

SUSTAINABILITY REPORT 2022



The background features several abstract, light green lines that curve and flow across the white space, creating a sense of movement and organic form. These lines are positioned around the central text, framing it without being too restrictive.

WE ADD VALUE
NATURALLY

LBG Sicilia

Headquarters and main plant:
Zona Industriale 3° fase 97100 Ragusa, Italy

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Email: info@lbg.it

Website: [**www.lbg.it**](http://www.lbg.it)

All Stakeholders can request further information or clarifications on the sustainability strategy and information in this Report.

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METHODOLOGICAL NOTE

The Sustainability Report 2022 is our second voluntary annual report: it presents our approach to sustainability and chronicles our progress in implementing socially responsible initiatives. The aim is to establish a transparent dialogue and provide all stakeholders with a clear representation of our main objectives and achievements. The information reported refers to the calendar year 2022 and reflects the results of the materiality analysis, thanks to which we have identified the material topics for LBG Sicilia and its Stakeholders. In order to enable a comparison of the results achieved, data for the year 2021 has also been included where possible. The reporting boundary includes the company LBG Sicilia (to which, in this report, we shall also refer to as ‘Company’, ‘LBG’, ‘We’) and its plants located in Ragusa (Italy) and more precisely: registered office and main plant located in Zona Industriale III Fase; secondary production plant located in Contrada Genisi.

The Report was drawn up using the Global Reporting Initiative’s Sustainability Standards (hereinafter GRI Standards) as a technical-methodological reference, choosing the “in accordance” option, and integrating them with the United Nations Sustainable Development Goals (hereinafter also SDGs) to which LBG is inspired and intends to actively contribute. In drawing up this re-

port, we have taken responsibility for complying with all reporting principles set out in the GRI I Foundation 2021 standard, namely: accuracy, balance, clarity, comparability, sustainability context, timeliness, verifiability and stakeholder inclusiveness. We undertook to draw up a sustainability report that was - among other things - balanced, fair, concise and comprehensive. The Report in its entirety - including the list of material topics - was reviewed by senior management and approved by our CEO. Our goal for the coming years is to obtain third-party validation to further prove the transparency and reliability of our information.

This Annual Report consists of four main sections. The first chapter, entitled ‘The world of LBG Sicilia’, presents the company and the context in which it operates: it describes the history, products, supply chain, governance and the people of the LBG world. The second chapter shows our materiality analysis by outlining its elaboration procedures - including the analysis of impacts along the value chain, the stakeholder engagement process and the elaboration and evaluation of material topics. The third chapter, divided into the three macro-areas Prosperity, People and Planet, sets out our performance for the reporting year by analysing our achievements and initiatives with reference to material topics. The last chap-

ter describes our sustainability strategy, i.e. the goals we have set for managing and addressing our material topics in the years to come. In the appendix, in-depth data and the GRI content index are presented.



Dear Stakeholders,

*I am proud to share our second voluntary Sustainability Report with you, a milestone that is close to our hearts and that we deem significant for our growth. For LBG Sicilia, sustainability is, in fact, a **path**: a gradual journey towards the consolidation of a 'harmless' prosperity, respecting and for the wellbeing of what surrounds us, of all of us and of those who will come after us. As a company, we feel we have been on this path since the beginning of our business, always striving to develop exceptional products while respecting people and using the most natural and least impactful production processes possible. From the beginning, we chose this path not only because sustainability represented an opportunity for LBG Sicilia to differentiate its products and, therefore, a competitive advantage, but also and above all because we believe in its importance and recognise our social responsibility. Today we want to institutionalise this path and improve ourselves more and more by publicly communicating our achievements and goals.*

For LBG Sicilia, 2022 was an important and virtuous year, we achieved extraordinary results despite the challenges and obstacles that this year carried with it. In this context, we recognise the fundamental value of relationships, particularly those with our suppliers and employees, which are essential to ensure the best service to our customers worldwide and to be, at the same time, a point of reference and inspiration for the local area and community. Thank you all because only together can we achieve ambitious sustainable development goals and create a prosperous and resilient future.

I hope you enjoy reading this report!

Founder and CEO
Cav. Lav. Giovanni Carlo Licitra

A handwritten signature in black ink that reads "Giovanni Carlo Licitra". The signature is written in a cursive, flowing style.




HIGHLIGHTS OF 2022



13,016
TONS OF
PRODUCT SOLD




247 MM
DIRECTLY GENERATED
ECONOMIC VALUE



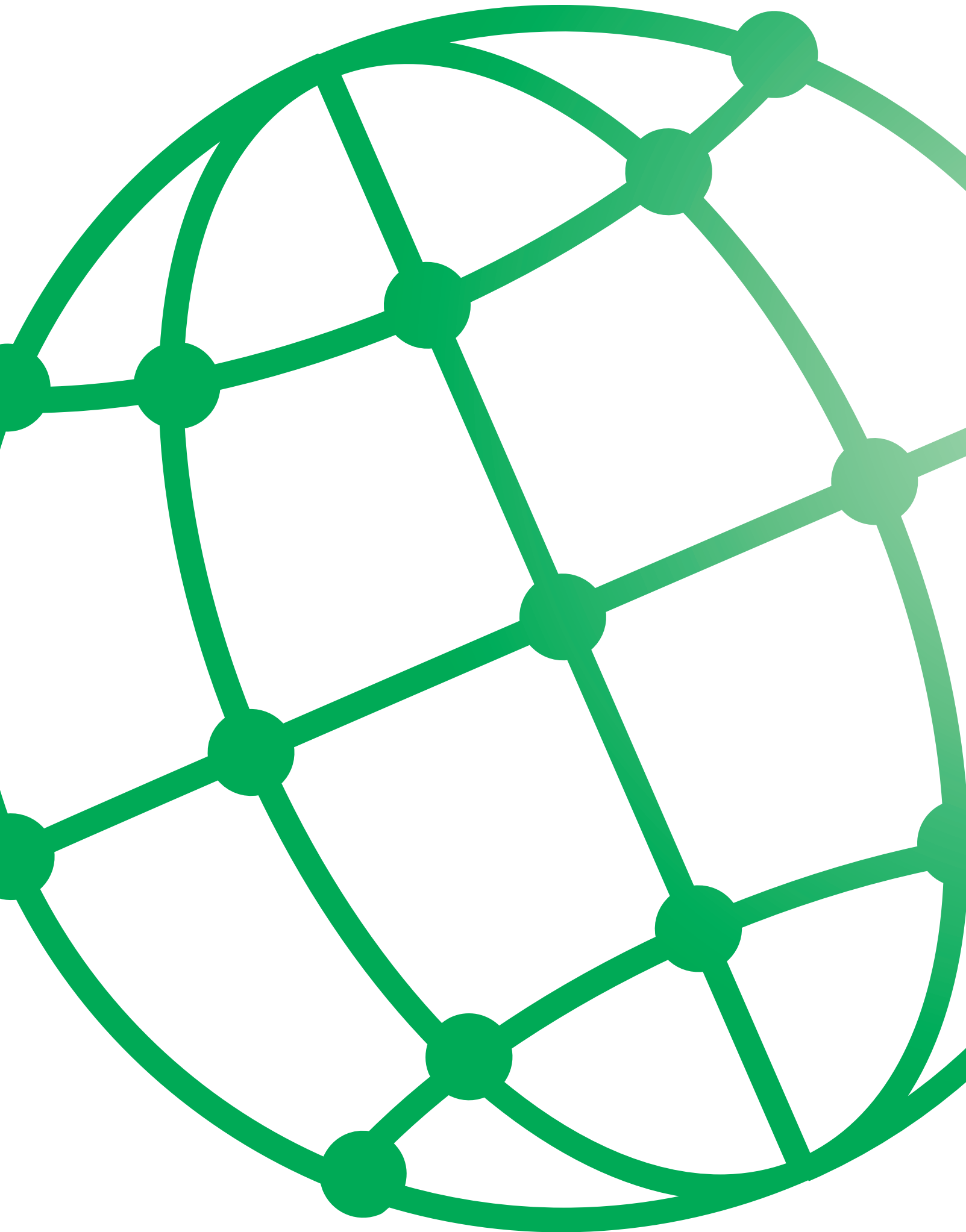
90+
EXPORTING
COUNTRIES

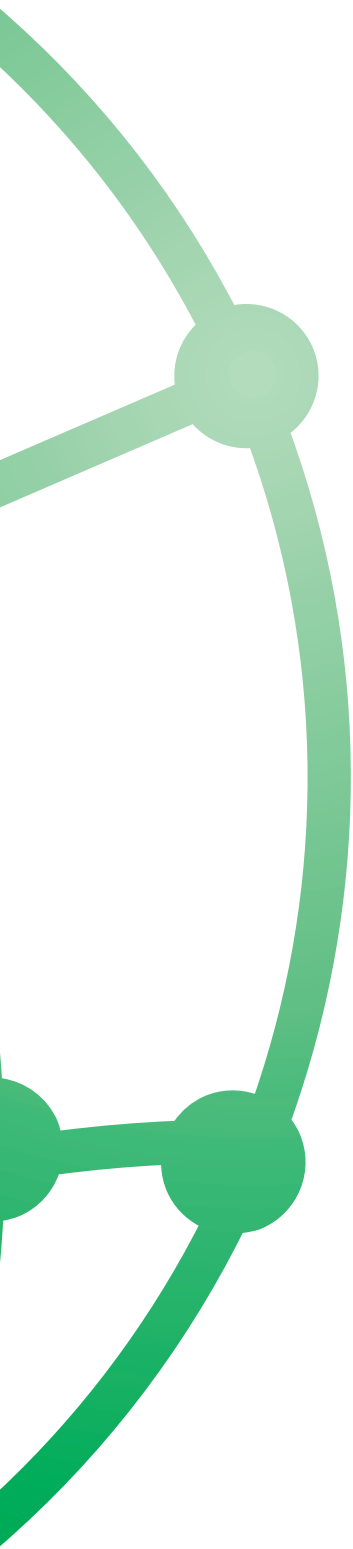


49
EMPLOYEES
AS OF 31 DEC
2022



2
NEW R&D FAMILIES
OF PRODUCTS
LAUNCHED





1 THE WORLD OF LBG SICILIA

MILESTONES OF OUR STORY



1955

The Licitra family began the carob pod trading business, establishing itself as a reference company in the region.



1980

The carob processing business began with the first carob pod kibbling plant. Within a few years the company became the most important carob seed supplier in Italy.



2001

Continuing the process of vertical integration, an idea of Giovanni Carlo Licitra gave birth to LBG Sicilia, a company producing carob bean gum, sold under the SEEDGUM® brand.



2012

LBG Sicilia establishes itself as the world's second largest producer of carob bean gum, becoming a trusted supplier to the world's most important food industry multinational companies.



2013

First expansion of the company with the doubling of the plant and the creation of our Innovation Centre. With a view to becoming a solution provider, a new product line is born: SOLMIX®, our functional and tailor-made blends.



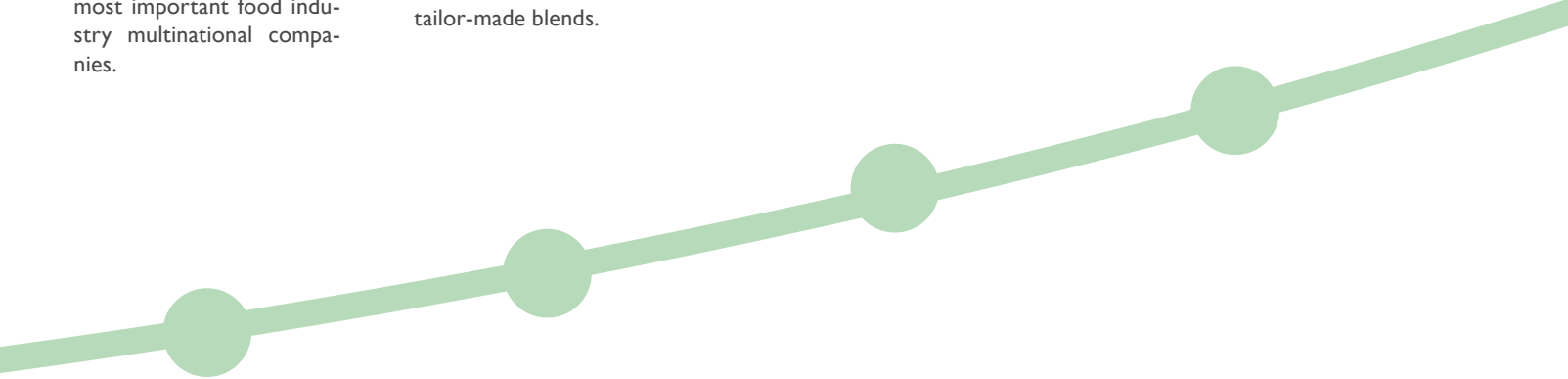
2017

Second expansion of the company: a major new project to expand the production site is launched and production capacity is doubled through a more efficient process with Industry 4.0 technology.



2022

A virtuous year for the company: two new product lines - SEEDPRO® and SEEDFIBER™ - were officially launched with record sales were achieved. LBG confirms its position as the global market leader in carob bean gum and grows as a supplier of various functional ingredients by expanding the variety of its product offering.



OUR PRODUCTS

SEEDGUM®

Carob seed gum, our flagship product, is a natural extract of the seeds of the carob tree and is used as a structuring and thickening agent in many food applications such as ice cream, dairy or milk alternatives, sauces and dressings. Our SEEDGUM® brand flour is a 100% natural, vegan and chemical-free, hydrocolloid, which is a key differentiator from our competitors.

SOLMIX®

SOLMIX® branded blends, stabilisers and texturising agents are designed and manufactured to enhance and exalt the taste experience for the end consumer. SOLMIX® blends are created through a tailor-made process developed in our application laboratory where our technicians have the opportunity to recreate the final recipes by perfectly testing the functionality of SOLMIX® blends. The main applications of SOLMIX® mixtures are: ice creams; sauces and dressings; dairy products and their *vegan* alternatives; jelly and fruit.

SEEDPRO®

The natural alternative to meat and dairy products: SEEDPRO® is our plant-derived protein, extracted from carob seeds through a 100% *chemical-free* production process. SEEDPRO® was born out of our research and development activities and, in particular, the valorisation of our by-products. A high

protein food source, ideal for gluten-free meals, plant-based diets, energy bars, baked goods and also has emulsifying properties.

SEEDFIBER™

Our natural fiber of plant origin, SEEDFIBER™, is also extracted through a totally chemical-free production process. It provides a high fibre intake in nutritional products and, in addition to being allergen-free, is also *gluten-free*, therefore, suitable for gluten-free diets. A perfect addition of natural fibre to bread, pizza and biscuits.

SOLPECTIN™

Our SOLPECTIN™ is derived from dietary fibres found in citrus peels. Used in multiple applications to stabilise, thicken and gel food, beverages and cosmetics.

CITRIFIBER™

CITRIFIBER™ is a functional ingredient made of soluble (pectin) and insoluble (cellulose and hemicellulose) fibres. Made from citrus peel derivatives, making it one of the food industry's most sustainable high-fibre options and, acting as a substitute for sugars and fats due to its unique texturising capabilities, a suitable choice for the diets of modern consumers.

FROM SINGLE INGREDIENTS TO BLENDS, WE ASSIST OUR CUSTOMERS PROVIDING THEM WITH THE MOST SUITABLE SOLUTIONS FOR DIFFERENT APPLICATIONS



I. THE WORLD OF LBG SICILIA



MISSION, VISION, VALUES

MISSION

Our mission has always been to add value. Our corporate claim articulates this clearly:

WE ADD VALUE, NATURALLY.



FOR CUSTOMERS
With the technical functionality and quality of our ingredients



FOR THE SUPPLY CHAIN
With the upcycling of our raw materials



FOR THE TERRITORY
Valorising its products and human resources



FOR THE ENVIRONMENT
Using only clean, chemical-free technologies

VISION

To become the global benchmark in research, development, production and supply of natural and sustainable functional ingredients.

VALUES

We recognise our social responsibility and conduct our business with extreme diligence and integrity, respecting core values such as the centrality of people and respect for nature.

OUR VALUE CHAIN





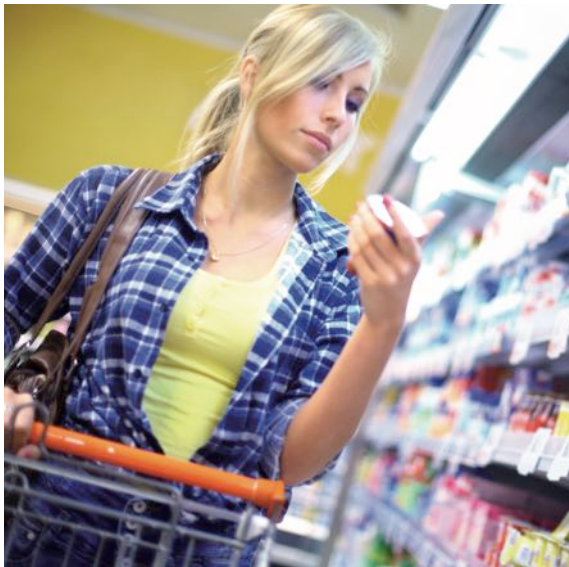
OUR RAW MATERIALS

WHOLE CAROB

CAROB POD

INDIVIDUAL INGREDIENTS:

citric fibres, plant proteins and fibres, other hydrocolloids, e.g. guar, tara, pectins, starches, alginates, carrageenins and more



OUR MARKETS

FOOD & BEVERAGE

PETFOOD

FEED

COSMETICS

NUTRACEUTICALS

OUR TEAM

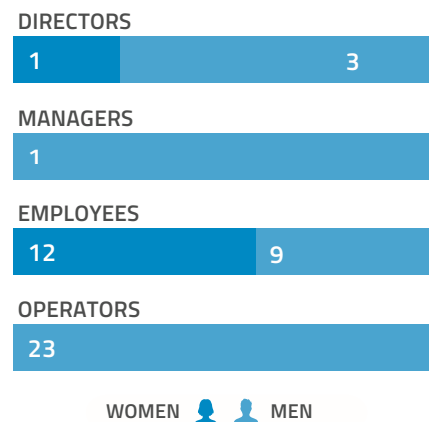
A VALUABLE AND INDISPENSABLE RESOURCE

LBG Sicilia employees are the driving force behind the company's success: it is thanks to their commitment, passion, ethics and professionalism that LBG has established itself as a market leader in the supply of high quality products. Therefore, our daily goal is not only to ensure production reality of excellence, but also to create a working environment in which all talents and diversities are respected and valued. Part of our philosophy has always been the awareness that identity and authenticity are valuable aspects through which everyone can make their best contribution to achieving the company's goals. The company combats any form of discrimination against its employees by implementing decision-making and evaluation processes based on objective and shared criteria. The criteria underlying the treatment of employees have, in fact, always been fairness and equity.

LBG Sicilia counted 49 employees as of 31 Dec 2022, one employee less as of 31 Dec 2021 due to the retirement of one of its employees. We have a very young team. The average age is, in fact, 37. Women represent 27% of the total and all of our employees are covered by national collective bargaining agreements in the food sector. Although the company disavows any gender discrim-



COLLABORATORS BY PROFESSIONAL CATEGORY AND GENDER IN 2022





ination, male employees represent a clear majority. This can be explained by the fact that operational and productive tasks, also on night shifts, are not in demand by the female gender to date and, at the same time, these tasks represent the largest share of our workforce.

In addition to employees, LBG relies on the contribution of external consultants and agents: in the reporting year, 4 external consultants and 1 sales agent worked with LBG to help achieve the company's objectives.

49
EMPLOYEES

27%
FEMALE

100%
COLLECTIVE
BARGAINING
AGREEMENTS

37 YEARS
AVERAGE AGE

92%
PERMANENT
CONTRACTS

GOVERNANCE

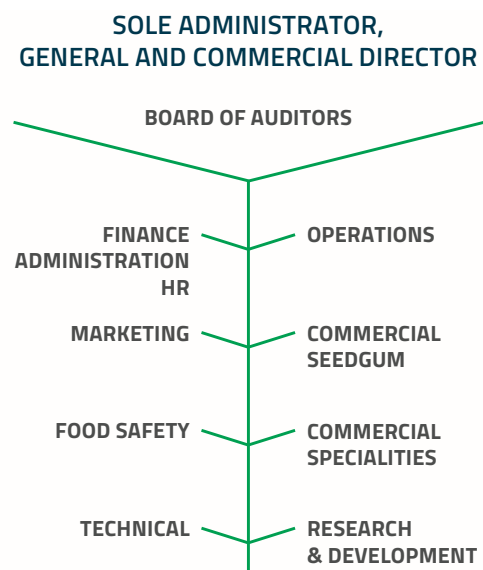
THE STRUCTURE

Ownership of LBG Sicilia is divided between the company Karat S.r.l., which holds 70 per cent, and the founder and CEO Giovanni Carlo Licitra, who holds 30 per cent. Management, on the other hand, is entirely in the hands of CEO Giovanni Carlo Licitra, sole director of LBG Sicilia. The management of the sole director, who is responsible for the strategic direction of the business, is supervised by the three-member Board of Statutory Auditors, which is responsible for monitoring compliance with the law and the Articles of Association, as well as compliance with the principles of proper administration. Finally, the external auditing firm, Ernst & Young S.p.A., carries out checks on the regularity of the company's accounts, compliance with the rules laid down in the Italian Civil Code and the correspondence of the financial statements with the accounting records.

LBG Sicilia is internally organised into 8 main offices that work synergistically to achieve corporate objectives.

The Administration, Finance & HR department deals with administrative, financial, legal and IT management, attendance and staff management as well as logistics and import-export operations. The Operations department coordinates the production

and plant, routine and extraordinary plant maintenance and manages traceability and waste. The marketing division organizes and controls internal, external communication and the development of new projects. The Food Safety Division checks the quality and safety of our raw materials and ensures those of our finished products. The SEED-GUM and SOLMIX product families reflect our commercial structure. The Team not only manages sales and inside procurement, but also provides a thorough service to our customers. In particular, the commercial team counts on the support of our application laboratory and technicians dedicated to research, development and the creation of *tailor-made* products.



SOLIDITY AND FORESIGHT

Good corporate governance is the necessary basis for achieving sustainable success. For this reason, we have adopted specific tools and processes to ensure the legality, integrity, transparency and good functioning of the company, so as to prevent or possibly remedy negative impacts on our stakeholders.

- SUPPLIERS' CODE OF CONDUCT
- BUSINESS CONTINUITY MANAGEMENT SYSTEM
- INTEGRATED FOOD SAFETY MANAGEMENT SYSTEM
- OCCUPATIONAL HEALTH AND SAFETY SYSTEM
- ENVIRONMENTAL MANAGEMENT SYSTEM
- CORPORATE CODE OF ETHICS



OUR CERTIFICATIONS

BRCGS

Food Safety

CERTIFICATED



CERTIFIED MANAGEMENT SYSTEM
ISO 22000



Sedex Member



CONDUCT AND INTEGRITY

In the conduct of our business activities and operations, we are committed to an ethically irreproachable conduct, which is why we have adopted a **Company Code of Ethics** drawn up in accordance with the Guidelines based on Legislative Decree 231/2001. The Code applies to LBG Sicilia and is, therefore, binding for all employees as well as professionals providing services in the interest of LBG, without exception. The Code defines the fundamental values and principles that must inspire and guide the behaviour of all employees. LBG opposes corruption in all its forms, conflict of interest and anti-competitive behaviour, while promoting conduct imported to legality and integrity. The Code also sets out the principles and rules



of conduct that underpin relations with our stakeholders, i.e. with customers, suppliers, all business partners, the public administration and the social community. An important section of the Code is also devoted to environmental regulations: LBG Sicilia considers environmental protection and sustainable development of the territory in which it operates to be of primary importance, with respect and consideration for the rights of the community and future generations. As stipulated in the Code itself, all company activities are implemented taking into account environmental criteria and principles aimed at controlling the consumption of natural resources and minimising negative impacts on the environment and climate.

The dissemination, within the Company, of the principles and rules contained in the Code of Ethics took place through communication activities and meetings aimed at putting all employees in a position to recognise and respect the company provisions and the ethical principles underlying them. The body responsible for monitoring compliance with the Code of Ethics is the Internal Control and Supervisory Committee. In the reporting year, no incidents of violations of the Code of Ethics were reported. Our Code of Ethics is available on our website www.lbg.it.

THE REMUNERATION POLICY

The selection and treatment of LBG employees, and thus also the policy for their remuneration, is carried out exclusively in accordance with two criteria: competence and merit. The aim is to attract, retain and motivate the professionals who make LBG a successful company. Remuneration is, therefore, established on the basis of professional skills and on the role held, no other factors being taken into account precisely in order to comply with the principles of non-discrimination, inclusion and equal opportunities to which the Company is also bound by its Code of Ethics.

The remuneration of employees holding positions of responsibility within their department consists of a fixed component, based on their contractual classification, and a variable component linked to the results achieved with respect to the objectives that the company has set at the beginning of the year.





2

OUR SUSTAINABILITY JOURNEY

2. OUR SUSTAINABILITY JOURNEY



MATERIALITY ANALISYS

Respect for people, the environment and stakeholders has always been an undisputed primary value for LBG Sicilia. Starting in 2021, with the publication of our first voluntary report, we have decided to make our social responsibility more tangible and concrete.

LBG Sicilia’s sustainability strategy reflects its business model:

PEOPLE AT THE CENTRE

SHARED VALUE

ALWAYS CONDUCT RESPONSIBLE BUSINESS

GROWTH AND QUALITY

Our sustainability path was defined by carrying out a materiality analysis. We set ourselves the goal of repeating the materiality analysis - previously carried out in 2020 - to ensure that our strategy and new goals were appropriately formulated based on our current impact and aligned with both the UN Sustainable Development Goals and the emerging needs of our stakeholders.

Our materiality analysis was carried out in the following steps:

IDENTIFICATION AND ASSESSMENT OF IMPACTS ALONG OUR VALUE CHAIN AND STAKEHOLDER MAP DEFINITION



STAKEHOLDER ENGAGEMENT FOR THE DEVELOPMENT OF MATERIAL TOPICS



LIST OF MATERIAL TOPICS



SUSTAINABILITY PLAN: DEFINITION OF FUTURE OBJECTIVES

IDENTIFICATION OF IMPACTS ALONG THE VALUE CHAIN

In accordance with the GRI methodology and inspired by the principles enshrined in the most recent relevant legislation - in particular the new directive¹ on sustainability reporting and the proposed directive² on the duty of care of companies - we carried out an analysis of our value chain to recognise the current or potential, direct or indirect, positive or negative pressures and impacts³ on the economy, the environment, human rights and society at large:



UPSTREAM	LBG SICILIA'S OPERATIONS	DOWNSTREAM
Social impacts along the supply chain and human rights	Consumption	Supply chain emissions
Environmental impacts of packaging production	Waste production	Management and disposal of delivered waste
	Emissions	Consumer health and safety
Environmental impacts related to the production of our raw materials	Impacts on LBG employees and their families	Packaging management
Agricultural practices and ecosystem impacts	Talent development	Social impacts along the downstream chain and human rights
Traceability and impacts on local producers	R&D and impacts on the scientific and academic community	Food quality and safety
Supply chain emissions	Impacts on the local community and territory	Environmental impacts and emissions when using our ingredients
	Impacts on the financial stability of our partners	

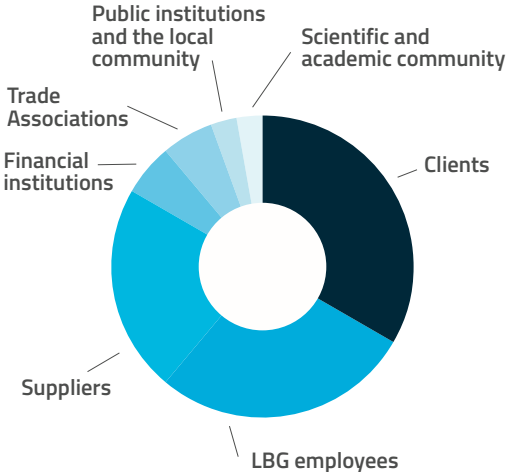
1 Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.

2 Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937, (COM/2022/71 final).

3 Direct impacts are those directly caused by the company, i.e. attributable to operations that the company keeps under control; indirect impacts, on the other hand, are those on which the company can only exert an influence

DEFINING THE STAKEHOLDER MAP

We have identified which groups or individuals whose interests are or could be affected - positively or negatively - by our activities and have drawn up a map of our main stakeholders:

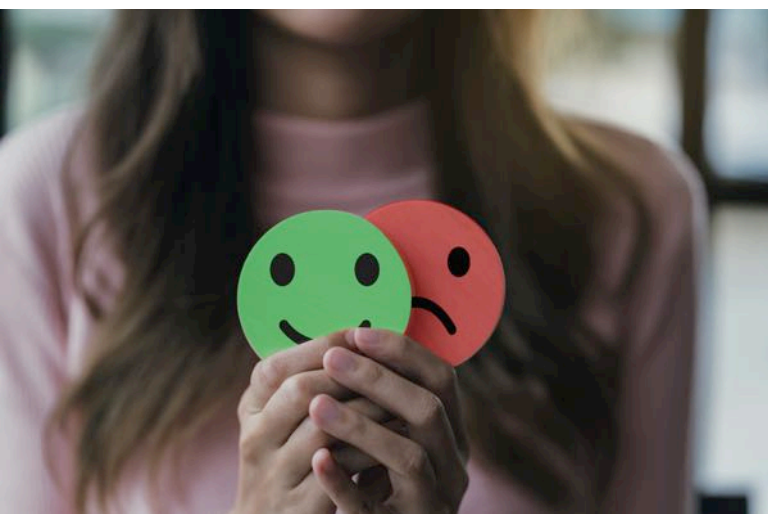


ASSESSMENT OF IMPACTS

Material topics reflect the organisation’s impacts on the economy, the environment and people, including human rights. In order to formulate them, we organised an internal workshop in which the heads of the different corporate functions met to study our impacts in the light of two criteria: intensity and probability, as shown in the example table below. The intensity of an impact (actual or potential) may depend on several factors such as the number of people affected or the extent of the effects produced. The probability of a potential impact, on the other hand, refers to the possibility of that impact occurring.

As far as the environmental impacts of our consumption are concerned, for example, we have considered the impact of water use to be insignificant, as our production processes do not require the use of large quantities of water; energy consumption, on the other hand, represents a considerably more significant impact, as our operations are characterised by rather high energy requirements.

IMPACT: Social impacts along the supply chain	INTENSITY	PROBABILITY
POSITIVE IMPACTS Creation of many jobs	MEDIUM	HIGH
NEGATIVE IMPACTS Inappropriate working practices	HIGH	MEDIUM



STAKEHOLDER INVOLVEMENT

On the basis of the impacts with the highest intensity and likelihood, we were able to formulate our material topics and, at the same time, involved our main stakeholders through the distribution of a questionnaire. The questionnaire asked not only to assess and assign relevance to the topics we identified, but also to indicate additional ones.

We collected a total of 96 questionnaires administered to our most representative stakeholders, i.e. customers, suppliers, financial institutions, internal staff and some trade associations. On the basis of the outcome of this process and the feedback gathered, we created the List of Material Topics, which was approved by the CEO and listed the material topics in order of relevance, enabling LBG Sicilia to prioritise its sustainability initiatives and intervene with greater urgency or intensity on the topics found to be most significant for its activities and stakeholders.

Ten material topics have been identified, each of which is linked to one or more of the Sustainable Development Goals (SDGs) with a view to alignment with the 2030 Agenda. The list below presents the material topics in order of relevance by listing them from 1 to 10, where 1 is the topic rated as most relevant and 10 is the least relevant.

LIST OF MATERIAL TOPICS	RELEVANT SDGs
1 HIGH QUALITY AND FOOD SAFETY	
2 WORKERS' WELFARE	 
3 RESPONSIBLE SOURCING	    
4 CONSUMPTION AND ENERGY EFFICIENCY	 
5 GHG EMISSIONS	 
6 R&D NEW FOOD SOLUTIONS	  
7 COMMITMENT TO THE COMMUNITY AND TERRITORY	  
8 CLIMATE RISK MANAGEMENT	  
9 SUSTAINABLE PACKAGING AND WASTE MANAGEMENT	   
10 REFORESTATION	 

2. OUR SUSTAINABILITY JOURNEY

PRIORITY SDGS FOR LBG SICILIA



GOAL 2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture



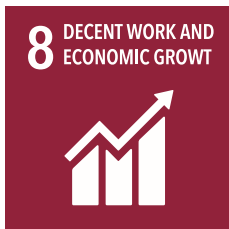
GOAL 3

Ensuring health and well-being for all



GOAL 7

Ensure access to affordable, reliable, sustainable and modern energy for all



GOAL 8

Stimulating lasting, inclusive and sustainable economic growth, full employment and decent work for all



GOAL 9

Building a resilient infrastructure and promoting innovation and fair, responsible and sustainable industrialisation



GOAL 12

Ensuring sustainable models of production and consumption



GOAL 13

Combating climate change

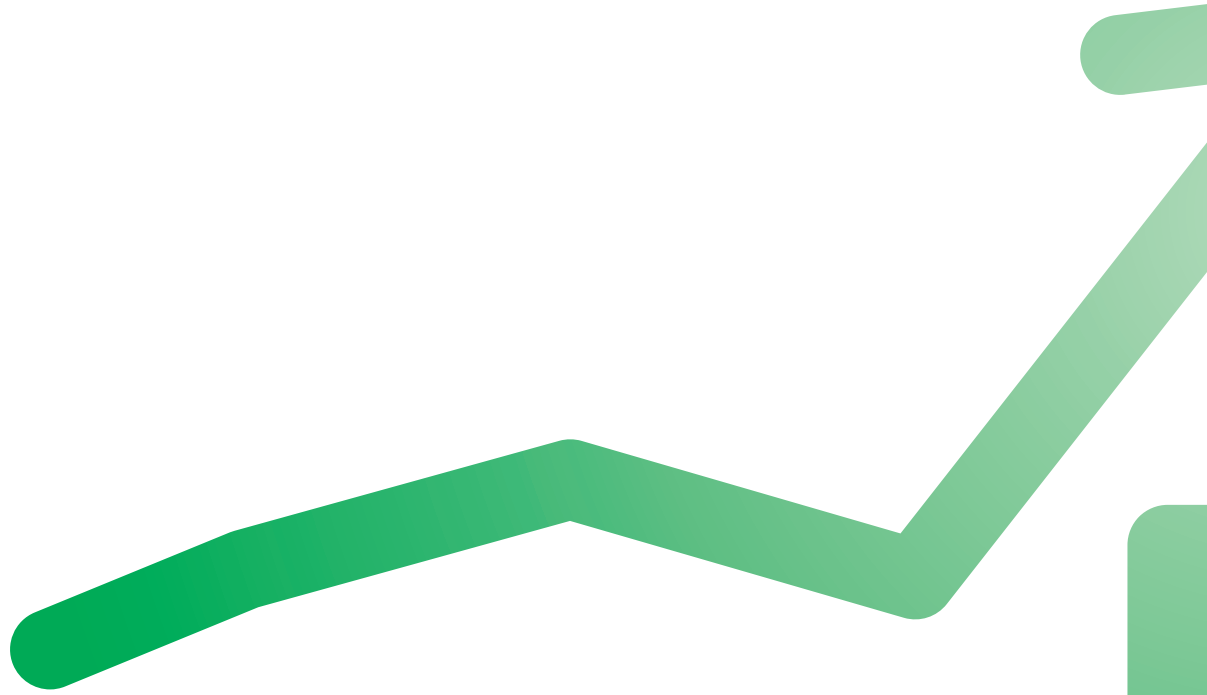


GOAL 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

PRIORITY TOPICS PER STAKEHOLDER CATEGORY

STAKEHOLDER CATEGORY	MOST RELEVANT TOPICS	MODES OF INVOLVEMENT
CUSTOMERS	High quality and food safety	Distribution of the materiality questionnaire, dedicated meetings, customer service, website, plant visits
EMPLOYEES	Welfare of workers	Distribution of the materiality questionnaire, internal communication, dedicated meetings
SUPPLIERS	High quality and food safety	Distribution of the materiality questionnaire, website, surveys, CCF
FINANCIAL INSTITUTIONS	Responsible sourcing	Distribution of the materiality questionnaire, reporting
TRADE ASSOCIATIONS	Responsible sourcing	Distribution of the questionnaire on materiality, events, website





3 2022 PERFORMANCE





PROSPERITY

OUR ECONOMIC PERFORMANCE

DIRECT ECONOMIC IMPACTS: THE CREATION OF SHARED VALUE

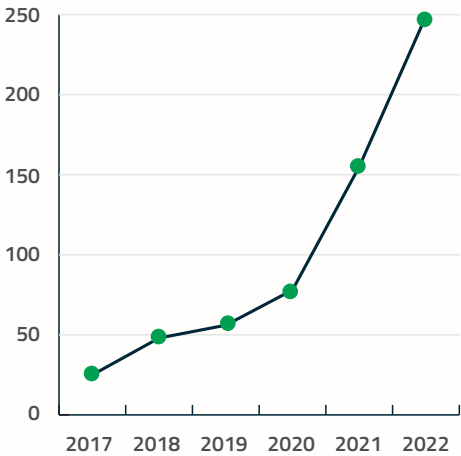
Our economic performance 2022 was fully positive and the results achieved are a source of great satisfaction for us. The economic value directly generated in 2022 amounts to € 247.349.695 (net revenue), an increase of 51% compared to the previous year.

IN 2022 WE
DISTRIBUTED
81% OF
THE VALUE
GENERATED

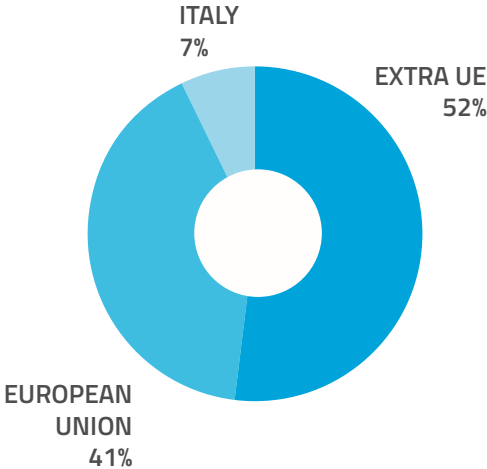
DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE	€
Economic value generated	247,349,695
Distributed economic value:	199,617,145
<i>Operating costs (88.7%)</i>	177,170,557
<i>Staffing costs (1.3%)</i>	2,600,110
<i>Payments to providers of capital (0.86%)</i>	1,719,863
<i>Payments to PA (9.08%)</i>	18,126,615
<i>Investments in the community (0%)</i>	–
Economic value retained	47,732,550

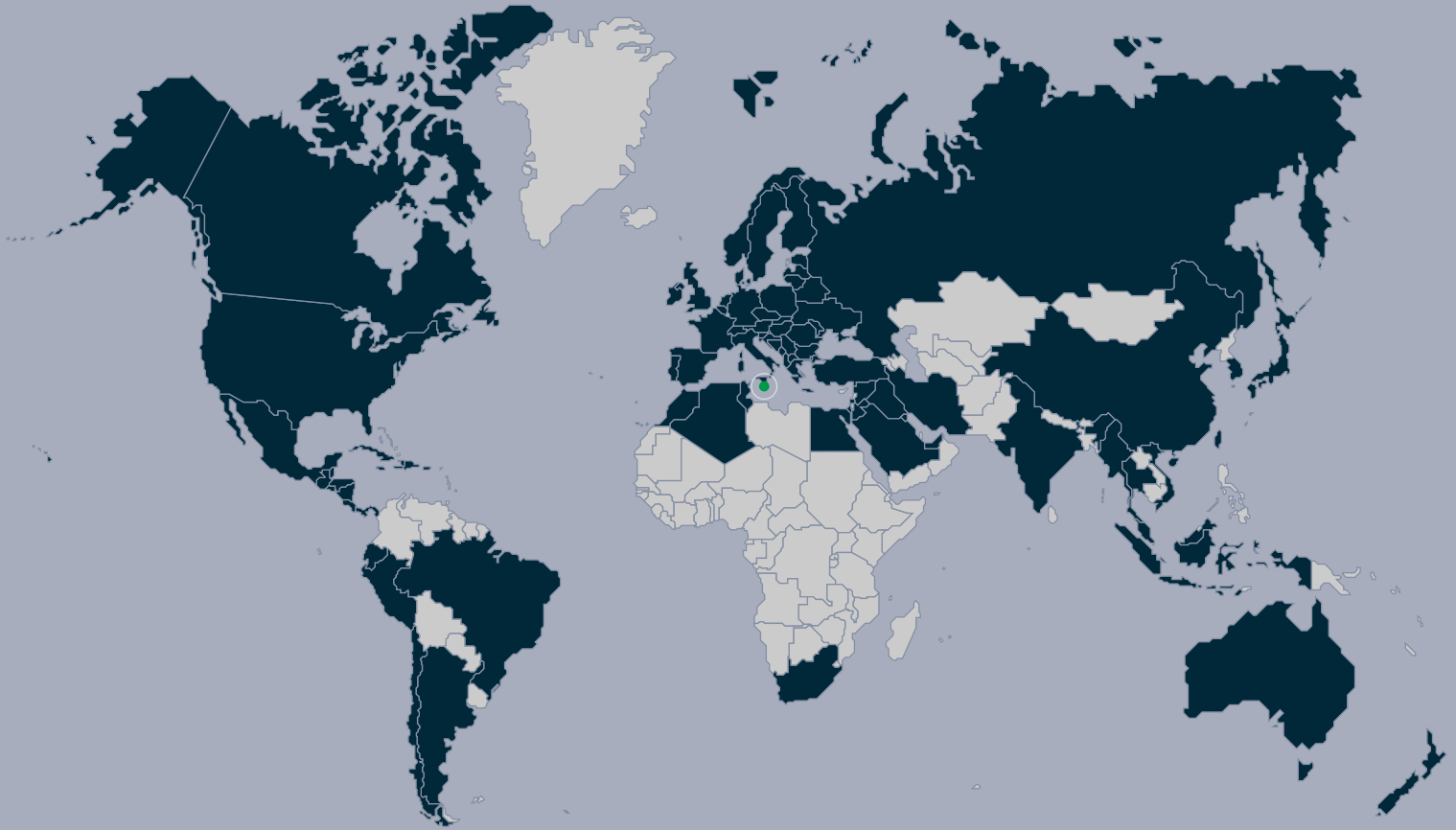


INVOICED MILLIONS OF €



DISTRIBUTION OF REVENUES 2022 BY GEOGRAPHICAL AREA





We supply to **more than 90** countries worldwide today, including: Italy, the EU, UK, Ukraine, Serbia, Russia, Belarus, USA, Canada, Mexico, Ecuador, Chile, Brazil, Peru, Argentina, Guatemala, Australia, New Zealand, China, Japan, Taiwan, Singapore, Malaysia, Thailand, India, Indonesia, South Korea, Vietnam, Morocco, Tunisia, Egypt, Iran, Turkey, Israel, UAE



INDIRECT ECONOMIC IMPACTS: BOOSTING THE AREA'S SOCIO-ECONOMIC GROWTH

We work passionately to set new industry standards. Our enterprising spirit combined with our innovative production technologies, food safety and extensive experience in international law allows us to foster virtuous business relationships and win-win collaborations with our partners.

LBG's presence in the area produces impacts that we are proud to consider positive for the local community. First of all, the company creates important employment opportunities, which benefits the families of our employees and the entire local economy. Moreover, as one of the most representative companies in the local industrial fabric, LBG can contribute indirectly to the formation of

emerging and innovative phenomena, generating effects that transcend the boundaries between production sectors and benefit a wide and varied set of businesses.

With our project to expansion of the production plant, completed in 2022, we also invested in a new production facility that allowed us not only to double our production capacity, but also to implement more innovative and energy-efficient processes, oriented towards the sustainability of both product and process.

With our desire to grow and improve, we act as an engine for the development of the local economy. Our investments in the production site require the intervention of many companies and service providers, our high-tech facilities call for the involvement of specialised technicians, just as our entire business attracts highly qualified professionals.

RESPONSIBLE SOURCING

We rely on a short supply chain that allows us to have greater transparency and traceability, which is essential to achieve high levels of food safety. The short supply chain is closely linked to a peculiar characteristic of LBG Sicilia: the **vertical integration**. From the commercialisation of carob to its transformation first into seed and later into gum, vertical integration is the DNA of LBG Sicilia.

GRI 308, GRI 407, GRI 408, GRI 409 and GRI 414 have been included in the GRI content index, in the appendix to this report, as we believe they all relate to one of our most relevant material issues: **responsible sourcing**. The materiality analysis required special attention to ensure that all impacts, even potential ones, along the value chain - and thus also in the supply chain - were taken into account. A positive impact is, for example, the creation of jobs along the supply chain, while inappropriate working practices may pose a threat to workers' rights and their health and safety.

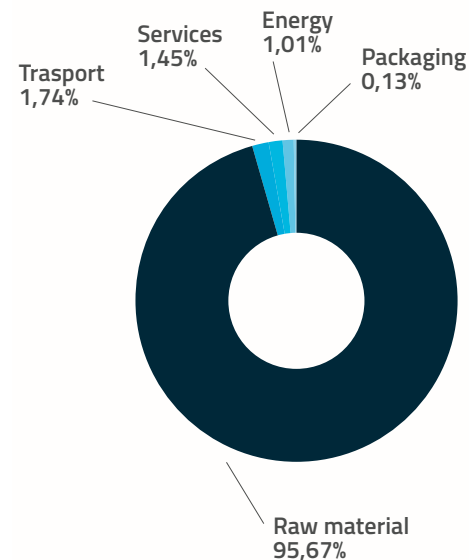
In this context, we make sure that our suppliers also respect the principles enshrined in the ILO (*International Labour Organisation*) conventions, the Universal Declaration of Human Rights and the Ten Principles of the UN Global Compact. To this end, we have adopted a **Suppliers Code of Conduct (SCC)** containing binding principles and rules for all our suppliers.

In particular, ours are bound to:

- denying child labour, forced labour and all forms of violence;
- ensuring a healthy and safe workplace;
- ensuring the right to collective bargaining, freedom of association, non-discrimination, adequate working hours and remuneration in line with current legislation;
- reducing one's negative impact on the environment and climate;
- minimising the waste of natural resources and promote recycling and reuse in carrying out its activities.

The SCC is also available on our official website www.lbg.it

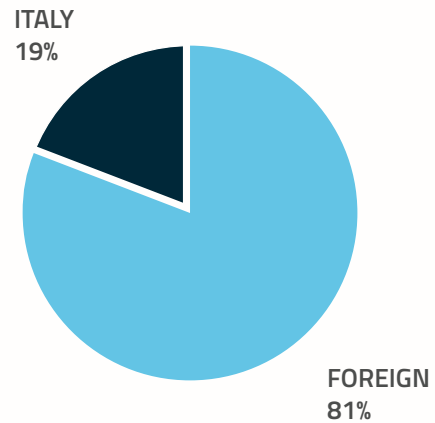
SUPPLIERS BY TYPE OF EXPENDITURE



As part of the preparation of these financial statements, we initiated a process of **screening of suppliers** aimed, among other things, at recording the environmental, ethical-social and occupational health and safety certifications they currently hold. We have, at this stage, evaluated **46 suppliers** from different categories including services, raw materials, packaging and transport. According to the results of this evaluation:

- 65% possess internationally recognised certifications ranging from quality standards to environmental management systems and occupational health and safety: in detail, out of 46 suppliers assessed, 30 suppliers possess certifications, of which 47% possess environmental certifications, 60% possess occupational health and safety certifications, and 77% possess quality and safety certifications for their products/services;
- 43% of the evaluated suppliers have between 80% and 100% collective bargaining agreements;
- 72% have already adopted a corporate code of conduct;
- 54% implement and promote corporate social responsibility initiatives;
- 30% publish a sustainability report on a regular basis;
- finally, 83% take social and environmental criteria into account when managing and selecting their suppliers. This last aspect is significant to understand the approach to procurement beyond our *first-tier* relationships.

PORTION OF EXPENDITURE ON LOCAL SUPPLIERS



The supplier screening, which is only the first step towards an ever closer collaboration with all our business partners, proved to be a useful tool to understand the current degree of involvement of our suppliers in ethically oriented initiatives and practices in order to build socially and environmentally responsible and sustainable supply chains.





SEDEX MEMBER

With the intention of contributing to responsible supply chain management, we became a member of Sedex (*Supplier Ethical Data Exchange*), a not-for-profit organisation aiming to spread ethical principles along global supply chains. Sedex offers Europe's largest data collection and processing platform for sustainable supply chain management. As members of this organisation, we undergo a particular type of audit, the *Sedex Member Ethical Trade Audit (SMETA)*, which verifies our performance against labour, human rights and environmental legislation and requirements.



CAROB: SUSTAINABLE AGRICULTURE, TRACEABILITY AND GOOD PRACTICES

The promotion of sustainable agricultural practices is a commitment we have taken very seriously. Our main product - carob seed gum - is emblematic of this approach. Compared to other crops such as maize, soya, pea or sugar beet, carob cultivation is among the most sustainable crops as it is a species with low water requirements and able to produce even without supplementary nutrients.

In June 2022, we hosted around 50 agronomists from various regions of Italy on the occasion of the **90th anniversary of the Ordine dei Dottori Agronomi e dei Dottori Forestali** (Order of Agronomists and Foresters) of the Province of Ragusa one of the longest-established territorial bodies in Italy, and during the event we shared practical and technical information on carob cultivation and the encouraging economic prospects of the carob seed gum market with all the attending professionals.

For LBG Sicilia, carob is a key raw material and it is, therefore, essential that the producers we source from ensure high quality standards and production and harvesting practices that protect people and the environment and guarantee the quality of the plant and its fruit.

The whole carob we source is **100% Italian** and sourced mainly from **Sicilian farms**.

We are constantly striving to maintain high levels of traceability and quality of the harvest we buy. With this in mind - and to reinforce this commitment - we started a partnership in 2022 with the initiative Piazza Carrubo, an innovative platform aimed at enhancing the cultivation of the carob tree and whose services include the possibility of obtaining a certification of good agricultural practices, guaranteeing the quality and traceability of the product.

Piazza Carrubo addresses direct producers by suggesting that they adopt precise methods of carob production and management to ensure the best quality characteristics of the product and business practices aimed at legality, fairness and transparency. The elements taken into consideration by Piazza Carrubo are, in particular, the following points:

- degree of ripeness of the fruit;
- degree of impurity of the production batch;
- how to preserve the production batch;
- phytosanitary treatments to crops or masses in storage.



Piazza Carrubo carries out inspections at participating farms and notes, in particular, the surface area of the farm planted with carob trees, the number of plants cultivated, the cultivation regime (whether conventional, organic, in conversion to organic or biodynamic), any **pre-and post-harvest** treatments, and how the product is stored.

This data collection procedure is aimed at the qualitative certification of production. One of the objectives of Piazza Carrubo is, in fact, to spread knowledge about good practices, promote quality and traceability

in carob cultivation and valorise virtuous producers. In order to meet the required quality standards and obtain the relevant certificate of conformity, the manufacturer must ensure precisely:

1. the area of origin and year of production of the carob beans;
2. the total absence of carobs that are not fully ripe, i.e. with even minimally green-coloured portions of the epicarp included in the stalk;
3. the total absence of carob beans with a natural water content of the pulp exceeding 18% by weight;
4. a degree of impurity of the batch (determined by the presence of leaves, twigs, soil, gravel) of no more than 3% by weight and the total absence of other matrices or foreign bodies;
5. the adoption of appropriate measures to ensure the healthiness of the masses during the period of storage at the farm storage facility, preventing their qualitative decay as well as their contamination by chemical and biological agents harmful to living beings;
6. that no treatment with plant protection products not permitted for the crop and/or product has been carried out both before and after harvesting operations.



RESILIENCE

CLIMATE RISK MANAGEMENT

Climate change has become the new key risk for the financial stability of organisations. The Paris Agreement signed in 2015, the path towards decarbonisation undertaken by the European Union, as well as national regulations converge towards the need to measure the economic and financial impacts of climate change. Through materiality analysis, we realised that identifying and managing the financial risks and opportunities arising from climate change is a very important strategic action to ensure that our business strategy is financially sustainable in the medium and long term.

Inspired by the guidelines offered by the IPCC¹ and the TFCDD recommendations², we started to conduct an analysis of climate risks and opportunities related to our business operations. This analysis, which is necessarily gradual, consists of the following steps:

1. *Initial and rapid screening for climate risks*
2. *Climate risk assessment through scenario analysis*
3. *Identification of adaptation measures*
4. *Reviewing adaptation and promoting resilience*

In preparing this report, we focused on the first stage of this analysis, namely the rapid screening of financial risks and opportunities arising from climate change, and, in accordance with the TFCDD's proposed frame-

work, we distinguished physical risks from transition risks.

PHYSICAL RISKS

Although our main product derives from an arid-resistant plant on which the effects of climate change are not expected to have a major impact, we have identified a potential chronic physical risk represented by increased costs resulting from a loss of productivity of our raw materials due to droughts and prolonged high temperatures, so that we may have to increase the input level to obtain the same amount of output.

TRANSITION RISKS

The estimated transition risks are mainly **legal & policy** related and in particular: increased operational costs and higher compliance costs due to reporting obligations; carbon taxes, voluntary CO₂ removal or offsetting costs; additional costs due to packaging re-design due to potential new packaging composition legislation; increased disposal and recycling taxes and costs due to extended producer responsibility legislation.

OPPORTUNITIES

Finally, also as a consequence of climate change, we are witnessing an increasing spread of plant-based diets and a respective reduction in the demand for animal proteins. This scenario could translate into important market opportunities for LBG Sicilia.

1 *Intergovernmental Panel on Climate Change*

2 *Task Force on Climate-related Financial Disclosures*



RESEARCH AND DEVELOPMENT

NEW FOOD SOLUTIONS

Research and development of new food solutions is an essential activity at LBG and beyond. It is a key action to meet the ever-increasing dietary demands. Investment in research and development is therefore an essential part of our business: in 2022 we invested more than € 3MI in R&D, reporting in the MASAF project alone (Chain Contracts) the amount of **€ 1.107.166**.

EVERY INNOVATOR NEEDS A STIMULATING WORKPLACE

Our **Innovation Centre** with a total area of approximately 1,000 m², includes chemical, physical, microbiological and applications laboratories as well as pilot plants. Here we design and develop our innovative food solutions.

Before evolving into our laboratory, the R&D activity starts from the soil and, in particular, from the carob groves: as the leader of an ambitious supply chain project, we involved experimental carob groves of partner companies where we carried out quantitative and qualitative monitoring of growth and harvest. The aim is to develop the most congenial production system to ensure high quality harvests with well-developed, well-nourished fruit capable of differentiating nutrient-rich and functional tissues.

Subsequently, our technicians continue their research and development work in our laboratory to make the most of these elements. In this context, we have initiated important collaborations with several Italian universities for the nutraceutical valorisation of carob derivatives: we collaborate with the University of Verona, the Department of Medical and Surgical Sciences of



the University of Bologna, the Department for Translational Medicine and Romagna of the University of Ferrara, and UNIREDD, the spinoff of the University of Padua.

In addition to academia, we are excited to cooperate with cutting-edge entrepreneurs such as PlantaRei Biotech, an innovative start-up company specialising in technology transfer for the research, development and production of biotechnology and the valorisation of healthy and sustainable food by-products.

We are proud to encourage and guide scientific research on important food solutions, contributing to food integrity and always respecting environmental sustainability criteria in the development of our products, processes and technologies. In December 2022, at Food Ingredients Europe (FIE) in Paris, we officially presented two new prod-

ucts of which we are very proud: SEED-PRO® e SEEDFIBER™, respectively, protein and fibre derived from the carob pod.



CULTIVATING RELATIONSHIPS

ELITE MADE A STOP IN RAGUSA ON 27 SEPTEMBER 2022, WHERE IT CELEBRATED ITS 10TH ANNIVERSARY AT THE LBG SICILIA HEADQUARTERS

It was an honour to be selected from over 1,300 companies to host this important anniversary here in Ragusa, Sicily. Launched in 2012 by Borsa Italiana and now part of the Euronext Group, Elite is the ecosystem that helps small and medium-sized enterprises to grow and access public and private capital markets. An innovative project, aimed at the private excellence of made in Italy, which has exceeded, in its first ten years, two thousand companies admitted, from manufacturing to large industry. The event, which was attended by entrepreneurs and





partners, began with an account of the history and growth path of LBG Sicilia in Elite, and continued with a visit to the production facility, to get a closer look at the processes that, over time, have led us to achieve extraordinary goals.

Sicily, with its productive realities, holds extraordinary potential, plays a prestigious role in the Mediterranean Basin and is capable of achieving exceptional results at a global level. In this context, we recognise the crucial value of relationships and partnerships. Together with over 90 Sicilian companies operating in the sector, we have joined the **Sicily Dried Fruit Production District** recognised by Decree 1291 of 7 July 2020. The District also benefits from the support of the academic world, with the participation of two leading universities on the island, the University of Palermo and the University of Catania, two paramount players that contribute to maintaining a high profile of scientific research in support of important research and development initiatives in the sector. With the establishment of the District, we formalised, together with all other participants, our desire for **dialogue, sharing e collaboration** for the benefit of the entire supply chain.

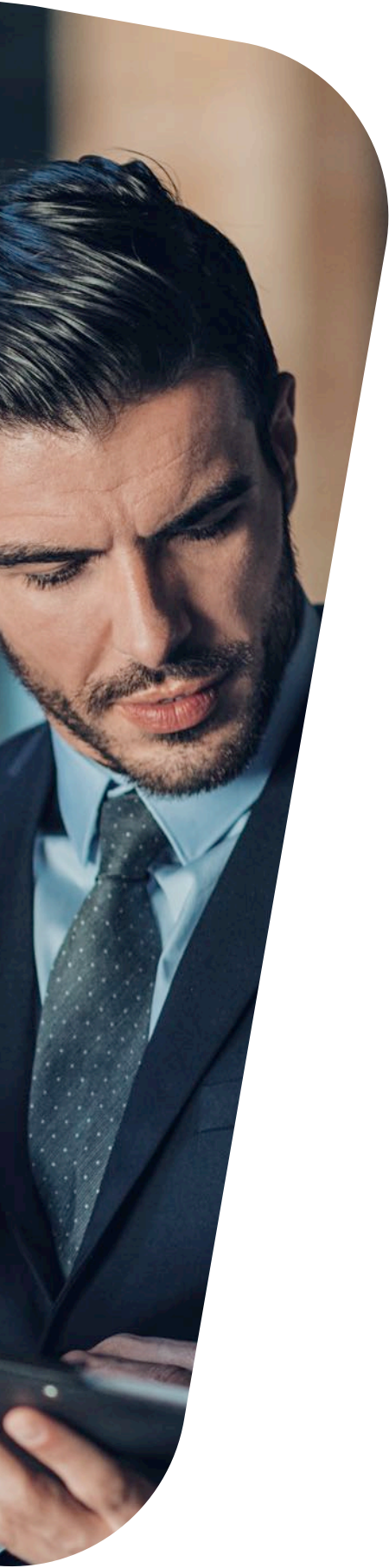


“No island raises a more radiant front on the horizon of our civilisation than Sicily. It points towards three continents and summarises their characteristics. Three times over the centuries, it was the most shining centre of the Mediterranean world”

Roger Peyrefitte

3. 2022 PERFORMANCE





PEOPLE



FOOD QUALITY AND SAFETY

WE PURSUE EXCELLENCE

For more than 20 years, we have worked with commitment and dedication to develop and produce ingredients of the highest quality: this is a fundamental aspect that impacts not only our customers, but also the end consumer. Our commitment is evidenced by, among other things, compliance with the **BRC Standards** and the **ISO 22000 Standard**. We are pleased to have achieved grade AA in the BRC Global Standard certification. This emphasises, quite simply, that we are reliable suppliers to our customers and our production meets the highest hygiene and quality requirements. Our focus begins with the selection and monitoring of raw materials. Control is, in fact, a crucial phase of our business operations and takes place systematically. In 2022 we carried out **351 controls** on incoming raw material. Having a high quality, food safety certification for our production is essential for our customers and useful for our working environment.

PROCESS AND PRODUCT INTEGRITY

The company has always renounced any transformation process involving the use of chemicals, choosing instead fully mechanical processes to preserve product charac-

teristics and protect the environment and people. This diligent approach has always set us apart from many competitors. With the broader aim of promoting health, we work to contribute our ingredients to so-called **food integrity** that is characteristic of healthy, nutritious, traceable and ethically and sustainably produced food. In particular, our main product comes from a fruit that is extremely generous in nutritional terms and virtuous in terms of health.

Recent scientific publications¹ have disseminated experimental studies showing: a correlation between carob pod intake and satiety, with a reduction in hunger pangs; in patients with hypercholesterolaemia, a reduction in 'bad' cholesterol (LDL) and total cholesterol following the administration of locust bean pulp and/or fibres; in humans and animals, a reduction in the glycaemic index as well as a reduction in inflammatory indices in diabetic subjects. Carob is also allergen-free and gluten-free, characteristics that make it suitable for essentially all diets.

1 Gioxari, A.; Amerikanou, C.; Nestoridi, I.; Gourgari, E.; Pratsinis, H.; Kalogeropoulos, N.; Andrikopoulos, N.K.; Kaliora, A.C. (2022). Carob: A Sustainable Opportunity for Metabolic Health, *Foods*, 11(14), 2154

LBG, COMMUNITY AND TERRITORY

WE FEEL A
SENSE OF
RESPONSIBILITY
TOWARDS THE
AREA WHERE
THE COMPANY
WAS BORN AND
OPERATES

Many students, managers, Italian and international professionals explored Ragusa when visiting the LBG Sicilia plant.

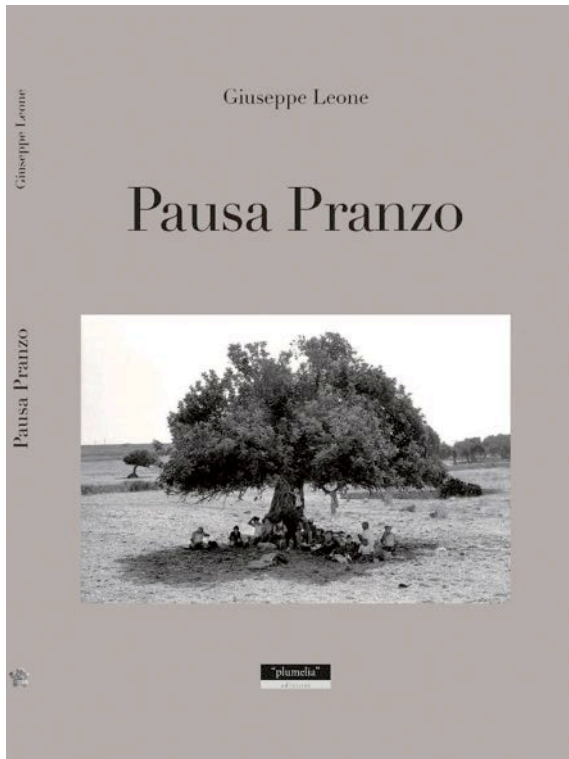


PROJECTS SUPPORTING CULTURE

We firmly believe in the close synergy between company and territory also to generate and promote culture.

In 2022, we were happy to stimulate and be stimulated in turn by the cultural ferment of our community. We wanted to play an active role in promoting local projects: it is in this spirit that LBG Sicilia was, for example, the sole sponsor of important initiatives of cultural expression such as the editing and publication of the book 'Pausa Pranzo' (Lunch Break). The author, Giuseppe Leone, represents a very important proponent of local culture, having recounted, through his photographs, the landscapes and customs of Sicily from the 1950s to the present day.

Likewise, we supported the drafting and publication of the literary work 'Il carrubo è l'uomo. Storia e storie attorno a un albero emblematico' (The carob tree is man. History and stories around an emblematic tree) by Carlo Blangiforti, Alessandro D'Amato and Stefano La Malfa recounting the inextricable link between this plant and Mediterranean peoples.

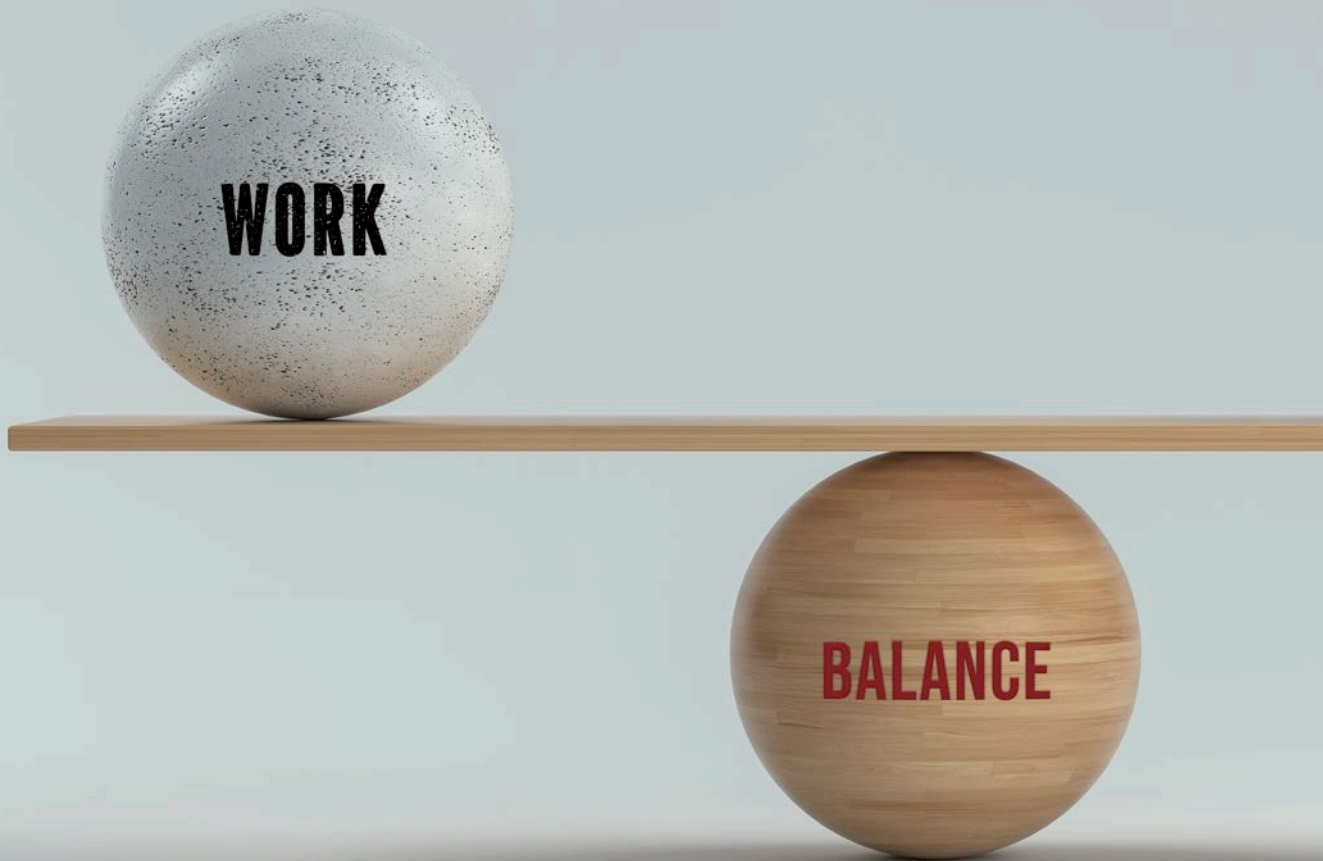


PROJECTS SUPPORTING YOUNG TALENTS

In 2022, we joined the second edition of **Hack Your Talent**, a *hackathon* launched by a group of brilliant companies in the area, with the collaboration of local institutions and educational establishments, to involve and stimulate students from high schools in the Province of Ragusa in the creation of innovative projects.

Hack Your Talent is an important link between young people and companies where young people become aware of the flourishing entrepreneurial realities in the area and are encouraged to generate new ideas with reference to the city, the environment and artificial intelligence. On the other hand, companies have the opportunity to identify enterprising and promising young people, potentially stemming the so-called brain drain that plagues our territory.

In this context, we also strengthened our partnerships with universities for the development of internship projects.



In 2022, we renewed our agreement with the University of Catania for the activation of curricular and post-graduate internships. For LBG Sicilia, the relationship with the academic world is strategic. It facilitates the contact and attraction of talented undergraduates and recent graduates by creating a bridge between the university world and the world of work. Our Human Resources Department works daily to ensure that the company can be a place of growth for young talent and fulfilment for experienced professionals.

PROJECTS TO SUPPORT EMPLOYEES

We are aware of our role of social responsibility and recognise our impact on the well-being of our employees: the company can be an important influence on the health and well-being - both physical and mental - of its team. With this in mind, we strive daily to ensure the satisfaction and well-being of all employees by providing healthy and comfortable working procedures and environments that enable everyone to feel good. We renovated and enlarged the dining area so that it was more suitable and proportionate to the needs of the staff and also became a place of comfort and recreation. During the reporting year - and as every year since 2017 - the Company disbursed meal vouchers and fuel vouchers to its employees totalling € 50.642.



LIFE

An internal survey carried out in 2021 showed that the majority of employees (around 70 per cent) live within a radius of 9 kilometres from their place of work. However, almost all employees use a car (with an endothermic petrol or diesel engine) to travel to work. This is largely due to the fact that we suffer from a total lack of public transport offerings. We recognise the importance of promoting more sustainable modes of transport, so in order to encourage e-mobility among employees and make it easier for them to manage and use an electric car, we have set up 4 dual charging points at our plant for a total of **8 charging points** - 4 normal charging and 4 fast charging - whose installation will be completed in 2023.

HEALTH AND SAFETY OF OUR EMPLOYEES

In our constant endeavour to protect human rights, we employ the utmost diligence in protecting the right to health and safety of our employees. In accordance with the legislation in force - in particular Legislative Decree 81/2008 - we work to spread a culture of safety within the company and awareness of the risks associated with the work activities carried out, requiring responsible behaviour and respect for the system by everyone at every level.

The company's health and safety strategy is based on three main pillars:

1. Accurate risk assessment and management and continuous updating of the Risk Assessment Document (RAD)
2. Training on health and safety issues and procedures that are always clear and available
3. A conception of work, equipment and production methods based on the principle of adapting work to man



THE IMPORTANCE OF COMMUNICATION

All LBG employees can report work-related dangers and dangerous situations by e-mail, text message, WhatsApp. In 2022, 65 per cent of the training hours provided related to compulsory occupational health and safety training, in particular: fire prevention, first aid and training for high-risk employees. LBG's focus on health and safety issues led to the recording of no occupational accidents with serious or fatal outcomes or occupational diseases in the reporting year.

In 2022, 2 accidents at work were reported against a number of hours worked of 87,611.50, although neither had serious consequences. The recordable occupational accident rate for the year 2022 is 22.83%.

We continuously improve to contain risks and keep workplaces safe, healthy and hygienic. Similarly, we are committed to perfecting our occupational health and safety management system, for which we aim to obtain certification of compliance with the ISO 45001 Standard.

We also provide occupational health services and, in particular, medical examinations and clinical analyses in accordance with the applicable legislation. These services are performed, as a rule, every five years for employees in our office department and every two years for employees in our laboratory department, without prejudice to the fact that the company also offers to perform them annually, free of charge and on a voluntary basis. Employees in our production department, on the other hand, must necessarily receive these services every year and are subject to additional specific medical examinations such as, for example, hearing tests.

In carrying out all these services, the company always ensures that the privacy and health information of its employees is protected.

TRAINING

SUPPORTING CONTINUED GROWTH

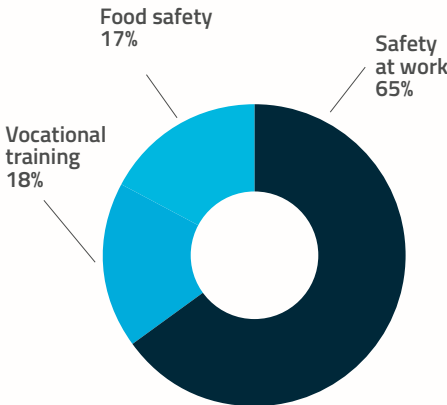
We have always endeavoured to maintain a stimulating working environment, where our team’s skills could be enhanced and concrete opportunities for professional growth were guaranteed. This commitment has enabled us to enhance the skills of our team and to be ready for the challenges of the globalised world. In addition to the compulsory training courses, which we carry out in accordance with Leg. 81/2008, our training plan usually also includes training courses on the various company functions and soft skills. In addition, from 2019, with our membership of Borsa Italiana’s Elite Network, we have a training path full of workshops on issues ranging from finance to human resources to ESG issues. In the reporting year, LBG’s training plan covered compulsory training activities on three key issues:

1. MANAGEMENT TRAINING
2. FOOD SAFETY-RELATED TRAINING
3. TRAINING RELATED TO THE HEALTH AND SAFETY OF WORKERS IN THE WORKPLACE

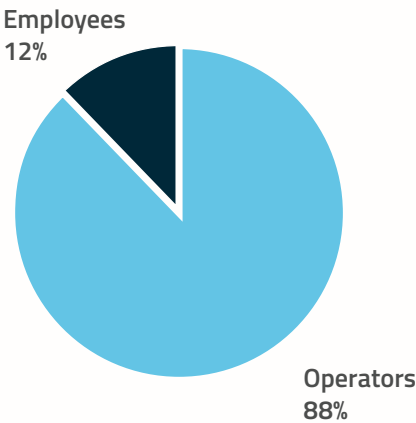
In 2022, we conducted an additional annual training plan on food quality and safety as part of our BRC certification. Many employees - including production operators, logisticians, managers and executives - were involved in this plan covering issues of high importance including: identification of critical steps, traceability, labelling management and control, packaging control, hygiene standards and rules of conduct.

In the current reporting year, 61% of our employees were engaged in training courses and the average annual training hours per employee were 18.4.

TRAINING HOURS PER TOPIC



TRAINING HOURS PER PROFESSIONAL CATEGORY







PLANET



RESPECT FOR EVERYTHING AROUND US

Respect for and protection of the environment, no longer only in an anthropocentric sense, as the physical space in which man lives and operates, but also and above all as an ecosystem, has imposed itself as a binding principle and priority objective on the national and international agenda. LBG fully embraces this approach and is committed to minimising its environmental impact, adopting all best practices in respect of the environment and nature. With this in mind, we have implemented an **Environmental Management System (EMS)** in accordance with the **ISO 14001 Standard**.

In our commitment to respect everything around us, we are constantly training and working to ensure that our business operations are as aligned as possible to the European Taxonomy in the future, in accordance with Regulation (EU) 2020/852.

WE PROMOTE
ENVIRONMENTAL
SUSTAINABILITY.
WE USE
ONLY CLEAN
TECHNOLOGIES
AND 100%
CHEMICAL-FREE
PROCESSES.
WE ADOPT
A CIRCULAR
ECONOMY
APPROACH

RESPONSIBLE PRODUCTION MODELS

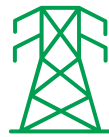
CONSUMPTION AND ENERGY EFFICIENCY

Energy efficiency, self-production from renewable sources, as well as a rational use of energy are essential requirements for an energy system with a lower environmental and climate impact.

Efficient energy management produces significant benefits not only environmentally, but also economically and socially. It saves costs and requires services that create skilled and distributed employment. For all these reasons - and also because our production processes are characterised by fairly high energy requirements - we consider energy a material issue for LBG.

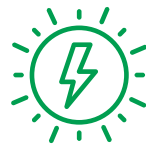
Our energy consumption in 2022 corresponds to **405,887 Smc** of natural gas and **3,050.657 kWh** of electrical energy purchased and consumed. To this consumption **159,125 kWh of self-produced energy consumption** by our photovoltaic system should be added, which amounted to a total capacity of **159.8 kWp** in the year 2022. In 2022, the intensity¹ of purchased and consumed electricity is equivalent to **234 kWh/t**, while that of natural gas is equivalent to **31 Smc/t**.

With the aim of reducing the environmental impact of our consumption, we selected a new electricity supplier in 2022, basing our choice on the energy mix of the supply, preferring a distributor whose share of energy from renewable sources was significantly higher than the previous one.



-16.3%

ELECTRICITY PURCHASED AND CONSUMED *



+44.8%

ELECTRICITY SELF-PRODUCED *

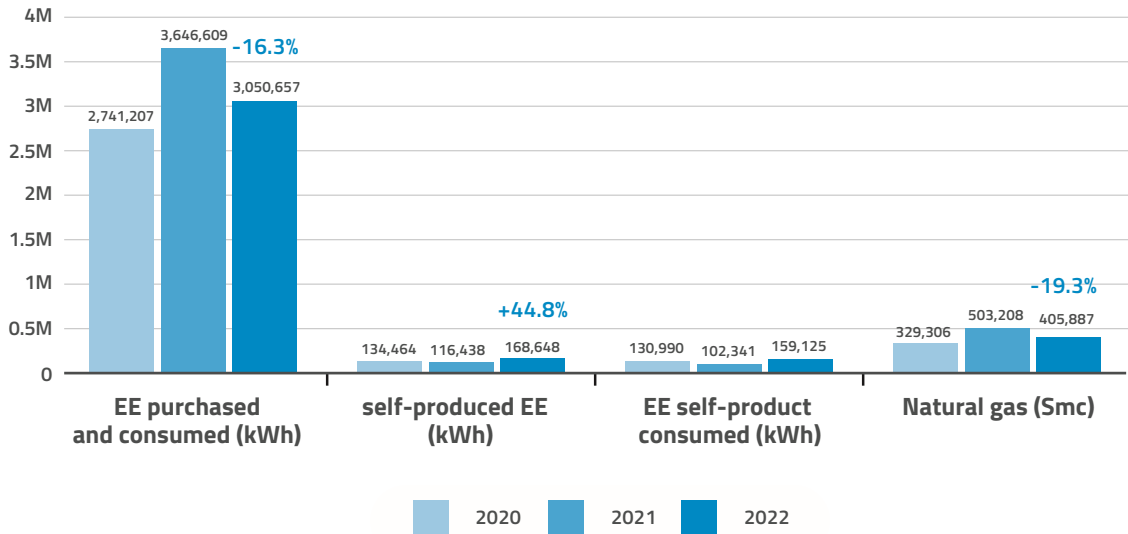


-19.3%

NATURAL GAS ELECTRICITY *

* Compared to 2021

¹ Energy intensity was calculated using the tonnes of product sold in the reporting period as the denominator



In the reporting year, we recorded a reduction not only in consumption per se, but also in energy intensity. The year 2021 was in fact a particularly energy-intensive year for LBG due to the work and expansion of our plant and the numerous start-up tests of the new production facility. Although there were several works still in progress, there was a reduction in energy consumption in 2022 with a 16% decrease in purchased and consumed electricity and a 19% reduction in natural gas consumption compared to the previous year. This is a drop in consumption

that we consider significant also because a not inconsiderable share of our CO2e emissions depends on our energy consumption. This rationalisation of consumption was also possible thanks to the **energy diagnosis** we carried out in 2022, in accordance with Legislative Decree 102/2014 implementing the Energy Efficiency Directive 2012/27/EU. This diagnosis allowed us to identify margins for efficiency gains and the corresponding interventions. During 2022, we carried out the following interventions:

1
 IMPLEMENTATION OF A MONITORING SYSTEM TO QUANTIFY AND CONTROL ENERGY CONSUMPTION IN THE DIFFERENT AREAS OF THE PLANT

2
 REPLACEMENT OF ABOUT 95% OF THE FLUORESCENT LAMPS WITH LED TECHNOLOGY LAMPS IN OUR PLANT **

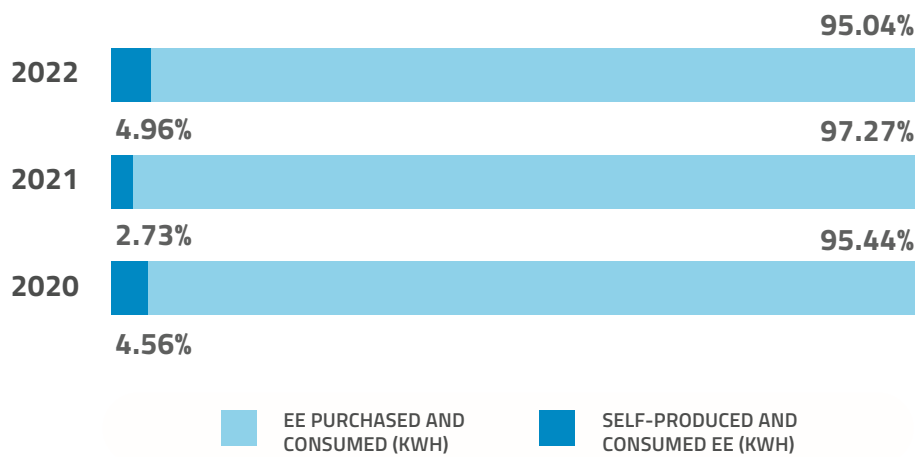
3
 EXPANSION OF THE PHOTOVOLTAIC SYSTEM FROM 159.8 kWp TO 499 kWp

** The completion of this intervention will allow us to save 10.6 toe/y, or approximately 56,678 kWh of electricity in one year

The share of self-generated energy from photovoltaic systems in the total electricity demand increased slightly in 2022 where it accounts for almost 5% of the annual

demand. We expect a higher incidence of self-generated energy in the consumption balance 2023 since we have invested in our photovoltaic system by tripling its power.

Energy Requirements (EE)



GREENHOUSE GAS EMISSIONS

OUR CO₂ FOOTPRINT

For decades now, the scientific community has been bringing to everyone's attention how the climate of our planet is changing. Increasingly frequent, extreme and devastating weather phenomena force us to become aware of the danger of climate change. Greenhouse gas emissions, commonly known as GHG (*Greenhouse Gas Emissions*), are the main cause of global warming. The most recent IPCC report emphasises the urgency of investing in emission reductions now to achieve the global goal of limiting temperature increase to within 1.5 degrees of pre-industrial levels.



WE DECIDED TO CALCULATE OUR GREENHOUSE GAS EMISSIONS BECAUSE WE ARE AWARE THAT UNDERSTANDING, EVEN QUANTITATIVELY, ONE'S CARBON FOOTPRINT IS THE FIRST ESSENTIAL STEP TOWARDS TAKING APPROPRIATE MEASURES TO MINIMISE ONE'S NEGATIVE IMPACT ON THE CLIMATE.

METHODOLOGY: For the purpose of quantifying greenhouse gas (GHG) emissions, the methodology adopted follows the GHG Protocol guidelines on direct and indirect emissions, in line with the Global Reporting Initiative's GRI 305-1, 305-2 indicators. For this report, we decided to focus on measuring direct emissions from our production processes and indirect emissions from the electricity we purchase and consume. We therefore calculated Scope 1 and Scope 2 of the GHG Protocol. The greenhouse gas emission factors considered for Scope 1 emissions are those published by the EPA¹ (for stationary and mobile combustion) and by the IPCC² (for fugitive emissions from refrigeration and air conditioning). As far as Scope 2 emissions are concerned, since the electricity generation mix varies from country to country, a location-based approach has been adopted, therefore, greenhouse gas emissions are calculated by applying national emission factors related to the energy mix used for electricity generation in Italy: specifically, the national emission factor used is the one published by ISPRA³. We commissioned an external company to conduct the analysis on the seven greenhouse gases under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄),

nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃), all of which were then translated into carbon dioxide equivalent (CO₂e).

GHG EMISSIONS 2022

DIRECT EMISSIONS (SCOPE I)	tCO ₂ e
<i>Stationary combustion</i>	808.35
<i>Mobile combustion</i>	30.28
<i>Fugitive emissions from air-conditioning</i>	63.30
TOTAL SCOPE I	901.93

INDIRECT EMISSIONS (SCOPE II)	tCO ₂ e
Purchased electricity (location based) + heat and steam	755.00

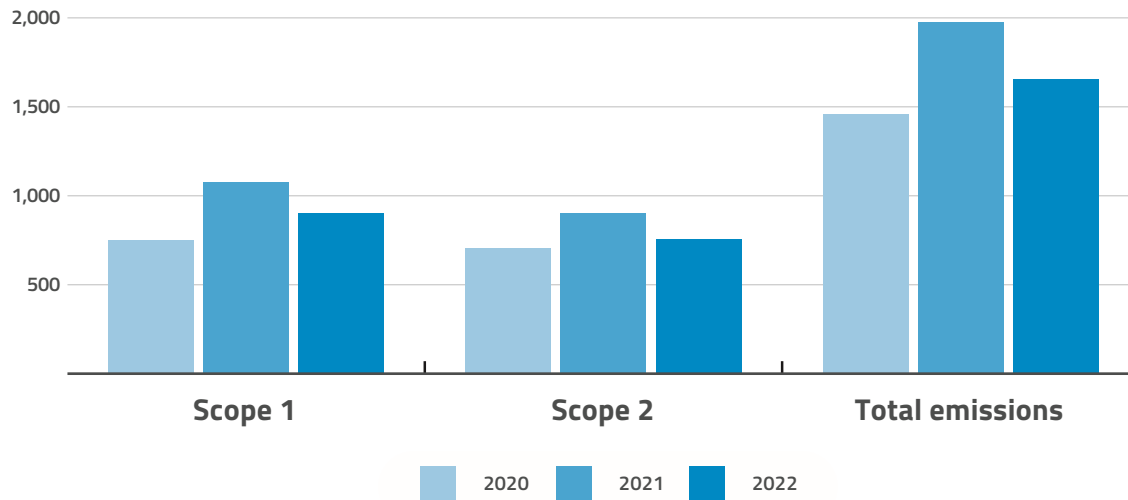
TOTAL EMISSIONS	tCO ₂ e
SCOPE I + SCOPE 2	1,656.93

1 EPA, "Emission Factors for Greenhouse Gas Inventories" Table 1 Stationary Combustion Emission Factors, March 9, 2018 (<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>); EPA, "Emission Factors for Greenhouse Gas Inventories", Table 3 and Table 4, March 9, 2018 (<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>).

2 Intergovernmental Panel on Climate Change (IPCC), "Climate Change 2013: IPCC Fifth Assessment Report (AR5)" 2013 (http://www.climatechange2013.org/images/report/WG1AR5_ALL_FINAL.pdf); GWPs: IPCC's Working Group I, "Climate Change 2013: The Physical Science Basis" Ch. 8, p. 731-738, Table 8.A.1, 2013 (https://www.ipcc.ch/pdf/assessment-report/ar5/wg1/WG1AR5_Chapter08_FINAL.pdf).

3 ISPRA, 'Emission factors for electricity production and consumption in Italy (update to 2020 and preliminary estimates for 2021)', Chapter 19. GHG Emissions and High Contaminant Emission Factors for Electricity and Heat Generation - Estimated Greenhouse Gas Emission Factors from the Electricity Sector for Electricity Consumption (http://emissioni.sina.isprambiente.it/wp-content/uploads/2022/02/Fattori-emissione-produzione-e-consumo-elettricit_2021-V2.xlsx)

Scope 1 and Scope 2 emission trends over three-year period 2020-2021-2022 [tCO₂e]



ANNO	SCOPE I	SCOPE II	TOTAL EMISSIONS
2020	751.5	706.6	1,457.51
2021	1,074.81	902.48	1,977.29
2022	901.93	755	1,656.93

Compared to 2021, our GHG emissions have decreased significantly: in fact, we record a **16% reduction** of our direct and indirect emissions, in line with the decrease in our energy consumption.

The intensity⁴ of GHG emissions in 2022 equals:

- 0.069 tCO₂e/t for Scope 1 emissions;
- 0.058 tCO₂e/t for Scope 2 emissions;

- 0.127 tCO₂e/t is instead the total emission intensity⁵.

Thanks to our photovoltaic system, we also avoided emitting around **40 tonnes of CO₂e⁶**.

The calculation of our carbon footprint is the first fundamental step in our journey towards developing and implementing a strategy to minimise our negative climate impact.

4 Tonnes of CO₂e/ tonnes of product sold

5 Scope 1 + Scope 2

6 kWh self-produced and consumed by photovoltaic system * purchased EE emission factor / 1000 = (159,125 * 0.2475) / 1000

OTHER EMISSIONS

PRECAUTION AND COMPLIANCE

In compliance with current legislation, we carry out further analyses of atmospheric emissions on an annual basis to check that the substances emitted do not exceed the thresholds prescribed by law and to obtain the Single Environmental Authorisation. Analytical results in 2022 confirmed that our emissions do not exceed the limits set by law and, in particular, by municipal air quality regulations. Based on the above results and in accordance with GRI Standard 305-7, we have calculated - for the purposes of this reporting - the volume, expressed in tonnes, of our relevant air emissions produced in 2022. We performed this calculation by multiplying, for each applicable substance and for each emission point, the mass flow emitted in one hour by the hours worked by each stack in the year 2022.

The table below shows the results:

SUBSTANCE	EMISSIONS [t]
NO _x	4.75
SO _x	0.89
VOC	0.29
Powders (organic matter)	0.96

From our production processes, we emit nitrogen oxides (NO_x), sulphur oxides (SO_x), volatile organic compounds (VOC) and absolutely harmless organic dust from our raw material. The other substances - persistent organic pollutants (POPs), hazardous air pollutants (HAPs) and particulate matter (PM) - are not reported since they do not constitute an emission category relevant to our production processes. We have always paid close attention to the environmental impacts of our operations and production facilities. In order to monitor and contain emissions from our production cycle, we conduct analyses and replace filters in our chimneys regularly.

REFORESTATION

FORWARD-LOOKING INITIATIVES

Reforestation is now considered essential not only in rebuilding biodiversity, but also in combating climate change, desertification and soil erosion. We consider it our material theme because, besides being a possible strategic sourcing activity, it is a key action to offset our GHG emissions and make our territory greener and more resilient to the greenhouse effect at the same time.

With this spirit, in 2022 we continued our project to find and plant carob tree seedlings, launched in 2018 through the presentation, as Lead Partner, of a specific 'Mipaaf District and Supply Chain Contract' approved precisely in 2022 and aimed - among other things - at increasing the areas planted with carob trees while respecting the biodiversity of our territory. We have set a target of planting, by 31 December 2026 **12.000 plants** on farms in the areas of Ragusa and

Syracuse. With this investment, we aim not only to expand the local supply market and create significant job opportunities, but also to build the loyalty of local producers by implementing an integrated organisational model with the agricultural phase, both in terms of logistics and the quality and sustainability of production.

LBG Sicilia already owns its own carob grove, which covers an area of 35 hectares and has about 5.000 mature specimens that can positively contribute to CO₂ capture. The ability of each tree to assimilate CO₂ depends on many factors such as soil type, climatic conditions and planting density. According to the most common and accepted estimates, a mature carob tree would be able to assimilate about 48 kg di CO₂ per year. In this sense, we have estimated that with our carob grove **we offset approximately 240 tonnes of the CO₂ we emit** each year. In addition, each of the new 12.000 plants that will be planted with our supply chain initiative will be able to initially assimilate - as newly planted specimens - about 4 kg of CO₂ per year, for a total of an additional 48 tonnes of CO₂ absorbed.

SUSTAINABLE PACKAGING AND WASTE MANAGEMENT

The choice of packaging and waste management are, therefore, important aspects that produce significant repercussions, not only on the organisation, but also on the external environment: superficial sorting of materials and inadequate waste management contribute to air pollution and climate change, as well as directly affecting many ecosystems and species.

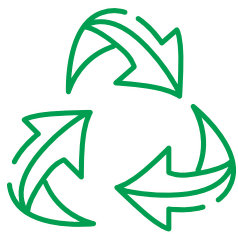
EACH MATERIAL
PRODUCES
DIFFERENT
IMPACTS
BECAUSE OF THE
PROCESSES BY
WHICH IT WAS
PRODUCED,
BOTH FOR THE
OPERATIONS
NECESSARY FOR
ITS EVENTUAL
DISPOSAL

OUR PACKAGING

In 2022, we used 144.6 tonnes of packaging materials, which is why we consider packaging management as an important impact and material issue for our business.

We are aware that the use of virgin materials can negatively affect several ecosystems, damaging biodiversity. On the other hand, in order to ensure the highest quality and food safety, it is essential to assess all possible implications for the food.

The choice of materials is, therefore, a delicate moment of analysis where food safety requirements must be combined with the objective of having the lowest possible environmental impact. For example, although the bags we use to package our products are made of virgin fibre paper, our suppliers are certified **FSC**, therefore the entire wood-paper chain of our sacks is derived from environmentally friendly, socially beneficial and sustainable forest management. Paper of recycled origin is mostly used in our secondary packaging, not in direct contact with food, such as boxes and cardboard sheets.



144.8
TONNES
OF PACKAGING
MATERIALS
USED IN 2022

16.8%
MATERIALS
RECYCLED

59.5%
MATERIALS
REUSABLE

68.9%
MATERIALS
RENEWABLE

100%
MATERIALS
RECYCLABLE



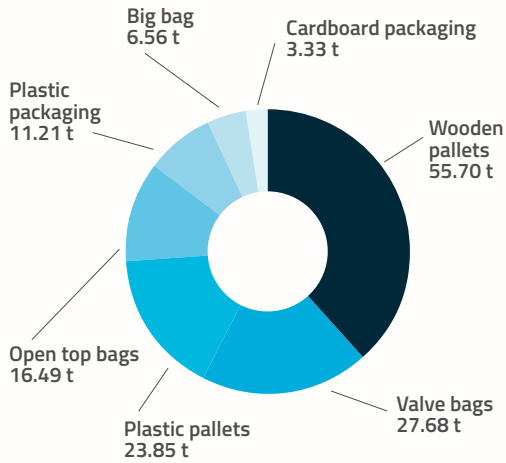
IN DETAIL

We use two types of pallets - both recyclable and reusable - one of which is made of wood, which comes from logs processed only mechanically and which are not altered by chemical treatments of any kind, and one made of regenerated and recyclable polypropylene (PP).

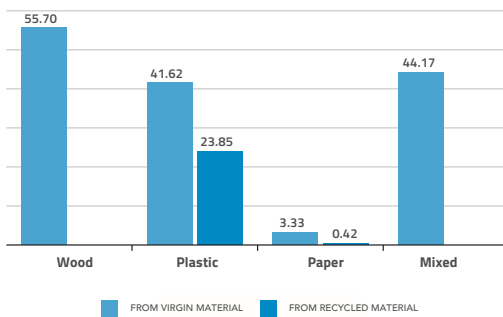
We use two types of bags to package our products: valve bags consist of three sheets of paper weighing 70, 80 and 90 grams and a 10 MY plastic (PE) sheet; open-mouth bags also consist of three sheets of paper weighing 70, 80 and 90 grams and a 40 MY plastic (PE) sheet. It is possible to recycle 100% of these bags by separating the two components paper and plastic from each other. We also use woven polypropylene big bags, which are 100% recyclable and potentially reusable.

Finally, in the assembly of pallets we use polyethylene (PE) packaging, such as reels and stretch film, and cardboard, of which: the sheets contain 10% recycled cardboard; the boxes consist of 60% recycled cardboard.

PACKAGING USED IN 2022
PER TYPE OF PACKAGING



PACKAGING USED IN 2022 PER TYPE
OF MATERIAL [t]



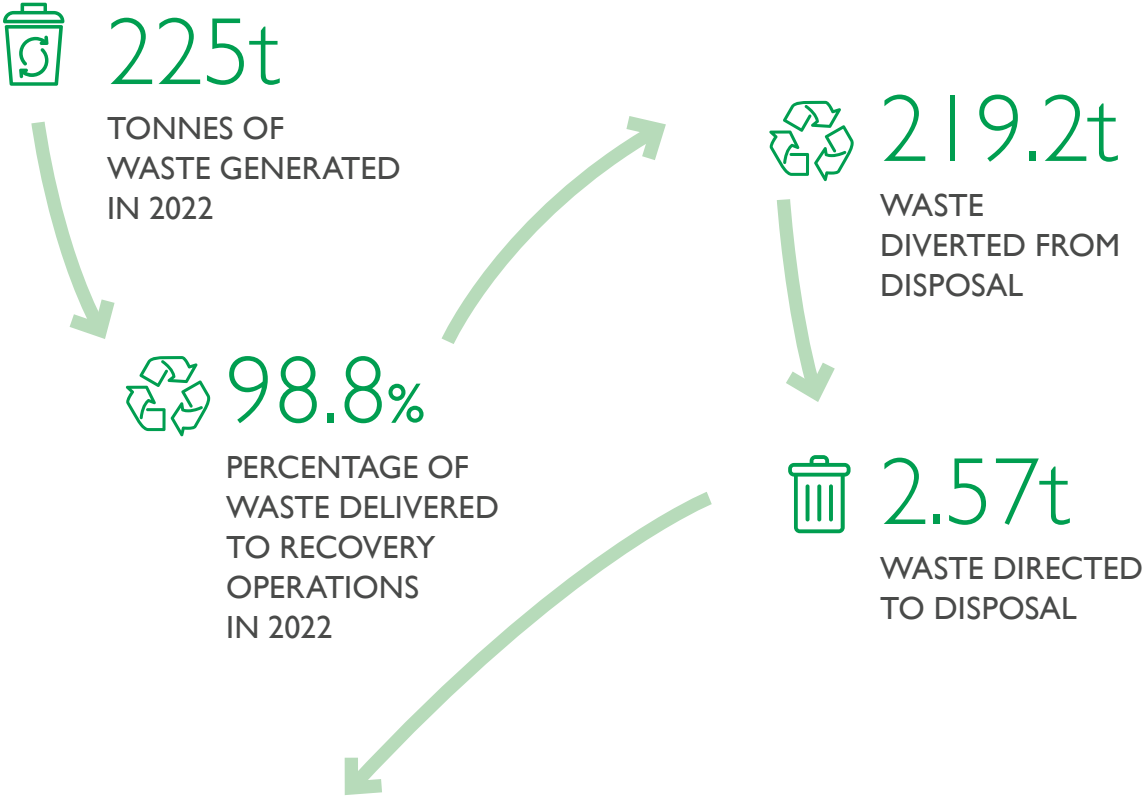
WASTE MANAGEMENT

The cornerstones of waste management of LBG Sicilia are the separate collection of waste throughout the plant and the encouragement of the recovery of production waste for the circular economy, activities we carry out in accordance with current legislation and the guidelines dictated by the Environmental Management System. In order to encourage a corporate culture based on sustainability also in our daily work, we are adopting a two-pronged approach: firstly, we are promoting paperless processes with regard to paper management in the offices; secondly, with the aim of reducing plastic consumption within our plant, we are phasing out the use of plastic bottles: five new micro-filtered and remineralised water dispensers, located in different areas of the plant and offices, will be available to employees.



In 2022, we produced 225 tonnes of waste and delivered - in the same year - 221.78 tonnes. 98.8% of the waste delivered was sent to recovery operations where this waste was not disposed of in landfills but underwent - outside our organisation - recovery operations such as reuse and recycling.

Our waste consists mainly of organic waste and packaging materials. Several categories of waste produced in 2022 - such as bituminous mixtures or construction materials - are related to the expansion of our plant and are therefore not waste types usually relevant to our business operations.



ONLY 1.2% OF WASTE IN 2022 WAS LANDFILLED

Waste management is an activity we have always conducted with extreme diligence and we are fully satisfied with the results of this management. This is why we are committed, also for the coming years, to maintaining a percentage of waste sent for recovery always above 95%.

CIRCULAR ECONOMY, A FUNDAMENTAL PILLAR OF THE EUROPEAN GREEN DEAL AS WELL AS ONE OF THE SIX OBJECTIVES OF THE EU TAXONOMY, IS ALSO A STRATEGIC BUSINESS OBJECTIVE IN THE LBG HOUSE

CIRCULAR ECONOMY

RECOVERY AND VALORISATION OF BY-PRODUCTS

49.9% of the waste produced in 2022 consists of waste that is unusable for consumption or processing. Although this waste is managed and disposed of as waste, it is actually a very important organic by-product, so much so that it is not sent to landfill but recovered - outside our organisation - for compost or energy production.

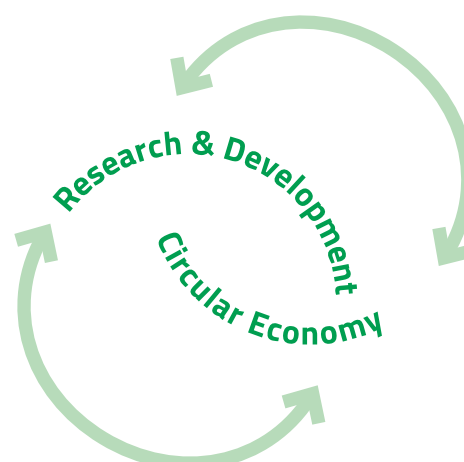
In 2022, we carried out an in-depth study to manage and make the best possible use of our production waste. In order to increasingly pivot our business model to environmentally sustainable activities, the goal we are setting ourselves and studying is to internalise the management of this by-product and avoid it being classified as waste in the first place. This would allow LBG to cut important costs and create a further virtuous mechanism of circularity.

The incidence of the aforementioned rejects on the total raw material processed in 2022, however, amounts to only **0.79%**. This shows our commitment to using as much of our raw materials as possible, in a spirit of circularity.



DESCRIPTION	U. M.	2020	2021	2022
Raw material processed	t	12,119	16,099	14,170
Total finished product	t	11,209	14,766	13,167
Physiological loss of weight of raw material and processing losses	t	909	1,332	1,003
Scrap	t	79.8	87.4	112
INCIDENCE OF SCRAP ON TOTAL RAW MATERIAL PROCESSED	%	0.66%	0.54%	0.79%

This commitment has been complemented in recent years by careful research into the valorisation of by-products. In order to meet the ever-increasing demands for foodstuffs, part of the by-products usually used by us in the livestock sector is now used for the production of SEEDPRO® and SEEDFIBER™. In fact, our drive towards the circular economy also stems from our intensive research and development activities; a virtuous circle that is self-sustaining and that we consider capable of producing beneficial effects on a large scale.







4 SUSTAINABILITY PLAN



2022













OUR GOALS FOR THE FUTURE















WE WANT
TO CONTINUE
IMPROVING OUR
SOCIAL AND
ENVIRONMENTAL
PERFORMANCE
AND WE ARE
COMMITTED TO
SEEKING NEW
SOLUTIONS TO
SUPPORT THE
TRANSITION
TOWARDS AN
INCREASINGLY
SUSTAINABLE
BUSINESS
MODEL

Therefore, on the basis of the identified material topics and our 2022 performance, we have drawn up our first social and environmental objectives for the years to come. In addition to the objectives closely related to our material topics, we have set three other objectives concerning our *Governance*.

From now on, we work to achieve our goals and, as we realise our projects, we strive to update our sustainability plan by formulating new and more ambitious goals to manage our material topics for the benefit of all.

4. SUSTAINABILITY PLAN

MATERIALITY ANALYSIS RESULT	OBJECTIVES	TARGET YEAR	SDGs
1 HIGH QUALITY AND FOOD SAFETY	Achieving AA+ grade with unannounced BRC audit	2024	
	Maintaining the AA+ grade	from 2024 onwards	
2 WORKERS' WELFARE	Define a structured corporate plan to support employee welfare	2023	 
	Implementing the corporate plan to support employee welfare	2024	
3 RESPONSIBLE SOURCING	Increasing procurement diligence: updating the supplier code of conduct	2023	 
	Increasing cooperation with suppliers: administering questionnaires and periodic interviews	from 2024 periodically	 
	Conducting audits at suppliers to verify compliance with the supplier code of conduct standards	from 2025 periodically	
4 CONSUMPTION AND ENERGY EFFICIENCY	Further increasing the share of energy from renewable sources in the purchased EE energy mix	2023	 
	Purchased EE from 100% renewable sources	2025	
	Increasing self-production from renewable sources	2030	
5 GREENHOUSE GAS EMISSIONS	Public Commitment SBTi emission reduction Scope 1 and Scope 2	2025	 
	Calculate the most relevant Scope 3 emissions	2026	

MATERIALITY ANALYSIS RESULT	OBJECTIVES	TARGET YEAR	SDGs
6 R&D OF NEW FOOD SOLUTIONS	Increasing R&D staff (baseline year 2022)	2026	  
7 COMMITMENT TO COMMUNITY AND TERRITORY	Improving the involvement of students and recent graduates by increasing in-company training projects	from 2023	  
	Supporting local organisations/ associations/initiatives	from 2023	
8 CLIMATE RISK MANAGEMENT	Deepening Climate Risk Assessment	annually	  
9 SUSTAINABLE PACKAGING AND WASTE MANAGEMENT	Maintaining a percentage of waste sent for recovery always above 95% of the total waste delivered	annually	   
10 REFORESTATION	Purchasing 100 hectares of agricultural land for reforestation in respect of the biodiversity of our territory	2030	 

GOVERNANCE OBJECTIVES	YEAR
Establishing a complaints mechanism on the website	2024
Drafting and disseminating internal policies	2024
Increasing the training offer available to our employees	2024

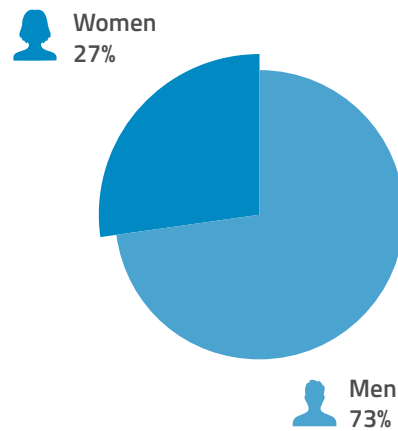


DATA INSIGHTS

EMPLOYMENT

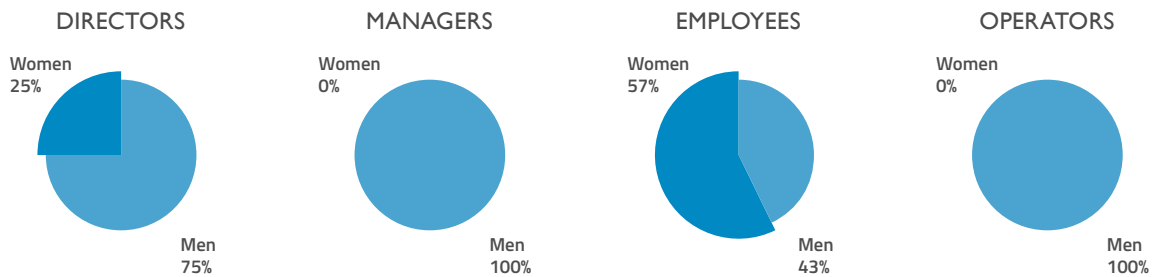
Total employees as of 31 DEC 2022:
49

EMPLOYEES BY GENDER



Employees by professional category and gender as of 31 DEC 2022

ROLE	U.M.	WOMEN	MEN	TOTAL	INCIDENCE ON TOTAL EMPLOYEES (%)
Directors	no.	1	3	4	8%
Managers	no.	0	1	1	2%
Employees	no.	12	9	21	43%
Operators	no.	0	23	23	47%



Employees by age and gender as of 31 DEC 2022

AGE	U.M.	WOMEN	MEN	TOTAL	INCIDENCE ON TOTAL EMPLOYEES (%)
Up to 30 years	no.	2	8	10	20%
Between 31 and 40 years	no.	8	14	22	45%
Between 41 and 50 years	no.	3	10	13	27%
50+ years of age	no.	0	4	4	8%

Employees by type of contract and gender as of 31 DEC 2022

CONTRACT	U.M.	WOMEN	MEN	TOTAL	INCIDENCE ON TOTAL EMPLOYEES (%)
Permanent	no.	12	33	45	91.8%
Fixed-term	no.	1	3	4	8.2%
Full-time	no.	12	36	48	98%
Part-time	no.	1	0	21	2%
Collective Bargaining Agreements	no.	13	36	49	100%

Recruitment by age group and gender in 2022

GENDER	U.M.	< 30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Men	no.	-	-	-	-
Women	no.	1	-	-	1
Total	no.	1	-	-	1

Percentage of new employees hired in the reporting year: 1.9%

Terminations by age group and gender in 2022

GENDER	U.M.	< 30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Men	no.	3	-	1	4
Women	no.	-	-	-	-
Total	no.	3	-	-	4

Percentage of terminations in the reporting year: 7.7%

Parental leave in 2022

DESCRIPTION	U.M.	WOMEN	MEN	TOTAL
Employees entitled to parental leave	no.	-	2	2
Employees who have taken parental leave	no.	-	2	2
Employees who returned to work at the end of parental leave and were still employed by the organisation 12 months after returning to work	no.	-	2	2

HEALTH AND SAFETY AT WORK

ACCIDENTS AT WORK	2020	2021	2022
Total hours worked	77,772	88,302	87,611.5
Total recordable accidents	1	-	2
Total accidents with serious consequences	-	-	-
Recordable accident rate ¹	12.86	-	22.83
Accident rate with serious consequences ²	-	-	-

TRAINING

Training hours in 2022

CATEGORY	U.M.	WOMEN	MEN	TOTAL
DIRECTORS	hours	0	8	8
MANAGERS	hours	-	0	0
EMPLOYEES	hours	30	73	103
OPERATORS	hours	-	793	793
TOT training hours	hours	30	874	904
Employees engaged in training	no.	2	28	30

Average number of training hours per employee in 2022: 18.4

Average number of training hours per female employee in 2022: 2.3³

Average number of training hours per male employee in 2022: 24.3

1 Recordable work accident rate = no. of recordable accidents / hours worked * 1,000,000

2 Rate of accidents at work with serious consequences = no. accidents with serious consequences / hours worked * 1,000,000

3 The difference in the hours of training provided to women and men is due to the fact that most of the training concerned occupational safety and food safety in 2022, thus mainly involving employees classified as operators

Employees by gender and category who received periodic performance and professional development appraisals in 2022

PROFESSIONAL CATEGORY	U.M.	WOMEN	MEN	TOTAL
DIRECTORS	no.	1	3	4
Percentage incidence	%	100%	100%	100%
MANAGERS	no.	-	1	1
Percentage incidence	%	-	100%	100%
EMPLOYEES	no.	12	9	21
Percentage incidence	%	100%	100%	100%
OPERATORS	no.	-	23	23
Percentage incidence	%	-	100%	100%

ENERGY CONSUMPTION

CONSUMPTION	U.M.	2020	2021	2022
Natural gas	Smc	329,306	503,208	405,887
EE purchased and consumed	kWh	2,741,207	3,646,609	3,050,657
Share of purchased and consumed EE from renewable sources	%	27.46	36.64	39.67
Self-produced EE	kWh	134,464	116,438	168,648
Self-produced EE consumed	kWh	130,990	102,341	159,125

ENERGY INTENSITY	U.M.	2020	2021	2022
Product sold	t	11,633	14,350	13,016
Tot EE purchased / product sold	KWh/t	236	254	234
Tot Natural gas / product sold	Smc/t	28	35	31

GHG EMISSIONS

Direct greenhouse gas emissions (Scope 1)

ACTIVITIES	U.M.	2020	2021	2022
Stationary combustion	tCO ₂ e	665.03	983.73	808.35
Mobile combustion	tCO ₂ e	23.17	27.78	30.28
Fugitive emissions from air-conditioning	tCO ₂ e	63.30	63.30	63.30
TOTALE SCOPE I	tCO₂e	751.50	1,074.81	901.93

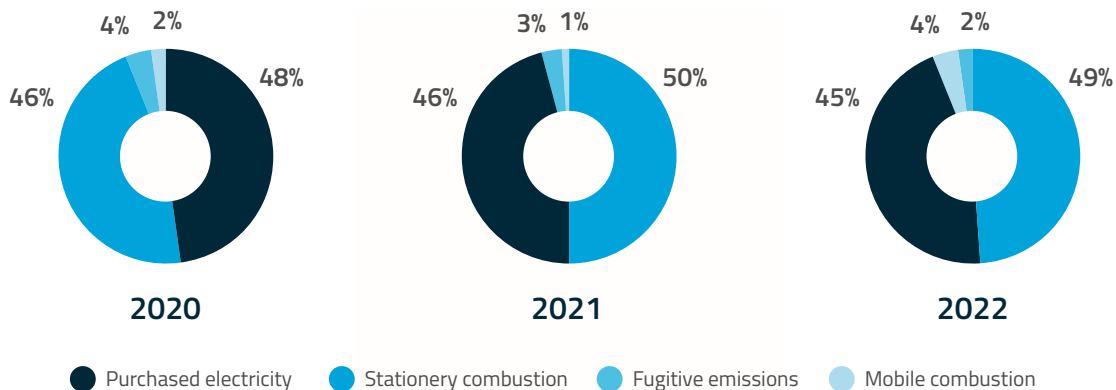
Indirect greenhouse gas emissions (Scope 2)

ACTIVITIES	U.M.	2020	2021	2022
Purchased electricity (location based) + heat and steam	tCO ₂ e	706.00	902.48	755.00

Total greenhouse gas emissions (Scope 1 + Scope 2)

ACTIVITIES	U.M.	2020	2021	2022
TOTALE (SCOPE 1 + SCOPE 2)	tCO₂e	1,457.51	1,977.29	1,656.93

Composition of total greenhouse gas emissions in the years 2020, 2021 and 2022



Intensity of greenhouse gas emissions

DESCRIPTION	U.M.	2020	2021	2022
Product sold	t	11,364	14,350	13,016
Emission intensity Scope 1	tCO ₂ e/t	0.066	0.075	0.069
Emission intensity Scope 2	tCO ₂ e/t	0.0622	0.0629	0.058
Total emission intensity	tCO₂e/t	0.128	0.138	0.127

(tonnes of emissions produced / tonnes of product sold)

WASTE MANAGEMENT IN 2022

Waste generated and delivered in 2022

DESCRIPTION	EWC CODE	INITIAL STOCK [KG]	WASTE PRODUCED [KG]	WASTE DELIVERED [KG]	REMAINING STOCK [KG]
Toner	08.03.18	0	100	100	0
Waste unusable for consumption or processing	02.03.04	0	112,280	109,280	3,000
Paper Packaging	15.01.01	0	10,600	10,380	220
Plastic Packaging	15.01.02	260	16,750	16,590	420
Wood Packaging	15.01.03	0	43,470	43,470	0
Mixed Packaging	15.01.06	0	21,280	21,100	180
Filters	15.02.03	440	520	700	260
Used oils HP4 - P14	13.02.08	36	74	80	30
Packaging contaminated with hazardous substances HP4 - HP5 - HP6 - HPI4	15.01.10	4	0	4	0
Metal packaging containing hazardous substances HP3 - HP5	15.01.11	4	1	3	2
Absorbent materials, rags, hazardous protective clothing HP4 - HP5 - HPI4	15.02.02	10	27	17	20
Oil filters HP4 - HPI4	16.01.07	3	37	32	8
Fluorescent tubes HP5 - HP6 - HPI4	20.01.21	7	0	7	0
Alkaline batteries	16,06,04	0	2	0	2
Septic tank sludge	20.03.04	0	1,855	1,855	0
Gypsum-based construction materials other than those mentioned in item 17.08.01	17.08.02	0	1,900	1,900	0
Soils and rocks other than those mentioned in 17.05.03	17.05.04	0	5,360	5,360	0
Bituminous mixtures other than those mentioned in 17.03.01	17.03.02	0	40	40	0
Mixed metals	17.04.07	0	10,860	10,860	0
TOTAL (KG)		764	225,156	221,778	4,142

Details of waste sent to recovery operations in 2022

DESCRIPTION	EWC CODE	WEIGHT [KG]	ONSITE / OFFSITE
Toner	08.03.18	100	Offsite
Waste unusable for consumption or processing	02.03.04	109,280	Offsite
Paper Packaging	15.01.01	10,380	Offsite
Plastic Packaging	15.01.02	16,590	Offsite
Wood Packaging	15.01.03	43,470	Offsite
Mixed Packaging	15.01.06	21,100	Offsite
Used oils HP4 - PI4	13.02.08	80	Offsite
Packaging contaminated with hazardous substances HP4 - HP5 - HP6 - HPI4	15.01.10	4	Offsite
Heavy packaging containing hazardous substances HP3 - HP5	15.01-11	3	Offsite
Oil filters HP4 - HPI4	16.01.07	32	Offsite
Fluorescent tubes HP5 - HP6 - HPI4	20.01.21	7	Offsite
Gypsum-based construction materials other than those mentioned in item 17.08.01	17.08.02	1,900	Offsite
Soils and rocks other than those mentioned in 17.05.03	17.05.04	5,360	Offsite
Bituminous mixtures other than those mentioned in 17.03.01	17.03.02	40	Offsite
Mixed metals	17.04.07	10,860	Offsite
TOTAL (KG)		219,206	Offsite

Detail of waste sent directly to landfill in 2022

DESCRIPTION	EWC CODE	WEIGHT [KG]
Filters	15.02.03	700
Absorbent materials, rags, hazardous protective clothing HP4 - HP5 - HPI4	15.02.02	17
Septic tank sludge	20.03.04	1,855
TOTAL (KG)		2,572



GRI CONTENT INDEX

DECLARATION OF USE: LBG Sicilia disclosed the information mentioned in this GRI Content Index, for the reporting period from 1 January 2022 to 31 December 2022, with the option *in accordance to*.

GRI I USED: Foundation 2021.

RELEVANT GRI SECTOR STANDARDS: Not available at the time of writing.

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
GRI 2: GENERAL INFORMATION			
2-1	Organisational details	<i>Methodological note p. 7</i>	–
2-2	Entities included in the organisation's sustainability reporting	<i>Methodological note p. 7</i>	–
2-3	Reporting period, frequency and contact points	<i>Methodological note p. 7</i>	–
2-4	Review of information	We conducted a new materiality analysis, previously carried out in 2020. In addition, energy consumption for the years 2020 and 2021 have been recalculated and include the consumption of our secondary plant in this report	–
2-5	External Assurance	These financial statements are not subject to external assurance	–
2-6	Activities, value chain and other business relations	<i>Highlights of our history p. 14</i> <i>Our products p. 16</i> <i>Our Value Chain p. 20</i>	–

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
2-7	Employees	<i>Our Team p. 22</i> <i>In-depth data p. 91</i>	There are no non-guaranteed hourly employees in 2022. The data on geographical area are not significant since all employees are located in Italy
2-8	Non-employees	In 2022, LBG was supported by a commercial agent and 4 external consultants in the following areas: legal consulting, labour consulting, occupational health and safety consulting, and quality and food safety consulting.	–
2-9	Governance structure and composition	<i>Governance - Structure p. 24</i>	
2-10	Appointment and selection of the highest governing body		Appointment not envisaged by the current company structure: the highest governing body is the sole director Giovanni Carlo Licitra, founder and CEO of LBG Sicilia
2-11	President of the highest governing body		Not applicable
2-12	Role of the Highest Governing Body in Impact Management Control	<i>Methodological note p. 7</i> <i>Our sustainability journey p. 29</i>	
2-13	Delegation of responsibility for impact management	<i>Our sustainability journey p. 29</i>	
2-14	Role of the Highest Governance Body in Sustainability Reporting	<i>Methodological note p. 7</i> <i>Our sustainability journey p. 29</i>	
2-15	Conflict of interest	LBG Sicilia has adopted specific rules of conduct contained in its Corporate Code of Ethics, which can be consulted at www.LBG.IT . No conflicts of interest occurred in the reporting year	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
2-16	Communication of criticalities	Critical issues are communicated to the highest Governing Body according to corporate governance procedures in the event of recognition of potential and current risks to stakeholders as a result of internally conducted assessments or reports from outside the organisation. In 2022, no concerns were communicated about real and actual negative impacts on stakeholders. For the drawing up of this report, an analysis of current and potential impacts along the value chain was conducted: the results of this analysis were communicated to the highest governing body during dedicated meetings	
2-17	Collective knowledge of the highest governing body	As part of the preparation of these financial statements, ad hoc meetings were held between the managers and heads of the various corporate offices, the CEO and consultants to discuss the regulatory framework and the latest sustainable development guidelines	
2-18	Performance evaluations of the highest governing body		Assessment not required by the rules applicable to the Company
2-19	Remuneration policies	<i>Remuneration policy p. 27</i>	
2-20	Process for determining remuneration	<i>Remuneration policy p. 27</i>	
2-21	Ratio of annual fees	The 2022 ratio between the annual total remuneration of the highest paid person and the average annual total remuneration of all employees (excluding the highest paid person) is 3.15 . The change in the annual total remuneration ratio is 0.083	
2-22	Sustainable Development Strategy Statement	<i>Our sustainability journey p. 29</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
2-23	Policy commitments	<i>Sustainability Plan p. 29</i>	
2-24	Integration of policy commitments	<i>Sustainability Plan p. 29</i>	
2-25	Processes to remedy negative impacts	<i>Governance - Solidity and Vision p. 24</i>	
2-26	Mechanisms for requesting clarification and raising concerns,	INFO@LBG.IT is the contact person from whom any stakeholder can ask for insights or clarifications on the sustainability strategy and information in this report	
2-27	Compliance with laws and regulations	No cases of non-compliance in 2022	
2-28	Associations	Confindustria; Network Elite; Sicily Dried Fruit Production District	
2-29	Stakeholder engagement approach	<i>Our sustainability journey p. 29</i>	
2-30	Collective Bargaining Agreements	100% of employees are covered by collective bargaining agreements	
GRI 3 – MATERIAL TOPICS 2021			
3-1	Process for determining material topics	<i>Our sustainability journey p. 29</i>	
3-2	List of material topics	<i>Our sustainability journey p. 29</i>	
ECONOMIC PERFORMANCE			
3-3	Management of Material Topics	<i>Our economic performance p. 42</i>	
201-1	Directly generated and distributed economic value	<i>Our economic performance p. 42</i>	
201-2	Financial implications and other risks and opportunities related to climate change	<i>Climate risk management p. 51</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
201-3	Defined benefit plan, obligations and other retirement plans	LBG has fulfilled its social security obligations under the law and the applicable collective labour agreements. In the reporting year, there were no other supplementary pension funds active for staff	
201-4	Financial assistance received from the government	Total monetary value of financial assistance received by the government during the reporting period: € 1,196,133	
INDIRECT ECONOMIC IMPACTS			
3-3	Management of Material Topics	<i>Indirect economic impacts p. 45</i>	
203-1	Infrastructure investments and services supported	<i>Indirect economic impacts p. 45</i>	
203-2	Significant indirect economic impacts	<i>Indirect economic impacts p. 45</i>	
PROCUREMENT PRACTICES			
3-3	Management of Material Topics	<i>Responsible sourcing p. 46</i>	
204-1	Percentage of expenditure on local suppliers	<i>Responsible sourcing p. 46</i>	
MATERIALS			
3-3	Management of Material Topics	<i>Our Packaging p. 78</i> <i>Circular economy p. 82</i>	
301-1	Materials used by weight or volume	For information on packaging materials: <i>Our Packaging p. 78</i> For information on raw materials: <i>Circular economy p. 82</i>	The raw material volume figure is aggregated, it does not detail the weight of individual raw materials processed in the reporting year because for us this is confidential information
301-2	Recycled input materials used	<i>Il nostro packaging p. 78</i>	
301-3	Recycled products and their packaging materials	<i>Circular economy p. 82</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
ENERGY			
3-3	Management of Material Topics	<i>Consumption and energy efficiency p. 70</i>	
302-1	Energy consumption within the organisation	<i>Consumption and energy efficiency p. 70 In-depth data p. 91</i>	
302-2	Energy consumption outside the organisation		Information currently not available: we reserve the right to calculate this indicator in the future
302-3	Energy intensity	<i>Consumption and energy efficiency p. 70 In-depth data p. 91</i>	
302-4	Reducing energy consumption	<i>Consumption and energy efficiency p. 70</i>	
302-5	Reducing the energy requirements of products and services	<i>Consumption and energy efficiency p. 70</i>	
EMISSIONS			
3-3	Management of Material Topics	<i>Greenhouse gas emissions p. 73</i>	
305-1	Direct GHG emissions (Scope 1)	<i>Greenhouse gas emissions p. 73 In-depth data p. 91</i>	
305-2	Indirect GHG emissions from energy consumption (Scope 2)	<i>Greenhouse gas emissions p. 73 In-depth data p. 91</i>	
305-3	Other indirect GHG emissions (Scope 3)		Information currently not available: we reserve the right to calculate this indicator in the future
305-4	Intensity of GHG emissions	<i>Greenhouse gas emissions p. 73 In-depth data p. 91</i>	
305-5	Reducing GHG emissions	<i>Greenhouse gas emissions p. 73</i>	
305-6	Emissions of ozone-depleting substances (ODS)		Not applicable
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	<i>Other emissions p. 76</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
WASTE			
3-3	Management of Material Topics	<i>Waste management p. 78</i>	
306-1	Waste generation and significant waste-related impacts	<i>Waste management p. 78</i>	
306-2	Management of significant waste-related impacts	<i>Waste management p. 78</i>	
306-3	Waste generated	<i>Waste management p. 78 In-depth data p. 91</i>	
306-4	Waste diverted from disposal	<i>Waste management p. 78 In-depth data p.</i>	
306-5	Waste directed to disposal	<i>Waste management p. 78 In-depth data p. 91</i>	
ENVIRONMENTAL ASSESSMENT OF SUPPLIERS			
3-3	Management of Material Topics	<i>Responsible sourcing p. 46</i>	
308-1	New suppliers selected according to environmental criteria	We selected a new electricity supplier on the basis of the energy mix of the supply, preferring a supplier whose share of energy from renewable sources was significantly higher than the previous one	
308-2	Negative environmental impacts in the supply chain and actions taken	<i>Responsible sourcing p. 46</i>	
EMPLOYMENT			
3-3	Management of Material Topics	<i>Our Team p. 22</i>	
401-1	Recruitment of new employees and employee turnover	<i>In-depth data p. 91</i>	The data on geographical area are not significant since all employees are located in Italy
401-2	Benefits for full-time employees that are not available to fixed-term or part-time employees	Employees with an open-ended contract receive meal vouchers, a benefit that is not granted to employees with a fixed-term or apprenticeship contract	
401-3	Parental leave	<i>In-depth data p. 91</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
HEALTH AND SAFETY AT WORK			
3-3	Management of Material Topics	<i>Health and safety of our employees</i> p. 63	
403-1	Occupational Health and Safety Management System	<i>Health and safety of our employees</i> p. 63	
403-2	Hazard identification, risk assessment and accident investigation.	<i>Health and safety of our employees</i> p. 63	
403-3	Occupational Health Services	<i>Health and safety of our employees</i> p. 63	
403-4	Worker participation, consultation and dialogue on occupational health and safety	<i>Health and safety of our employees</i> p. 63	
403-5	Worker training in occupational health and safety	In the reporting year, 65% of the training hours, i.e. 592 hours, were on occupational health and safety topics	
403-6	Workers' health promotion	<i>Health and safety of our employees</i> p. 63	
403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relations	<i>Responsible sourcing</i> p. 46	
403-8	Workers covered by an occupational health and safety management system	In accordance with Legislative Decree 81/2008, all our workers are subject to occupational health and safety regulations and procedures. Some of our employees also have specific roles - e.g. in fire-fighting and first aid procedures - as governed by our occupational health and safety management system	
403-9	Accidents at work	<i>Health and safety of our employees</i> p. 63 <i>In-depth data</i> p. 91	
403-10	Occupational Diseases	No cases of occupational disease recorded in the reporting year	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
TRAINING AND EDUCATION			
3-3	Management of Material Topics	<i>Training p. 65</i>	
404-1	Average annual training hours per employee	<i>In-depth data p. 91</i>	
404-2	Employee skills upgrading and transition assistance programmes	<i>Training p. 65 In-depth data p. 91</i>	
404-3	Percentage of employees receiving regular performance and career development reviews	At the end of each year, 100 per cent of our employees undergo a performance and career development evaluation by the CEO and the Human Resources Department. The factors to be assessed are, in particular: motivation; approach to work and attitude towards colleagues and the company; results achieved, based on specific criteria established for each department.	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
3-3	Management of Material Topics	<i>Responsible sourcing p. 46</i>	
407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	<i>Responsible sourcing p. 46</i>	
CHILD LABOUR			
3-3	Management of Material Topics	<i>Responsible sourcing p. 46</i>	
408-1	Operations and suppliers at significant risk of child labour incidents	<i>Responsible sourcing p. 46</i>	
FORCED OR COMPULSORY LABOUR			
3-3	Management of Material Topics	<i>Responsible sourcing p. 46</i>	
409-1	Operations and suppliers at significant risk of forced or compulsory labour incidents	<i>Responsible sourcing p. 46</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
LOCAL COMMUNITIES			
3-3	Management of Material Topics	<i>LBG, Community and Territory p. 60</i>	
413-1	Local community engagement operations, impact assessments and development programmes	<i>LBG, Community and Territory p. 60</i>	
413-2	Operations with significant actual and potential negative impacts on local communities		We have not identified any of our operations as having significant actual or potential negative impacts on the local community
SOCIAL EVALUATION OF SUPPLIERS			
3-3	Management of Material Topics	<i>Responsible sourcing p. 46</i>	
414-1	New suppliers selected on the basis of social criteria		No new suppliers were selected on the basis of social criteria in 2022
414-2	Negative social impacts in the supply chain and actions taken	<i>Responsible sourcing p. 46</i>	
CUSTOMER HEALTH AND SAFETY			
3-3	Management of Material Topics	<i>Food quality and safety p. 59</i>	
416-1	Assessing the impacts of product and service categories on health and safety	<i>Food quality and safety p. 59</i>	
416-2	Incidents due to non-compliance related to health and safety impacts of products and services		No incidents to report

MATERIAL ISSUES NOT COVERED BY GRI STANDARDS

DISCLOSURE	NO. PAGE AND NOTES
R&D NEW FOOD SOLUTIONS	
GRI 3-3	Management of Material Topics <i>Research and Development p. 52</i>
-	Significant achievements related to research and development activities <i>Research and Development p. 52</i>
REFORESTATION	
GRI 3-3	Management of Material Topics <i>Reforestation p. 77</i>
-	Results and objectives on the promotion of reforestation <i>Reforestation p. 77</i>



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