitat
- 2.4.1 Inflow of resources and sustainable supply chain
- 2.4.2 Outflow of resources and waste
- 3.1.3 Health and safety
- 3.1.4 Diversity and inclusion
- 3.1.5 Training and skills development
- 3.2.1 Impacts on the area
- 3.3.1 Privacy
- 3.3.2 Transparent communication
- 3.3.3 Consumer health and safety
- 3.3.4 Responsible marketing practices
- 4.1.1 Business conduct policies and corporate culture
- 4.1.2 Management of relationships with suppliers
- 4.1.3 Anti-corruption

#### **Metrics:**

- 2.1.3 Energy and emissions
- 2.2.1 Water consumption and withdrawals
- 2.2.2 Water use and discharges
- 2.3.1 Impact on habitat
- 2.4.1 Inflow of resources and sustainable supply chain
- 2.4.2 Outflow of resources and waste
- 3.1.1 Own workforce
- 3.1.2 Work-life balance
- 3.1.3 Health and safety
- 3.1.5 Training and skills development
- 4.1.3 Anti-corruption

#### 1.2.1

#### Risk management

In a highly unpredictable and changeable context such as that of the past few years, characterised by historic events and new perspectives, as well as by the increase in international conflicts, risk management has become increasingly important for the management and development of companies and, in particular, for the correct definition and implementation of sustainable development strategies.

The new ESRS are based on a risk management approach and emphasise the fundamental role and need not only to show that they are sustainable, but to provide transparency about the actions effectively taken by the companies in order to prevent possible future negative impacts, and the investments and decisions made to generate opportunities for improvement in terms of sustainability.

1.2

## Strategy

ESRS - to be	Disclosure Requirement	Paragraph	
	SBM 1	Strategy, business model and value chain	
ESRS 2 General disclosures	SBM 2	Interests and views of stakeholders	
- disclosules	SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business models	

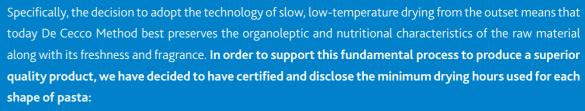


#### Our products

## Pasta

Our unique COARSE and POROUS pasta is ideal for sauces, is FIRM and HOLDS UP to COOKING thanks to:

- the high quality of wheat proteins
- the use of coarse-grained semolina produced in our Mill in Fara San Martino, located in the Maiella Natural Geopark, a UNESCO World Heritage Site, and worked with cold mountain water
- · long doughing, drawing and drying times.



from 9 hours for short shapes to 18 hours for long shapes and up to 36 hours for long shapes with holes.

We are mindful of the demands and needs of our consumers: that is why our pasta range is so diverse.

In addition to durum wheat semolina pasta, we have:

- EGG PASTA, mixed only with pasteurized eggs from free-range hens and fresh top-quality semolina.
- WHOLEGRAIN PASTA, we make semolina from all milling products, including wheat germ. This pasta is naturally rich in fibre and phosphorus and is a source of protein, iron, thiamine (vitamin B1), magnesium and zinc.
- GLUTEN-FREE PASTA, which guarantees the unique and unmistakable pleasure of a quality pasta thanks to the gluten-free range also inspired by the De Cecco Method. In addition to its high quality, this product is also extremely safe as it is produced in dedicated manufacturing plants, with "Gluten-free food" certification.

De Cecco's gluten-free pasta is also eligible for the Ministry of Health and the "Spiga Barrata" logo, which is granted by the Italian Coeliac Association. This product has a new original package and is also available in pharmacies and parapharmacies.

- PASTA SPECIALTIES, Tricolor, Spinach, Khorasan wheat; this range satisfies the most demanding customers on the hunt for high quality and delicious products that are full of tasty goodness and aroma
- 7-GRAIN PASTA, rich in taste and flavour for a completely new experience combining a mixture of 80% durum wheat semolina, which gives the pasta structure and texture, with six other whole grain flours: spelt (10%), barley (4%), rye (2%), oats (2%), maize (1%) and millet (1%).
- ORGANIC PASTA, produced in compliance with European standards for organic farming and respecting the natural harmony of the environment.

## POTATO gnocchi

A traditional Italian dish. De Cecco range is based on the classic recipe combining selected potatoes and wheat flour. This range also includes gnocchi with fresh potatoes, gnocchi with wholemeal flour and also glutenfree gnocchi



## Rice

Like all our products, rice follows our #AllaDeCecco values. For this reason grains are the result of a careful selection of raw materials, to best meet all cooking needs. A culture of tradition and quality is behind our selection of the best Italian rice to meet the most diverse gastronomic demands.

The storage methods and vacuum packaging technique allow the product to maintain its fragrance, colours and flavourings, all unchanged.



## Sauces **AND CONDIMENTS**

De Cecco sauces and condiments are developed in collaboration with the great starred Chef Heinz Beck who revisits tasty recipes from the Italian tradition. Through our selected tomatoes we offer our consumers a taste of Italian tradition. Raw materials are carefully and meticulously selected in particularly fertile and sunny areas where 100% Italian tomatoes are harvested in full maturity.



## **Tomato PRODUCTS**

The quality of De Cecco's wide range of tomato products is guaranteed by the use of tomatoes grown and processed in Italy in particularly fertile and sunny areas where the tomatoes are harvested in full maturity.



## Milled **PRODUCTS**

The entire range is subject to thorough laboratory testing to ensure that the products comply with the company's philosophy of no compromise on quality.

Perfect for creating any number of dishes, be it crispy homemade bread, a wonderful puff pastry or delicious homemade pasta.









## Couscous

Typical of the North African tradition, couscous comes from the selection of the best raw materials and the use of the most advanced technologies, guaranteeing the quality that has always distinguished De Cecco products.



## Oil AND VINEGAR

The same passion for quality that distinguishes De Cecco in their pasta products can also be found in De Cecco extra-virgin olive oil. All derive from the same careful selection of ingredients and a goal to bring to the table the taste, attention and care that have always symbolised De Cecco products.

Season after season, we research and select the best extra virgin olive oil: cold-pressed, to preserve every nuance of fragrance and flavour of the olives.

No compromise on quality based on the careful research and selection of raw materials, the scrupulous care of all stages of the production process, and the use of dark glass bottles to best preserve oil characteristics.

This technologically advanced and certified process results in a complete range of products which satisfy even the most demanding consumers.





## range

An extremely rich range among the most comprehensive on the market, ideal to cover the needs of even the most demanding caterers: from traditional pasta shapes to those typical of Italian regions, from creative and gastronomic to healthy ones, but also extra virgin olive oil, peeled tomatoes, tomato pulp and rice. All this in a variety of sizes to best meet the needs of the catering industry.



## BAKERY goods

Wheat is the heart of all our products. De Cecco has always chosen to use only the highest quality wheat and to process it in accordance with tradition. From these choices, renewed daily for over 130 years, the line I Grani De Cecco was created: soft breads, crackers, breadsticks, rolls and snacks; recipes with fine ingredients, at the same time simple and natural, such as Extra Virgin Olive Oil with which we prepare all the products of the line. Each type of wheat has been specially chosen to enhance the characteristics of each product: hence the name of the line, which focuses on the importance of the raw material used. All our products have always been made without dyes, hydrogenated fats, GMOs and palm oil.

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A wide selection of practical and smart packages for exclusive gift boxes containing a collection of De Cecco products.



#DE CECCO since 1831

# raw materials of QUALITY

Our commitment to and the efforts we put to manage our control processes are a direct result of our corporate vision: we believe that quality assurance and quality control are fundamental elements to achieve the goals of our Method and to fully satisfy the value expectations of those who choose our products every day.

We emphasize the history of our roots, hence our origins of "millers since 1831", which clearly indicate an in-depth knowledge of the white art, which led to the expertise of "pasta makers since 1886". The current De Cecco Method perfectly summarises the ancient production expertise that over almost two centuries, through generations, has been able to embrace modernity and technological innovation and to apply it to traditional production systems. This drove the growth and development of the company, while preserving and protecting tradition and transmitting knowledge and skills in the field of wheat, white art and the art of pasta making with an incalculably value both for our sector and for the country system: "made in Italy".

According to the De Cecco Method, using top quality wheat is an essential condition: when the technology of slow drying at low temperatures is used, superior quality pasta can only be produced if the wheat used is of the highest quality. That is why the agronomists in charge of researching and developing the best wheat in Italy and abroad play a major role in our company. What determines high quality wheat? We have to consider the quantity and quality of protein.

of at least 14% on semolina and pasta. Guaranteeing this constant level over time, considering the varieties of national and international wheat, and the not always optimal quality of national harvests, entails the need to find durum wheat on the world market that has more than 15% protein. However, this is not enough. The quantity of protein must also be matched by quality, which is measured by the gluten index: De Cecco has set the gluten index for wheat at an optimal level that contributes to the superior quality of its pasta, guaranteeing the gluten index in pasta semolina ≥ 70, a figure certified since 2004.



### **OUT** WHEAT selection

De Cecco's raw materials are subject to severe quality controls in order to be accepted and used for production. As part of its high quality and health standards, De Cecco researches and selects the best raw materials not only in Italy, but also abroad. Overall, Italian wheat production accounts for approximately 60% of Italy's needs. Consequently, imports are necessary. De Cecco uses Italian raw materials in a range from 60 to 40% (on average about 50%), depending on the quality of each individual wheat campaign. The remaining 40%-60% is covered by imported wheat from California, especially, Arizona, and Australia and EU countries that meet the suitability and quality requirements set by our method.

Therefore, we ask our supply chain:

- wheat with a protein content of more than 14% and a Gluten Index value of more than 62;
- wheat that is totally healthy in terms of mycotoxins, pesticides and heavy metals, which must be well below legal limits;
- the use of specific varieties selected by De Cecco and certified seeds.

The quality of our end products is our driver and sets both the characteristics of the raw material and the organisation of the procurement process.

As confirmed by historical sources, as early as the beginning of the 20th century, the founder of the pasta factory was already collaborating with local farmers on wheat supplies, thus giving rise to genuine "proto-farms".

1 See the historical essay by Sandro Sciarra "Cav. Filippo De Cecco e il grano duro teatino, dal Consorzio Granario al Contratto di Filiera (1913-1928)", published and registered in the OPAC SBN in 2020:

https://opac.sbn.it/risultati-ricerca-avanzata/-/opacadv/

index/9/ITICCUBVE0859662?fieldstruct%5B1%5D=ricerca.parole\_tutte%3A4%3D6&fieldvalue%5B1%5D=sandro+scia rra&fieldaccess%5B1%5D=Any%3A1016%3Anocheck&struct%3A1001=ricerca.parole\_almeno\_una%3A%40or%40

The same essay is also registered and catalogued, together with other De Cecco monographs, in the CoRiS (Communication and Social Research) Library at La Sapienza University in Rome:

https://opac.uniroma1.it/SebinaOpacRMS/query/sandro%20sciarra?context=catalogo

## Nutritional VALUES

Our pasta is entirely made of durum wheat semolina and water. Vitamins are only added to pasta exported to the North American market according to the requirements and obligations imposed by regional/local legislation in those countries. Below is the nutritional information on De Cecco packages of normal and wholemeal durum wheat semolina pasta:

## AVERAGE NUTRITIONAL VALUES PER 100 GRAMS OF SEMOLINA PASTA

**ENERGY 351 kcal** 

FATS 1.5 g of which saturated fatty acids 0.3 g

CARBOHYDRATES 69 g of which sugars 3.4 g

FIBRES 2.9 g

PROTEINS 14 g

SALT 0 g

### AVERAGE NUTRITIONAL VALUES PER 100 GRAMS OF WHOLEMEAL PASTA

**ENERGY 345 kcal** 

FATS 2.8 g of which saturated fatty acids 0.6 g

CARBOHYDRATES 61 g of which sugars 2.4 g

FIBRES 8 g

PROTEINS 15 g

SALT 0.01 g

THIAMINE VIT.B1 0.18 mg

PHOSPHORUS 220 mg

MAGNESIUM 86 mg

IRON 3 mg

ZINC 2 mg

# The experience of OUR AGRONOMISTS

Agronomists are highly specialised and fundamental experts who rigorously work within our organisational structure. Their work is an added value for our company as it supports growth from a functional and technical point of view.

They include specialised academics, researchers of new wheat varieties, farmers' advisors and wheat storage facilities. Agronomists complement De Cecco's continuous search for excellence in raw materials by seeking out the best Italian and foreign durum wheats with a direct commitment also in the development of new crops and the promotion of excellent harvests. Special attention is paid to the Italian regions most suited to cultivating durum wheat. Above all, they are committed to De Cecco's high quality durum wheat in Italy on a daily basis.



#### De Cecco quality: the Italian supply chain

De Cecco's ongoing success that has been going on for almost two centuries cannot be analysed by observing individual company projects or autonomous business strategies. Indeed, they are the result of a systemic view of the company in which each element in the system is fundamental to the pursuit of its business activities over the decades. Entrepreneurship based on the continuous search for quality, and quality determined by the careful implementation of a sustainable supply chain and attention to consumer needs and all

relevant players in the supply chain.

In order to achieve this, we believe that economic growth must constantly be accompanied by social growth, as well as respect for the environment. Therefore, at De Cecco we have always accompanied our stakeholders, supporting them in their evolution and development, raising their awareness and informing them of our choices, today more than ever in relation to ESG matters, so that they too can feel part, and above all active players, of a common sustainable growth strategy.

#### De Cecco's commitment to high-quality Italian durum wheat in 2023:

12	1,415	16,010	9	7,407*
years of supply chain contracts	farms involved	hectares	varieties of wheat	tonnes produced
<u> </u>				

quaranteed minimum price to ensure cost coverage for all players in the supply chain



2022	2023
11	12
1, 357	1,415
15,667	16,010
8	9
35,538	7,407*
	11 1, 357 15,667

24

quantity requirements stipulated in the supply chain contract)

#### De Cecco quality: the foreign supply chain

Durum wheat is a product of land, cultivated in Italy and in many parts of the world and at the most diverse latitudes. Constantly changing climatic conditions can affect crop yields and quality in unpredictable ways.

In particular, we manage the risk embedded in the durum wheat we buy abroad by entering into supply chain agreements, a 30-year supply chain with suppliers in Arizona and California, unique in Italy and probably in the world.

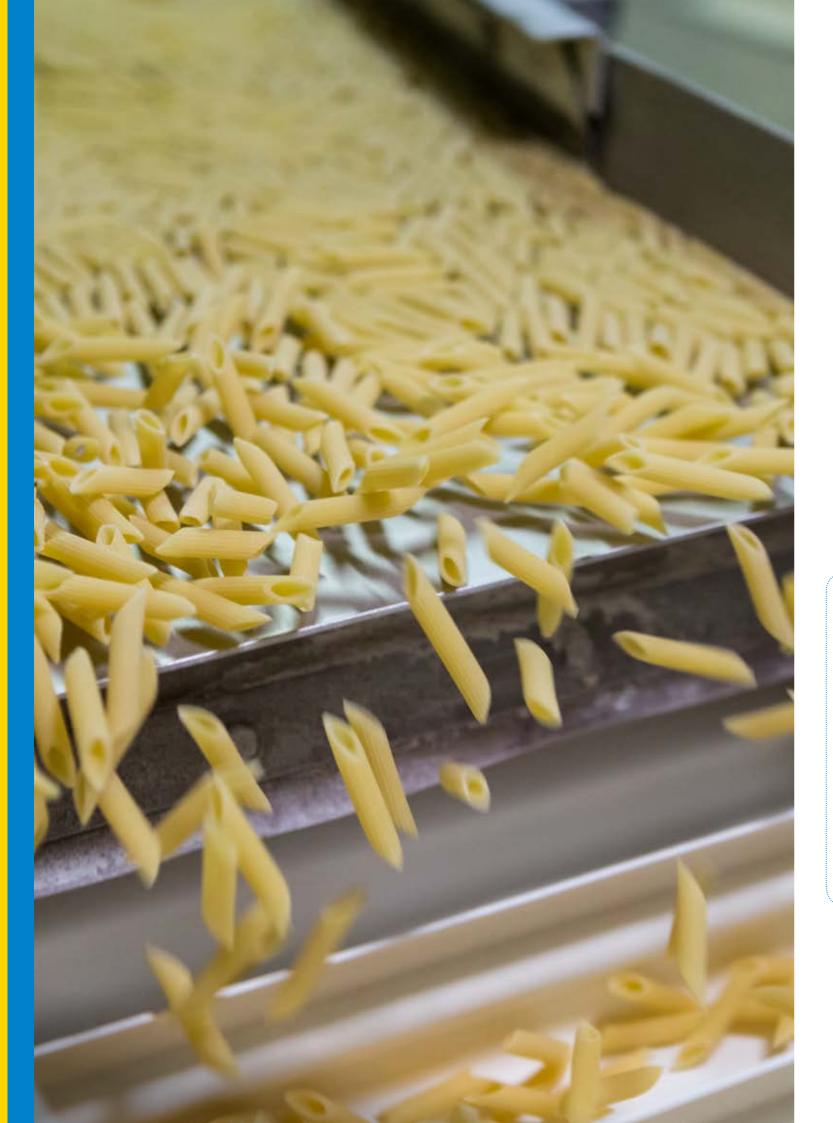
The arid areas of those regions and the availability of channelled water "when needed", guarantee an ideal and above all constant soil and climate context. Every year, in those areas, De Cecco commissions the sowing (in November), the harvest (in June) and the selection (in July) of the best lots that, over the next twelve months, will be the essential basis of the blends with all the best wheat (Italian, European and foreign)

generated by the crop year. In short, a virtuous union between the solidity and security of "Desert Durum" wheat and the unpredictability of the excellence of all other origins.

The continuous and constant research and development of the best seeds (strictly GMOfree) proposed by US suppliers, developed in the field by farmers and validated by the De Cecco Laboratory are an integral and complementary part of this approach: the analysis of the results and De Cecco's almost two centuries of expertise in the field, through the final word of the Chairman of the Board, indicate the new varieties ultimately purchased, selected for sowing in the De Cecco supply chain areas.

This process ensures both the constant renewal of seeds and, above all, the continuous improvement of the quality of the wheat.





## De Cecco production process for SUPERIOR QUALITY PASTA

Dried pasta made from durum wheat is one of the simplest and most natural foods that humankind has ever made. It uses just one ingredient, durum wheat semolina flour, which water is added to in order to form an even dough that is then turned into the desired pasta shape and dried. There are four basic stages to the pasta production process: mixing, kneading and extruding (or drawing), which all occur in a continuous press, and finally drying.



### 2. Kneading

The high humidity of the dough ensures optimum development of the gluten during kneading, which occurs inside the extrusion screw. The energy generated during extrusion enables the formation of new bonds between the protein molecules with the formation of the gluten. The gluten must be strong and well developed in order to form a mesh that envelops the starch granules. Only by slow drying can you guarantee excellent cooking quality. Thanks to a controlled extrusion process (a finely-tuned balance between the extruder, extrusion pressure and speed), the dough then passes through the extruder.

### 1. Dough

The dough is made in kneading tanks with rotating blades, designed to guarantee lengthy kneading times (over 20 minutes, compared to the 2-7 minutes of high-productivity systems), essential for the optimum hydration of the special De Cecco semolina. This "large grain" semolina (40% with a diameter of more than 400 microns), is kneaded with large amounts of cold water (27-30 litres for every 100 kg of semolina), to give the dough a 33-35% humidity, compared with the 28-30% of other pasta-making systems.





### 3. Extrusion

Extrusion results in the desired pasta shape thanks to the die, a thick bronze plate that gives the pasta its characteristic coarse surface. When the pasta comes out of the die, it contains about 33% water. This marks the start of the drying process, the aim of which is to eliminate the water from the pasta, lowering it to below 12.5% so that it can be stored.

### 4. Drying

Drying has always been considered the most crucial and most difficult stages in the entire process, and it has a significant bearing on the pasta's quality.

THERE ARE 2 DIFFERENT WAYS TO DRY PASTA TODAY:

- slow drying at low temperatures, a method traditionally adopted by De Cecco and some small producers;
- rapid drying at high temperatures, today used by almost all industrial pasta producers since the 1980s and 1990s (articles by Pagani 2013, and Giannetti 2014)

The Slow Drying system was invented by Filippo De Cecco in 1889, which has enabled De Cecco to produce pasta of the highest quality since its inception, regardless of the climatic conditions of the place of production and perfectly suitable for storage.

This drying system was so sophisticated that it is still in use in Pastificio today. Although the static drying booths have been replaced by continuous drying lines, the method has remained the same: slow drying at low temperature (minimum 9 hours for short shape pasta, minimum 18 hours for long shape pasta, minimum 36 hours for long shape pasta), with alternating phases of drying and resting.

This traditional drying system helps to develop the flavours that give the pasta its defining taste, something which does not happen with pasta dried at high temperatures.



Rapid drying at high temperatures is a technology that results in huge time-savings and, with alternating drying and resting stages having practically disappeared, drying times are down to an average of 4-6 hours for long shape pasta and 3-5 hours for short shape varieties.

As proven by scientific studies on quality pasta, from 1980 to today, slow drying at low temperatures is the production system that best preserves the natural qualities of the product, the basis for premium-quality pasta.



#### SO, WHY DOESN'T EVERYBODY DO IT?

Slow drying requires significantly higher costs than hightemperature drying for the same output. This means:

- 30-50% greater investments for systems and buildings.
- lower yields due to the weekly downtime (20 hours) required for emptying the systems of slow drying lines.
   In contrast, high-temperature lines only require 3-6 hours, saving time and labour;
- more waste product if the system fails due to the much larger quantities of pasta in the dryers (3-5 times the amount);
- use of high quality semolina from only the best wheat with low milling yields.

Why has De Cecco continued to use a production method apparently not suited to industrial processes, needing much higher production costs than modern high-temperature and short-drying technologies?

To provide consumers with a premium-quality product. Various studies have been carried out that examine the effect of temperature on the properties of pasta. These effects can be summarised in heat damage, which leads to:

 the formation of bitter-tasting, astringent substances not found in the wheat; significant changes in the colour and aroma compared to the original semolina; • a reduced protein content due to the loss of **lysine**, an essential amino-acid; the formation of AGEs (advanced glycation end-products, the result of a chain of chemical reactions following the initial glycation).

In contrast, slow drying at low temperatures restricts these reactions, preserving the natural qualities of the product to the point that low-temperature drying is the indispensable basis for the production of premium-quality pasta, according to findings from the Sapienza University in Rome (Giannetti).

Today, analysis of **furosine**, an indicator for heat damage, makes it easy to identify the drying methods used for the pasta. These indicators confirm that De Cecco pasta is dried at low temperatures and therefore preserves the natural qualities of the grain and the nutritional properties of the original semolina as best as possible.

De Cecco wholegrain pasta is certified as being dried at low temperatures by the University of Milan (DeFENS), and this is printed on all our packaging.

Slow drying combined with the optimisation of every stage during production (starting with selection of the best durum wheat ground by the company's own mill to produce a one-of-a-kind semolina), are the cornerstones of the DE CECCO METHOD, a guarantee of quality for consumers seeking a premium-quality product.

#### *Literature:*

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Marti A., Bottega G., Patacca C., Pagani M.a., "Indagine sul Danno termico della pasta secca e sue relazioni con le caratteristiche della Materia Prima e delle condizioni di Processo". Tecnica Molitoria 64:286-295, 2013 Università degli Studi di Milano, Department of Food, Nutritional and Environmental Sciences (DeFENS).









## **CONTROL**

### **PROCESSES**

For us at De Cecco, management of product quality risks is a cornerstone of our entire business activity: we want our pasta, our oil and all our other products to be good, healthy and safe. For this reason, **the control** processes we put in place are present and integrated in all phases of our products' life cycle, from raw material to production, from semi-finished to finished products.

Our control processes avail of an **Integrated Laboratory** in which a team comprised of 35 qualified professionals, located in the two De Cecco production units of Fara San Martino and Ortona.

Our experts carry out all analytical controls of the raw material and finished products, as well as processes and packaging.

Our laboratories, equipped with the most modern and sophisticated equipment, ensure that everything is in line with our tradition and our method, analysing, checking and validating compliance with all legal requirements and our quality standards.

In addition to the analysis and audits of raw materials and products, control processes at De Cecco are completed each year through systematic and structured actions of independent third-party audits for data certification, internal auditing on production processes, support processes and, in particular, on production-related hygiene and health and safety aspects in the workplace.

Furthermore, second-party audit plans on major suppliers are in place and organised.

#### Internal and external audits

The most operational and tangible part of our control processes refers to all the internal and external audits that we carry out at several levels and at different stages of our production processes every year. Most of the annual audits are internal: we demand rigour and quality, first and foremost, from us.

We perform 3 types of self-control activities:

- 1. LABORATORY ANALYSES ON RAW MATERIALS: these analyses are conducted in our in-house laboratories and enable us to ensure that every single kilogram of wheat or semolina that enters our plants is safe for consumers and meets our quality requirements. Our raw materials are subject to 5 different types of analysis:
- Merchandise analysis (aimed at checking the organoleptic qualities of wheat)
- **2. Chemical analysis** (to measure moisture, ash and wheat protein)
- 3. Analysis to detect mycotoxins
- 4. Analysis to detect heavy metals
- 5. Analysis for pesticide residues

In addition, exclusively for semolina, wheat size tests are carried out to check compliance with certification parameters (on presses, 40% >400 microns).

IN 2023, WE CONDUCTED MORE THAN 7,000 ANALYSES ON RAW MATERIALS IN OUR LABORATORIES.

2. LABORATORY ANALYSIS OF FINISHED PRODUCTS: this type of analysis is also conducted in our in-house laboratories and is focused on checking that our products comply with the quality requirements established by our method and quality standards, as well as by law.

Our PASTA is subject to 7 types of analysis:

- Chemical and Microbiological Analysis
   (to measure moisture, ash, protein and the microbiology of egg pasta)
- **2. Sensory analysis** (organoleptic evaluation of pasta in accordance with ISO 7304)
- 3. Dimensional checks
- 4. Analysis to detect mycotoxins
- 5. Analysis to detect heavy metals
- 6. Analysis for pesticide residues
- 7. Organoleptic panel

Only to the extent of pasta for the US market, we also conduct **Analyses to check compliance of vitamin dosage.** 

Finally, with respect to olive oil, we carry out 3 types of analysis:

- Elemental analyses (to measure acidity and peroxides)
- 2. Organoleptic panel
- 3. Analysis for pesticide residues

IN 2023, WE CONDUCTED MORE THAN 19,000 ANALYSES ON FINISHED PRODUCTS IN OUR LABORATORIES.

3. INTERNAL PROCESS AUDITS: every year our Quality Assurance Team, also in collaboration with the Internal Audit Function, plans and implements an intervention plan to investigate the functionality, effectiveness and compliance of production and support processes. Particular attention is paid to the sanitation and health conditions of work environments and production lines: the monitoring plan and routine inspections are complemented by an annual plan of production stops for scheduled preventive sanitisation of the production units as a whole.

Internal audits carried out on the production process	Number of audits 2022	Number of audits 2023
Procurement process, reception and storage of main raw materials	2	2
Milling process	2	2
Production process	2	1
Hygiene (inspections)	12	12
CCP (Critical Control Point)	1	2

The same rigour that we apply to ourselves applies to our suppliers and partners. Every year, we plan and implement second-party audits at our main suppliers of raw materials, packaging and marketed products.

SECOND-PARTY AUDITS OF SUPPLIERS	20	22	20	)23
Second-party audits of suppliers		% of total suppliers		
Raw materials	3	27.7%	2	20%
Primary packaging	2	28.5%	0	
Secondary packaging	1	25.0%	0	
Marketed products	3	27.7%	2	18%
Subcontractors	-		4	100%

Our activities, our method and our products are subject to both internal control, through specialised and qualified auditors, and to institutions and governmental control bodies appointed to carry out specific activities. Following the many voluntary certifications that we obtained, during the year, we are periodically subject to third-party audits and audits by certification bodies, such as DNV, the

Customs Agency, the Federation of Synagogues, the World Halal Authority, ICEA, and other environmental partners. Specifically, in 2023, our production processes were audited for quality, environmental and food safety management systems, also in relation to waste products intended for livestock use, i.e., pet food.

## Certifications

Our production in terms of quality and care for the product and processes is audited by independent third-party bodies against national and international standards. In 2023, a total of 20 certification and assurance projects were in place.

They are shown in chronological order below, from the first certification achieved (KOSHER in 1996) to the most recent (Gender Equality in 2022):



#### KOSHER CERTIFICATION FOR PASTA

(first certificate issued on 1 May 1996).

This certifies that our pasta meets Jewish standards, i.e., the food and nutritional rules of the Jewish religion. Kosher means "adequacy". Thanks to this internationally recognised certification, we increased our foothold in certain markets where the need for products that conform to those religious rules is particularly strong.



#### • H.A.C.C.P. CERTIFICATION.

(first certificate issued on 1 April 2003).

H.A.C.C.P. stands for Hazard Analysis Critical Control Point. This is a control system adopted by all companies in the food sector and has food safety as its main objective. Food companies are required to implement a self-control system. As the certification of this system is not mandatory, De Cecco's decision to obtain the H.A.C.C.P. certification shows its outstanding commitment to making safe products by fulfilling legal obligations.



#### • ISO 9001 CERTIFICATION

(first certificate issued on 7 May 2003).

The ISO 9001 standard establishes the criteria for a Quality Management System whose primary objective is to ensure continuous improvement in performance in order to maintain a constant quality of the products and services offered to customers/consumers. At De Cecco, the Quality Management System has followed the entire evolution of the standard, starting with compliance with the first edition in 1987 until the current one, which pays particular attention to the process approach and to stakeholders.



#### • PRODUCT CERTIFICATION - PC FOOD

(first certificate issued on 29 June 2004).

De Cecco is the first pasta manufacturer in Italy to have obtained this certification. PC FOOD certifies product excellence through distinctive quality parameters. The adoption of this standard indicates the objective and measurable organoleptic and nutritional quality of pasta. According to the product specification: "De Cecco is one of the few industrial pasta factories that, instead of increasing the quantity of product manufactured, aims to preserve the quality of this product. We are not talking about "generic quality" that cannot be better explained to the consumer, but a quality based on real data, on analytical parameters that are already subject to constant measurement and control".



#### • SOCIAL ACCOUNTABILITY CERTIFICATION - SA8000

(first certificate issued on 25 February 2005).

De Cecco is the first pasta manufacturer in the world to have obtained this certification. The SA8000 standard is recognised worldwide and aims to guarantee optimal working conditions. The guiding principles are the 19 ILO (International Labour Organisation) conventions and the UN Conventions on the rights of the child and human rights. A certified management system that complies with this standard ensures proper management and constant monitoring of all activities and processes that affect workers' conditions. Its requirements also extend to the supply chain.



#### • BRITISH RETAIL CONSORTIUM (BRC) CERTIFICATION

(first certificate issued on 3 August 2005).

The BRC standard is an important international standard with an emphasis on food safety. It is based on H.A.C.C.P. and pays particular attention to the working environment and product and process controls. It is required of all operators that plan to enter the UK retail market. Indeed, the British Retail Consortium is the consortium of British supermarket chains.



#### INTERNATIONAL FOOD STANDARD (IFS) CERTIFICATION

34

(first certificate issued on 3 August 2005).

The IFS standard is an important international standard with an emphasis on food safety. It is based on H.A.C.C.P. and pays particular attention to compliance with hygiene standards and good practice in production processes to ensure a good level of safety and quality. It is required of all operators that plan to enter the French and German retail market.





#### • BIO CERTIFICATION

(first certificate issued on 31 August 2006).

All over the world, more and more consumers are choosing BIO branded food because it is perceived as safer and more sustainable from an environmental and health point of view. The "Organic Product" certification, issued by bodies expressly authorised by the Ministry of Agriculture, Food and Forestry Policies, covers all levels of the production chain as required by the relevant European regulations. In particular, EC Regulations nos. 834/2007 and 889/2008 detail the technical aspects of production, labelling and control and also apply to imported products.



#### • ISO 14001 ENVIRONMENTAL CERTIFICATION

(first certificate issued on 2 October 2007).

THIS IS a voluntary self-monitoring and empowerment tool to pursue the continuous improvement of environmental performance. Always attentive to safeguarding the ecosystem in which its production units are located, De Cecco decided to develop an environmental management system in compliance with this international standard. The certification guarantees compliance with environmental regulations, constant monitoring of performance and its continuous improvement with a view to reducing environmental impacts and risks.



#### AUTHORISED ECONOMIC OPERATOR (AEO) CERTIFICATION

(first certificate issued on 29 April 2009).

This is the customs certification. It is intended for companies based in the EU with highly reliable self-monitoring procedural and organisational systems with particular reference to customs, logistics, administrative, safety and quality aspects. The AEO certificate has become important following the new EU Customs Code and is an integral part of an international programme to certify a company's reliability in international trade.



#### • PAY PER PAGE GREEN CERTIFICATE

(first certificate issued on 13 May 2011).

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This certificate confirms the company's environmental achievements in reducing electricity consumption, paper consumption and CO2 emissions in internal printing processes.



#### ADHERENCE TO ISO 26000

(first certificate issued 15 June 2011).

Second ISO 26000 Certificate & UN AGENDA 2030 issued on 16 December 2020. ISO 26000 is the Guideline for the Social Responsibility of Organisations. It identifies the key issues of Social Responsibility and provides a cross-cutting understanding of them, reconciling the organisation's practices with the principles recognised by customers, consumers, public administrations and other stakeholders. De Cecco has adopted this approach in line with its characteristics of a major international group, around which the interests of numerous stakeholders revolve. In 2011 and again in 2020, an independent third party was engaged to evaluate the organisation's level of maturity with respect to the Guideline. The results were flattering in both cases. Specifically, the activity carried out at the end of 2020 also included a positioning analysis with respect to the 17 Sustainable Development Goals of the UN 2030 Agenda which highlighted the positive contribution of De Cecco in the pursuit of each UN goal. The Assurance Statement with the related results is available on the company website.



#### • UNI 11381 CERTIFICATION

(first certificate issued on 24 June 2011).

This relates to the conformity of pest monitoring according to the methods defined by the UNI 11381 standard for designing and implementing pest monitoring systems in food industries.



#### ENVIRONMENTAL PRODUCT DECLARATION (EPD)

(first certificate issued on 5 August 2011).

This certification quantifies the overall environmental impact caused by the production, marketing and consumption of goods or services. It is based on the Product Life Cycle Assessment (LCA) methodology, which takes into account all the consumption of natural resources (water, energy, raw materials) and all the inputs into the environment (from CO2 to waste) that are necessary to produce the goods, from agricultural cultivation to packaging disposal/recycling. This certification is approved by the independent ENVIRONDEC body as part of a review process that ensures the correctness and validity of the data and calculation methods used. De Cecco draws up EPDs for semolina pasta, egg pasta and oil.



#### • ISO 45001 CERTIFICATION

(first OHSAS certificate issued on 24 July 2013).

The ISO 45001 standard, which replaced the OHSAS 18001 standard on occupational health and safety, was developed according to the structure of the other ISO standards with the aim of facilitating integration. This certification guarantees the compliance of the implemented management system with the requirements of occupational health and safety assurance, risk control and continuous performance improvement.



#### HALAL 1 CERTIFICATION

(first certificate issued on 15 July 2015).

It certifies the conformity of De Cecco products with the dietary rules and behaviour allowed by the Islamic religion. Halal is an Arabic word which means "lawful", generally in relation to all habits, not just food. This internationally recognised certification allows a foothold in markets where the need for products conforming to those religious rules is particularly strong.



#### • GMP+ CERTIFICATE

(first certificate issued on 5 December 2017).

The GMP+ standard responds to the need for guarantees for the products used to feed animals. Since the milling process involves the production of raw materials (byproducts) for animal feed derived from the processing of wheat, this certification confirms the attention paid to the issue of food safety, including animal safety. It consists of monitoring parameters that contribute to defining the quality of livestock feed, such as the control of undesirable substances (aflatoxins, pesticides) and possible contaminants of microbiological origin.



#### • NO GMO PRODUCT CERTIFICATION

(first certificate issued on 10 April 2019).

This certification is for the US market. The aim of the "NO GMO" technical specification is to implement a structured system for the preparation process of food products that are free from genetically modified ingredients.



#### • ADHERENCE TO THE MY CARE METHODOLOGY - FOR COVID PROTECTION

(first certificate issued on 29 July 2020).

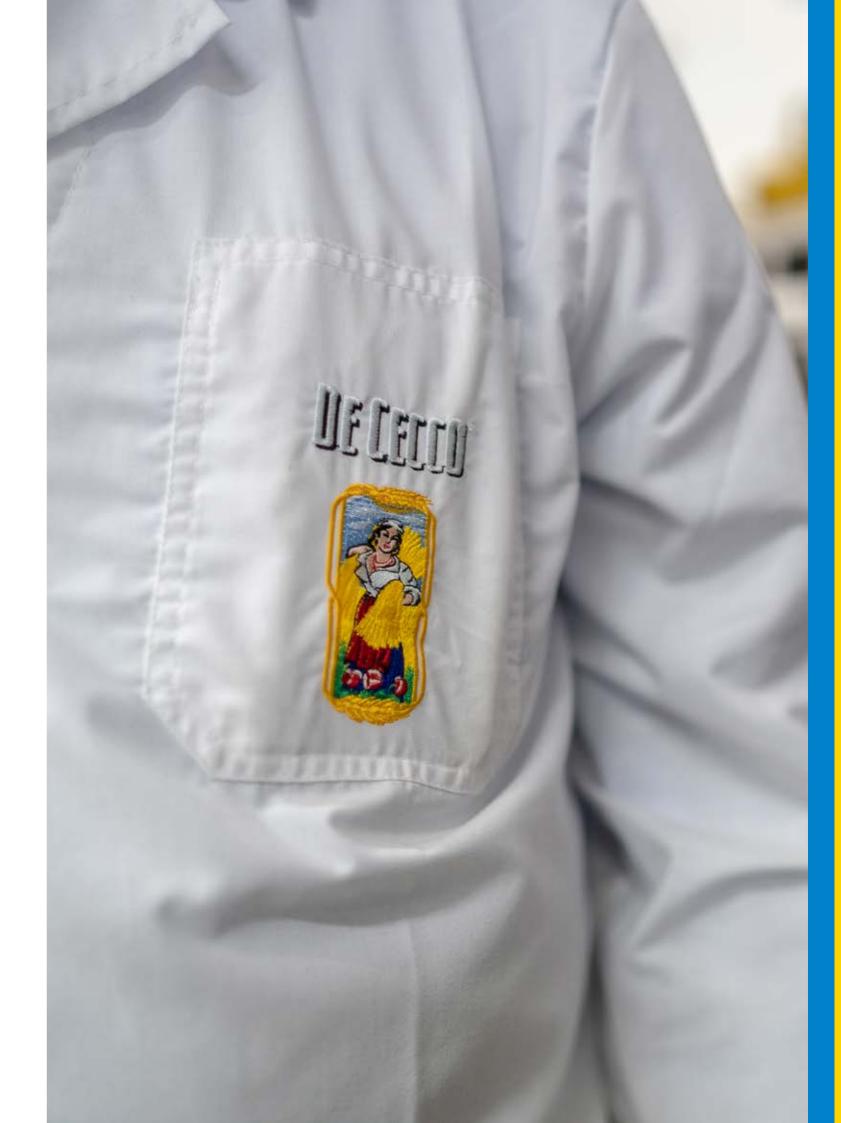
De Cecco was the first Italian agri-food company to adhere to the My Care methodology developed by the DNV certification body. MY Care is a protocol for protection from COVID-19 aimed at ensuring a safe environment for all workers through operational management and the use of tools constantly adapted to government regulations and their evolution over time.



#### • GENDER EQUALITY CERTIFICATION

(Uni/PdR 125:2022 – first certificate issued on 29 December 2022).

This certification promotes gender-balanced governance, skills development and training for women as well as the construction of career paths, pay equity and corporate welfare for the protection of parenthood and to share care responsibilities between men and women. It was introduced by Law no. 162/2021, which amended the Equal Opportunities Code by introducing article 46-bis, which provides for this certification. A decree of the Equal Opportunities Department of 29 April 2022 subsequently defined the minimum parameters to obtain the certification as per the UNI /PdR 125/2022 published on 16 March 2022.



## ACKNOWLEDGMENTS and AWARDS IN 2023

The passion we put into our work every day and our commitment to continuous improvement, is recognised nationally and internationally through numerous awards and acknowledgements of which we are proud of:



#### **BEST EMPLOYER**

Corriere della Sera, in collaboration with Statista, also named De Cecco one of the BEST EMPLOYERS, based on a survey of 20,000 workers in Italy.



#### **TOP JOB BEST EMPLOYER**

Working climate, professional development, growth prospects, sustainability and corporate values are just some of the 27 aspects sampled by the German Institute for Quality Finance(ITQF) in the fourth edition of its employers' study. This is the most extensive analysis carried out in Italy, in synergy with La Repubblica-Affari&Finanza, on an independent survey basis involving 10,000 workers in 1,750 companies in Italy.



#### PREMIO INDUSTRIA FELIX - L'ITALIA CHE COMPETE

For the fourth consecutive year, De Cecco was awarded the title of "Best Large Enterprise with International Focus, based in the Abruzzo Region, for managerial performance and financial reliability."



#### BRAND AWARD NEW ENTRY FOR DE CECCO'S REGIONAL RANGE

This award is given to the best-performing branded industry products by the Mark Up and GDOWeek magazines which organised the award ceremony in Milan. The first place for the dry pasta category was awarded to De Cecco's Mafalde Corte pasta, a smaller version of the typical Naples Mafalde, versatile in combinations and particularly suitable for legume-based soups or classic meat sauce.



## SILVER CUP FOR "100% ITALIAN" EVO OIL AND BRONZE CUP FOR "CLASSICO" AND "GIULIVO"

New awards for De Cecco extra virgin olive oil in the fourth edition of the MILAN INTERNATIONAL OLIVE OIL AWARD. A qualified jury of experts awarded the prizes, confirming that our products are among the best in Italy.



#### FIRST PLACE FOR DE CECCO PESTO IN THE BELGIAN MAGAZINE ELLE À TABLE

Belgium. Elle à Table Spécial Belgique is a popular magazine in Belgium for recipes and culinary inspiration. The March-April 2023 issue covered a test carried out on several green pestos on the market, including De Cecco, Barilla, Saclà, Bertolli, Rummo and some private labels. Pesto De Cecco received the highest mark from the jury of editorial members. The jury appreciated the quality characteristics of pine nuts, the natural colour, the 37% basil content, the intense basil aroma, the savoury taste and balanced flavour.

## Impacts, risks and OPPORTUNITIES

ESRS - to be	Disclosure Requirement	Paragraph	
ESRS 2 General	IRO 1	Description of the process to identify and assess material impacts, risks and opportunities	
disclosures	IRO 2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	

1.3.1

#### Impacts, risks and opportunities

Engagement with involved stakeholders is central to De Cecco's on-going **due diligence** process (see chapter 1.1.4 Due diligence) and sustainability materiality assessment. This includes its processes to identify and assess actual and potential negative impacts.

Impact materiality and financial materiality assessments are inter-related and these interdependencies shall be considered. For **De Cecco** a sustainability impact is financially material event before it takes place by determining its actual or potential impacts on cash flows, development, performance and position over the short-, medium- or long-term.

De Cecco applies the double materiality using appropriate thresholds to determine which impacts, risks and opportunities are identified and addressed as material and to determine which sustainability matters are material for reporting purpose.

De Cecco's materiality assessment describes the actions to address certain impacts and risks, or to benefit from certain opportunities in relation to sustainability matters.

Each material topic was analysed by the company and stakeholders, in terms of sustainable impact and financial perspective, relating it to De Cecco's strategic/operational criteria.

ESRS	Sustainability matters covered	Sub-topic
ESRS E1	Climate change	Climate change adaptation
ESRS E1	Climate change	Emission reduction
ESRS E1	Climate change	Energy consumption from renewable sources
ESRS E3	Water	Water resource management
ESRS E4	Biodiversity and ecosystems	Environmental protection
ESRS E5	Circular economy	Sustainable supply chain
ESRS S1 ESRS S2	Working conditions	Training and skills development
ESRS S1 ESRS S2	Working conditions	Health and safety
ESRS S1 ESRS S2	Equal treatment opportunities for all	Diversity and inclusion
ESRS S4	Consumers and end-users	Combating food waste
ESRS S4	Consumers and end-users	Transparent communication
ESRS G1	Business conduct	Product quality assurance

## Stakeholders

The Sustainability Report 2023 addresses all De Cecco's stakeholders, i.e., all people and organisations that are affected in any way, directly or indirectly, by our activities.

Our stakeholders include:

Consumers: our main stakeholders who choose our products every day. We guarantee them quality and taste and we are committed to listening to their needs and preferences in order to provide products that meet their expectations in terms of quality, taste and sustainability.

**Customers:** our daily partners. We guarantee them quality products and careful handling of their needs. Specifically, we design joint development paths with large distribution companies so that our products are always available to families all over the world.

**Employees:** they are the heart of De Cecco. Every day, with passion, commitment and competence, they contribute to the production of exceptional food and the success of the company. We are committed to providing our employees with a safe, pleasant and motivating working environment.

**Suppliers:** the driving force in our supply chain. We work with suppliers on a daily basis to ensure the quality and sustainability of raw materials, supplies and services, and promote ethical and sustainable HR management and business practices among them.

**Communities and local areas:** we are committed to always respecting and meeting the expectations of the communities in which we operate, investing

in the relevant area and building positive and sustainable relationships for the development of local economies.

Shareholders and lenders: those who believe in the De Cecco Group and in its ability to growth successfully. Their interest is certainly the return in the short-, medium- and long-term. However, they are increasingly interested in the proper implementation of sustainability in corporate management, which has now become an essential component of corporate strategy, capable of attracting investment, resources and generating value and competitive edge.

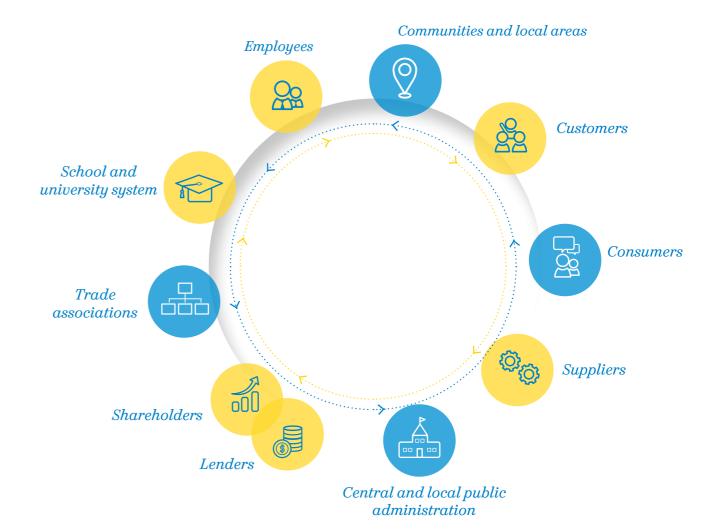
Central and local public administrations: the point of reference for rules and the protection of the common good. We ensure compliance with all regulations in our activities, striving to achieve even higher standards than those required by laws and regulations.

Consumer and trade associations: our stakeholders for the construction of new ideas. Participating in their working tables is very important to exchange views, analyse market trends together and map relevant trends in order to define the company's development plans.

**Schools and universities:** we promote relations with schools and universities through the active involvement of young people for skills development and to spread the culture of quality. Supporting the growth of young people and investing in education means investing in the future of the world.

Not only is sustainability reporting addressed to our stakeholders, but more generally, our sustainability strategy is built by identifying and analysing their needs and expectations. This approach results in the importance of engagement and dialogue which is implemented through initiatives, processes and

tools aimed at receiving ideas and assessments that enable us to identify sustainability-related opportunities and challenges, areas where we can improve and respond to suggestions in a practical and effective way.



## **Double** MATERIALITY

Under the **CSRD** (Corporate Sustainability Reporting Directive), sustainability reporting must comply with the principle of **double materiality**, considering both **an impact perspective** which pertains to the company's material actual or potential, positive or negative impacts on people or the environment, over the short-, medium- and long-term, and **a financial perspective**, if it triggers or could reasonably be expected to trigger material financial effects on the company that may affect the company's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term. In line with the CSRD and as part of the ESRS, De Cecco's materiality assessment is an organised process to identify environmental, social governance and financial impacts, resulting in the following analysis:

			Impact materiality Financial materialit			inancial materiality
Sustainability matters	Material topic	Ref. ESRS 1	Impact	Impact management	Impact	Impact management
Climate change	Climate change adaptation	ESRS E1	4	Anticipating the adverse effects of climate change and taking appropriate measures to prevent impacts	4	Capital expenditure - technologies for reducing water consumption; - expansion of wheat storage capacity;  Operating expenditure - waste management actions; - staff training
Climate change	Emission reduction	ESRS E1	4		4	Capital expenditure - installation of photovoltaic panels.  Operating expenditure - energy efficiency measures; - decarbonisation plan

	Impact materiality Financial materiality					
Sustainability matters	Material topic	Ref. ESRS 1	Impact	Impact management	Impact	Impact management
Climate change	Energy consumption from renewable sources	ESRS E1	4	Acting on the impacts of climate change by increasing the percentage of renewable energy used	4	Capital expenditure installation of new photovoltaic panels  Operating expenditure maintenance work on hydroelectric power plants and photovoltaic plants to secure existing renewable energy sources and increase production
Water	Water resource management	ESRS E3	3	Water supply aimed at reducing and optimising consumption in downstream and upstream business processes in the value chain	3	Capital expenditure technologies for reducing water consumption  Operating expenditure improvement measures for the management of the sewage treatment plant
Biodiversity and ecosystems	Environmental protection	ESRS E4	4	Manage the balance between natural habitat and production needs while contributing to the preservation of the planet and the well-being of future generations	3	Cash flows technological innovation applied to traditional high quality pasta production systems
Circular economy	Sustainable supply chain	ESRS E5	3	Intervention in production processes through renewable measures, long-term optimal use and recycling	4	Capital expenditure - Italian high quality durum wheat supply chain; - agreements for the sale of milling by-products, production waste and waste recovery  Operating expenditure - increase in the share of domestic vs. imported wheat; - recycled material in secondary packaging

		ı	mpact materiality	Financial materiality		
Sustainability matters	Material topic	Ref. ESRS 1	Impact	Impact management	Impact	Impact management
Working conditions	Training and skills development	ESRS S1 ESRS S2	3	Management of training according to the principle of lifelong learning. Periodic competence assessment based on the quality of work performed and the quality of adherence to ethical principles and corporate values	4	Capital expenditure Digital signage system, an advanced system of touch panels and totems networked with the digital academy  Operating expenditure iAcademy De Cecco interactive bilingual virtual environment with a library of over 100 e-learning courses available
Working conditions	Health and safety		3	Adoption of an occupational health and safety policy to prevent occupational diseases and work-related injuries, ISO 45001 certification and active participation of the entire workforce in the health and safety management system	4	Capital expenditure - pedestrian routes and reducing the risks of interference between pedestrians and forklift trucks; - workplace ergonomics and reducing the risk of manual handling of loads  Operating expenditure - staff training; - ISO 45001 certification
Equal treatment and opportunities for all	Diversity and inclusion	ESRS S1 ESRS S2	3	Promoting the principles of non-discrimination, diversity and inclusion inside and outside the company, maintaining the certification of the management system for gender equality, coordinating all activities for the effectiveness and adequacy over time of the SA8000&PdR 125:2022 integrated management system	2	Operating expenditure - staff training - SA8000&PdR 125:2022 integrated management system certification

/			ı	mpact materiality	F	inancial materiality
Sustainability matters	Material topic	Ref. ESRS 1	Impact	Impact management	Impact	Impact management
Consumers and end-users	Combating food waste	ESRS S4	3	100% recovery, for food and livestock use, of waste produced by the wheat milling and production process	3	Cash flows donation of tonnes of pasta, bread, sauces, preserves, flours, oil and more.  Operating expenditure quality certifications
Consumers and end-users	Transparent communication	ESRS S4	4	Sustainability approach aimed at continuous improvement and maximum transparency towards stakeholders, objective and transparent communication on activities and management of significant impacts	3	Operating expenditure - sustainability report - management report (environmental and socia disclosure) - code of ethics - model 231 - risk management system
Business conduct	Product quality assurance	ESRS G1	4	De Cecco method, use of the highest quality wheat, slow drying technology at low temperature. Research and development of the best wheat in Italy and abroad, a protein content threshold of at least 14% and a gluten index of 62 or higher, an optimal level that contributes to the superior quality of De Cecco pasta	4	Operating expenditure - high-quality wheat - research and development - maintenance of all product and process certifications with reference to both production and management processes (20 at 31 December 2023)

## Impacts on SDGs

	Disclosure Requirement	Paragraph
ESRS 2 General	DC-P policies Disclosure Content Policy	Policies adopted to manage sustainability material topics
disclosures	DC-A actions Disclosure Content Action	Actions and resources in relation to sustainability material topics

The following table shows the material topics identified through the involvement of the company's stakeholders following the analysis based on the related potential risks and opportunities associated to both the company and the stakeholders and thus affected by the business operations.

The table also indicates the company policies on the relevant topics, the time horizon for their implementation, the concrete actions put in place to achieve the sustainability goals in line with the international goals of the UN Agenda 2030, and the time target for achieving them.

The table below shows our strategic planning for sustainable growth that confirms our commitment to sustainability, a topic that at present is constantly evolving as it is influenced by multiple factors such as legislation or innovation.

For this reason, our strategic plan reports on our goals in the long term, but remains subject to potential changes due to the above reasons.

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	TIME HORIZON	ACTION	TARGET	SDG
Climate change adaptation	Adaptation to potential physical risks and to transition risks	Short-, medium- and long- term	Launch of pilot initiatives with customers and suppliers to reduce the environmental impact. Investments in technologies to reduce water consumption.  Issue of the sustainability report in accordance with the ESRS covering economic, environmental and social matters.  Training of staff on the 2030 Agenda for Sustainable Development in order to improve environmental awareness.  Refresher courses for the personnel in charge of special waste management: Legislative decree no. 116/2020, identification process, representative sampling, characterisation, identification of people authorised to the final destination of the waste, ADR. Awarenessraising of staff to improve waste separation.  Reduce the impact of waste in the production department by purchasing a system for vacuuming and compacting packaging trimmings.  New silos to ensure greater wheat storage and counteract periods of poor harvest due to potential physical risks and to ensure business continuity.  Improve management of the purification plant, reducing the risk of plant downtime.  Reduce the duration of egg tank and dosing cycles.  On-call modification of the water point delivery mode in the various divisions.  Improve the biological purification plant (oxygenation section and drying section) in order to increase its efficiency based on the increased organic load in the effluent.	2023-2024	15 DIFE ON LAND

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	TIME HORIZON	ACTION	TARGET	SDG
-Climate change mitigation -Energy and emissions	Define consumption reduction measures on production plants and technological installations.  Energy monitoring at key points to highlight efficiency gains  Energy efficiency improvement  Use renewable energy  Emission reduction	Short-, medium- term	Thermal power plant: keep only one oil pump running, thereby saving 55 KWh.  Cost and benefit analysis of a BEM system for utility monitoring  In progress, revamping of several lines with upgrading of the electrical control panels in which specific energy meters are installed in order to monitor, in the long term, each production line individually.  Installation of photovoltaic panels, cogeneration, reduction of energy consumption with plant improvements.  Pay Per Page Green.  Replacement of current FGAS with FGAS with lower GWP, including with respect to recent regulatory updates, in order to reduce the risk of accidental release of CO²-equivalent substances into the atmosphere, and to reduce the CO2 impact when recharging plants	2024-2028	7 AVFORDABLE AND CLEAN ENERGY
Water consumption and withdrawals	Emission reduction	Short-term	Map old underground iron pipes for leaks	2024	6 CLEAN WATER AND SANITATION

IMPACTS, RISKS AND OPPORTU- NITIES	POLICY	TIME HORIZON	ACTION	TARGET	SDG
Water use and discharges	Treatment of water returned to a surface water body.  Improve management of the purification plant, thereby reducing the risk of plant downtime, of the oxygenation and drying section, in order to increase its efficiency based on the increase in the organic load in the effluent	Short-, medium- term	Treatment and purification of water from the on-site sewage treatment plant returned to a surface water body.  In 2023, the company focused on the microbubble ventilation system which was installed in June.  A three-sided spillway is planned for the sedimentation tank.  Repair jobs down by 30%	2024-2025	14 LUFE BELOW WATER
Impact on habitat	Protection of the natural habitat also through landscape gardens around the production units and native planting in the surrounding areas.	Short-, medium- and long- term	Achieve a balance between the natural habitat and production and industrial needs by maintaining traditional systems of high quality pasta production while effectively contributing to safeguarding the planet and the well-being of future generations.	Ongoing	15 Life ON LAND
Inflow of resources and sustainable supply chain	Optimise procurement	Short-, medium- term	Organic wheat is purchased from several suppliers and several production areas in order to reduce business and agricultural risks.  Replace part of the wheat imported from abroad with wheat grown in Abruzzo.  Activate new procurement measures for sustainable materials with suppliers  Introduce recycled material in some supplies (30% in adhesive tapes).	2023-2026	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

IMPACTS, RISKS AND OPPORTUNITIE	POLICY S	TIME HORIZON	ACTION	TARGET	SDG
Inflow of resources and sustainable supply chain	Opportunities for continuous improvement of the ESG assessment of the supply chain (par. 2.4.1)	Short-, medium- term	Discuss ESG matters with suppliers.  Acquire the documentation and evaluation of production cycle/availability of recycled material over time.  Internal runnability test for performance evaluation	2024-2026	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Outflow of resources and waste management	Management of resource and waste outflows. Waste disposal in the circular economy system	Short-, medium- term	Raise staff awareness to improve the differentiation of:  - Total Waste (3% reduction within 12 months and 10% reduction within 5 years)  - Non-hazardous waste diverted from disposal thanks to recycling (5% increase within 5 years)  Market research for equipment, products, materials that can be recycled as recoverable non-hazardous waste at the end of their life (total amount of hazardous waste down by 3% within 5 years)  New characterisation and research of disposal companies using disposal partners with specific codes for the recovery of hazardous and non-hazardous waste diverted or destined for disposal (down by 3% within 5 years)	2024-2028	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	TIME HORIZON	ACTION	TARGET	SDG
Health and safety	Quality, environment and safety policy.  Prevention measures for the protection of people's occupational health and safety.	Short-, medium- and long- term	Organisational measures for prevention  Staff training and awareness-raising.  Focus on supervisory activities carried out by supervisors, using specific methods and forms ("Inspection & Observation Card").  Technical measures for prevention  Improve "PPE management" by installing vending machines in operational departments  Improve pedestrian routes and reduce risks of interference between pedestrians and forklifts  Improve workplace ergonomics and reduce the risk of manual handling of loads  Internal first-party audit plan  ISO 45001 certification  Third-party audit plan conducted by external certification and inspection bodies Active participation of the entire workforce in the health and safety management system.  Workforce training on the health and safety management system for changes and new hires.  Improvement actions based on the analysis of injuries and the review of periodic management system documentation	Ongoing, 2024-2025	8 DECENT WORK AND ECONOMIC GROWTH  10 REDUCED INEQUALITIES  1 AND WELL-BEING  1 AND WELL-BEING
Diversity and inclusion	Social responsibility policy.  Commitment to non-discrimination, diversity and inclusion	Short-, medium- and long- term	Promote the principles of non-discrimination and respect for diversity and inclusion inside and outside the company.  Maintain and continuously improve the SA8000&PdR 125:2022 integrated management system certification, as well as compliance with ISO 26000 and the UN Global Compact	Ongoing	5 CENDER EQUALITY  17 PARTNERSHIPS FOR THE GOALS

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	TIME HORIZON	ACTION	TARGET	SDG
Training and skills development	Life-long learning and learning by doing for skills development.	Short-, medium- and long- term	Training according to the principle of lifelong learning and equal opportunities  Digital signage system, an advanced system of touch panels and totems networked with the digital academy  iAcademy De Cecco interactive bilingual virtual environment with a library of over 100 e-learning courses available to all employees  Periodic competence assessment based on the quality of work performed and the quality of compliance with ethical principles and corporate values	Ongoing, 2023-2024	4 QUALITY EDUCATION
Combating food waste	Combating food waste Responsible practices	Short-, medium- and long- term	100% recovery, for food and livestock use, of waste produced by the wheat milling process  Members of the Food Bank's We Save and Care community	Ongoing, 2023-2024	1 NO POVERTY  THE THE TENT
Transparent communication	Quality, transparency and correctness of information	Short-, medium- and long- term	Sustainability approach aimed at continuous improvement and maximum transparency towards stakeholders, objective and transparent communication on activities and management of significant impacts.  Sustainability reporting.  New project: Food and sustainability  Include environmental and social information in the management report.  Adopt a code of ethics.  Adopt the model 231.  Implement the risk management system	Ongoing	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	TIME HORIZON	ACTION	TARGET	SDG
Product quality assurance	Ensure continuous product quality	Short-, medium- and long- term	The De Cecco method  De Cecco's Italian and foreign chain of high-quality durum wheat. Research and development.  Certificates of conformity to national and international product and process quality standards for both production and management processes (20 at 31 December 2023)	Ongoing	8 DECENT WORK AND ECONOMIC GROWTH



## ENVIRONMENTAL matters

ESRS - to be	Disclosure Requirement	Paragraph
ESRS 2 General disclosures	SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business models
	IRO 1	Description of the process to identify and assess material impacts, risks and opportunities

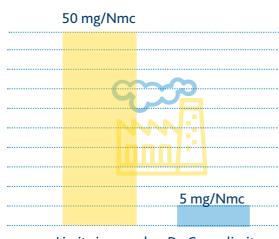
The reporting of information on environmental sustainability related to our production is an opportunity for De Cecco to enhance the company's efforts in favour of the environment and the area where we are located. The short-, medium- and long-term planning of our sustainable growth translates into genuine actions in line with current European legislation and international climate agreements.

We invest in environmental protection policies. Indeed, based on our ethical values, we maintain a constant balance between operations and respect for the area where we are located. Therefore, we always seek the most appropriate technical solutions to ensure minimal impact on the environment and the surrounding area.

We operate in accordance with a risk-based approach, through which we identify and deal with potential risks associated with processes, with the aim of zeroing and minimising our impact on the area as much as possible:

- we aim to reduce energy consumption through
   a constant control of the efficiency of the
   boilers used within the plants;
- we are committed to plant maintenance, aimed at reducing thermal energy losses;

- we also constantly monitor electricity consumption, thanks to the use of more efficient engines;
- with our proprietary hydroelectric power plants and a new photovoltaic plant, we cover part of our electricity needs using our own production from renewable energy sources;
- we minimise the atmospheric emissions produced during milling activities by using the best bag filters on the market, achieving an emission level of one tenth of the legal threshold of 50 mg/Nmc;



Limits imposed De Cecco limits by the law

- we have a private biological sewage treatment plant (sized for twice the actual wastewater inflow) and we have replaced fuel oil with methane gas, given the significant environmental impact of fuel oil;
- we apply an accurate selection plan to our supply chain related to waste collection and disposal services by activating new collaborations, in a circular economy system perspective, to continue to increase the percentage of waste sent for recovery.

Furthermore, under the UNI EN ISO 14001 certification, we are constantly working to reduce our environmental impact. To this end, specifically with respect to semolina pasta, egg pasta and extra virgin olive oil, De Cecco has been drawing up an **Environmental Product Declaration** (EPD) for several years now which quantifies the environmental impact of a product unit.

For semolina pasta, this covers the cultivation of the wheat to its transport to the mill in Fara San Martino, the milling, the pasta-making process, its distribution up to the disposal of the packaging by the consumer. Indeed, the EPD is based on the Product Life Cycle Assessment (LCA) methodology and takes into account the consumption of natural resources needed (water, energy, raw materials) and releases into the environment (from CO2 to waste), starting from agricultural cultivation and ending with the disposal of packaging. The preparation of EPDs shows the company's willingness to communicate the effects of its activities in an objective and transparent manner and, from a management point of view, awareness of significant environmental processes and impacts in order to set up programmes to minimise them.



## Strategy

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	SDG
Climate change adaptation	Adaptation to potential <b>physical risks</b> and to <b>transition risks</b>	15 LIFE ON LAND
- Climate change mitigation - Energy and emissions	<ul> <li>Define consumption reduction measures on production plants and technological installations;</li> <li>Energy monitoring at key points to highlight efficiency gains;</li> <li>Energy efficiency improvement;</li> <li>Use renewable energy;</li> <li>Emission reduction.</li> </ul>	13 CLIMATE ACTION  APPORDABLE AND CLEAN ENERGY
Water consumption and withdrawals	Reduce water consumption	6 CLEAN WATER AND SANITATION
Water use and discharges	- Treatment of water returned to a surface water body; - Improve management of the purification plant, thereby reducing the risk of plant downtime, particularly with respect to the oxygenation and drying section, in order to increase its efficiency based on the increase in the organic load in the effluent	14 LIFE BELOW WATER

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	SDG
Impact on habitat	Protect the natural habitat also through landscape gardens around the production units and native planting in the surrounding areas	15 LIFE ON LAND
Inflow of resources and sustainable supply chain	- Control over raw materials; - Optimise procurement	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Inflow of resources and sustainable supply chain	Opportunities - continuous improvement of the ESG assessment of the supply chain (par. 2.4.1)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Outflow of resources and waste management	- Management of resource and waste outflows; - Waste disposal in the circular economy system; - Hazardous waste management	15 LIFE ON LAND  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

#### Climate change

# Impacts, risks and OPPORTUNITIES

ESRS - to be	Disclosure Requirement	Paragraph
ESRS E1: Climate change	E1-1	Transition plan for climate change mitigation
	E1-2	Policies related to climate change mitigation and adaptation
	E1-3	Actions and resources in relation to climate change policies
	E1-4	Targets related to climate change mitigation and adaptation
	E1-5	Energy consumption and mix
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits

#### Transition plan for climate change mitigation

In order to reduce the impacts of operations on the environment and at the same time contribute to combating climate change, we have decided to increase our resilience by turning the potential threats posed by climate change risks into opportunities.

To this end, we prepared a Climate Change Adaptation and Mitigation Plan which envisages direct actions on the relevant area and identifies a series of specific actions and measures to which our business model could be adapted.

After identifying the climate change (acute, chronic and transitional) risks, we have taken measures to prevent and act on the impacts (adaptation actions), for example, by decreasing atmospheric emissions (mitigation actions) which are the main cause of climate change and the resulting extreme weather phenomena (acute physical risks): droughts, heat and frost waves, fluctuating air and

water temperatures, changing patterns and types of precipitation, are events that can affect the company's business with potential economic, but also operational, consequences.

The climate change risk assessment model is based on the "carbon neutral 2050" common goal and, within this time horizon, plans to achieve progressive targets at five-year intervals (2030, 2035, 2040, 2045, 2050) in line with the objectives of the relevant Strategic and Sustainability Plan.

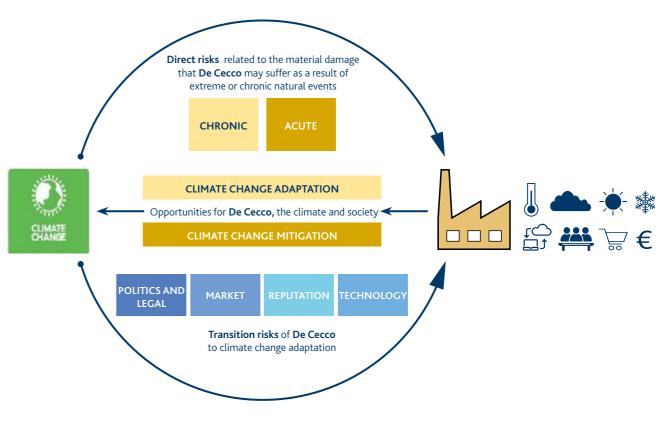
From a methodological point of view, the analysis carried out starts from the results of the implementation of specific actions on all the company's key assets following a medium-long term scenario analysis.

The application of the model showed that the actions implemented as part of our Plan have a resilient and mitigating effect on the impacts of climate change.

The framework underpinning our Climate Change Adaptation and Mitigation Plan is outlined below: Type of climate-related risk **PHYSICAL RISK** Variable temperature (air, fresh water, sea water) Chronic Changing patterns and types of precipitation Heat wave/frost Acute Drought **TRANSITION RISK** Political and Rising prices of greenhouse gas emissions Enhanced emission reporting obligations legal Changing customer and consumer behaviour Market Increase in the cost of raw materials Changes in consumption preferences Reputation Sector stigma Increased concern of stakeholders

#### Climate risk

Technology



Research and development of products and services with a reduced carbon

footprint Transition costs to low-emission technology

#### Climate change adaptation

Our goal was to anticipate the adverse effects of climate change and take the necessary measures to prevent impacts by exploiting the opportunities identified and assessed during our analysis. As early as 2022, we have taken adaptation actions and set short-, medium- and long-term targets to adapt to

the current and future effects of climate change. In 2023, based on the experience and awareness gained and developed over the past few years as part of our sustainable growth path, we outlined a more specific roadmap for climate change adaptation.

The table below shows the material topic, the policies characterising our strategy, the time horizon of our policies and the tangible actions for adapting and improving corporate resilience to the effects of climate change. The information refers to the Fara and Ortona production units.

As shown in the table, some initiatives relate to actions launched in 2023, while others refer to 2024.

IMPACTS, RISKS	AND OPPORTUNITIES	ESRS E1-1, 2, 3, 4		
Climate change adaptation	POLICY	TIME	TIME ACTION	
SCOPE	OBJECTIVES	TIME HORIZON	ADAPTATION ACTIONS	TARGET
FARA, ORTONA	Adaptation to potential physical risks and to transition risks (Political and Legal, Market and Reputation)	Short-term	Launch of pilot initiatives with customers and suppliers to reduce the environmental impact	2023
FARA, ORTONA	Adaptation to potential physical risks and to transition risks Technological	Short-term	Investment in technologies to reduce water consumption	2023
FARA, ORTONA	Adaptation to potential physical risks and to transition risks (Political and Legal, Market, Reputation and Technological)	Short-term	- Issue of the sustainability report in accordance with the ESRS covering economic, environmental and social matters; - Training of staff on the 2030 Agenda for Sustainable Development in order to improve environmental awareness.	2023

IMPACTS, RISKS AND OPPORTUNITIES			ESRS E1-1, 2, 3, 4	
Climate change adaptation	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ADAPTATION ACTIONS	TARGET
FARA, ORTONA	Adaptation to potential <b>physical risks</b> and to <b>transition risks</b> Technological	Short-term	- Refresher courses for the personnel in charge of special waste management: Legislative decree no. 116/2020, identification process, representative sampling, characterisation, identification of people authorised to the final destination of the waste, ADR; - Awareness-raising of staff to improve waste separation; - Reducing the impact of waste in the production department by adopting additional innovative technological solutions.	2023
FARA	Adaptation to potential physical risks and to transition risks (Political and Legal, Market and Technological)	Short-term	Entry into service of the new silos, providing increased wheat storage capacity to cope with poor harvest campaigns with respect to potential physical risks and ensuring business continuity	2023/24
FARA ORTONA	Adaptation to potential physical risks and to transition risks (Political and Legal and Market)	Short-term	Increase the volume of wheat grown in Italy	2024
FARA ORTONA	Adaptation to potential physical risks and to transition risks Technological	Short-term	Improve management of the purification plant, reducing the risk of plant downtime	2024

IMPACTS, RISKS AND OPPORTUNITIES		ESRS E1-1, 2, 3, 4		
Climate change adaptation	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ADAPTATION ACTIONS	TARGET
ORTONA	Adaptation to potential physical risks and to transition risks Technological	Short-term	<ul> <li>Optimise the use of wash water in production;</li> <li>Adopt new solutions at water supply points to avoid waste;</li> <li>Assess/implement a purification plant improvement project, reducing the risk of plant downtime</li> </ul>	2024

2.1.2 -

#### ${\it Climate\ change\ mitigation}$

We participate in the fight against climate change and actively contribute to lowering the levels of GHG emissions into the atmosphere through investments with the primary aim of increasing the share of renewable energy used.

The table below shows the figures for the emission reduction plan/pathway to 2050, the year in which the European Commission set the target for achieving climate neutrality.

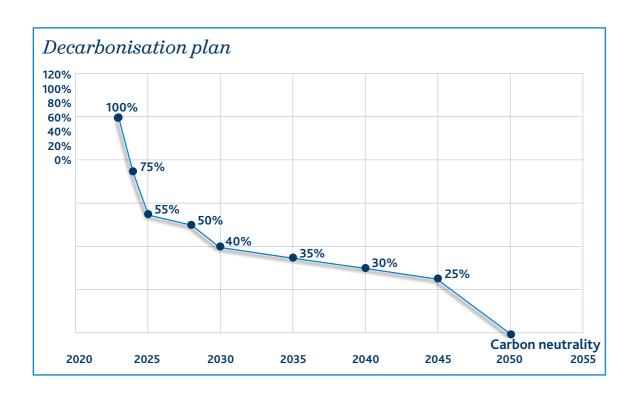
The plan sets the target by 2024 for the 25% reduction of emissions for the Fara and Ortona plants. Subsequently, by 2028 the plan aims to cut emissions of climate-altering gases by a further 25%, until reaching climate neutrality by 2050.

The resulting actions are described in the table. Strategic planning may be subject to change since the many factors affecting it could lead to its redefinition (par. 1.4 Impacts on the SDGs).

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IMPACTS, RISKS	S AND OPPORTUNITIES	ESRS E1-1, 2, 3, 4			
Climate change adaptation	POLICY	TIME	ACTION TARGET		<b>TARGET</b>
SCOPE	OBJECTIVES	TIME HORIZON	ADAPTATION ACTIONS	TARGET	ESRS E1-7 REMOVAL (TCO2EQ)
FARA	Energy efficiency improvement	Short-term	Installation of photovoltaic panels, cogeneration plant, reduction of energy consumption with plant improvements	2024	5%
ORTONA	Energy monitoring at key points to highlight efficiency gains	Short-term	BEM system for utility monitoring	2024	5%
ORTONA	Define consumption reduction measures on production plants and technological installations	Short-term	Thermal power plant: keep only one oil pump running, thereby saving 55 KWh.	2024	5%
FARA, ORTONA	Energy efficiency improvement	Short-term	Further improve the KPIs in printing processes under the Pay Per Page Green model	2024	5%
FARA	Energy efficiency improvement	Short-term	Replace current FGAS with FGAS with lower GWP, including with respect to recent regulatory updates, in order to reduce the risk of accidental release of CO2-equivalent substances into the atmosphere, and to reduce the CO2 impact when recharging plants	2024	5%
FARA, ORTONA	Use renewable energy	Medium-term	Increased use of energy from renewable sources	2025	20%

IMPACTS, RISKS AND OPPORTUNITIES		ESRS E1-1, 2, 3, 4			
Climate change adaptation	POLICY	TIME	ACTION	7	ΓARGET
SCOPE	OBJECTIVES	TIME HORIZON	ADAPTATION ACTIONS	TARGET	ESRS E1-7 REMOVAL (TCO2EQ)
FARA	Energy monitoring at key points to highlight efficiency gains	Medium-term	Ongoing, revamping on various lines with upgrading of switchboards	2028	5%
FARA, ORTONA	Emission reduction	Long-term	Reduce the carbon footprint	2030	10%
FARA, ORTONA	Emission reduction	Long-term	Reduce the carbon footprint	2035	5%
FARA, ORTONA	Emission reduction	Long-term	Reduce the carbon footprint	2040	5%
FARA, ORTONA	Emission reduction	Long-term	Reduce the carbon footprint	2045	5%
FARA, ORTONA	Emission reduction	Long-term	Carbon neutrality by 2050	2050	25%



#### Energy and emissions

In 2023, the **electricity** consumed by the two production units of Fara San Martino and Ortona, purchased on the free market and self-produced, derived **from renewable sources**, accounted for approximately 53%, 2% more than the previous year. Of this, 4,661 MWh was self-generated by the company's historic proprietary hydroelectric power plants and 174 MWh by the photovoltaic plant.

Overall, the total energy (electricity, natural gas and fossil fuels) consumed in 2023 is 194,026 MWH, of which 55,862 MWH (29%) from renewable sources.

29%

## energy consumed from renewable sources

With respect to emissions and to the monitoring provisions laid down by the competent authorities, it is noted that, due to the nature of the company and its products, De Cecco does not use plants or carry out activities that generate significant emissions into the atmosphere. Furthermore, the equipment in use does not contain any ozone-depleting substances.

However, and although we are not required by law, we have adopted a sustainability-oriented approach that goes beyond existing regulations and set greenhouse gas emission reduction targets compatible with limiting global warming to 1.5°C. In this respect, the new wheat silos at Fara San Martino, powered by the new photovoltaic system is an important strategic investment. Its panels, grouped in strings, absorb energy from the light, transforming it into clean, zero-cost electricity: self-produced, 100% environmentally friendly energy, available to the new wheat storage plant without emissions of pollutants into the external environment.



Fara San Martino

#### Ortona

METRICS	ESRS	S E1-5
Energy consumption and MIX	2022	2023
(1) Fuel consumption from coal products (Mwh)	-	-
(2) Fuel consumption from crude oil and petroleum products (MWH)	1,417	1,259
(3) Fuel consumption from natural gas (MWH)	41,986	37,413
(4) Fuel consumption from other non-renewable sources (MWH)	24	-
(5) Consumption from nuclear sources (MWH)	-	-
(6) Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWH)	22,459	20,201
(7) Total non-renewable energy consumption (MWH) (calculated as the sum of lines 1 to 6)	65,885	58,873
Percentage of non-renewable sources in total energy consumption	74%	72%
(8) Fuel consumption from renewable sources (including biomass, biogas, non-fossil fuel waste, renewable hydrogen, etc.) (MWH)	-	29
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWH)	23,148	22,750
(10) Consumption of self-generated non-fuel renewable energy (MWH)	-	-
(11) Total renewable energy consumption (MWH) (calculated as the sum of rows 8 to 10)	23,148	22,779
Percentage of renewable sources in total energy consumption	26%	28%
<b>Total energy consumption (MWH)</b> (calculated as the sum of lines 7 and 11)	89,033	81,560

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METRICS	ESRS	E1-5
Energy consumption and MIX	2022	2023
(1) Fuel consumption from coal products (MWH)	-	-
(2) Fuel consumption from crude oil and petroleum products (MWH)	136	124
(3) Fuel consumption from natural gas (MWH)	40,651	42,035
(4) Fuel consumption from other non-renewable sources (MWH)	-	-
(5) Consumption from nuclear sources (MWH)	-	-
(6) Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWH)	14,746	37,306
(7) Total non-renewable energy consumption (MWH) (calculated as the sum of lines 1 to 6)	55,533	79,464
Percentage of non-renewable sources in total energy consumption	81%	70%
(8) Fuel consumption from renewable sources (including biomass, biogas, non-fossil fuel waste, renewable hydrogen, etc.) (MWH)	-	1
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewables sources (MWH)	12,471	33,082
(10) Consumption of self-generated non-fuel renewable energy (MWH)	-	-
(11) Total renewable energy consumption (MWH) (calculated as the sum of rows 8 to 10)	12,471	33,083
Percentage of renewable sources in total energy consumption	19%	30%
<b>Total energy consumption (MWH)</b> (calculated as the sum of lines 7 and 11)	68,004	112,547

#### Fara San Martino

METRICS	ESRS E1-6	
GHG emissions	2022	2023
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	7,955	7,067
Scope 2 GHG emissions		
Gross Scope 2 GHG emissions (tCO <sub>2</sub> eq)	10,942	9,842
Total Gross Scope 1, 2 GHG emissions (tCO <sub>2</sub> eq)	18,897	16,909

#### Ortona

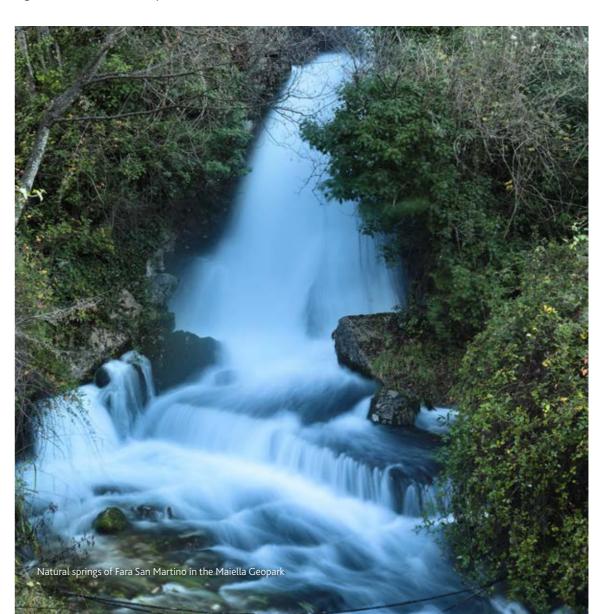
METRICS	ESRS E1-6	
GHG emissions	2022	2023
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	7,400	7,648
Scope 2 GHG emissions		
Gross Scope 2 GHG emissions (tCO <sub>2</sub> eq)	7,185	18,177
Total Gross Scope 1, 2 GHG emissions (tCO <sub>2</sub> eq)	14,585	25,825

## Water

ESRS - to be	Disclosure Requirement	Paragraph
	E3-1	Policies related to water
ESRS E3:	E3-2	Actions and resources related to water
Water	E3-3	Targets related to water
	E3-4	Water consumption

In our operations management of water use and supply is aimed at reducing and optimising significant water consumption, both in business

processes and downstream and upstream in the value chain.



Our production process includes a water management system for the conscious and optimised consumption of the water used. In just one year, between 2022 and 2023, we reduced

# 22,094m<sup>3</sup> of water saved

water consumption by 7%, saving an impressive  $22,094^{M3}$ 

Fara San Martino reuses 32% of treated and purified water from the purification plant.

Water is at the heart of De Cecco's production activities and its responsible and sustainable management is a priority for us. However, the focus is also on increasing the awareness of the entire organisation to the responsible use of this precious natural resource, thus creating culture and developing awareness.

In this respect, in 2023, the company installed 24 water dispensers (at break areas, relaxation areas and in staff passageways) and gave all employees a branded water bottle with the environmental objective of:

- reducing plastic bottles of water consumed during working hours;
- avoiding wasting water when filling water bottles by installing water dispensers at water points (a total of 24 dispensers were installed

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- at our sites in 2023 in the break and relaxation areas and in staff passageways);
- saving money and avoiding waste by replacing running water drinking troughs, if any, with special taps with sensors.



IMPACTS, RISKS AND OPPORTUNITIES		ESRS E3-1, 2, 3		
Water consumption and withdrawals	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME ACTIONS		TARGET
FARA, ORTONA	Reduce water consumption	Short-term	Map old underground pipes for maintenance actions	2024

	METRICS	ESRS E3-4	
Scope	Water	2022	2023
Fara San Martino	Total water withdrawn and consumed (m3)	241,867	218,757
Ortona	Total water withdrawn and consumed (m3)	72,282	73,298
FARA, ORTONA	Total water withdrawn and consumed (m3)	314,149	292,055

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#### 2.21

#### $Water\ consumption\ and\ with drawals$

The historical essay included in the previous report, "UNA STORIA DI ECONOMIA CIRCOLARE TRA ENERGIA E SOSTENIBILITA' LE CENTRALI IDROELETTRICHE DEL CAVALIERE FILIPPO DE CECCO (1893-1938)", highlighted the far-sighted path historically taken by De Cecco, focused on a sustainable production model. Indeed, the founder of the pasta factory in 1886 worked hard to obtain energy from the Verde river, along which he had built the old pasta factory so as not to make his pasta-making and drying business dependent

on coal, whose supplies were more difficult and expensive. Therefore, together with his heirs, in 1905 he started and successfully focused on the production of hydroelectric power, achieving technical skills and plant engineering outstanding results over the following years up to the present day. Since the early days, this willingness has shown the family's "sustainable" strategy based on careful value management, the drive for innovation and research and development of technical and industry expertise.

#### Water use and discharges

We use sophisticated water management systems to reduce the environmental impact of our operations. As shown in the table below, policies and actions have also been adopted in this respect in order to achieve sustainability targets within the set time horizon.

IMPACTS, RISKS AND OPPORTUNITIES		ESRS E3-1, 2, 3		
Water use and discharges	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET
FARA	Treatment of water returned to a surface water body	Short-term	Treatment and purification of water from the on-site sewage treatment plant returned to a surface water body	2024
FARA	Improve management of the purification plant, reducing the risk of plant downtime	Medium-term	Improve maintenance to reduce the number of repairs by 30%	2025
ORTONA	Improve the purification plant, specifically the oxygenation and drying sections, in order to increase its efficiency based on the increased organic load in the effluent	Medium-term	In 2023, the company focused on the microbubble ventilation system which was installed in June. A three-sided spillway is planned for the sedimentation tank	2025

	METRICS	ESRS I	E3-4
Scope	Water	2022	2023
Fara San Martino	Total water returned to surface water body (m3)	117,412	71,129
Ortona	Total water returned to surface water body (m3)	19,796	18,585
FARA, ORTONA	Total water returned to surface water body (m3)	137,208	89,714

## Biodiversity and ECOSYSTEMS

E	SRS - to be	Disclosure Requirement	Paragraph
		E4-1	Transition plan and biodiversity and ecosystems
	SRS E4: iodiversity	E4-2	Policies related to biodiversity and ecosystems
	nd cosystems	E4-3	Actions and resources related to biodiversity and ecosystems
		E4-4	Targets related to biodiversity and ecosystems

2.3.1

#### Impact on habitat

The Fara San Martino production unit, which houses the headquarters of the De Cecco Group, is located in the UNESCO World Heritage Maiella Geopark, a magnificent setting that has always been a backdrop for the company and accompanies

the historic De Cecco brand around the world. This area is an integral part of our roots and of our brand identity and must be safeguarded. And this requires constant commitment.



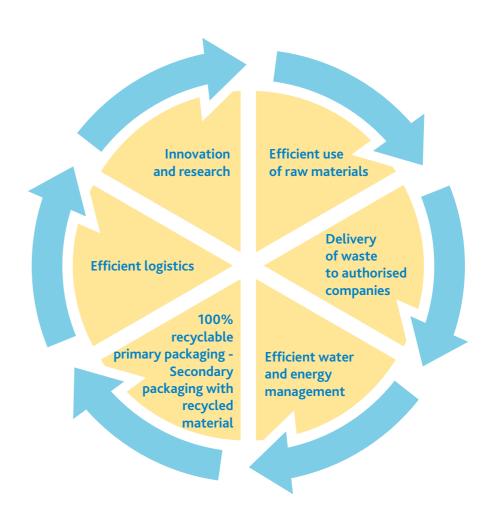
IMPACTS, RISKS AND OPPORTUNITIES		ESRS E4-1,2,3,4		
Impact on habitat	POLICY	TIME	TIME ACTION	
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET
FARA	Protect the natural habitat also through landscape gardens around the production units and native planting in the surrounding areas	Short-, medium- and long-term	Maintain a balance between the natural habitat and production and industrial needs by maintaining traditional systems of high quality pasta production while effectively contributing to safeguarding the planet and the well-being of future generations.	Ongoing

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## Use of resources and CIRCULAR ECONOMY

ESRS - to be	Disclosure Requirement	Paragraph
	E5-1	Policies related to resource use and circular economy
ESRS E5:	E5-2	Actions and resources related to resource use and circular economy
Resource use and circular economy	E5-3	Targets related to resource use and circular economy
	E5-4	Inflow of resources
	E5-5	Outflow of resources

For the purposes of our analyses for the definition of policies related to waste treatment and recycling and recovery, we rely both on full compliance with current regulations and on the adoption of integrated management systems which optimise production processes to reduce waste or scrap, as well as to manage them with a view to circular economy. A specific procedure covers waste management which, inter alia, sets the actions to be taken for each category of waste produced, also creating partnerships with external companies specialised in waste recycling.



2.4.1

#### ${\it Inflow\ of\ resources\ and\ sustainable\ supply\ chain}$

We believe that the sustainability of our supply chain is crucial for our future and that of the entire food industry, which is highly competitive and constantly evolving. Our consumers' concern for the environment and climate change, together with their expectations regarding business ethics, urges us to increase the transparency of the sustainability of our production processes and upstream supply chain.

This responsibility implies not only that every decision and action taken has the 3 levels of impact (economic, social and environmental), but also forces us to consider engagement and dialogue with suppliers, to achieve system-wide sustainability goals starting with structured ESG assessment activities.

IMPACTS, RISKS AND OPPORTUNITIES		ESRS E5-1, 2, 3		
Inflow of resources and sustainable supply chain	POLICY	TIME	TIME ACTION	
SCOPE	OBJECTIVES	TIME HORIZON	ADAPTATION ACTIONS	TARGET
FARA, ORTONA	Control of raw materials	Short-term	Organic wheat is purchased from several suppliers and several production areas in order to reduce business and agricultural risks.	2023
FARA, ORTONA	Optimise procurement	Short-term	Activate procurement measures for sustainable materials with suppliers	2023
FARA	Optimise procurement	Short-term	New silos to ensure more wheat storage.	2024
FARA	Optimise procurement	Short-term	Replace part of the wheat imported from abroad with wheat grown in Abruzzo	2024
FARA	Packaging optimisation	Short-term	Introduce recycled material in some supplies (30% in adhesive tapes)	2024
FARA	Packaging optimisation	Medium-term	Primary packaging: introduction of new materials	2026
FARA	Opportunities - continuous improvement of the ESG assessment of the supply chain (par. 2.4.1)	Short-, medium-term	Working tables with Suppliers to assess the suitability of new supplies to the production cycle and runnability tests for performance evaluation	2024/26

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De Cecco's supply chain consists of 2 main groups:

#### 1. WHEAT AND OTHER RAW MATERIALS

In 2023, about half of the purchases of wheat and other raw materials were from Italian suppliers of which 26% from Abruzzo. The other geographical areas that complete our wheat and raw material supply chain are mainly those of North America (the USA which accounts for 36% of the total) and other areas in the European Union. The total number of suppliers of wheat and other raw materials in 2023 is stable compared to 2022.

Also in 2023, no supplier was found to have any actual or potential negative environmental or social impacts. This figure confirms the success of our vision, our decisions and the approach we have taken to raw material supply chain management, increasing our awareness of both the virtuous path we have taken and the importance of consolidating the relationship that binds us to our suppliers by opening up with them to new and challenging issues.

#### 2. PAPER, CARDBOARD AND PLASTICS FOR PRIMARY AND SECONDARY PACKAGING

In 2023, purchases of paper, cardboard and plastics for primary packaging were directed entirely to Italian suppliers. For secondary paper packaging, **6.5% was purchased from Abruzzo suppliers**.

In 2023, there was a total of 22 suppliers for primary and secondary packaging, with new suppliers of secondary packaging qualified according to the procedures making up the management system. No supplier was found to have any actual or potential negative environmental or social impacts.

METRICS	ESRS E5-4	
Inflow of resources	2022	2023
HARD GRINDED WHEAT (tonnes)	287,882	301,745
TOTAL PRODUCED PASTA (tonnes)	176,706	180,387
PAPER (tonnes)*	12,391	11,400
PLASTICS USED FOR PACKAGING (tonnes)**	2,369	2,373

<sup>\*</sup>MATERIAL 100% RECYCLABLE; 84% PAPER FROM RECYCLED MATERIAL AND 16% OF PAPER FROM VIRGIN MATERIAL

<sup>\*\*</sup> MATERIAL 100% RECYCLABLE FROM VIRGIN GRANULE

#### ${\it Resource\ outflows\ and\ waste}$

With respect to the management of resource outflows and waste, the table shows the activities pertaining to 2023 mainly aimed at strengthening the culture of the circular economy. These initiatives are preliminary to future objectives, both in the medium and long term. In addition to the reduction by 2024, we plan to reduce our waste by 3% within 12 months by increasing our investments in waste separation.

Within 5 years we plan to achieve a 10% reduction of total waste and a 3% reduction of hazardous waste.

IMPACTS, RISKS AND OPPORTUNITIES		ESRS E5-1, 2, 3		
Outflow of resources and waste management	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ADAPTATION ACTIONS	TARGET
FARA, ORTONA	Management of resource outflows and waste	Short-term	- Refresher courses for the personnel in charge of special waste management: Legislative decree no. 116/2020, identification process, representative sampling, characterisation, identification of people authorised to the final destination of the waste, ADR - Reduce the impact of waste in the production department by purchasing a system for vacuuming and compacting packaging trimmings	2023
FARA, ORTONA	Management of resource outflows and waste	Short-term	Raising staff awareness to improve sorting of <b>Total Waste</b> 3% reduction within 12 months	2024

IMPACTS, RISKS AND OPPORTUNITIES		ESRS E5-1, 2, 3		
Outflow of resources and waste management	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ADAPTATION ACTIONS	TARGET
FARA, ORTONA	Management of resource outflows and waste	Medium-term	Raise staff awareness to improve the differentiation of: - Total Waste: 10% reduction within 5 years - Non-hazardous waste diverted from disposal due to recycling: 5% increase within 5 years	2028
FARA, ORTONA	Waste disposal in the circular economy system	Medium-term	New characterisation and research of disposal companies using disposal partners with specific codes for the recovery of hazardous and non-hazardous waste diverted or destined for disposal (down by 3% within 5 years)	2028
FARA, ORTONA	Hazardous waste management	Medium-term	Market research for equipment, products, materials that can be recycled as recoverable non-hazardous waste at the end of their life <b>Total amount of hazardous</b> waste down by 3% within 5 years	2028

#### Fara San Martino

METRICS	ESRS E5-5	
Resource outflows	2022	2023
Non-hazardous waste (kg)	1,366,689	623,070
Non-hazardous waste diverted from disposal through <b>recycling (kg)</b>	1,290,589	517,050
Non-hazardous waste for disposal (kg)	76,100	92,310
Other non-hazardous waste (kg)	-	13,710
Hazardous waste (kg)	4,995	10,391
Hazardous waste diverted from disposal through recycling (kg)	1,810	3,502
Hazardous waste for disposal (kg)	3,185	6,889
Total waste (kg)	1,371,684	633,461

#### Ortona

METRICS	ESRS E5-5	
Resource outflows	2022	2023
Non-hazardous waste (kg)	3,320,000	898,421
Non-hazardous waste diverted from disposal through <b>recycling (kg)</b>	777,000	671,401
Non-hazardous waste for disposal (kg)	2,543,000	227,020
Other non-hazardous waste (kg)	-	-
Hazardous waste (kg)	11,152	12,038
Hazardous waste diverted from disposal through recycling (kg)	8,497	9,367
Hazardous waste for disposal (kg)	2,655	2,671
Total waste (kg)	3,331,152	910,459





### SOCIAL matters

ESRS - to be Disclosure Requirement

ESRS 2
General disclosures

Disclosure Paragraph

Material impacts, risks and opportunities and their interaction with strategy and business models

Growing is the main duty of every company. However, growth must be virtuous and create value for all stakeholders. In order to be sustainable, the growth of a company must create lasting wealth for itself and its shareholders, its employees and the area in which it operates (a district, a region or an entire country. [...]

Product quality has always been the prime driver of De Cecco's growth and the deepest of its values. [...] If sustainable growth is rooted in the value of product quality, this growth is achieved by passionately transmitting this vision to all those who interact

with us, i.e., by transforming product quality into "system" quality. Therefore, this vision must be passed on with passion to those who participate in the growth of the company, to customers and, above all, to those who use our products on a daily and direct basis. [...]

However, there is more: the ethical vision must also be communicated clearly and effectively to all those who interact with a company that is focused on achieving sustainable growth<sup>1</sup>.

We invest in continuous and sustainable growth and in communicating transparently and effectively with all our stakeholders, actively engaging them in sharing our values and participating in our projects. We believe that a company's longevity, or rather, vitality, reflects its sustainability and positive impact on the community, starting from the area

in which it operates and including all stakeholders, which in various ways interact with the company in order to remove any boundaries in the modern globalised economy.

The table describes our strategic social policies in relation to Sustainable Development Goals (SDGs).

¹see. P. CECCARELLI, A. FERRI, C. MARTELLI, La crescita sostenibile nei mercati maturi. Posizionarsi in modo distintivo per crescere e creare valore nel tempo, Il Sole24 ORE S.p.A., gi series, Milan 2007, Foreword by Filippo Antonio De Cecco, pp. 7-8.

## Strategy

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	SDG
Health and safety	<ul> <li>Quality, environment and safety policy;</li> <li>Prevention measures for the protection of people's occupational health and safety</li> </ul>	8 DECENT WORK AND ECONOMIC GROWTH  3 GOOD HEALTH AND WELL-BEING
Diversity and inclusion	- Social responsibility policy; - Commitment to non-discrimination, diversity and inclusion	5 GENDER EQUALITY  10 REDUCED INEQUALITIES
Training and skills development	Life-long learning and learning by doing for skills development	4 QUALITY EDUCATION
Combating food waste	- Combating food waste; - Responsible practices	1 POVERTY  THE THE TENT
Transparent communication	Quality, transparency and correctness of information	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

#### Our people

## Impacts, risks and OPPORTUNITIES

ESRS - to be	Disclosure Requirement	Paragraph
	S1-1	Policies related to own workforce
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	S1-6	Characteristics of the undertaking's employees
	S1-7	Characteristics of non-employees in the undertaking's own workforce
ESRS S1: Own workforce	S1-8	Collective bargaining coverage and social dialogue
	S1-9	Diversity metrics
	S1-10	Adequate wages
	S1-11	Social protection
	S1-12	Persons with disabilities
	S1-13	Training and skills development metrics
	S1-14	Health and safety metrics
	S1-15	Work-life balance metrics
	S1-16	Remuneration metrics (pay gap and total remuneration)
	S1-17	Incidents, complaints and severe human rights impacts

ESRS - to be	Disclosure Requirement	Paragraph
	S2-1	Policies related to value chain workers
	S2-2	Processes for engaging with value chain workers about impacts
ESRS S2: Workers in	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns
the value chain	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

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At De Cecco we are familiar with the meaning of quality, the beating heart of which are its People. Indeed, our people and their passion are behind the creativity, innovation and severity that characterise us. We are an historic company that sells all over the world, but we have chosen to make our products only in Italy and to remain in Abruzzo. Every day, more than 900 professionals work for us in the areas of production, safety controls, raw material selection, research and business management at all levels. This figure has grown over the years and has made the organisation increasingly effective and efficient, solid and capable of facing the challenges of

the organisation increasingly effective and efficient, solid and capable of facing the challenges of modernity and managing change and complexity. We base our philosophy on our people, promoting a relationship based on growth and contractual security, while providing the flexibility to adapt to different needs.

De Cecco employees show passion and desire to do their best at work to enjoy seeing tangible and positive results:

#### the best of Italian tradition on tables all over the world.

We have become international market leaders over time thanks to the high skills of our people.

In 2023, in order to better listen to and communicate with our employees, we opened **the Employee Desk** for the factory workers in Fara San Martino which provides information or clarifications concerning employment relationships (attendance/absences, payroll, company welfare, etc.....), detailed information on the initiatives organised by the company for employees and access to and use of the welfare platform.

#### Own workforce

The table below shows the main characteristics of De Cecco's own workforce in relation to gender, geographical areas, type of employment relationship and new employee hires and employee turnover (in absolute terms and as a percentage).

METRICS				ESF	RS S1-6		
			2022			202	3
Company name	Country	F	М	Total	F	М	Total
F.lli DE CECCO di Filippo FARA S. MARTINO	Italy	89	484	573	89	481	570
OLEARIA F.Ili DE CECCO DI FILIPPO FSM	Italy		23	23		21	21
MOLINO E PASTIFICIO DE CECCO S.p.A.	Italy	15	298	313	17	299	316
DESEMARK S.r.l.	Italy	3	4	7	2	4	6
DE CECCO UK LTD	UK	2	2	4	1	1	2
DE CECCO FRANCE SARL	France	3	4	7	4	4	8
AUTENTICA TRADICION DE CECCO SL	Spain	1	1	2	1	1	2
DE CECCO DEUTSCHLAND GMBH	Germany	3	5	8	2	3	5
PRODOTTI MEDITERRANEI INC.	USA	8	15	23	12	14	26
EXTRA M	Russia	66	119	185	69	128	197
	Total	190	955	1,145	197	956	1,153

METRICS				ESR	S S1-6		
			2022			202	3
Country	Relationship	F	М	Total	F	М	Total
	Apprentices	4	10	14	4		4
te de	Fixed term contract	3	14	17	4	16	20
Italy	Permanent contract	99	782	881	100	789	889
	Trainees	1	3	4	0	0	0
	Total	107	809	916	108	805	913

		2022		2023			
Country	Relationship	F	М	Total	F	М	Total
	Full time	92	801	893	91	796	887
Italy	Horizontal part time	12	4	16	14	5	19
	Vertical part time	3	4	7	3	4	7
	Total	107	809	916	108	805	913

			2022			202	3
Country	Position	F	М	Total	F	М	Total
Italy	Managers	2	23	25	1	23	24
	White collars	93	170	263	94	178	272
	Blue collars	3	556	559	5	552	557
	Junior managers	8	57	65	8	52	60
	Trainees	1	3	4	0	0	0
	Total	107	809	916	108	805	913

			2022			202	3
Country	Turnover	F	М	Total	F	М	Total
	New employee hires	9	35	44	9	26	35
	Employees who left the company	10	36	46	8	30	38
Italy	New employee hires rate	8.3%	4.3%	4.8%	8.4%	3.2%	3.8%
	Turnover rate	9.3%	4.4%	5.0%	7.5%	3.7%	4.1%

#### Work-life balance

The table below shows the characteristics of **our non-employee workforce** in relation to the most common type of non-employee workers within the company and the type of work produced.

METRICS	ESRS S1-7		
Company name	Relationship	2022	2023
F.lli DE CECCO di FILIPPO FARA S. MARTINO	Temporary	3	2
MOLINO E PASTIFICIO DE CECCO S.p.A.	Temporary	32	35
PRODOTTI MEDITERRANEI INC.	Temporary	4	2
	Total	39	39

Our people are remunerated in line with collective bargaining parameters and they all benefit from social protection against events that may lead to the interruption or suspension of employment (illness, disability or injury, maternity and leave, retirement).

	METRICS	ESRS S1-8, 10, 11		
		2022	2023	
Country	Collective bargaining, workers' representatives	Total	Total	
	Employees covered by collective bargaining agreements	100%	100%	
Italy	Employees in the country covered by workers' representatives	100%	100%	

De Cecco's sustainable development is possible only with the contribution of its people. Indeed, they must benefit from job sustainability, i.e., being able to contribute on an ongoing basis, respecting expectations of growth, professional development and the need for work-life balance.

Our Code of ethics is the core of our relationship of trust and cooperation with the company and includes the principles and values that inspire and guide us. It explains how the respect for people is at the heart of our actions.

Respect translates into many important actions, starting with the considerable attention paid to health and safety matters, which are essential in every context, but also with the numerous welfare initiatives aimed at improving people's well-being, with investments in the continuous professional

development of employees, and with a working environment based on inclusion and free from any form of discrimination.

We try to facilitate the work commitment of our employees through work-life balance initiatives, welfare actions and tangible projects such as the private nursery school "Cav. Filippo De Cecco" founded in 1910 and active since then in Fara San Martino, for local children aged 3-5 years, and the company crèche opened in 2021 in the De Cecco "Il Molino" business centre in Pescara for the children of employees aged 3-36 months. Nursery school and crèche are two major social protection projects supporting work-life balance, as well as the families of our employees by helping parents working in the company to find a suitable place for their children, avoiding waste of time and money.



Overall, the well-being of our employees is very close to our hearts and we constantly invest in it.

Many initiatives are in place in this respect, including:

- Flexible working hours according to specific private and family needs, with special attention to working mothers with children under five years of age;
- Maternity and paternity leave; upon return, possible specific reintegration paths are considered and discussed:
- Remote work available, where possible, for frail
  people on an ongoing basis and on request for
  parents with children under 14 to enable them to
  spend more time with their children and family;
- Part-time managed based on specific priorities aimed, in particular, at favouring employees with special needs, such as mothers returning from compulsory maternity leave, workers for health reasons or needing to care for family members;
- Leave for medical examinations to support health protection and for prevention and screening purposes, with no monthly limit;
- Additional extension of the right to job security for workers facing illness;

- Paid leave for intra-generational care of elderly parents (aged 75 and over) in the event of hospitalisation and/or discharge, day hospital, as well as for specialist medical examinations;
- Summer camp bonuses for employees with children aged 6 to 13, through a financial contribution to support the costs incurred by families;
- Company gym to give employees the opportunity to socialise and increase physical and mental well-being;
- Goods and services such as reimbursement of school/university expenses, medical expenses, travel, for the benefit of employees and family members to improve the quality of life and encourage people to devote time to self-care and family well-being and serenity;
- Food-shopping bonus envisaging monthly disbursements to all employees;
- Company canteen ensuring healthy, balanced meals, with on-site preparation and a menu based on the advice from expert nutritionists.

All our employees are entitled to family leave in accordance with the social policy and collective bargaining agreements.

#### 3.1.3

#### Health and safety

Our working environments are comfortable, clean and with ergonomic equipment, appropriate temperatures, good lighting and protection from noise. In our sites, every business activity is designed to ensure the maximum well-being of our employees and to meet the highest standards of occupational health and safety. In addition to complying with applicable regulations, we implement additional security and control measures to ensure that our policies are effective and that our people are fully aware of them. We invest considerably in specific training, meetings and audit activities to discuss and share opportunities for improvement. One goal above all: "Zero injuries".

The company has an occupational health and safety policy integrated with Quality and Environment and is ISO 45001 certified.

IMPACTS, RISKS	AND OPPORTUNITIES	ESRS S1-1, 2, 3, 4, 5 ESRS S2-1, 2, 3, 4, 5				
Health and safety	POLICY	TIME	ACTION	TARGET		
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET		
FARA, ORTONA	Prevention of occupational accidents and diseases	Short-, medium- and long-term	- Ensure the health and safety management system in compliance with ISO 45001; - Internal first-party audit plan	Ongoing		
FARA, ORTONA	Prevention of occupational accidents and diseases	Short-, medium- and long-term	Third-party audit plan conducted by the certification body	Annual		
FARA, ORTONA	Prevention of occupational accidents and diseases	Short-, medium- and long-term	Active engagement of the entire workforce, supervisors and workers' safety representatives (RLS) for adequate and effective implementation of the health and safety management system	Ongoing		
FARA, ORTONA	Prevention of occupational accidents and diseases	Short-, medium- and long-term	- General, specific and refresher training of the workforce	Ongoing		

IMPACTS, RISKS	AND OPPORTUNITIES	ESRS S1-1, 2, 3, 4, 5 ESRS S2-1, 2, 3, 4, 5				
Health and safety	POLICY	TIME	ACTION	TARGET		
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET		
FARA, ORTONA	Prevention of occupational accidents and diseases	Short-, medium- and long-term	- Improvement actions based on the analysis of the documentation produced by the management system (injuries, periodic meetings with supervisors and RLS, inspections, etc.)	Ongoing		
FARA, ORTONA	Organisational measures for prevention	Short-, medium- and long-term	Staff training and awareness-raising	Ongoing		
FARA, ORTONA	<b>Organisational</b> measures for prevention	Short-term	Focus on supervisory activities carried out by supervisors, using specific methods and forms ("Inspection & Observation Card").	2023		
FARA, ORTONA	<b>Technical</b> measures for prevention	Short-term	Improve "PPE management" by installing vending machines in operational departments.	2023		
FARA, ORTONA	<b>Technical</b> measures for prevention	Medium-term	Improve pedestrian routes and reduce risks of interference between pedestrians and forklifts	2024		
FARA, ORTONA	<b>Technical</b> measures for prevention	Medium-term	Improve workplace ergonomics and reduce the risk of manual handling of loads.	2025		

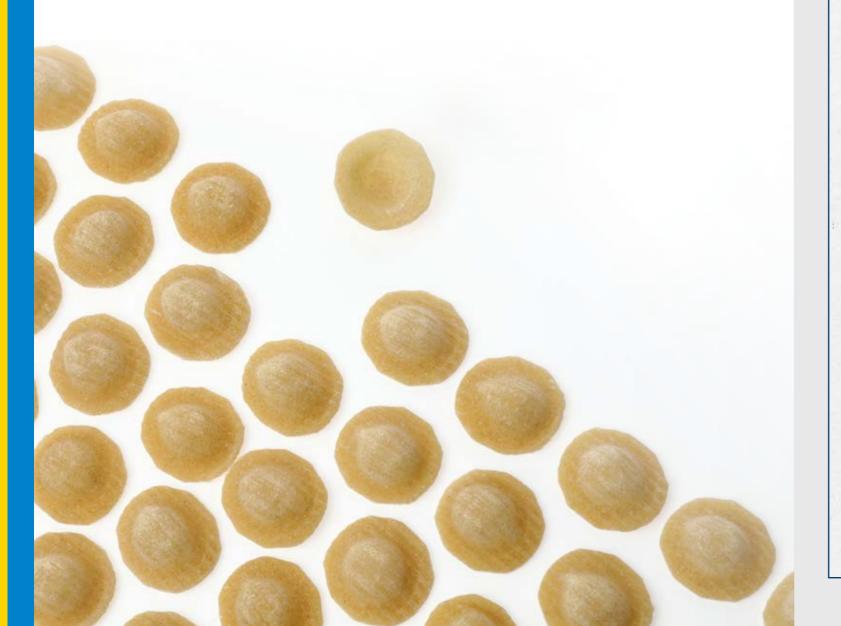
METRICS	ESRS	S1-14
F.lli De Cecco di Filippo - Fara San Martino S.p.A		
Illnesses/Injuries	2022	2023
Percentage covered by an illness/injury management system	100%	100%
Work-related injuries	7	4
Fatalities	0	0
Total number of injuries	7	4
Rate of injuries	1.58	0.87
Molino e Pastificio De Cecco S.p.A. Pescara		
Illnesses/Injuries	2022	2023
Percentage covered by an illness/injury management system	100%	100%
Work-related injuries	8	10
Fatalities	0	0
Total number of injuries	8	10
Rate of injuries	3.28	3.71
OLEARIA F.lli De Cecco di Filippo Fara San Martino S.r.l.		
Illnesses/Injuries	2022	2023
Percentage covered by an illness/injury management system	100%	100%
Work-related injuries	1	0
Fatalities	0	0
Total number of injuries	1	0
Rate of injuries	5.67	0

#### Diversity and inclusion

The principles of non-discrimination have always been part of all aspects of our business, promoting them both within and outside the organisation. This commitment is formalised in the **Code of ethics** and in the **Social Responsibility Policy**, a document that De Cecco first published in 2005 at the same time as the certification of its management system for social responsibility in accordance with the international standard **SA 8000** on 25 February 2005 (De Cecco was the first pasta manufacturer in the world to obtain this certification).

had its social management system certified in accordance with the Italian UNI/PdR 125:2022. This new certification, which is in line with Goal 5 of the UN 2030 Agenda, confirms the consistency and validity of the many corporate initiatives already in place and, following the continuous improvement inherent in every certification, has led to new initiatives for people, families and society at large by embracing the culture of Diversity & Inclusion as a focus area for 2024.

In addition, on 29 December 2022, De Cecco also





The De Cecco Group has been part of the UN Global Compact since 31 January 2022. On 20 June 2023, it was among the signatories of the UN Global Compact Network Italy's Manifesto "Businesses for People and Society".

By signing this manifesto, we commit to strengthening the role of the social dimension of sustainability in our business strategies in order to generate long-term value also in the supply chain and communities and to contribute to the creation of more inclusive, equitable and wealthy societies.

The social dimension of sustainability is one of the pillars of our culture of quality excellence.

In our business actions, we cultivate it internally and promote it in the value chain and through commercial and institutional partnerships. This means continuously striving to meet in our daily lives those values that have always driven our company towards growth, development and the common good. (Filippo Antonio De Cecco, Chairman of the Board of Directors)

IMPACTS, RISKS AND OPPORTUNITIES		ESRS S1-1, 2, 3, 4, 5 ESRS S2-1, 2, 3, 4, 5			
Diversity and inclusion	POLICY	TIME	ACTION	TARGET	
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET	
FARA, ORTONA	Non-discrimination, diversity and inclusion policy	Short-, medium- and long-term	<ul> <li>Promote the principles of non-discrimination and respect for diversity and inclusion inside and outside the company;</li> <li>Raise awareness and train staff on the matter</li> </ul>	Ongoing	
FARA, ORTONA	Non-discrimination, diversity and inclusion policy	Short-, medium- and long-term	Maintain the SA8000&PdR 125:2022 integrated management system certification	Annual	
FARA, ORTONA	Non-discrimination, diversity and inclusion policy	Short-, medium- and long-term	Implement the activities envisaged in the development plan to ensure the effectiveness and adequacy of the SA8000&PdR 125:2022 integrated management system over time	Ongoing	

	METRICS				ESR	S S1-16	
	Pay gap		2022			202	3
	Total Italy		100.05	%		99.72	.%
METRICS					ESF	RS S1-9	
			2022	2		202	3
Country	Age group	F	М	Total	F	М	Total
	<30	12	53	65	8	48	56
Italy	30-50		435	501	65	419	484
	>50	29	321	350	35	338	373
	Total	107	809	916	108	805	913
	METRICS				ESR	S S1-17	
			2022	2		202	3
Country	Incidents of discrimination	F	М	Total	F	М	Total

	METRICS				ESR	S S1-17	
			2022	2		202	3
Country	Incidents of discrimination	F	М	Total	F	М	Total
	gender	0	0	0	0	0	0
	racial and ethnic origin	0	0	0	0	0	0
	national extraction	0	0	0	0	0	0
Itali.	religion	0	0	0	0	0	0
Italy	disabilities	0	0	0	0	0	0
	age	0	0	0	0	0	0
	sexual orientation	0	0	0	0	0	0
	other forms of discrimination	0	0	0	0	0	0

#### Training and skills development

## Business Growth is the result of many FACTORS

First of all, the professional skills and competence of people is a key factor. Being sustainable also means taking care of staff training and enabling everyone to improve their skills and meet the expectations of those committed to their work.

We are aware that society and the market are changing at a remarkable pace and that there is a demand for new skills.

A capable and competent organisation is necessary in order to remain a sector leader.

At De Cecco, each role is defined and filled on

the basis of competence. According to business ethics, skills must constantly be developed as they drive sustainable growth<sup>2</sup>. In accordance with this vision, we manage personnel training wisely and always with a view to innovation and growth. The **Corporate Digital Academy** enables us to satisfy the curiosity and desire of employees to delve into cross-cutting, new, issues in self-training: the De Cecco Academy is an interactive bilingual virtual environment with a library of over 100 e-learning courses available.

<sup>2</sup>see P. CECCARELLI, A. FERRI, C. MARTELLI, La crescita sostenibile nei mercati maturi. Posizionare in modo distintivo per crescere e creare valore nel tempo, Il Sole24 ORE S.p.A., gi series, Milan 2007, Foreword by **Filippo Antonio De Cecco, pp. 7-8.** 



In addition, in order to enable factory personnel working on the production lines to avail of these courses, our departments are equipped with an advanced system of digital notice boards, including touch screens and totems (Digital Signage System) networked with the Academy. Providing people with adequate knowledge tools to be able to perform their duties and operate with competence and efficiently is the cornerstone of an approach to personnel management based on fairness and merit, and in which periodic performance evaluation is based on the quality of work performed and the quality of compliance with ethical principles and corporate values.

IMPACTS, RISKS	AND OPPORTUNITIES		ESRS S1-1, 2, 3, 4, 5	
Training and skills development	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET
FARA, ORTONA	Employee training and learning	Short-, medium- and long-term	Management of training according to the principle of lifelong learning	Ongoing
FARA, ORTONA	Employee training and learning to develop competences	Short-term	- Training plan; - Library of over 100 e-learning courses available in the Corporate Digital Academy; - Digital Signage System networked with the Academy; - Induction and blended training programmes for new incoming resources	2023

De Cecco reports on employees who participated in **career development** and **training** activities, including the percentage of employees who regularly participate in courses broken down by category and gender, but also the average number of training hours per person, category and gender.

METRICS				ESR	S S1-16	
		2022			2023	}
Training	F	М	Total	F	М	Total
Training hours per employee		15.64	16.52	31.87	20.34	21.78
2 44						
Position		2022			2023	}
Managers		12.55			15.81	
Junior managers		14.75			19.76	
White collars		14.27		30.51		
Blue collars		18.04		17.81		
Total		16.52			21.78	3
Sustainability training	2023					
Total hours	1,445					
Safety training	2023					
Total hours		2,690				
Training hours		2022			2023	3
Total hours		15,353	3		20,25	3
Professional training		2022			2023	3
Total hours		12,571	I		747	

In 2023, De Cecco invested more resources in training, providing as many as 21,000 hours of training.

### Involved Communities

Development is sustainable when it generates wealth, thus is capable of generating ecosystem-wide value from the relevant community. We are a historic Italian company, based in Abruzzo, and we operate in tandem with our community. Furthermore, as an international leader in the premium segment, we are an integral part of an even larger and boundless community: that of the

national and international markets we serve with our products.

Therefore, while we feel a strong responsibility to enhance our culture and our territory with its history and traditions, we also have a duty to promote people's health and well-being through high quality products.

ESRS - to be	Disclosure Requirement	Paragraph
	S3-1	Policies related to involved communities
	S3-2	Processes for engaging involved communities on impacts
ESRS S3: Involved	S3-3	Processes to remediate negative impacts and channels for involved communities to raise concerns
communities	\$3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to involved communities, and effectiveness of those actions
	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

3.2.1 —

#### Impacts on the area

Our ongoing investments in Abruzzo, the Italian region where our production units have always been based, show our commitment to betting and investing in our communities and our territory, which

we also support through cultural initiatives such as the "Past Cards" Greetings from Abruzzo project, which saw the design of 4 limited edition postcards inspired by the landscapes of the 4 provinces of our region and portraying the Spaghettoni Quadrati, Linguine Grandi, Pennoni Rigati and Mezzi Rigatoni pasta shapes. These ideally represent Abruzzo's four landscapes: Costa dei Trabocchi (CH), the castle of Rocca Calascio (AQ), the Maiella National Park (PE-CH-AQ) and the Torre di Cerrano (TE). This project was a tribute to our territory and our connection with it that began almost two hundred years ago, confirming the synergy that exists between food and local excellence.



We also promote initiatives which increase the awareness of the benefits of eating healthy for well-being and longevity: over the years, we have established significant partnerships with researchers, scholars and associations, supporting information and training initiatives. These include the "Una sana alimentazione" (A healthy diet) project, carried out in collaboration with Adiconsum (the Italian association for the defence of consumers and the environment), which involved hotel schools in Sicily, Apulia and Sardinia to promote healthy eating: raising awareness among students, families and teachers on the metabolic impact of cereal-based products. Health education is one of the most important and urgent challenges of our time: dietary behaviour and guidelines for proper nutrition are fundamental for the sustainability of our country and the planet. With this in mind, the end of 2023 saw the beginning of the collaboration between De Cecco and the doctors of

ADI, the Italian Association of Dietetics and Clinical Nutrition, who also visited the entire



Molino production site (production and laboratory) to experience the De Cecco Method first-hand. Also in 2023, together with the Policlinico Umberto I in Rome, star chef Heinz Beck and Can Yaman as testimonial, we participated in Fiuggi in the Break The Wall Tour road show, an initiative to create a culture of healthy eating among young people and fight their problems.

The project of the Can Yaman for Children ets Association, sponsored by the Policlinico, envisages a road show aimed at Italian teens, to help them in their growth processes by addressing the problems and loneliness affecting young people. The causes and contributing factors of eating disorders, their prevention and the importance of a good diet, combined with a healthy lifestyle, were explored in Fiuggi.



Our commitment to the community also includes combating food waste. Specifically, more than ten years ago, we began collaborating with the Abruzzo section of the Food Bank which, since 1997, has been committed to combating food waste and hunger through a vast network of solidarity that supports many vulnerable families, while guaranteeing a new life to food that would otherwise deteriorate. In 2023, De Cecco donated more than 700 quintals and we were among the very first members of their new "We save and care" community to help raise public awareness of food waste, the value of food and the importance of sharing. Furthermore, in 2023, we donated € 30,000 to the Paediatric Surgery Department of the Pescara Hospital in order to build an outpatient clinic. In addition, again this year, we sponsored major cultural events such as the Flaiano Film Festival in Pescara and the National Congress FUTURE RESPECT - Sustainable Enterprises. Comparing Practices, which is now in its third year, and which we have promoted and supported since 2021. In the 2023 edition of the congress, which focused on "Sustainability is in stagflation", we were invited to engage with the Zed Generation and answer the questions and curiosities of the young people who attended in the splendid Domitian Stadium in Rome.

Again with respect to young people, we constantly

talk to them through local schools and universities. In collaboration with local schools, we organise learning and working schemes and, in 2023, internships were also organised at the Fara San Martino nursery school. We cooperate with universities both in terms of research and by forging special partnerships, such as the longstanding collaboration with the working and research group of BiblHuB, the Business Library of the La Sapienza University of Rome, with the aim of preserving, studying and enhancing the book heritage of companies and organisations<sup>3</sup> The underlying principle is: donating a book to La Sapienza is to donate it to the community because La Sapienza catalogues volumes, makes them available for consultation on site and records them in the collective library catalogue (OPAC) of the National Library Service (SBN). Business culture thus becomes collective culture and national heritage. BiblHuB's book collection is unique in Italy as it includes publications that companies generally do not pass on to libraries: institutional monographs, biographies, technical-scientific volumes, catalogues of exhibitions and company museums, guidebooks and recipe books, etc.. Published works include the historical essay I De Cecco di Filippo e l'Asilo Infantile a Fara San Martino – La Responsabilità Sociale di una impresa familiare (1906-1936).

#### I DE CECCO DI FILIPPO E L'ASILO INFANTILE A FARA SAN MARTINO

LA RESPONSABILITA' SOCIALE DI UNA IMPRESA FAMILIARE (1906-1936)



Sandro Sciarra

Historical essay "I De Cecco di Filippo e l'Asilo Infantile a Fara San Martino - La Responsabilità Sociale di una impresa familiare (1906-1936)".

<sup>&</sup>lt;sup>3</sup> https://web.uniroma1.it/bibliocoris/biblhub-sapienza/biblhub-sapienza-biblioteca-di-ricerca-sociale-informatica-e-comunicazione

The book is catalogued in the OPAC network of the National Library Service (SBN) and also in the BiblHub of the La Sapienza University of Rome, which houses the historical heritage of Italy's identity, preserving it for future generations. Its catalogue includes 10 volumes published by De Cecco, 5 of which are historical non-fiction books.

This work is dedicated to a genuine private nursery school operating within the national school system, legally known as "Fondazione Scuola Materna Cav. F. De Cecco" of Fara San Martino.

It was founded on 28 November 1910 as a charitable institution within the scope of the so-called charitable bodies and operated with pre-school children for charity and caring purposes.

Later on, given the efficiency of the service and the advantages generated for the local community, on 11 May 1933, by Royal Decree, it became an independent non-profit making entity and the managing board entrusted the De Cecco family with its chairmanship.

The historiographical work on the pre-school activities promoted and supported by the De Cecco family highlights the social responsibility of the company-family, perfectly integrated with economic and environmental responsibility. When tracing back the various events, past generations

seem to interact with the current ones by praising the decisions of the founder of the De Cecco pasta factory, paying tribute to his memory. In addition to Filippo Giovanni, a tribute is also paid to the memory of Concetta Verlengia-De Cecco and her daughter Annunziata De Cecco, a memory that is still alive today among those who acknowledged their good actions on behalf of the future generations of children who joined and grew up at the kindergarten. The essay provides an in-depth examination of the thirty-year period 1906-1936 and the project still continues through the heirs of the De Cecco family who believe in and support the educational challenge. In 2023, new investments were made in Fara in the historical building housing the kindergarten, where the municipal small day nursery will be located for a few years. In Pescara, in 2020, Filippo Antonio De Cecco, the founder's grandson, in turn promoted and founded the FADC ETS Foundation (De Cecco Food & Alimentation Programme) independently and in collaboration with the historical family company.

The Foundation is a non-profit making entity and pursues exclusively civic, solidarity and socially useful purposes. Its first act was the inauguration of the company crèche in Pescara on 20 September 2021, to support employees' families.

### **CONSUMERS**

ESRS - to be	Disclosure Requirement	Paragraph
	S4-1	Policies related to consumers and end-users
	S4-2	Processes for engaging with consumers and end-users about impacts
ESRS S4:	S4-3	Channels for consumers and end users to raise issues
Consumers and end-users	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

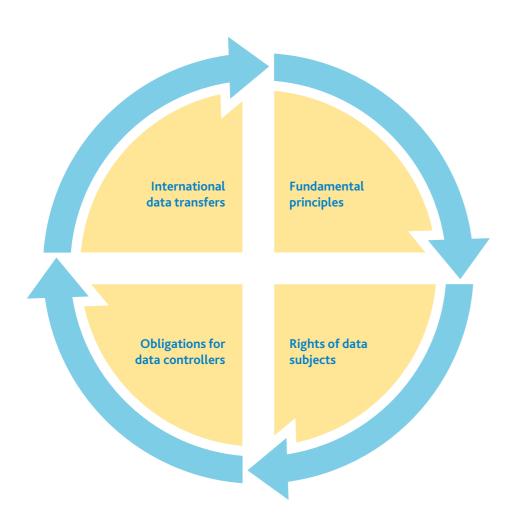
Clearly, end consumers are the focus of attention. Furthermore, many channels and tools are available to reach these privileged stakeholders. These include bilateral relationships with consumer associations,

specifically, with Adiconsum since 2010 and with ConsumerLab, the study centre promoted by Markonet and Future Respect, since 2021.



#### 3.3.2

### Privacy



We comply with Legislative decree no. 101/2018 which transposes and complements the provisions of the GDPR, providing further information and specifications on the processing of personal data and how to appoint and assign the relevant responsibilities to the data protection officer. In addition to the responsibilities defined and

described within the individual procedures, our Privacy unit constantly monitors the Model and the related procedures. Furthermore, it carries out a series of additional activities to appoint managers and officers, update information for data subjects, and plan updates to both internal training on privacy issues and the company's privacy policy.

#### *Transparent communication*

De Cecco's packaging is 100% recyclable and is an important tool to communicate our values through, in particular, the products that are served on the tables of millions of families. Slow drying is a key feature of De Cecco's production process. Indeed, the drying times of each shape are DNV certified and indicated on packaging: they range from 9 hours for short shapes, to 18 hours for long shapes, up to 36 hours for long perforated shapes.







The back of the pasta package provides detailed information on the De Cecco Method, a reference to the family history handed down from father to son, the Environmental Product Declaration (EPD certification), as well as nutrition information, how to cook the pasta and how to properly dispose of the packaging.



IMPACTS, RISKS	S AND OPPORTUNITIES		ESRS S4-1,2,3,4,5	
Transparent communication	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET
FARA, ORTONA	Quality, transparency and correctness of information	Short-, medium- and long-term	- Sustainability approach aimed at continuous improvement and maximum transparency towards stakeholders, objective and transparent communication on activities and management of significant impacts; - Sustainability reporting; - Implementation of environmental and social information in the management report; - Adoption of the Code of ethics; - Adoption of the model 231; - Implementation of risk management in certified management systems.	Ongoing

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3.3.3

#### Consumer health and safety

Ensuring food safety through the high quality of our products is our primary goal in order to meet the needs of our consumers. The commitment,

seriousness and severity with which we manage our control processes mirror directly our vision.

#### Our premium positioning reflects it and encompasses its value:

#### Focus on consumers

- High-quality raw materials and products
- Superior quality pasta with distinctive **CERTIFIED** quality characteristics
- Sharing values



Certificato No./Certificate No.: CERT-141-2004-PC-BRI-DNV

Validità/Valid: 11 giugno 2022 - 11 giugno 2025

Si attesta che il prodotto / This certifies that the product

Pasta semola di grano duro e da agricoltura regolamentata, pasta integrale e da agricoltura regolamentata, pasta all'uovo, pasta speciale (inclusi i formati di pasta biologici, farro, kamut, integrali biologici, grano saraceno e 7 cereali)
Pasta durum wheat semolina and regulated agriculture, integral pasta and regulated agriculture,

egg pasta, special pasta (including formats of organic pasta, spelt, kamut, organic wholemeal, buckwheat and 7 cereals)

Prodotto da / Produced by



F.III De Cecco di Filippo Fara San Martino S.p.A.
Zona Industriale - 66015 Fara San Martino (CH) - Italy

Sito Produttivo: Contrada Caldari Stazione 69 - 66026 Ortona (CH) - Italy Sito di Machen (Outsourcer): Zona Industriale - 66015 Fara San Martino (CH) - Italy

È conforme ai requisiti applicabili della/

Complies with the applicable requirements of:

Specifica Tecnica per Prodotti "Pasta di semola di grano duro prodotta con semola di alta qualità e tecnologie "dolci" secondo i diversi formati. Pasta all'uovo e paste speciali prodotte con tecnologie "dolci" secondo i diversi formati" (STP-38 Rev. 4)

Technical Specification for Product which "Durum wheat pasta produced by means of high quality flour and "soft" technologies as per the different size. Egg pasta and special pasta produced by "soft" technologies as per the different size" (STP-38 Rev. 4)

Certificazione di Prodotto Agroalimentare - LIVELLO 2 : Specifiche e caratteristiche oggetto di certificazione dettagliate ne Food Product Certification - LEVEL 2 : The specifications and characteristics being certified are detailed in the Appendix

Limitazioni / Limitations:

1. Debianentri nel prodotto devono essere immediatamente amunicati a DNV GL Business Assurance Italia S.r.l. per esaminare se il mesente Certificato rimane valido / Any changes in the product s hall immediately bereport ed to DNVGL Business Assurance Italia S.r.l. in order to verify whether this Certificate remains valid.
2. La validità del presente certificato è subordinata a sorveglianza periodica (ogni 6, 9 o 12 mesi) / the validity of this certificate is subject to periodical audits (every 6, 9 or 12 months)
3. Il presente certificato non è da ritenersi valido se non accompagnato dal relativo allegato / This certificate is not valid without the related enclosure



La validità del presente Certificato è subordinata al rispetto delle condizioni contenute nel Contratto di Certificazione/ Lack of fulliment of conditions as set out in the Certification Agreement may render this Certificate invalid. DNV Business Assurance ItalyS-1. Via Energy Park 14, 2087 I Vimerated (MB), 184, 7-6. 103 96 89 905. www.dnv.it/assu

#### Responsible practices

IMPACTS, RISKS AND OPPORTUNITIES			ESRS S4-1,2,3,4,5	
Combating food waste	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET
FARA, ORTONA	Combating food waste	Short-term	100% recovery of by- products and waste from the wheat milling process and, in general, product waste from the production stages	structural
FARA, ORTONA	Responsible practices	Short-, medium- and long-term	- Donation of products; - Members of the "We Save & Care" Community	Ongoing

### Our commitment to sustainability reporting goes hand in hand with sustainable investments and decisions.

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In our Stakeholder Engagement Policy we established, regulated and formalised the **De**Cecco permanent multistakeholder forum for sustainable development and launched a new Food & Sustainability Project inspired by the

company's core value - product quality - the prime driver of De Cecco Group's virtuous and sustainable growth, applying the paradigm of sustainability to "High Quality" and "Research", "Nutrition" and "Well-Being".



Our fundamental objective - the "global" development of people [...] bringing the concept of health "beyond the lack of disease,
rather than a state of harmonious and functional somatic and mental balance
that assumes a dynamic and correct integration of people
into their natural and social environment" [...].

In this respect, education about individual well-being takes on a collective value
and is no longer just a health matter, rather a social one.
Therefore, promoting behaviour and lifestyles that improve human
health means promoting the quality of life<sup>4</sup>.

<sup>4</sup> See DE CECCO, La scienza del buon vivere. Progettare BenEssere, Tecnovadue, Pescara, 2012, Foreword by Filippo Antonio De Cecco, p. 6.



## GOVERNANCE matters

De Cecco's commitment to sustainability is at the heart of our governance policy which is based on business integrity, the commitment to sustainable growth that aims to continuously improve our ESG performance and robust regulatory compliance with ESRS on risk management.

ESRS - to be	Disclosure Requirement	Paragraph
ESRS 2 General disclosures	GOV1	The role of the administrative, management and supervisory bodies

### Strategy

IMPACTS, RISKS AND OPPORTUNITIES	POLICY	SDG
Product quality assurance	Ensure continuous product quality	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## Impacts, risks and OPPORTUNITIES

4.1

Governance, risk management and internal control

ESRS - to be	Disclosure Requirement	Paragraph
	G1-1	Business conduct policies and corporate culture
ESRS G1:	G1-2	Management of relationships with suppliers
Business conduct	G1-3	Prevention and detection of corruption and bribery
	G1-4	Incidents of corruption or bribery

Group governance has always been based on a family structure: entirely family-owned and Board almost exclusively made up of family members.

This structure is the perfect alignment between ownership and control, ensuring that Board decisions are in line with the interests of the owners. Corporate governance also relies on management engagement's in decision-making processes, enabling the company to acquire over time specialised professional skills, a diversity of

perspectives as well as the necessary abilities for continuous business development, promoting the gradual expansion of the management team.

De Cecco pasta is still produced exclusively at the two Italian production units based in the Abruzzo region, specifically Fara San Martino (headed by F.lli De Cecco di Filippo Fara San Martino S.p.A., which is also the parent) and Ortona (headed by the subsidiary Molino e Pastificio De Cecco S.p.A. Pescara).



Fara San Martino production unit



Ortona production unit

Our policy relies on principles of sustainability which broadly encompass quality, ranging from the natural and healthy characteristics of our products to the virtuous relationship with the communities and markets in which we operate and, above all, the value we place on our personnel.

Group governance maximises the creation of shared value between group companies and stakeholders, and is based on sound social and environmental responsibility.

The Board of Directors is the main governance body, headed by the Chairman Filippo Antonio De Cecco since 1993.

Specifically with respect to the sustainable development of processes and organisation, the Chairman is assisted by high-profile Board members from outside the shareholding structure. Consultation is a crucial governance process, focused on growth and the company's evolution towards increasingly distinctive quality, in line with the company's ethical principles. Based on these principles, the Chairman, together with the entire Board of Directors, promotes sustainability. Management is always involved in the definition of development strategies, in assessing consistency with specific objectives and in monitoring and checking progress over time.

Governance drives the Group towards sustainability via the following main pillars:

- 1) Social responsibility policy and Code of ethics for business management based on values such as ethics and compliance, health and safety, environment, human resources, community, communication, product and process quality.
- 2) The Organisational model pursuant to Law no. 231, to ensure that the conduct of all those working on behalf of or in the interest of the Company always complies with the principles of legality, correctness and transparency.
- 3) The internal control and risk management system developed within the integrated quality and environment management system and the social management system.

#### Code of ethics and corporate culture

Respecting corporate ethical values is the main pillar of the Group's approach.

This covers many aspects, including the protection of the interests of all our stakeholders and the development of a way of working that is efficient, reliable and in line with legal rules and ethical principles, with national and international relations.

Respect for the law, professionalism, honesty, integrity, fairness, good faith, transparency, diligence, respect for the rules of competition, confidentiality, individual dignity and protection of the environment are the founding principles of our Code of ethics. This is a key element of our organisational model and the main reference point for our Corporate governance system.

The Code of ethics was adopted in 2012 to ensure corporate continuity with the Group Social Responsibility Policy first published approximately twenty years ago (2005). This Policy was defined by Top Management and was proposed by the **Social Performance Team**, an internal Group body that is responsible for the implementation, updating and continuous improvement of the SA8000 integrated management system & gender equality.

On the other hand, the Code of ethics is an integral part of the Organisation and control model pursuant to Legislative decree no. 231/01 which governs the administrative liability of legal persons, companies and associations. The set of ethical principles, values and rules of conduct defined in the De Cecco Code

of ethics drive the actions of all those working within the Group, including:

- the members of the Board of Directors, who must comply with the principles of the Code when setting corporate goals;
- the members of the Control Body and the Board of Directors, who are responsible for ensuring compliance with the Code in their functions;
- managers, who must translate the values and principles of the Code into real actions, taking responsibility internally and externally and promoting trust, unity and team spirit;
- employees, who must act and operate in accordance with the principles of the Code and in compliance with the laws and regulations in force.
- all those who work on behalf of De Cecco, who are equally required to comply with the Code

IMPACTS, RISKS AND OPPORTUNITIES		ESRS G1-1		
Product quality assurance	POLICY	TIME	ACTION	TARGET
SCOPE	OBJECTIVES	TIME HORIZON	ACTIONS	TARGET
FARA, ORTONA	Ensure continuous product quality	Short-, medium- and long-term	- Respect for the distinctive quality characteristics of the raw materials and the production process in accordance with the quantitative parameters established by the product certification; - Research and development of the best wheat varieties in Italy and abroad within the Italian high quality durum wheat chain and the foreign chain.	Ongoing
	Ensure continuous product quality	Short-, medium- and long-term	- Maintain existing certifications*	Annual

NO.	CERTIFICATE	ISSUE DATE
01	KOSHER	1 MAY 1996
02	НАССР	1 APRIL 2003
03	ISO 9001	7 MAY 2003
04	PC FOOD	29 JUNE 2004
05	SA8000	25 FEBRUARY 2005
06	BRC	3 AUGUST 2005
07	IFS Pastificio	3 AUGUST 2005
08	Linea BIO	31 AUGUST 2006
09	ISO 14001	2 OCTOBER 2007
10	A.E.O.	29 APRIL 2009
11	Statement PAY PER PAGE FREEN	13 MAY 2011
12	Assurance Statement ISO26000	15 JUNE 2011
13	UNI 11381	24 JUNE 2011
14	E.D.P.	5 AUGUST 2011
15	ISO 45001	24 JULY 2013 (OHSAS 18001)
16	HALAL	15 JULY 2015
17	GMP+	5 DECEMBER 2017
18	NO OMG (U.S.A.)	10 APRIL 2019
19	Statement MY CARE for COVID protection	2 JULY 2020
20	GENDER EQUALITY (Pdr 125:2022)	29 DECEMBER 2022

#### Management of relationships with suppliers

At De Cecco, the sustainability of our supply chain is a crucial factor for our future and that of the entire food industry, which is a highly competitive and ever-changing sector. Our consumers' concern for the environment, climate change and their expectations about business ethics urge us towards sustainable management, not only of our production processes, but also of all upstream aspects.

Indeed, we believe that the key to success and

long-term value creation lies in the responsible and ethical management of every step, from the field to the table. For us, this means considering the economic, social, and environmental impact of each decision and action, leading us over time to an ever greater engagement of our suppliers both in sharing values and, in recent years, in checking sustainability commitments/objectives through structured assessment programmes.

#### 4.1.3

#### Anti-corruption

The De Cecco Group has implemented an Organisation, Management and Control (OMC) Model in accordance with Legislative decree no. 231/2001 and has set up a Supervisory Body (SB) as required by said decree. The SB constantly monitors the implemented the OMC Model. In general,

it monitors its adequacy and effectiveness over time, in relation to the regulatory and corporate environment, as well as to any developments and changes.

Specifically, it ensures the implementation of the Whistleblowing procedure.

METRICS		ESRS G1-4	
		2022	2023
Country	Confirmed incidents of corruption or bribery	Total	Total
Italy	Number of confirmed incidents of corruption or bribery	0	0
	Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0	0
	Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery.	0	0



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#### Cerved Rating Agency assigns a high rating, growing in 2023.



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In this way we contribute to our mission of reducing environmental impact and promoting sustainable practices.



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