

# SUSTAINABILITY REPORT 2023



WE ADD VALUE,  
NATURALLY.

**LBG Sicilia**  
Headquarters and main plant:  
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*All Stakeholders can request further information or clarifications on the sustainability strategy and information in this Report.*

FIND OUT MORE ABOUT OUR VISION  
THROUGH OUR **CORPORATE VIDEO**



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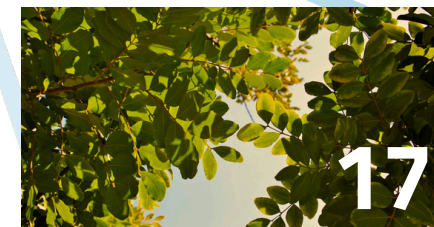
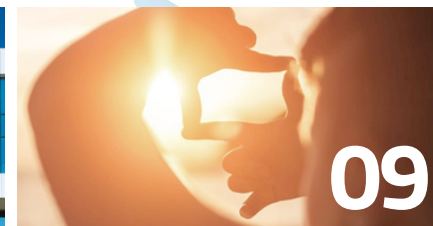
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The Sustainability Report 2023 is our third voluntary annual report: it presents our approach to sustainability and chronicles our progress in implementing socially responsible initiatives. The aim is to establish a transparent dialogue and provide all stakeholders with a clear representation of our main objectives and achievements. The information reported refers to the calendar year 2023 and reflects the results of the materiality analysis, thanks to which we have identified the material topics for LBG Sicilia and its Stakeholders as well as our recent footprinting efforts, which have enabled us to gain a solid understanding of how our company performs from an environmental point of view. In order to enable a comparison of the results achieved, data for the year 2021 and 2022 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, 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 report, we have taken responsibility for complying with all reporting principles set out in the GRI 1 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 chapter 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.



## LETTER TO THE STAKEHOLDERS



*Dear Stakeholders,*

*As we present our latest Sustainability Report, I want to share not just our progress but the enduring values that guide LBG Sicilia. For over 25 years, sustainability has been deeply ingrained in our identity, shaping how we grow, produce, and innovate. We believe food production must align with natural principles, avoiding the excessive chemical interventions that dominate much of our industry. Our crop of choice, carob, which thrives without pesticides, fertilizers, or irrigation, exemplifies this ethos.*

*Looking at our 2023 achievements and beyond, our strategic priorities now extend beyond carob. Through continuous innovation, we aim to bring the same virtuous approach to new ingredients, seeking alternatives to chemical methods and transforming waste into resources. By achieving cost-effective, natural solutions, we can benefit both society and the planet. This year, as a first, we've also calculated our Scope 3 emissions, demonstrating our commitment to understanding and reducing our environmental impact across the entire value chain: these insights into indirect emissions will enable us to develop more effective strategies to reduce our overall footprint.*

*Our journey is far from over. As we continuously refine our sustainability approach in response to emerging planetary and market demands, we remain dedicated to our core belief: true sustainability is rooted in natural processes, and this path, while challenging, ensures long-term success and resilience.*

*Thank you for your continued support and partnership. Together, we are not just building a company but a sustainable future we can all be proud of.*

*I hope you find this report both insightful and inspiring!*

Founder and CEO

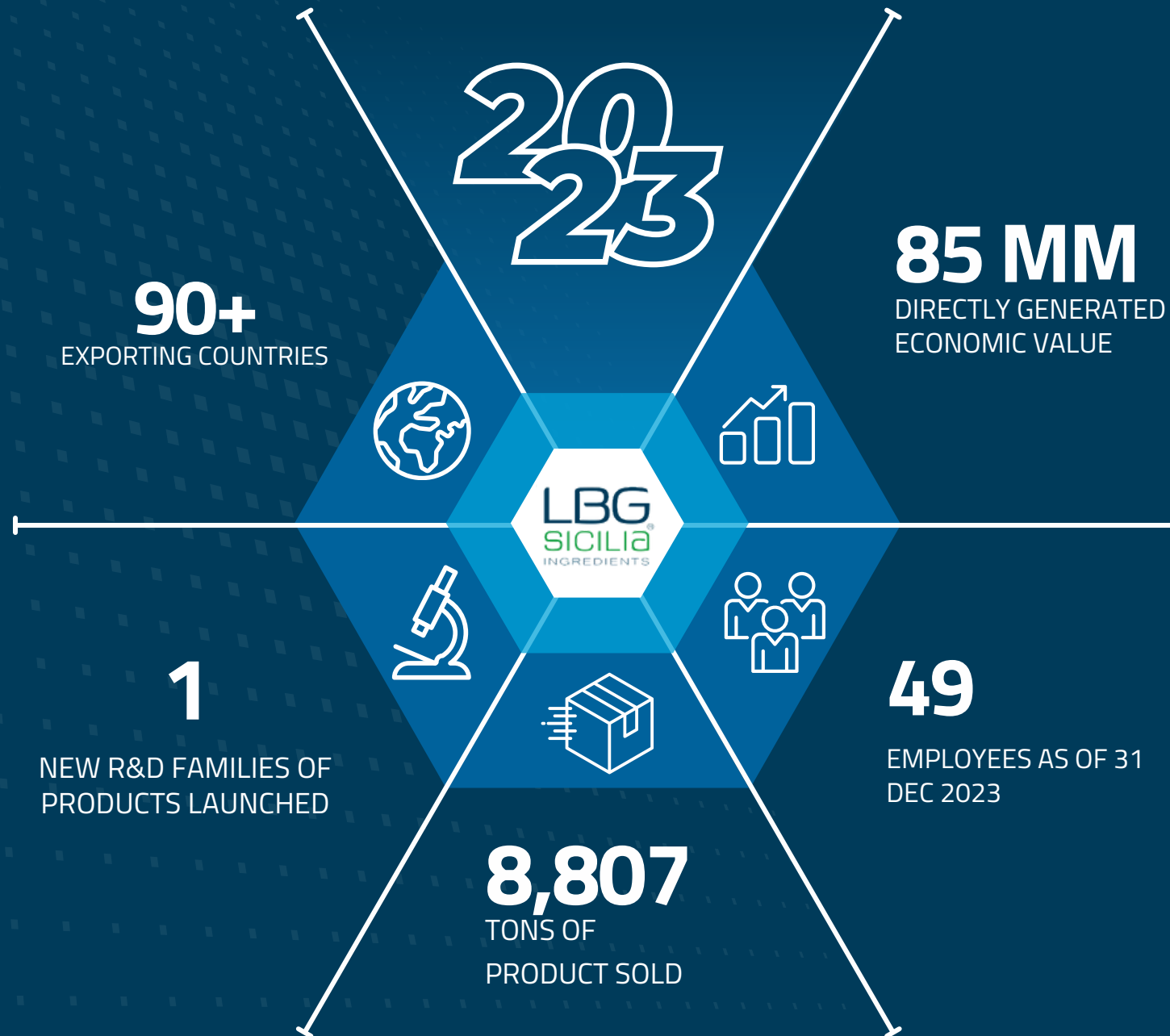
Mr. Giovanni Carlo Licitra

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



OUR  
2023

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# OUR 2023 IMPACT, NATURALLY.

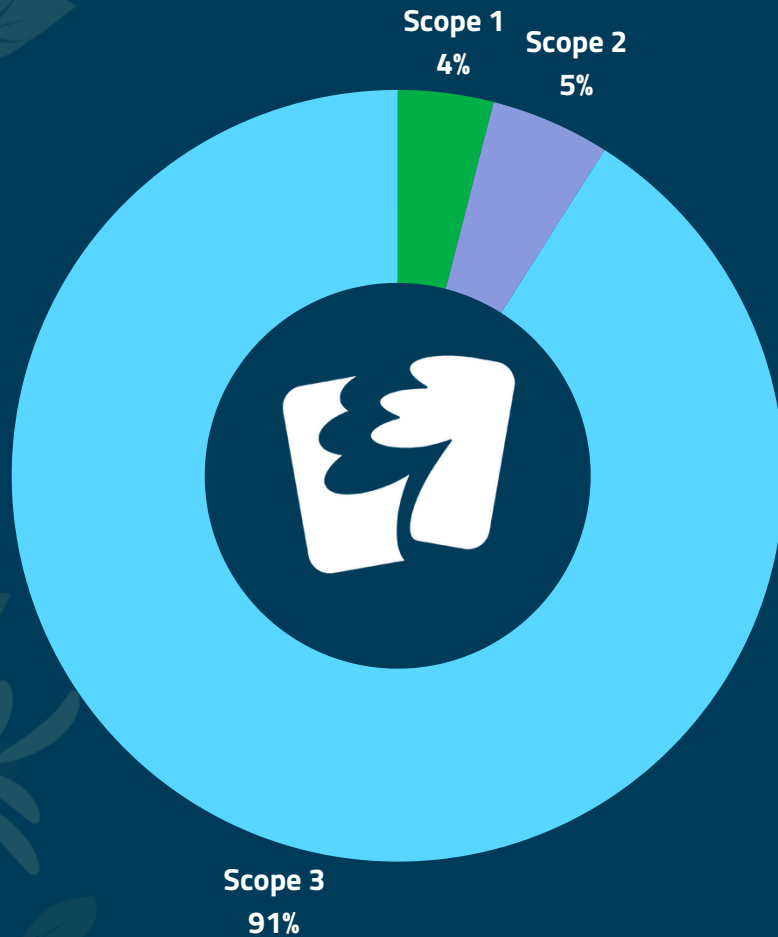
As we open our 2023 sustainability report, we are excited to present an in-depth look at our corporate carbon footprint, which, **for the first time, includes disclosure on Scope 3 emissions.**

**Transparency is at the heart of our commitment to environmental stewardship,** and we believe that sharing our carbon emissions data is a crucial step towards genuine progress. The graph herein offers a snapshot of our carbon footprint, capturing **the impact of our operations over the past year.**

We open our third sustainability report with this data to underscore the importance we place on **accountability and continuous improvement.**

**Addressing climate change is not just a responsibility but a journey we are passionately committed to.** We believe that by sharing our progress and challenges, we can inspire others to join us in creating a better future and turn data into action.

By analyzing these detailed results, we aim to inform our next step with a science-based approach, **moving us closer to reducing our environmental impact.**



SECTION  
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

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.



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.



### 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.



### 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.

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




### 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.



### 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.

A close-up photograph of two hands, one larger and one smaller, cupping a glowing, golden-yellow sphere. The background is a soft, warm gradient of orange and yellow. The text is overlaid on the image.

SECTION  
2

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**MISSION, VISION  
AND VALUES**

## OUR MISSION



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

# WE ADD VALUE, NATURALLY.



**FOR THE 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



**LBG**  
**SICILIA**  
INGREDIENTS



## OUR VISION

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



## OUR 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 RAW MATERIALS**

WHOLE CAROB POD

INDIVIDUAL INGREDIENTS:

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



**OUR MARKETS**

FOOD & BEVERAGE

PET FOOD

FEED

COSMETICS

NUTRACEUTICALS



**FROM SUPPLIERS TO SALE**





## PEOPLE: OUR GREATEST RESOURCE

The success of LBG Sicilia is deeply rooted in the commitment, integrity, and professionalism of its employees. Without their passion and dedication, the company wouldn't have achieved its leading position in the market, recognized for its high-quality products. Our mission goes beyond maintaining production excellence; it involves creating an inclusive and supportive workplace where diverse talents can thrive. At LBG, we strongly believe that fostering a culture where individual identities and authentic contributions are valued allows everyone to play a critical role in reaching collective goals. We are committed to eliminating discrimination by ensuring that all evaluations and decisions are made based on clear, objective criteria and fairness and equity have always been at the heart of how we engage with our team.

In terms of our workforce, by the end of 2023, LBG Sicilia had 49 employees, remaining consistent with the previous year. Our workforce skews younger, with the average age sitting at 37 years old and with women representation reaching 29% of the team. All employees are covered by national collective agreements specific to the food sector.

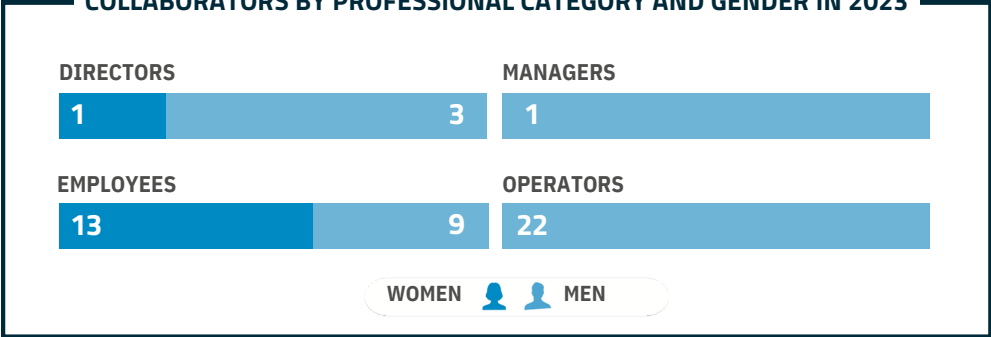
At LBG, we are committed to promoting gender equality across all stages of our hiring process. While our operational roles, particularly those that involve night shifts, have historically attracted a higher proportion of male applicants, we are continuously exploring ways to encourage greater diversity in these areas. In addition to our core team, LBG relies on external expertise, with 4 consultants and a sales agent playing pivotal roles in helping us meet our business targets.

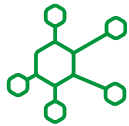






COLLABORATORS BY PROFESSIONAL CATEGORY AND GENDER IN 2023



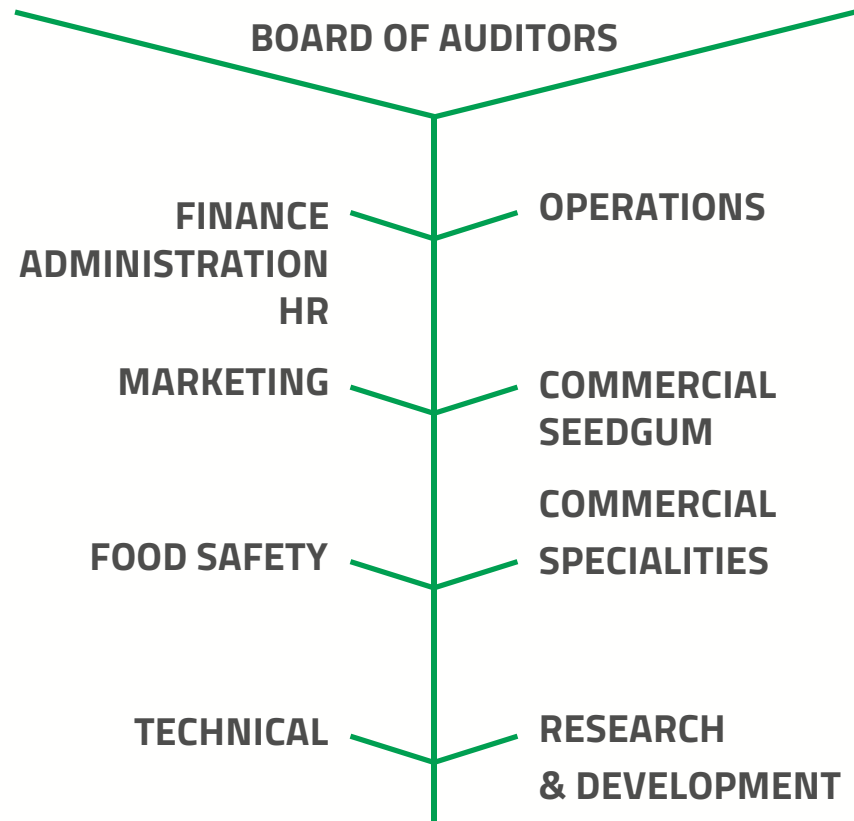


**THE GOVERNANCE STRUCTURE**

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 who is responsible for the strategic direction of the business. His endeavors are 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 (as well as 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 SEEDGUM and SOLMIX product families reflect our commercial structure. The Commercial 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.

**SOLE ADMINISTRATOR, GENERAL AND COMMERCIAL DIRECTOR**



## SOLIDITY AND FORESIGHT

To ensure responsible governance and drive long-term success, we have established a comprehensive set of tools designed to uphold our commitments to legality, transparency, and integrity, while ensuring that the company operates efficiently and ethically. This way, we are able to mitigate potential risks and negative impacts on our stakeholders, fostering a resilient and sustainable operational structure.

- 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



## CONDUCT AND INTEGRITY

LBG Sicilia considers maintaining and upholding ethical business practices an essential priority, as integrity is at the core of everything we do. To ensure our operations reflect this commitment, we follow a Corporate Code of Ethics shaped by the principles outlined in Legislative Decree 231/2001. This code serves as a framework for all those connected with the company, from employees to external collaborators, guiding their actions with clear ethical expectations. We firmly reject any kind of unethical behavior, such as corruption, conflicts of interest, and any anti-competitive practice, promoting transparency and legality throughout all our business dealings.



To further reinforce our ethical framework, we are **currently revising the Code of Ethics to make it more actionable, comprehensive**, and closely aligned with our evolving company strategy.

## OUR CERTIFICATIONS

The image displays a grid of various certification logos. From top-left to bottom-right, the logos include: BRCGS Food Safety CERTIFICATED; RIA AGROQ CERTIFIED MANAGEMENT SYSTEM ISO 22000; HACCP logo; EU Organic logo; Halal International Authority (HIA) logo; Sedex Member logo; RIA Member of CISQ Federation CERTIFIED MANAGEMENT SYSTEM ISO 9001 - ISO 14001; RIA NEW CERTIFIED MANAGEMENT SYSTEM ISO 45001; GMP+ logo; and ecovadis 2022 Sustainability Rating Silver.



At LBG Sicilia, we foster open and accountable relationships with all our stakeholders, including customers, suppliers, business partners, government entities, and the broader community. Our approach to these engagements is firmly rooted in the values and guidelines set forth in our Code of Ethics, ensuring that every interaction reflects our commitment to integrity and responsibility.

A core aspect of the Code and of our business ethic is our attention to environmental sustainability, as we focus on reducing environmental impact by carefully managing and preserving natural resources and driving initiatives that minimize climate and environmental impacts. Respecting the rights of our community and future generations remains a key priority, ensuring that our operations align with sustainable development in all regions where we operate.




To ensure employees fully comprehend and follow our ethical standards, we have communicated the principles of the Code through various initiatives and meetings. The Internal Control and Supervisory Committee remains responsible for overseeing compliance. While no violations were reported this year, a new whistleblowing portal has been introduced to allow confidential reporting of any breaches. The full Code of Ethics can be found on our website at [www.lbg.it](http://www.lbg.it) or scanning the QR CODE on this page.



READ OUR **CODE OF ETHICS**  
BY SCANNING THIS QR CODE

## THE REMUNERATION POLICY

Our compensation philosophy is founded on two core principles: **rewarding competence and recognizing merit**. This approach allows us to:

-  Attract and retain top talent crucial to our success
-  Ensure fair compensation based on skills and job responsibilities
-  Promote a culture of high performance and continuous improvement

Employee compensation is determined based solely on professional qualifications and the responsibilities each role demands, in alignment with our Code of Ethics, which promotes a work environment that is both equitable and inclusive while committing to non-discrimination, inclusion, and equal opportunities. Leadership roles continue to have both fixed and variable pay components: the fixed component is tied to contractual classifications, while the variable component is directly linked to the achievement of the annual objectives set by the company at the start of the year.



SECTION  
3

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OUR  
SUSTAINABILITY  
JOURNEY

## MATERIALITY ANALISYS

Respect for people, the environment, and stakeholders has always been a core value for LBG Sicilia. Beginning in 2021, with the publication of our first voluntary report, we committed to making our social responsibility more tangible and measurable. Our sustainability journey was shaped through a materiality analysis, and our sustainability strategy is **fully aligned with the structure of our business model**:

PEOPLE AT THE CORE

CREATING SHARED VALUE

CONSISTENTLY CONDUCTING RESPONSIBLE BUSINESS

FOSTERING GROWTH AND ENSURING QUALITY

We set a goal to repeat the materiality analysis, originally conducted in 2020, to ensure that our strategy and new goals reflect our current impact and are aligned with both the UN Sustainable Development Goals and the evolving needs of our stakeholders.

## HOW DID WE DO IT?

Our materiality analysis was conducted through the following key steps:

**IDENTIFICATION AND ASSESSMENT OF IMPACTS ACROSS OUR VALUE CHAIN AND STAKEHOLDER MAPPING**



**STAKEHOLDER ENGAGEMENT TO DEVELOP MATERIAL TOPICS**



**LIST OF MATERIAL TOPICS**



**SUSTAINABILITY PLAN: DEFINING FUTURE OBJECTIVES**

## IDENTIFICATION OF IMPACTS ALONG THE VALUE CHAIN

Following the GRI methodology and guided by the principles in the latest relevant legislation—specifically, the directive(1) on sustainability reporting and the proposed directive(2) on corporate duty of care—we conducted an analysis of our value chain. This analysis helped us identify the direct and indirect, positive and negative, current or potential impacts(3) on the economy, the environment, human rights, and society at large.



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.

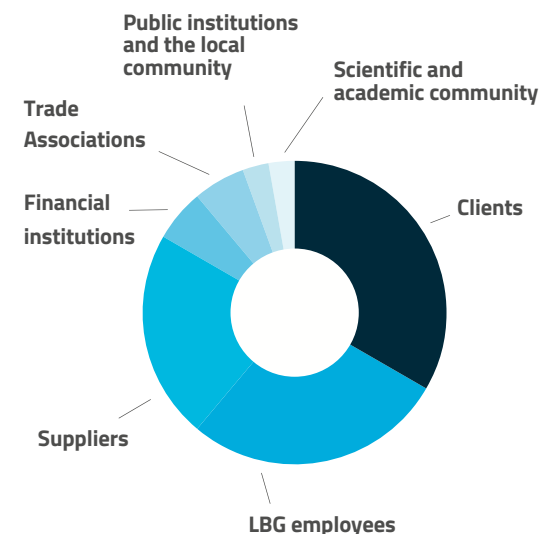
## IMPACT ASSESSMENT

Material topics reflect the organization’s impact on the economy, the environment, and society, including human rights. To identify these topics, we held an internal workshop where the heads of various corporate functions gathered to assess our impacts based on two key criteria: intensity and probability, as illustrated in the example table below. The intensity of an impact, whether actual or potential, may be influenced by factors such as the number of people affected or the scale of the effects produced. In contrast, the probability of a potential impact refers to the likelihood of its occurrence.

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 Emissions	Management and disposal of delivered waste 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

## DEFINING THE STAKEHOLDER MAP

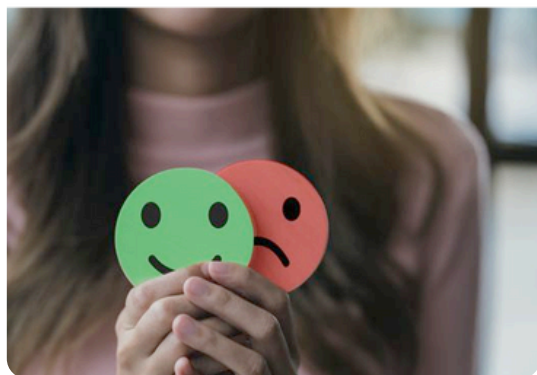
We have identified the groups and individuals whose interests may be positively or negatively impacted by our activities and have developed a map outlining our key stakeholders.



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



Regarding the environmental impacts of our consumption, **we have deemed the impact of water use to be insignificant**, as our production processes do not require large quantities of water. **Energy consumption, however, presents a far more significant impact** due to the high energy demands of our operations.



## STAKEHOLDER ENGAGEMENT

Based on the impacts with the highest intensity and likelihood, we formulated our material topics and engaged key stakeholders through a questionnaire. This survey not only asked stakeholders to assess and assign relevance to the topics we identified, but also to suggest additional ones. We received a total of 96 responses from our most representative stakeholders, including customers, suppliers, financial institutions, internal staff, and select trade associations.

Following the results of this process and the feedback received, we created the List of Material Topics. This list, approved by the CEO, ranked the topics by relevance, allowing LBG Sicilia to prioritize its sustainability initiatives and respond with greater urgency or focus to the most significant issues for its activities and stakeholders.

A total of **ten material topics** were identified, each aligned with one or more **Sustainable Development Goals (SDGs)** to ensure consistency with the 2030 Agenda.

Below is the list of material topics ranked by relevance, with 1 being the most important and 10 the least.

Below is the **list of material topics ranked by relevance**, with 1 being the most relevant and 10 the least.

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



# PRIORITY SDGS FOR LBG SICILIA



## Goal 2

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



## Goal 3

Ensuring healthy lives and promote well-being for all at all ages.



## Goal 7

Ensuring access to affordable, reliable, sustainable and modern energy for all.



## Goal 8

Promoting inclusive and sustainable economic growth, full and productive employment, and decent work for all.



## Goal 9

Building resilient infrastructure, promoting inclusive and sustainable industrialisation, and fostering innovation.



## Goal 12

Ensuring sustainable consumption and production patterns.



## Goal 13

Taking urgent action to combat climate change and its impacts.




## Goal 15

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

# PRIORITY TOPICS PER STAKEHOLDER CATEGORY

STAKEHOLDER CATEGORY	MOST RELEVANT TOPICS	MODES OF INVOLVEMENT
CUSTOMERS	High quality & food safety	Distribution of the materiality questionnaire, dedicated meetings, customer service, website, plant visits
EMPLOYEES	Employee welfare	Distribution of the materiality questionnaire, internal communication, dedicated meetings
SUPPLIERS	High quality & 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 materiality questionnaire, events, website



SECTION  
4

2023  
PERFORMANCE:  
PROSPERITY

**OUR ECONOMIC PERFORMANCE**



DIRECT ECONOMIC IMPACTS:  
THE CREATION OF SHARED VALUE

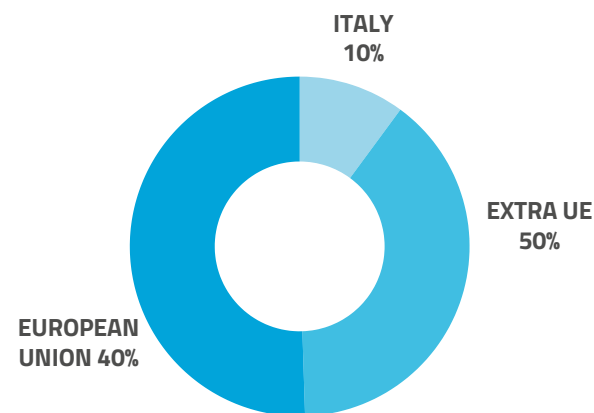
2023's financial results are in line with our expectations, given the specific circumstances surrounding the sector and the raw material price adjustments. **The total economic value generated in 2023 reached €84,763,270 in net revenue.**

IN 2023 WE DISTRIBUTED  
**83% OF THE VALUE**  
GENERATED

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE	€
Economic value generated	84,763,270
Distributed economic value:	70,408,303
<i>Operating costs (88.67%)</i>	62,432,792
<i>Staffing costs (3.66%)</i>	2,574,650
<i>Payments to providers of capital (0.29%)</i>	205,735
<i>Payments to PA (7.38%)</i>	5,195,126
<i>Investments in the community</i>	–
Economic value retained	14,354,967

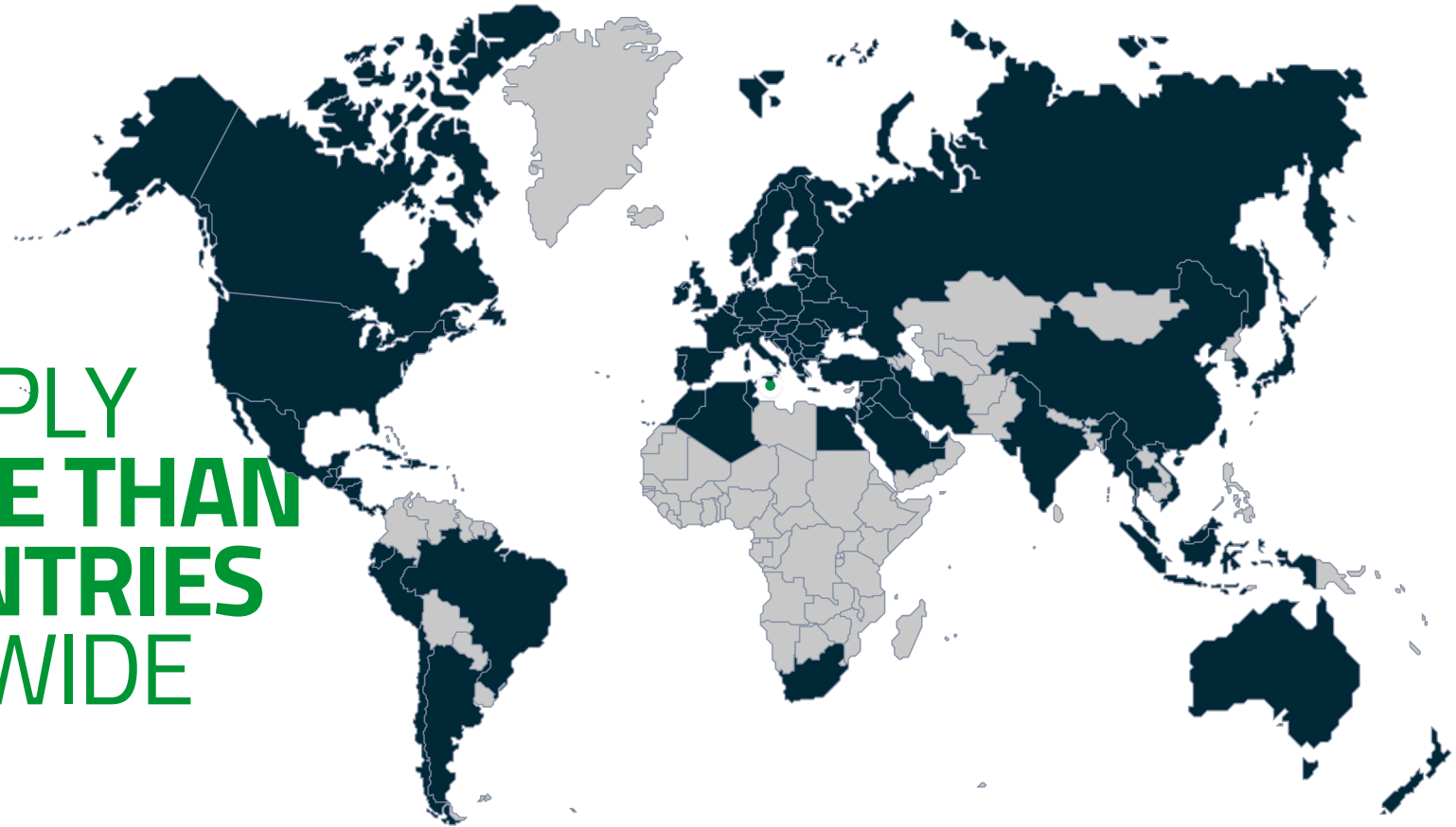


**DISTRIBUTION OF REVENUES 2023 BY GEOGRAPHICAL AREA**





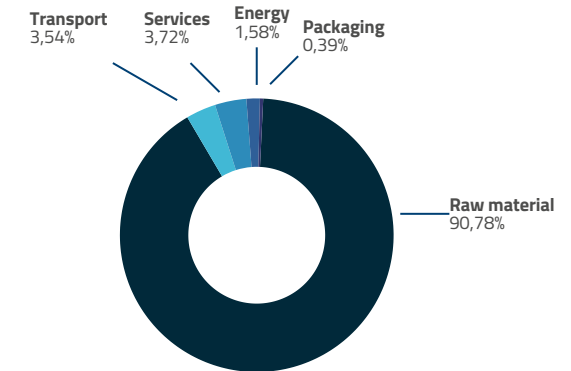
WE SUPPLY  
TO MORE THAN  
90 COUNTRIES  
WORLDWIDE



**Including countries in** North America, South America, Europe, Asia-Pacific (APAC), and the Middle East and North Africa (MENA) regions



SUPPLIERS BY TYPE OF EXPENDITURE



**INDIRECT ECONOMIC IMPACTS:  
DRIVING SOCIO-ECONOMIC GROWTH IN THE REGION**

At LBG, we are committed to setting new industry benchmarks, guided by our entrepreneurial spirit and cutting-edge production technologies. Our expertise in food safety and international law further strengthens our ability to cultivate solid, mutually beneficial partnerships. The positive impact of our presence on the local community is something we take great pride in. One of the most significant contributions we make is through job creation, providing meaningful employment that directly supports the livelihoods of our employees and bolsters the local economy.

As a key player in the region’s industrial landscape, LBG contributes to the growth of emerging and innovative business activities, generating a ripple effect across sectors. Our influence extends beyond our core operations, fostering cross-industry synergies that benefit a diverse array of local businesses.

As captured in last year’s report, the completion of our production plant expansion not only doubled our production capacity but also introduced cutting-edge, energy-efficient processes designed with sustainability at the forefront. Our commitment to growth and improvement positions us as a catalyst for local economic development. Each investment in our facilities stimulates demand for a range of services and suppliers, while our advanced technological infrastructure attracts specialized technicians and highly qualified professionals, further strengthening the local socio-economic fabric.

**RESPONSIBLE SOURCING**

At LBG Sicilia, we adopt a **short supply chain model**, enabling us to maintain exceptional transparency and traceability—key elements in ensuring the highest standards of food safety. This streamlined supply chain is deeply connected to a defining feature of our operations: vertical integration. **From the commercialization of carob to its transformation first into seeds and then into gum, vertical integration is the foundation of LBG Sicilia’s success.**

In recognition of the importance of responsible sourcing, we have included GRI 308, GRI 407, GRI 408, GRI 409, and GRI 414 in the GRI content index, found in the appendix of this report. These standards reflect our commitment to addressing one of our most critical material topics. Our materiality analysis has been conducted with meticulous attention, ensuring that all impacts—both actual and potential—throughout the value chain, including the supply chain, are considered. One positive impact is the creation of employment opportunities within the supply chain, while risks such as inadequate labor practices could threaten workers’ rights, health, and safety.

To safeguard these principles, we ensure that our suppliers adhere to the core standards set forth by the **International Labour Organization (ILO)** conventions, the **Universal Declaration of Human Rights**, and the **Ten Principles of the UN Global Compact**. To formalize this commitment, we have implemented a Suppliers Code of Conduct (SCC), which establishes binding principles and ethical guidelines that all our suppliers must uphold.

**IN PARTICULAR, OUR SUPPLIERS ARE BOUND TO:**



Prohibiting child labor, forced labor, and all forms of violence



Ensuring a healthy, safe, and secure workplace for all employees



Upholding collective bargaining rights, freedom of association, and ensuring non-discrimination, fair working hours, and lawful remuneration



Reducing environmental and climate impacts through responsible practices



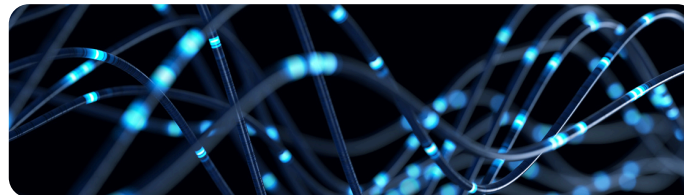
Minimizing the waste of natural resources, and promoting recycling and reuse throughout operational activities

The SCC is also available on our official website [www.lbg.it](http://www.lbg.it), or you can read it by scanning the following QR code:

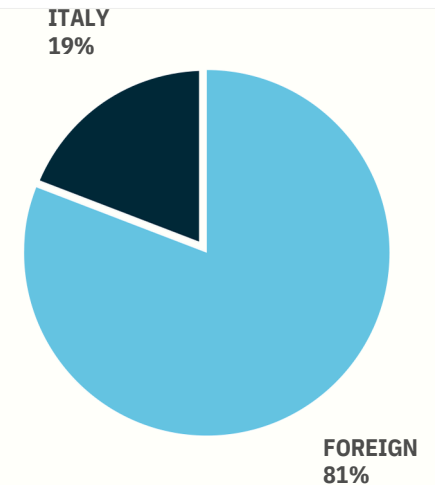


As part of preparing these financial statements, we conducted a **supplier screening process** to assess their environmental, ethical-social, and occupational health and safety certifications. We evaluated **46 suppliers** across various categories, including services, raw materials, packaging, and transportation. Key findings from the evaluation include:

- **65%** hold internationally recognised certifications in areas such as quality, environmental management, and occupational health and safety. Specifically, 47% have environmental certifications, 60% have occupational health and safety certifications, and 77% have quality and safety certifications for their products or services.
- **43%** of suppliers have collective bargaining agreements covering 80% to 100% of their workforce.
- **72%** have adopted a corporate code of conduct.
- **54%** actively implement and promote corporate social responsibility initiatives.
- **30%** regularly publish sustainability reports.
- **83%** of suppliers demonstrate social and environmental responsibility in their operations.



**PORTION OF EXPENDITURE ON LOCAL SUPPLIERS**



The **supplier screening**, as an initial step toward deeper collaboration with our business partners, has proven valuable in **assessing our suppliers' current engagement in ethical initiatives and practices**. This process helps us work toward building socially and environmentally responsible, sustainable supply chains.



### SEDEX MEMBERSHIP: OUR COMMITMENT TOWARDS A BETTER SUPPLY CHAIN

In line with our commitment to responsible supply chain management, **we proudly became a member of Sedex (Supplier Ethical Data Exchange)**, a leading non-profit organization that promotes ethical business practices across global supply chains. Sedex operates Europe's largest platform for tracking and analyzing data related to sustainability, offering us valuable insights to continuously improve our supply chain operations.

As part of our Sedex membership, we participate in the Sedex Member Ethical Trade Audit (SMETA), which rigorously evaluates our adherence to labor standards, human rights, and environmental practices. **This process ensures both our compliance against key social and environmental criteria** but also reinforces our dedication to upholding the highest ethical standards within our own supply chain, driving best practices across every stage of our operations as we plan on analysing our own supply chain through the SMETA audit lens.



### CAROB: SUSTAINABLE AGRICULTURE, TRACEABILITY AND BEST PRACTICES

Our dedication to promoting sustainable agricultural practices is reflected in our flagship product, carob seed gum. **Carob cultivation is recognized for its remarkable environmental benefits**, particularly when compared to other common crops such as maize, soy, pea, or sugar beet. Carob trees are naturally adapted to arid and semi-arid climates, requiring significantly less water than many other crops, making them highly resilient to drought, conserving water resources and making carob a viable and productive crop in regions affected by climate change.

Building on the natural sustainability of carob, we further enhance its environmental benefits through our unique approach at LBG: **staying true to our mission, we process our ingredients in a completely natural, chemical-free manner.** This ensures the integrity and quality of our carobs while reducing the environmental impacts of our production processes.





## PIAZZA CARRUBO

For LBG Sicilia, carob is a vital raw material, making it crucial that our suppliers adhere to high-quality standards and employ production and harvesting practices that protect both people and the environment, ensuring the quality of the plant and its fruit.

We continuously work to uphold **stringent levels of traceability and quality** in the harvests we purchase from Sicily as well as from locations across the Mediterranean basin. To strengthen this commitment, in 2022 we started our partnership with **Piazza Carrubo**, an innovative platform dedicated to promoting carob cultivation and upholding the best sectorial practices. Piazza Carrubo offers services, including certification of good agricultural practices, to ensure the quality and traceability of the product.

Piazza Carrubo engages directly with producers, encouraging the adoption of **specialized methods for carob production and management that guarantee optimal product quality**, along with business practices focused on legality, fairness, and transparency.

**KEY FACTORS CONSIDERED BY PIAZZA CARRUBO INCLUDE:**



- Fruit ripeness
- Impurities level in the production batch
- Proper storage of the production batch
- Phytosanitary treatments for crops or stored products

Piazza Carrubo conducts thorough inspections at participating farms, focusing on key factors such as the surface area dedicated to carob cultivation, the number of trees, the cultivation method (conventional, organic, in conversion to organic, or biodynamic), any pre and post-harvest treatments, and the storage conditions of the product.



This data collection process is designed to support the qualitative certification of production. A core objective of Piazza Carrubo is to disseminate knowledge of best practices while promoting quality and traceability throughout the carob supply chain.

**In 2023, Piazza Carrubo collaborated with 32 farms** to promote best practices in carob cultivation, covering a total agricultural area of **2,557 hectares**, with 158 hectares dedicated specifically to carob. These farms collectively contributed **1,106 tons of carob**.



To promote excellence in carob cultivation and recognise virtuous producers, **specific quality standards must be met to obtain the certificate of conformity.**

**Producers are required to ensure the following:**

1. The **declared origin** and production year of the carob beans.
2. The complete **absence of unripened carobs**, specifically those with any green portions on the epicarp attached to the stalk.
3. Carob beans must have a **natural pulp moisture content** of no more than 18% by weight.
4. The batch must contain **no more than 3% impurities** (such as leaves, twigs, soil, gravel) by weight, with no presence of foreign bodies or other contaminants.
5. Appropriate measures must be in place to **maintain the quality and safety of stored batches**, preventing degradation and contamination by harmful chemical or biological agents.
6. **No use of unapproved plant protection products is allowed**, both before and after harvesting.



## RESILIENCE & CLIMATE RISK MANAGEMENT



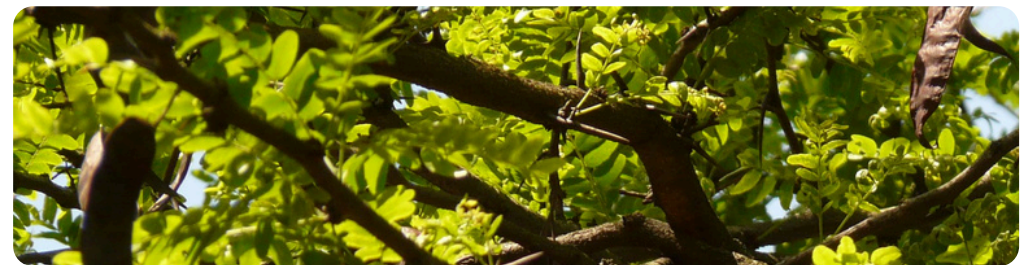
Climate change has emerged as a critical risk to the financial stability of organizations. The 2015 Paris Agreement, the European Union’s path towards decarbonization, and national regulations all underscore the growing need to assess the economic and financial impacts of climate change. Through our materiality analysis, we recognized that identifying and managing the financial risks and opportunities associated with climate change is a vital strategic action to ensure the long-term financial sustainability of our business.

Following the guidelines of the IPCC(1) and the recommendations of the TCFD(2), we have embarked on a phased approach to analyzing climate-related risks and opportunities within our operations.

THE PROCESS INVOLVES THE FOLLOWING KEY STEPS:

- 1 Initial rapid screening for climate risks
- 2 Climate risk assessment through scenario analysis
- 3 Identification of adaptation measures
- 4 Review of adaptation efforts and promotion of resilience

In preparing this report, we have focused on the first stage of the analysis: the rapid screening of financial risks and opportunities associated with climate change. Following the TCFD framework, we differentiated between physical risks and transition risks in this assessment.



1 Intergovernmental Panel on Climate Change  
 2 Task Force on Climate-related Financial Disclosures

**PHYSICAL RISKS**

Our primary product is derived from an arid-resistant plant, which is not expected to face significant direct impacts from climate change. However, we have identified a **potential long-term physical risk due to droughts and prolonged high temperatures**. These conditions could result in decreased productivity of our raw materials, leading to increased input requirements to maintain output levels, and thus higher production costs.

**TRANSITION RISKS**

The anticipated transition risks are predominantly related to legal and policy changes. **Key risks include increased operational and compliance costs** stemming from new reporting obligations, carbon taxes, and voluntary CO2 removal or offsetting initiatives. Additionally, there could be substantial costs related to packaging redesign in response to new packaging composition regulations, as well as increased disposal and recycling expenses due to extended producer responsibility legislation.

**OPPORTUNITIES**

In light of climate change, we are observing a growing global trend toward plant-based diets and a corresponding reduction in the demand for animal proteins. This shift presents significant market opportunities for LBG Sicilia, as it aligns with our core business and product offerings.



**RESEARCH AND DEVELOPMENT** 

**Research and development (R&D) of new food solutions is a cornerstone of LBG’s strategy.** As a matter of fact, a significant portion of the R&D investment is allocated to dedicated personnel, accounting for approximately **10% of the total salary and wage expenses**: the MASAF project continues to play an important role within our R&D activities. In addition to this, there are also annual expenses for consulting services and raw materials used in testing. The total cost of these expenses amounts to **approx. €1 million**.

**A WORK ENVIRONMENT ROOTED IN INNOVATION**

Our Innovation center spans approximately 1,000 square meters and currently houses chemical, physical, microbiological and applications laboratories, along with pilot plants.

This facility enables us to design and develop cutting-edge food solutions. The R&D process begins with the cultivation of carob trees. As leaders of a collaborative supply chain initiative, we engage with partner companies managing experimental carob groves. **Through quantitative and qualitative monitoring of growth and harvest, we aim to develop an optimal production system.** Our goal is to ensure high-quality harvests, with well-nourished fruit that can generate nutrient-rich and functional tissues essential for our innovative products.

Our technicians continue their research and development efforts in our laboratory, maximizing the potential of these elements. In this regard, we have established key collaborations with several renowned Italian universities

for the nutraceutical valorization of carob derivatives. These partnerships include the University of Verona, the Department of Medical and Surgical Sciences at the University of Bologna, the Department for Translational Medicine at the University of Ferrara, and UNIRED, a spinoff of the University of Padua.

Beyond academia, we are thrilled to be **partnering with innovative entrepreneurs** such as PlantaRei Biotech, a forward-thinking start-up specializing in biotechnology transfer for the research, development, and production of sustainable food by-products. Together, we aim to drive scientific advancements in food solutions, **promoting food integrity while adhering to stringent environmental sustainability criteria** throughout our product, process, and technology development.



**CULTIVATING RELATIONSHIPS**



On **May 5, 2023**, LBG Sicilia made a significant contribution to the symposium **"Il carrubo, specie multifunzionale e di interesse per i paesi del bacino del Mediterraneo,"** held at the Auditorium of the Chamber of Commerce in Ragusa. Represented by our Marketing Director, Mr. Daniele Mariani, we participated in the technical and economic session with a presentation titled "LBG Sicilia: il legame con il territorio ed il ruolo nel mercato internazionale degli ingredienti alimentari." Mr. Mariani highlighted our company's deep-rooted connection with the local territory and our pivotal role in the international food ingredients market, emphasizing **our commitment to sustainable and naturality-driven practices in the processing of carob**, demonstrating how these efforts contribute to both regional development and global industry standards.

Our active involvement in this event underscored LBG Sicilia's dedication to promoting sustainability within the carob industry across the Mediterranean region. By engaging with a diverse audience—including academics, industry professionals, policymakers, and local authorities—we contribute to pushing carob processing at the forefront of critical discussions on sustainable agricultural practices, environmental stewardship and economic growth. Our participation facilitated collaborative efforts aimed at innovation in carob cultivation and processing, aligning with our broader sustainability objectives.

*"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

**Il carrubo, specie multifunzionale e di interesse per i Paesi del bacino del Mediterraneo**

**AUDITORIUM DELLA CAMERA DI COMMERCIO DI RAGUSA (PIAZZA LIBERTÀ)**

**venerdì 5 maggio 2023 9:00-18:00**

**SESSIONE TECNICA ED ECONOMICA**

**ORE 15.00** - Introduce e coordina: Dottore agronomo Giuseppe Dipietro - Presidente Ordine dei Dottori Agronomi e dei Dottori Forestali della Provincia di Ragusa

**Ore 15.10** - Dr. Daniele Mariani, Marketing Director LBG Sicilia srl  
 Il ruolo del carrubo con il territorio ed il ruolo nel mercato internazionale degli ingredienti alimentari

**Ore 15.30** - Dottore agronomo Massimiliano Brugaletta, Ordine dei Dottori Agronomi e dei Dottori Forestali della Provincia di Ragusa  
 Il carrubo: proposte tecniche, normative ed economiche per il rilancio della coltura carobiera mediterranea

**Ore 15.45** - Dottore agronomo Giuseppe Cicero, Ordine dei Dottori Agronomi e dei Dottori Forestali della Provincia di Ragusa  
 Una proposta operativa per la valorizzazione del carrubo

**Ore 16.00** - Dott. Chimico Giacomo Gagliano, Dirigente ICQRF - Laboratorio Catania  
 L'attività di controllo per l'accertamento della conformità. Considerazioni nel caso del carrubo

**Ore 16.15** - Tavola rotonda: "Le istanze del territorio per la filiera"  
 Coordina il Dottore agronomo Massimiliano Brugaletta

Intervengono:

- Dottore agronomo Dario Cartabellotta - Dirigente Generale del Dipartimento Agricoltura dell'Assessorato regionale dell'agricoltura, dello sviluppo rurale e della pesca e AdG del PSR Sicilia 2014/2022
- Dottore agronomo Felice Assenza - Capo del Dipartimento dell'ispettorato centrale della tutela della qualità e della repressione frodi dei prodotti agroalimentari del Ministero dell'agricoltura, della sovranità alimentare e delle foreste
- Dottore agronomo Antonio De Marco - Soprintendente per i Beni Culturali e Ambientali di Ragusa
- Dott. Antonio Belcoure - Commissario Straordinario della Camera di Commercio Industria, Artigianato e Agricoltura del Sud Est Sicilia
- I rappresentanti delle Università e degli Enti di Ricerca
- I Sindaci del Territorio presenti all'incontro

**Ore 17.30 - Conclusioni**  
 Chir. Luca Sammartino - Assessore dell'agricoltura, dello sviluppo rurale e della pesca mediterranea della Regione Siciliana

**Ore 18.00** - Fine lavori

**ORE 13.00 LUNCH**

**Ore 12.40 - Conclusioni Sessione scientifica**  
 Prof. Roberto Di Lorenzo - Presidente Accademia dei Geografi, Sezione Sud-Ovest, Palermo

**Il controllo dei fitofagi invasivi del carrubo: nuove emergenze e soluzioni sostenibili**

- Prof. Francesco Sottile, Università di Palermo: Il ruolo del carrubo negli agroecosistemi mediterranei
- Prof. Giuseppe Barbera, Università di Palermo: Carrubo e paesaggio
- Dottore agronomo Fladelfio Conti - SFR - Osservatorio malattie delle Piante di Agrale

La certificazione genetica sanitaria dei materiali di propagazione delle piante da frutto

**Al partecipanti iscritti all'Ordine dei Dottori Agronomi e dei Dottori Forestali saranno riconosciuti 1,00 CFP**

**Logos:** I.R.S.E.A. C.S.R., LBG SICILIA, WIDE GROUP, Agribusiness, Agri STORE, CIOKARRUA, TATE & LYLE, TERRE DEL NOLE

**EVENT LEAFLET & PROGRAM (MAY 2023)**

A person is holding a large, dark green woven basket filled with dark, dried beans. The person's hands are visible on the sides of the basket. The background is a blurred outdoor setting with gravel and some greenery.

SECTION  
5

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2023

PERFORMANCE:

PEOPLE

**FOOD QUALITY & SAFETY** 

**PURSUING EXCELLENCE**

For over two decades, we have been committed to developing and producing ingredients of the highest quality—an essential factor that influences both our customers and end consumers. Our dedication to excellence is demonstrated through our compliance with **BRC Standards** and **ISO 22000** certification. We are proud to have earned a Grade AA in the BRC Global Standard certification, underscoring our reliability as suppliers and our adherence to the highest standards of hygiene and quality.

A key aspect of our operations is the meticulous selection and monitoring of raw materials. Quality control is a critical and systematic process, and **in 2023 alone, we conducted 340 inspections on incoming materials.** Ensuring our production meets high-quality and food safety standards is vital not only for our customers but also for fostering a secure and efficient work environment.



**PROCESS AND PRODUCT INTEGRITY**

We have always prioritized mechanical processing methods, **rejecting the use of chemicals to preserve the natural characteristics of our products**, while safeguarding both the environment and consumer health. This conscientious approach distinguishes us from many competitors.

In line with our broader mission of promoting health, we focus on contributing ingredients that support “food integrity”—which refers to food that is nutritious, traceable, ethically produced, and sustainable. Our main product, derived from a nutritionally rich fruit, stands out for its health benefits.

Recent scientific studies(1) have highlighted the positive effects of carob pod consumption, including increased satiety, reduced hunger, lower levels of LDL (“bad”) cholesterol and total cholesterol in hypercholesterolemic patients, and a reduction in both glycaemic index and inflammatory markers in diabetic individuals.

Moreover, carob is naturally allergen-free and gluten-free, making it suitable for a wide range of 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**

**PROJECTS SUPPORTING CULTURE**

In 2023, we continued to **deepen the synergy between our company and the local territory, recognizing that this connection not only fosters cultural enrichment but also drives sustainable development.** Building upon our efforts from the previous year—where we proudly sponsored cultural projects like the publication of "Pausa Pranzo" by Giuseppe Leone and "Il carrubo è l'uomo. Storia e storie attorno a un albero emblematico" by Carlo Blangiforti, Alessandro D'Amato, and Stefano La Malfa—we sought new opportunities to engage with our community and promote the cultural and environmental significance of our region.

**We were particularly proud to participate in the "Hack Your Talent" initiative in 2023, following our involvement in its second edition in 2022.**



**PROJECTS SUPPORTING YOUNG TALENTS**

In 2023, we once again participated to **Hack Your Talent**, a hackathon launched by a group of innovative companies in our region, in collaboration with local institutions and educational establishments. The event aims to engage and stimulate high school students from the Province of Ragusa to create innovative projects. Hack Your Talent serves as a crucial bridge between young people and companies, enabling students to become aware of the flourishing entrepreneurial landscape in the area and encouraging them to generate new ideas related to the city, the environment, and artificial intelligence. Conversely, companies have the opportunity to identify enterprising and promising young talent, potentially curbing the brain drain that affects our region. In this context, we also strengthened our partnerships with universities for the development of internship projects.

In this third edition, the first place was awarded to Team Oblivion, composed of Isidoro Guastella, Samir Aouinette, Giuseppe Occhipinti, Nicolò Giacalone, Francesco Rosa, Adriana Leggio, and Ginevra Longo from the Besta Institute and the Art High School. The jury honored their project titled Get Sight – Power the Light, which aims to utilize advanced technology installed within glasses capable of calculating the distance of surrounding objects and sending sound impulses, with the goal of improving the lives of people with visual impairments.



Over the past year, we have deepened our strategic partnership with the University of Catania by renewing our agreement to offer curricular and post-graduate internships. This collaboration is crucial for LBG Sicilia, as it enables us to engage directly with talented undergraduates and recent graduates, effectively bridging the gap between academia and the professional world. In addition to this, we have also signed internship agreements with other promoting institutions, such as the **Centro dell'Impiego** and universities like the **University of Pisa and Ecampus**.

**PROJECTS SUPPORTING EMPLOYEES**

Recognizing that a supportive workplace can greatly influence overall health and happiness of employees, we strive for an environment where every team member feels valued. This involves implementing healthy work practices and providing spaces designed to promote satisfaction and well-being.

As part of our ongoing commitment, we have been offering meal vouchers to our employees annually since 2017. These benefits not only support our team's daily needs but also reflect our dedication to their overall quality of life: in the current reporting year, we **distributed vouchers totaling €49,642**, underscoring our continued investment in our employees' welfare.

Recognizing the need to promote better commuting alternatives, we've taken steps to facilitate the adoption of electric vehicles among our employees. In 2023, we completed the installation of charging infrastructure at our facility. The new setup comprises **four dual charging stations**, providing a total of eight charging points. These are evenly split between four standard-speed chargers and four rapid-charging units. By implementing this charging network, we aim to simplify the management and usage of electric vehicles for our staff, encouraging the shift towards lower emissions transportation methods.

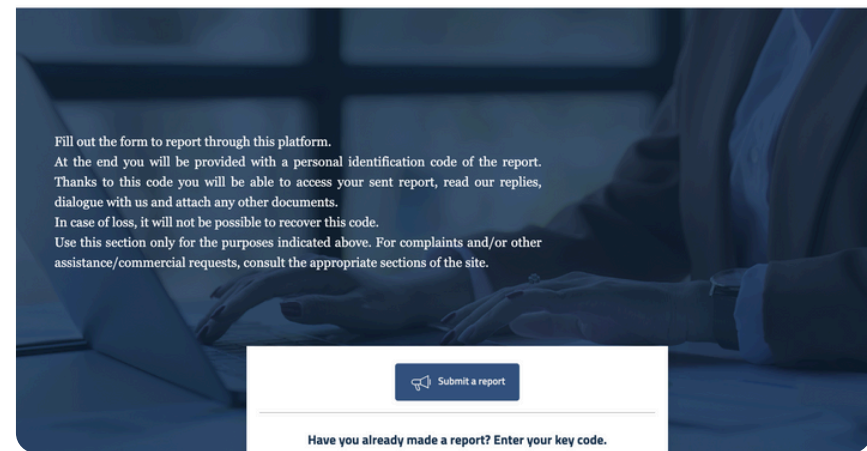
**WHISTLEBLOWING PORTAL**

As part of our ongoing commitment to fostering transparency, accountability, and trust within the organization, we are proud to introduce **our new Whistleblowing Portal, launched in 2023**. This portal marks a key milestone in our mission to create a workplace where every voice can be heard and concerns can be addressed with confidence.

The portal is designed to empower employees to **report any unethical behavior or misconduct securely and confidentially**. With cutting-edge encryption and secure protocols, we ensure that all reports are handled with the utmost discretion, also allowing employees to choose between submitting their concerns anonymously or providing personal details.



**EV CHARGING STALLS**



**WHISTLEBLOWING PORTAL**



HEALTH AND SAFETY OF OUR EMPLOYEES



Protecting human rights, and especially employees' health and safety, is our top priority. We adhere all applicable current legislation, particularly **Legislative Decree 81/2008**, to foster a company-wide safety culture. This also involves raising awareness about work-related risks and promoting responsible behavior at all levels; our health and safety strategy rests on three main pillars, reflecting our unwavering commitment to creating a secure work environment:

- 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 We base our approach to work, equipment, and production methods on the principle of **adapting work to fit the individual**.

We continuously work to enhance our workplace safety and health measures, focusing especially on risk reduction and maintaining safe environments. Our commitment led to **acquiring the ISO 45001 certification for our safety management system in 2023**, marking a significant milestone. In line with legal requirements and building on our health and safety initiatives, we've implemented a tailored approach to employee medical assessments: office staff typically undergo examinations every five years, while laboratory personnel are evaluated biennially. However, we do offer all employees the option of free annual check-ups on a voluntary basis. For our production department, where risks are higher, annual medical services are mandatory. These include specialized examinations such as hearing tests, addressing specific occupational hazards.

Throughout all these processes, we always prioritize the confidentiality of our employees' health information, ensuring strict adherence to privacy protocols.



**This year, we proudly achieved ISO 45001 certification**, a globally recognized standard for occupational health and safety management systems. ISO 45001 sets a framework for organizations to proactively improve employee safety, reduce workplace risks, and create better, safer working conditions. Earning this certification demonstrates and **consolidates our ongoing commitment to safeguarding the well-being of our workforce**, by embedding robust risk management practices and **fostering a culture of continuous improvement in health and safety performance**.



At LBG, all employees are encouraged to report work-related dangers or hazardous situations through various channels such as e-mail, text message, or WhatsApp. In 2023, we significantly increased our focus on health and safety, dedicating 85% of total training hours to occupational safety topics, including fire prevention, first aid, and specialized training for high-risk roles.

**In 2023 three work-related accidents were recorded** over a total of 89,559.33 hours worked, resulting in an accident rate of 29.29. While this marks an increase compared to the previous year, none of the incidents led to severe consequences. The uptick in reported accidents highlights the importance of continued vigilance and the critical role our safety protocols and communication channels play in preventing more serious outcomes. **Our ISO 45001 certification is an important step towards creating a safer, healthier workplace for all employees.**

**TRAINING:**  
SUPPORTING CONTINUED GROWTH

We have always strived to foster a stimulating work environment where our team's skills are continuously enhanced, and tangible opportunities for professional growth are provided. This dedication has allowed us to develop our team's expertise, ensuring they are well-equipped to meet the challenges of a globalized world.

In addition to mandatory training, conducted in compliance with Legislative Decree 81/2008, our training plan also includes specialized courses for various company functions and courses aimed at the development of soft skills. Since joining the Borsa Italiana's Elite Network in 2019, we have expanded our training offerings to include **workshops covering topics such as finance, human resources, and ESG (Environmental, Social, and Governance) issues.**

In the reporting year, LBG's training plan encompassed essential training activities in **two key areas:**

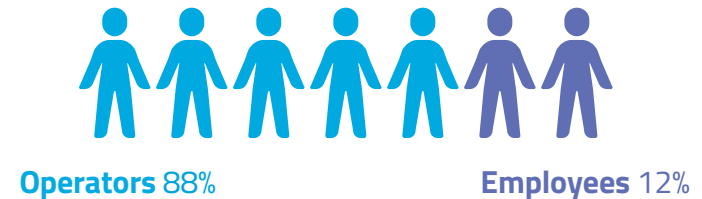


In 2023, we remain **fully committed to maintaining our BRC certification** and upholding the highest standards of food quality and safety. Building on the success of last year's training program, we will continue to enhance our efforts by further strengthening staff knowledge and practices.

**TRAINING HOURS PER TOPIC**



**TRAINING HOURS PER PROFESSIONAL CATEGORY**



In the current reporting year, **82%** of our employees were engaged in training courses and the average annual training hours per employee were **18.4**.

SECTION  
6

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2023  
PERFORMANCE:  
PLANET

## RESPECT FOR EVERYTHING AROUND US

The importance of environmental protection has evolved, moving beyond a focus on human activities alone to encompass the preservation of entire ecosystems. This broader understanding of environmental responsibility has taken center stage in both national and international policy discussions. In response to these growing expectations, LBG has strengthened its commitment to understanding and reducing its environmental footprint.

Our efforts in this area have intensified, with a focus on adopting best practices that not only respect but also actively preserve nature and its resources. As part of this enhanced commitment, LBG has implemented a robust Environmental Management System (EMS), which is fully compliant with the internationally recognized **ISO 14001** standard: this system ensures that our operations are systematically monitored and improved to reduce environmental impact.

Additionally, we have made it a priority to continuously train our teams and update our operations in order to integrate sustainability into every aspect of our business. As part of this ongoing effort, we are working to align our activities with the **European Taxonomy**, as set forth by **Regulation (EU) 2020/852**.



## RESPONSIBLE PRODUCTION MODELS CONSUMPTION AND ENERGY EFFICIENCY

Energy efficiency, renewable energy self-production, and a careful approach to the use of energy are key requirements for reducing the environmental and climate impact of energy systems. Effective energy management can bring significant environmental, economic, and social benefits, as it reduces costs while generating services needing skilled and specialized figures. These factors, combined with the relatively high energy demands of our production processes, make energy a material issue for LBG.

In 2023, our energy consumption amounted to **353,921 Smc** of natural gas and **2,343,323 kWh** of purchased electricity. Additionally, we self-produced **474,127 kWh** through our photovoltaic system, which has now reached a total capacity of **499 kWp** in the same year, three times the square footage of 2022.

In 2023, we continued our efforts to minimize the environmental impact of our energy consumption by improving our energy mix, and after selecting a new electricity supplier in 2022, prioritizing a higher share of renewable energy, we are now making further progress toward the next natural follow-up: **sourcing 100% renewable energy**.



\* Compared to 2022



The main energy optimization drivers in the reporting year, were the reduction of consumption of natural gas and increase in the overall amount of consumed self-produced electricity. In particular, 2023 saw a 23% drop in purchased electricity and a marked reduction in natural gas consumption and an over 200% rise in self-produced energy.

These reductions, crucial for lowering CO2e emissions, were guided based off the outcomes of energy audits in line with Legislative Decree 102/2014, which identify efficiency opportunities and led to key interventions.

Boosting the use of our self-generated energy from our photovoltaic systems allowed us to reach almost 17% of the total electricity demand, compared to only 5% from last year, thanks to the tripling of the square footage of solar panels.



- 1 We continue to monitor and control energy consumption across various areas of the plant through the system\* we implemented, ensuring ongoing efficiency and enabling us to identify opportunities for further energy savings.  
\*Once fully operational, this system is expected to deliver annual savings of 10.6 TOE (tonnes of oil equivalent), or approximately 56,678 kWh of electricity.

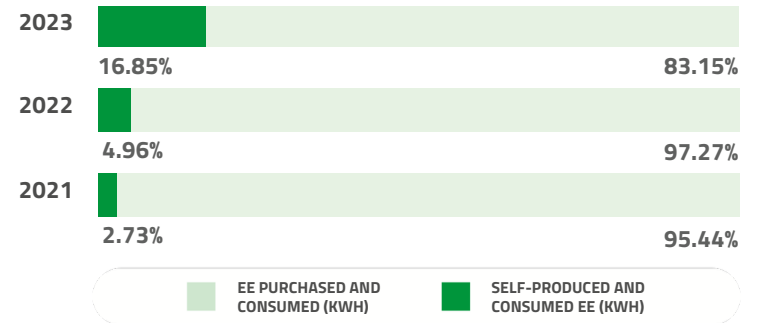


- 2 Our plant is now approx. 95% equipped with energy-efficient LED lighting, following the replacement of nearly all fluorescent fixtures.



- 3 Last year, we expanded our photovoltaic system capacity from 159.8 kWp to 499 kWp, significantly enhancing our renewable energy generation and allowing us to scale up PV usage during 2023.

ENERGY REQUIREMENTS (EE)



As part of our sustainability targets, we are committed to achieving 100% renewable electricity for our operations. While our on-site photovoltaic system already provides a significant portion of our energy needs, we will ensure that any additional electricity we purchase also comes from renewable sources.

**GREENHOUSE GAS EMISSIONS**

OUR CO2 FOOTPRINT

For decades, the scientific community has warned of our planet’s changing climate. Frequent and extreme weather events highlight the urgent threat posed by climate change. Greenhouse gases (GHGs) are the primary drivers of global warming. The latest IPCC report stresses **the immediate need to reduce emissions to meet the global target of limiting temperature rise to 1.5°C above pre-industrial levels.**

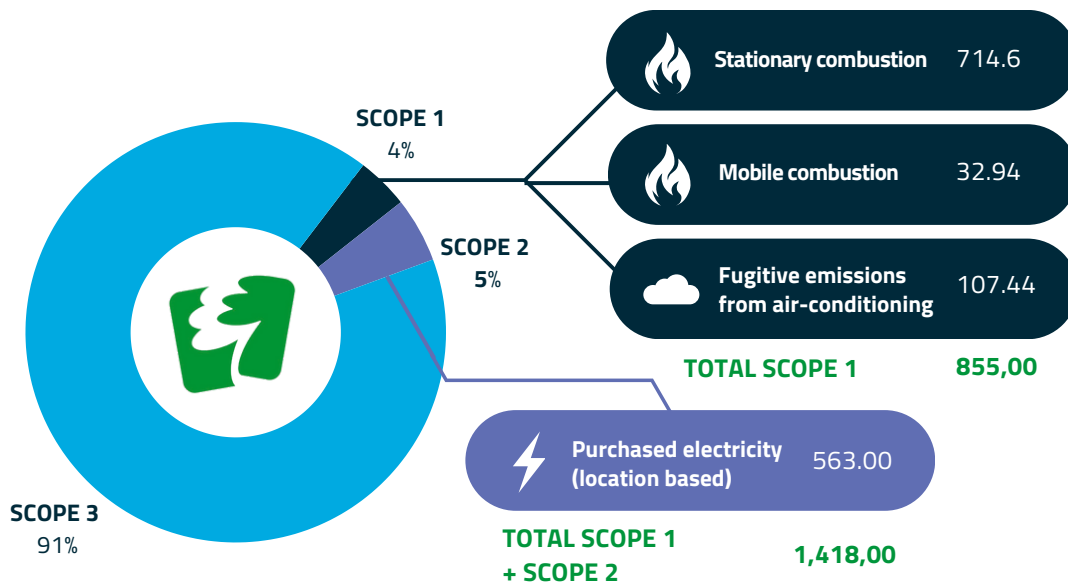
**METHODOLOGY**

To quantify greenhouse gas (GHG) emissions, we followed the GHG Protocol guidelines on direct and indirect emissions, aligned with GRI 305-1 and 305-2 indicators. This report focuses on measuring direct emissions from our production processes (Scope 1) and indirect emissions from purchased electricity (Scope 2). **In 2023, we have updated our methodology** with the most current data and emission factors for Scope 1 and 2, specifically.

Specifically, for Scope 1, we used emission factors from ecoinvent 3.10 (1) for stationary and mobile combustion and the IPCC(2)’s newest (6th) report for fugitive emissions from refrigeration and air conditioning. For Scope 2, we applied both a location-based and a market-based approach using ecoinvent 3.10 data on Italy’s average and residual national mix respectively.

Year	Scope 1	Scope 2	Total Emissions
2022	1021.00*	755*	1,776.00*
2023	855.00	563	1,418.00

**OUR FOOTPRINT**



In 2023, we achieved a **16% reduction in Scope 1 GHG emissions** compared to 2022, reflecting the decrease in our use of natural gas.

**We have also reduced our location-based Scope 2 emissions by a significant 25%** thanks to a more extensive use of our photovoltaic system and the implementation of energy efficiency measures, this measure has helped **avoiding approximately 192 tonnes of CO2e (3) emissions.**

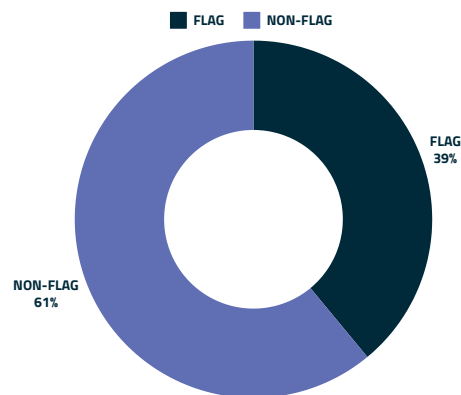
\*Updated according to current year’s methodology to enable proper comparison

1 Ecoinvent v3.10 - (<https://ecoinvent.org/ecoinvent-v3-10/>)  
 2 Intergovernmental Panel on Climate Change (IPCC), "Climate Change 2013: IPCC Sixth Assessment Report (AR5)" 2013 ([http://www.climatechange2013.org/images/report/WG1AR5\\_ALL\\_FINAL.pdf](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](https://www.ipcc.ch/pdf/assessment-report/ar5/wg1/WG1AR5_Chapter08_FINAL.pdf)).  
 3 kWh self-produced and consumed by photovoltaic system \* purchased EE emission factor / 1000 = (159,125 \* 0.2475) / 1000

SCOPE 3 AND FLAG EMISSIONS

In 2023, LBG Sicilia made a **major stride in sustainability by calculating Scope 3 emissions for the first time**, with a specific focus on FLAG (Forest, Land, and Agriculture) emissions. This achievement marks a significant milestone, placing LBG Sicilia at the forefront of emission disclosure in the sector. FLAG emissions account for 39% of our Scope 3 emissions and approximately 35% of our total carbon footprint.

The importance of accurately accounting for FLAG emissions cannot be overstated, as these emissions come from critical areas like land use and agriculture, which are not only significant sources of greenhouse gases but also offer potential for carbon removal through practices such as agroforestry. **By focusing on FLAG emissions, LBG Sicilia is better equipped to address climate impacts at the intersection of land and agriculture, aligning our efforts with global sustainability targets and leading by example in an area often overlooked in carbon accounting, especially in our sector.** This comprehensive approach underscores our commitment to transparency, accountability, and driving impactful change toward the 1.5°C climate goal.



OTHER EMISSIONS

We conduct annual atmospheric emissions analyses, in accordance with regulations, to ensure compliance with legal limits and to maintain our Single Environmental Authorisation. In 2023, our emissions met all legal requirements, including local air quality standards.

Following GRI Standard 305-7, we calculated the volume of relevant air emissions for this report, expressed in tonnes, by multiplying the hourly mass flow of each substance by the operating hours of each emission point over the course of the reporting year.

The results are presented in the table below:

Substance	Emissions (t)
NOx	4.35
SOx	0.77
VOC	0.26
Powders (organic matter)	0.66

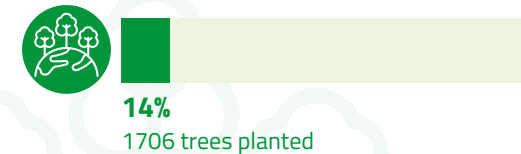
Our production processes emit nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOCs), and harmless organic dust from raw materials. Substances like persistent organic pollutants (POPs), hazardous air pollutants (HAPs), and particulate matter (PM) are not relevant to our operations and are therefore not reported. **We prioritize minimizing environmental impact by regularly monitoring emissions and maintaining chimney filters to ensure compliance.**

REFORESTATION: FORWARD-LOOKING INITIATIVES

Reforestation is crucial for restoring biodiversity and combating climate change, desertification, and soil erosion. It is a material focus for us, serving as both a potential strategic sourcing activity and a key method for offsetting GHG emissions, while making our region greener and more resilient. **In 2023, we continued our reforestation project**, through a Mipaaf District and Supply Chain Contract. The project, approved in 2022, aims to expand carob tree plantations while preserving local biodiversity. **Our goal is to plant 12,000 carob trees by December 31, 2026**, across farms in Ragusa and Syracuse. This initiative not only boosts the local supply market and generates jobs, but also strengthens producer loyalty through an integrated organisational model focused on logistics, quality, and sustainability.

LBG Sicilia already manages a 35-hectare carob grove with 5,000 mature trees, which contribute significantly to CO2 capture. A mature carob tree can absorb approximately 48 kg of CO2 annually, allowing our grove to offset about 240 tonnes of CO2 each year. Additionally, the 12,000 new saplings will initially absorb about 4 kg of CO2 per tree annually, contributing a further 48 tonnes of CO2 sequestration.

REFORESTATION PROGRESS



**SUSTAINABLE PACKAGING AND WASTE MANAGEMENT** 

The choices we make about packaging and waste management are critically important as they have significant repercussions not only on our organization but also on the external environment. When materials are sorted superficially or waste is managed inadequately, it contributes to air pollution and accelerates climate change, directly impacting many ecosystems and species. **By carefully selecting sustainable packaging options and committing to proper waste disposal, we can mitigate these negative effects** and promote a healthier environment for all.

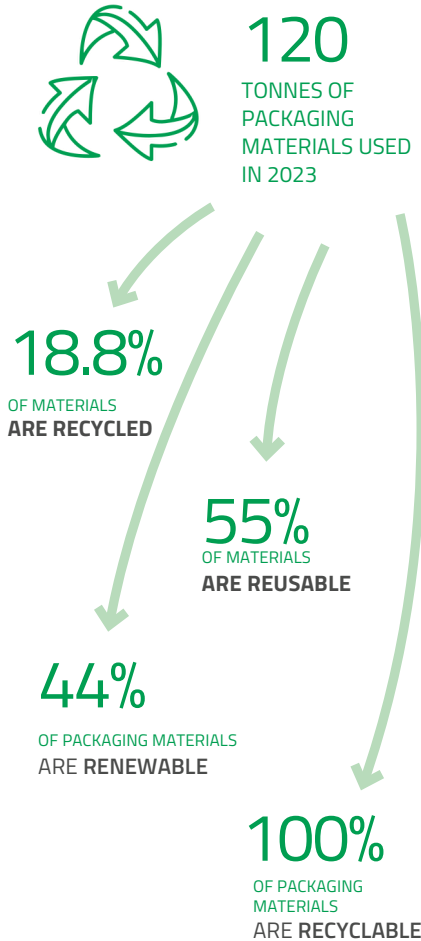
**EACH MATERIAL PRODUCES DIFFERENT IMPACTS BECAUSE OF THE PROCESSES BY WHICH IT WAS PRODUCED, AS WELL AS FOR THE OPERATIONS NECESSARY FOR ITS EVENTUAL DISPOSAL**

**OUR PACKAGING**

**In 2023, our packaging consumption reached over 120 tonnes**, underscoring the significance of packaging management in our operations. We're aware of the environmental impact of using virgin materials, particularly on critical biodiversity parameters. However, **our industry demands a delicate balance between ensuring food safety and minimizing ecological footprint**, one that we strive to always maintain in our operations.

Our packaging decisions involve careful analysis to meet stringent food safety standards while keeping environmental responsibility as compass. Although our product bags use virgin fiber paper, we source it from FSC-certified suppliers, ensuring sustainable forest management practices. For secondary packaging not in direct food contact, such as boxes and cardboard sheets, we primarily use recycled paper.

We know this is not our final step in managing packaging in a more responsible way, and we continually seek innovative solutions to further reduce our environmental impact without compromising product quality and integrity.



**OUR PACKAGING SOLUTIONS IN DETAIL**

We utilize two types of recyclable and reusable pallets. One is made of wood from logs that are mechanically processed without any chemical treatments. The other is crafted from regenerated and recyclable polypropylene (PP). For packaging our products, we employ two types of bags. Valve bags consist of three sheets of paper weighing 70, 80, and 90 grams, along with a 10-micron (MY) plastic (PE) sheet. Open-mouth bags also comprise three sheets of paper with the same weights but include a 40-micron (MY) plastic (PE) sheet. By separating the paper and plastic components, these bags are 100% recyclable. We also use woven polypropylene big bags, which are fully recyclable and potentially reusable.

Finally, during pallet assembly, we use polyethylene (PE) packaging materials such as reels and stretch film, as well as cardboard. Our cardboard sheets contain 10% recycled material, and our boxes are made of 60% recycled cardboard.



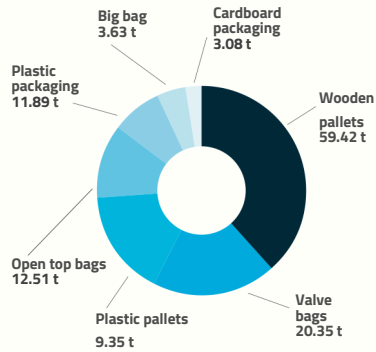
WASTE MANAGEMENT



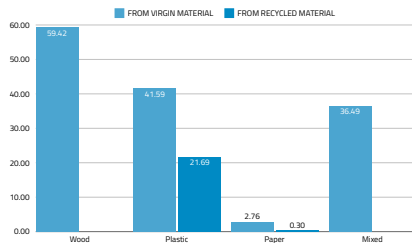
LBG Sicilia's waste management strategy is centered on the separate collection of waste throughout the plant and the promotion of production waste recovery to support the circular economy. These activities are carried out in full compliance with current legislation and the guidelines set by our Environmental Management System, which is ISO 14001 certified. To further embed sustainability in the day to day of our operations, we are implementing a two-pronged approach: firstly, we are promoting paperless processes in our offices to reduce paper usage; secondly, in 2023 we completely phased out plastic bottles. To support this, five micro-filtered and remineralized water dispensers can be found across the plant, warehouse, lab and office areas.



PACKAGING USED IN 2023 PER TYPE OF PACKAGING



PACKAGING USED IN 2023 PER TYPE OF MATERIAL [t]



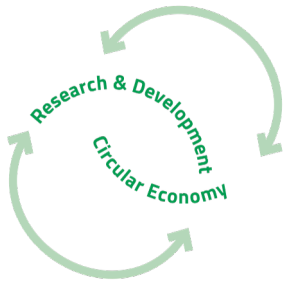
In 2023, we produced 236 tonnes of waste and a total of 234 tonnes was sent to recovery operations where this waste was not disposed of in landfills but underwent (outside our organisation) recovery operations such as *reuse* and *recycling*.

Our waste consists mainly of organic waste and packaging materials. Several new categories of waste produced in 2023 - 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 0.85% OF WASTE IN 2023 WAS LANDFILLED

Waste management is an activity we have always carried out 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 FOR LBG SICILIA

**CIRCULAR ECONOMY**

**RECOVERY AND VALORISATION OF BY-PRODUCTS**

In 2023, **63.14%** of the waste generated consisted of materials unusable for consumption or processing. Although this waste was managed and classified as such, it is actually a valuable organic by-product. Rather than sending it to landfills, **we recover and repurpose it for compost or energy production outside of our organization.**

In 2022, we conducted an in-depth study to explore ways of managing this by-product, aiming to prevent its classification as waste. Our goal is to internalize the management of this by-product, further reducing costs and promoting a circularity approach.

**The scrap material represented just 1.51% of the total raw material processed in 2023, which highlights our commitment to maximize the use of raw materials within the organization.**

In recent years, this commitment has been strengthened by extensive research into by-product valorisation. To meet the growing demand for foodstuffs, some of the by-products once used in the livestock sector have now been repurposed for the production of SEEDPRO® and SEEDFIBER™. This shift demonstrates our focus on circular economy initiatives, supported by intensive research and development activities. By fostering a self-sustaining, scalable system, we are producing tangible environmental benefits on a large scale.



DESCRIPTION	U. M.	2021	2022	2023
Raw material processed	t	16,099	14,170	9,854
Total finished product	t	14,766	13,167	8,807
Physiological loss of weight of raw material and processing losses	t	1,332	1,003	1,047
Scrap	t	87.4	112	149
INCIDENCE OF SCRAP ON TOTAL RAW MATERIAL PROCESSED	%	0.54%	0.79%	1.51%



SECTION  
7

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**SUSTAINABILITY  
PLAN**


**OUR GOALS FOR THE FUTURE**

On the basis of the identified material topics and our 2023 performance, we have drawn up our 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.

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

GOVERNANCE TARGETS	
1 Establishing a complaints mechanism on the website	2024 <b>on track</b>
2 Drafting and disseminating updated internal policies	2024 <b>planned</b>
3 Increasing the training offer available to our employees	2024 <b>planned</b>

		 OBJECTIVE	TARGET YEAR	STATUS	SDGs
1	 High quality food & safety	<ol style="list-style-type: none"> <li>Achieving AA+ grade with unannounced BRC audit</li> <li>Maintaining the AA+ grade</li> </ol>	2024 from 2024 onwards	<b>on track</b> <b>planned</b>	
2	 Workers' welfare	<ol style="list-style-type: none"> <li>Define a structured corporate plan to support employee welfare</li> <li>Implementing the corporate plan to support employee welfare</li> </ol>	2023 2024	<b>on track</b>	 
3	 Responsible Sourcing	<ol style="list-style-type: none"> <li>Increasing procurement diligence: updating the supplier code of conduct</li> <li>Increasing cooperation with suppliers: administering questionnaires and periodic interviews</li> <li>Conducting audits at suppliers to verify compliance with the supplier code of conduct standards</li> </ol>	2023 from 2024 periodically from 2025 periodically	<b>in progress</b> <b>planned</b> <b>planned</b>	    
4	 Consumption & Energy Efficiency	<ol style="list-style-type: none"> <li>Further increasing the share of energy from renewable sources in the purchased EE energy mix</li> <li>Purchased EE from 100% renewable sources</li> <li>Increasing self-production from renewable sources</li> </ol>	2023 2025 2030	<b>completed</b> <b>on track</b> <b>planned</b>	 
5	 Greenhouse Gas Emissions	<ol style="list-style-type: none"> <li>Public Commitment w/ SBTi-validated emission reduction for Scope 1 and Scope 2</li> <li>Calculate the most relevant Scope 3 emissions</li> </ol>	2025 2026	<b>planned</b>	 
6	 R&D of new food solutions	<ol style="list-style-type: none"> <li>Increase R&amp;D worked hours (baseline year 2022)</li> </ol>	2026	<b>on track</b>	  
7	 Commitment to community and territory	<ol style="list-style-type: none"> <li>Improving the involvement of students and recent graduates by increasing in-company training projects</li> <li>Supporting local organisations/associations/initiatives</li> </ol>	from 2023	<b>completed (2023)</b> <b>ongoing</b>	  
8	 Climate risk management	<ol style="list-style-type: none"> <li>Deepening Climate Risk Assessment</li> </ol>	annually	<b>planned</b>	  
9	 Sustainable Packaging & Waste Management	<ol style="list-style-type: none"> <li>Maintaining a percentage of waste sent for recovery always above 95% of the total waste delivered</li> </ol>	annually	<b>completed (2023)</b> <b>ongoing</b>	   
10	 Reforestation	<ol style="list-style-type: none"> <li>Purchasing 100 hectares of agricultural land for reforestation in respect of the biodiversity of our territory</li> </ol>	2030	<b>planned</b>	 



SECTION  
8

DATA  
INSIGHTS

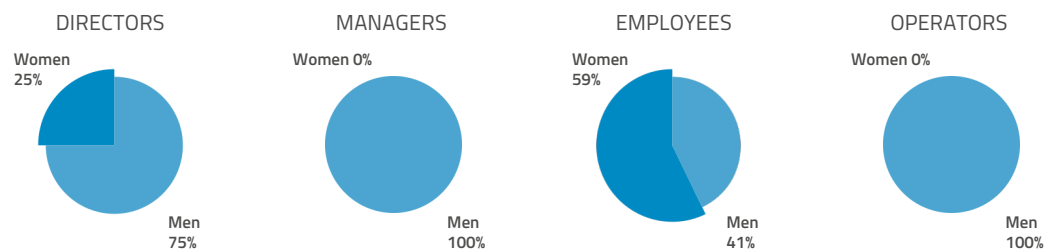
## EMPLOYMENT

Total employees as of 31 DEC 2023:

49

Employees by professional category and gender as of 31 DEC 2023

ROLE	U.M.	WOMEN	MEN	TOTAL	INCIDENCE ON TOTAL
Directors	no.	1	3	4	8%
Managers	no.	0	1	1	2%
Employees	no.	13	9	22	44%
Operators	no.	0	22	22	44%



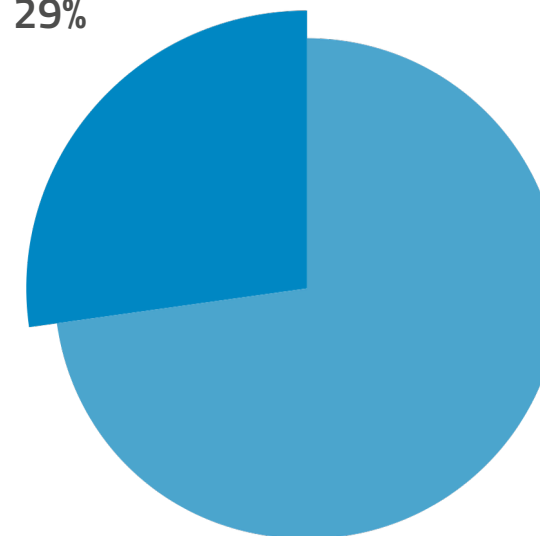
Employees by age and gender as of 31 DEC 2023

AGE	U.M.	WOMEN	MEN	TOTAL	INCIDENCE ON TOTAL EMPLOYEES (%)
Up to 30 years	no.	2	8	9	18%
Between 31 and 40 years	no.	8	16	24	49%
Between 41 and 50 years	no.	3	10	13	27%
50+ years of age	no.	0	3	3	6%
				<b>49</b>	<b>100%</b>

## EMPLOYEES BY GENDER



Women  
29%



Men  
71%

**Employees by type of contract and gender as of 31 DEC 2023**

CONTRACT	U.M.	WOMEN	MEN	TOTAL	INCIDENCE ON TOTAL EMPLOYEES (%)
Permanent	no.	13	34	47	95.9 %
Fixed-term	no.	1	1	2	4.1%
Full-time	no.	13	35	48	98%
Part-time	no.	1	0	1	2%
Collective Bargaining Agreements	no.	14	35	49	100%

**Recruitment by age group and gender in 2023**

GENDER	U.M.	< 30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Men	no.	2	-	-	2
Women	no.	1	-	-	1
Total	no.	3	-	-	3

**Terminations by age group and gender in 2023**

GENDER	U.M.	< 30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Men	no.	1	-	1	2
Women	no.	-	-	-	-
Total	no.	1	-	1	2

**Parental leave in 2023**

DESCRIPTION	U.M.	WOMEN	MEN	TOTAL
Employees entitled to parental leave	no.	1	3	4
Employees who have taken parental leave	no.	1	3	4
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.	1	3	4



## HEALTH AND SAFETY AT WORK

ACCIDENTS AT WORK	2021	2022	2023
Total hours worked	88.302	87.611,5	89.559,33
Total recordable accidents	-	2	3
Total accidents with serious consequences	-	-	-
Recordable accident rate (1)	-	22.83	29,29
Accident rate with serious consequences (2)	-	-	-

## TRAINING

### Training hours in 2023

CATEGORY	U.M.	WOMEN	MEN	TOTAL
DIRECTORS	hours	0	14	14
MANAGERS	hours	-	6	6
EMPLOYEES	hours	118	26	144
OPERATORS	hours	-	372	372
TOT training hours	hours	118	418	536
Employees engaged in training	no.	-	-	-

Average number of training hours per employee in 2023: **18.4** Average number of training hours per female employee in 2023: **2.3** Average number of training hours per male employee in 2023: **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 2023, thus mainly involving employees classified as operators





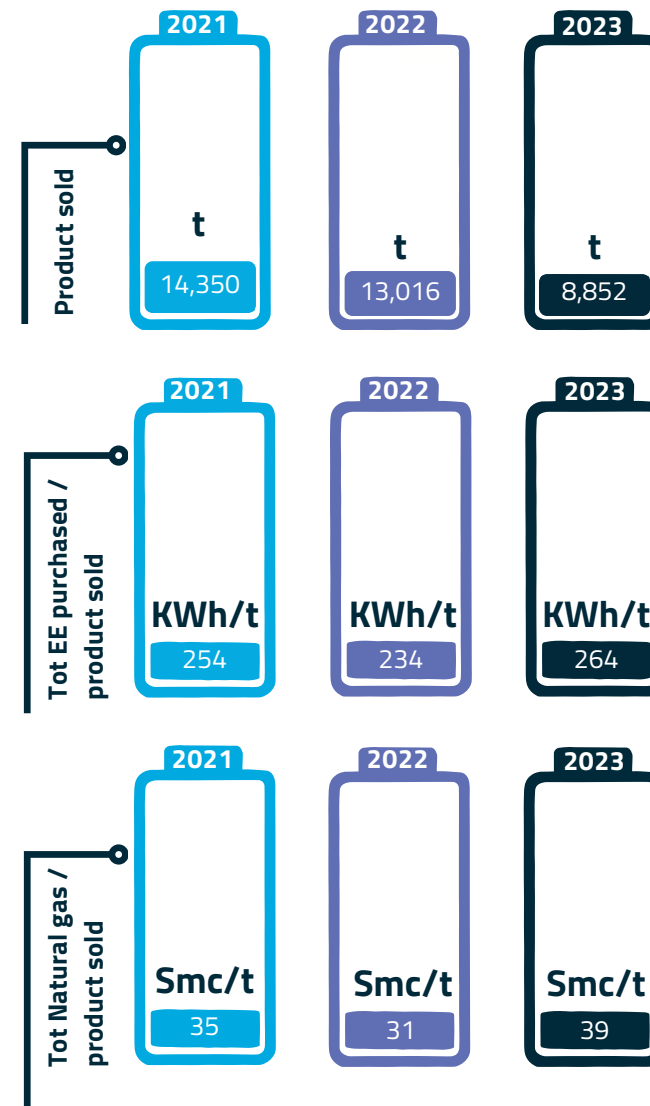
**Employees by gender and category who received periodic performance and professional development appraisals in 2023**

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	2021	2022	2023
Natural gas	Smc	503,208	405,887	353,921
EE purchased and consumed	kWh	3,646,609	3,050,657	2,339,144
Share of purchased and consumed EE from renewable sources	%	36.64	39,67	46,31
Self-produced EE	kWh	116,438	168,648	549,869
Self-produced EE consumed	kWh	102,341	159,125	474,127

**ENERGY INTENSITY**



## Direct greenhouse gas emissions (Scope 1)

ACTIVITIES	U.M.	2021	2022	2023
Stationary combustion	tCO <sub>2</sub> e	983.7	808.3*	714.6
Mobile combustion	tCO <sub>2</sub> e	27.78	30.28*	32.94
Fugitive emissions from air-conditioning	tCO <sub>2</sub> e	63.30	183.00*	107.44
<b>TOTALE SCOPE 1</b>	tCO <sub>2</sub> e	<b>1,074.81</b>	<b>1021.00*</b>	<b>855.00</b>

\*Updated according to current year's methodology to enable proper comparison

## Indirect greenhouse gas emissions (Scope 2 - location based)

ACTIVITIES	U.M.	2021	2022	2023
Purchased electricity (location based)	tCO <sub>2</sub> e	902.48	755.00	563.00

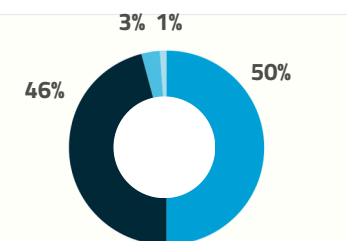
## Total greenhouse gas emissions (Scope 1 + Scope 2 + Scope 3)

ACTIVITIES	U.M.	2021	2022	2023
TOTALE (SCOPE 1 + SCOPE 2)	tCO <sub>2</sub> e	1,977.29	1776,00*	1,418.00
TOTALE (SCOPE 1 + SCOPE 2 + SCOPE 3)	tCO <sub>2</sub> e	/	/	20,733.00

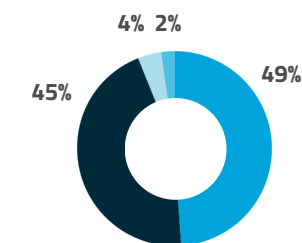
## Intensity of greenhouse gas emissions

DESCRIPTION	U.M.	2021	2022	2023
Product sold	t	14,350	13,016	8,807
Emission intensity Scope 1	tCO <sub>2</sub> e/t	0.075	0.071	0.097
Emission intensity Scope 2	tCO <sub>2</sub> e/t	0.062	0.052	0.064
Emission intensity Scope 3	tCO <sub>2</sub> e/t	/	/	2.213
Total emission intensity	tCO <sub>2</sub> e/t	0.138	0.123	2.563

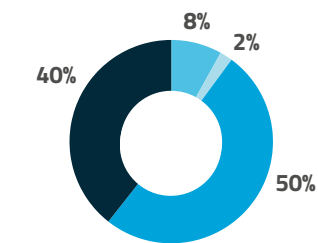
## Composition of total greenhouse gas emissions (SCOPE 1 - 2) in the years 2021, 2022 and 2023



2021



2022



2023

● Purchased electricity 
 ● Stationary combustion 
 ● Fugitive emissions 
 ● Mobile combustion



## Waste generated and delivered in 2023

DESCRIPTION	EWC CODE	INITIAL STOCK [KG]	WASTE PRODUCED [KG]	WASTE DELIVERED [KG]	REMAINING STOCK [KG]
Toner	8.03.18	0	80	80	0
Waste unusable for consumption for processing	2.03.04	3,000	149,125	149,625	2,500
Paper Packaging	15.01.01	220	8,520	8,680	60
Plastic Packaging	15.01.02	420	16,020	16,100	340
Wood Packaging	15.01.03	0	33,920	33,920	0
Mixed Packaging	15.01.06	180	19,200	19,300	80
Filters	15.02.03	260	614	314	560
Used oils HP4 - P14	13.02.08	30	50	50	20
Packaging contaminated with hazardous substances HP4 - HP5 - HP6 - HP14	15.01.10	0	7	7	0
Metal packaging containing hazardous substances HP3 - HP5	15.01.11	2	3	3	2
Absorbent materials, rags, hazardous protective clothing HP4 - HP5 - HP14	15.02.02	5	301	305	1
Oil filters HP4 - HP14	16.01.07	8	26	22	12
Iron and steel	17.04.05	0	4,117	4,117	0
Alkaline batteries	16.06.04	2	8	10	0
Septic tank sludge	20.03.04	0	275	275	0
Discarded equipment other than those mentioned in 16 02 09 to 16 02 13	16.02.14	0	69	69	0
Solid salts and solutions other than those mentioned in 06 03 11 and 06 03 13	06.03.14	0	130	130	0
Bituminous mixtures containing coal tar	17.03.01	0	400	400	0
Plastic	17.02.03	0	640	640	0
Glass	17.02.02	0	1320	1320	0
Concrete	17.01.01	0	540	540	0

DESCRIPTION	EWC CODE	INITIAL STOCK [KG]	WASTE PRODUCED [KG]	WASTE DELIVERED [KG]	REMAINING STOCK [KG]
Insulation materials other than those mentioned in 17 06 01 and 17 06 03	17.06.04	0	180	180	0
Discarded equipment containing chlorofluorocarbons, HCFC, HFC	16.02.11	0	100	100	0
Other insulation materials consisting of or containing hazardous substances	17.06.03	0	280	280	0
Glass, plastic and wood containing or contaminated with hazardous substances	17.02.04	0	20	20	0
Aluminum	17.04.02	0	280	280	0
Glass, plastic and wood containing or contaminated with hazardous substances	17.02.04	0	20	20	0
Discarded equipment containing hazardous components other than those mentioned in 16 02 09 to 16 02 12	16.02.13	0	55	55	0
<b>TOTAL (KG)</b>			234,410		




## Details of waste sent to recovery operations in 2023

DESCRIPTION	EWC CODE	WEIGHT KG	ONSITE/ OFFSITE
Toner	8.03.18	80	Offsite
Waste unusable for consumption or processing	02.03.04	149,125	Offsite
Paper Packaging	15.01.01	8,520	Offsite
Plastic Packaging	15.01.02	16,020	Offsite
Wood Packaging	15.01.03	33,920	Offsite
Mixed Packaging	15.01.06	19,200	Offsite
Used oils HP4 - P14	13.02.08	50	Offsite
Packaging contaminated with hazardous substances HP4 - HP5 - HP6 - HP14	15.01.10	7	Offsite
Heavy packaging containing hazardous substances HP3 - HP5	15.01.11	3	Offsite
Oil filters HP4 - HP14	16.01.07	26	Offsite
Iron and steel	17.04.05	4,117	Offsite
Discarded equipment other than those mentioned in 16 02 09 to 16 02 13	16.02.14	69	Offsite
Alkaline batteries	16.06.04	8	Offsite
Plastic	17.02.03	640	Offsite
Glass	17.02.02	1,320	Offsite
Concrete	17.01.01	540	Offsite
Aluminum	17.04.02	280	Offsite
Solid salts and solutions other than those mentioned in 06 03 11 and 06 03 13	06.03.14	130	Offsite
Insulation materials other than those mentioned in 17 06 01 and 17 06 03	17.06.04	180	Offsite
Discarded equipment containing chlorofluorocarbons, HCFC, HFC	16.02.11	100	Offsite
Glass, plastic and wood containing or contaminated with hazardous substances	17.02.04	20	Offsite
Discarded equipment containing hazardous components other than those mentioned in 16 02 09 to 16 02 12	16.02.13	55	Offsite
<b>TOTAL (KG)</b>		<b>234,410</b>	<b>Offsite</b>



## Details of waste sent directly to landfill in 2023

DESCRIPTION	EWC CODE	WEIGHT [KG]
Filters	15.02.03	613
Absorbent materials, rags, hazardous protective clothing HP4 - HP5 - HP14	15.02.02	301
Septic tank sludge	20.03.04	275
Bituminous mixtures containing coal tar	17.03.01	400
Other insulation materials consisting of or containing hazardous substances	17.06.03	280
<b>TOTAL (KG)</b>		<b>1,869</b>

A background image showing a group of people in a meeting, with their hands resting on a table covered with documents and a laptop. The scene is brightly lit, suggesting an office environment.

SECTION  
9

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**GRI CONTENT  
INDEX**

**DECLARATION OF USE:** LBG Sicilia disclosed the information mentioned in this GRI Content Index, for the reporting period from 1 January 2023 to 31 December 2023, with the option *in accordance to*.

**GRI 1 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
<b>GRI 2: GENERAL INFORMATION</b>			
2-1	Organisational details	<i>Methodological note p. 1</i>	–
2-2	Entities included in the organisation's sustainability reporting	<i>Methodological note p. 1</i>	–
2-3	Reporting period, frequency and contact points	<i>Methodological note p. 1</i>	–
2-4	Review of information	The methodology for calculating the carbon footprint has been reviewed and updated according to the latest science-based resources available and employed for Scope 1,2 and 3 calculations	–
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. 7</i> <i>Our products p. 8</i> <i>Our Value Chain p. 11</i>	–

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
2-7	Employees	<i>Our Team p. 12</i> <i>In-depth data p. 49</i>	There are no non-guaranteed hourly employees in 2023. The data on geographical area are not significant since all employees are located in Italy
2-8	Non-employees	In 2023, 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. 14</i>	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 Not applicable
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 Not applicable
2-11	President of the highest governing body		
2-12	Role of the Highest Governing Body in Impact Management Control	<i>Methodological note p. 1</i> <i>Our sustainability journey p. 23</i>	
2-13	Delegation of responsibility for impact management	<i>Our sustainability journey p. 23</i>	
2-14	Role of the Highest Governance Body in Sustainability Reporting		
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 <a href="http://www.LBG.IT">www.LBG.IT</a> . 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 2023, no concerns were communicated about real and actual negative impacts on stakeholders. For the drawing up of our reporting, 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. 16</i>	
2-20	Process for determining remuneration	<i>Remuneration policy p. 16</i>	
2-21	Ratio of annual fees	The 2023 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 <b>3.15</b> . The change in the annual total remuneration ratio is <b>0.083</b>	
2-22	Sustainable Development Strategy Statement	<i>Our sustainability journey p. 17</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
2-23	Policy commitments	<i>Sustainability Plan p. 49</i>	
2-24	Integration of policy commitments	<i>Sustainability Plan p. 49</i>	
2-25	Processes to remedy negative impacts	<i>Governance - Solidity and Foresight p. 15</i>	
2-26	Mechanisms for requesting clarification and raising concerns,	INFO@LBG.IT is the contact channel 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 2023	
2-28	Associations	Confindustria; Network Elite; Sicily Dried Fruit Production District	
2-29	Stakeholder engagement approach	<i>Our sustainability journey p. 20</i>	
2-30	Collective Bargaining Agreements	100% of employees are covered by collective bargaining agreements	
<b>GRI 3 – MATERIAL TOPICS 2021</b>			
3-1	Process for determining material topics	<i>Our sustainability journey p. 18</i>	
3-2	List of material topics	<i>Our sustainability journey p. 19</i>	
<b>ECONOMIC PERFORMANCE</b>			
3-3	Management of Material Topics	<i>Our economic performance p. 25</i>	
201-1	Directly generated and distributed economic value	<i>Our economic performance p. 23</i>	
201-2	Financial implications and other risks and opportunities related to climate change	<i>Climate risk management p. 29</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: €348,826. The National State Aid Register also currently reports a contribution of €11,002,336 granted by Invitalia for an investment project that is still under authorization.	
<b>INDIRECT ECONOMIC IMPACTS</b>			
3-3	Management of Material Topics	<i>Indirect economic impacts p. 25</i>	
203 -1	Infrastructure investments and services supported	<i>Indirect economic impacts p. 25</i>	
203 -2	Significant indirect economic impacts	<i>Indirect economic impacts p. 25</i>	
<b>PROCUREMENT PRACTICES</b>			
3-3	Management of Material Topics	<i>Responsible sourcing p. 25</i>	
204 -1	Percentage of expenditure on local suppliers	<i>Responsible sourcing p. 25</i>	
<b>MATERIALS</b>			
3-3	Management of Material Topics	<i>Our Packaging p. 43</i> <i>Circular economy p. 45</i>	
301-1	Materials used by weight or volume	For information on packaging materials: <i>Our Packaging p. 43</i> For information on raw materials: <i>Circular economy p. 45</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>Our packaging p. 43</i>	
301-3	Recycled products and their packaging materials	<i>Circular economy p. 45</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
<b>ENERGY</b>			
3-3	Management of Material Topics	<i>Consumption and energy efficiency p. 40</i>	
302-1	Energy consumption within the organisation	<i>Consumption and energy efficiency p. 40</i> <i>In-depth data p. 52</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. 40</i> <i>In-depth data p. 52</i>	
302-4	Reducing energy consumption	<i>Consumption and energy efficiency p. 40</i>	
302-5	Reducing the energy requirements of products and services	<i>Consumption and energy efficiency p. 40</i>	
<b>EMISSIONS</b>			
3-3	Management of Material Topics	<i>Greenhouse gas emissions p. 41</i>	
305 -1	Direct GHG emissions (Scope 1)	<i>Greenhouse gas emissions p. 41</i>	
305 -2	Indirect GHG emissions from energy consumption (Scope 2)	<i>Greenhouse gas emissions p. 41</i>	
305-3	Other indirect GHG emissions (Scope 3)	<i>Greenhouse gas emissions p. 42</i>	
305-4	Intensity of GHG emissions	<i>Greenhouse gas emissions p. 39</i> <i>In-depth data p. 42</i>	
305-5	Reducing GHG emissions	<i>Greenhouse gas emissions p. 41</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. 42</i>	



GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
<b>WASTE</b>			
3-3	Management of Material Topics	<i>Waste management p. 44</i>	
306 -1	Waste generation and significant waste-related impacts	<i>Waste management p. 44</i>	
306 -2	Waste generation and significant waste-related impacts	<i>Waste management p. 44</i>	
306-3	Waste generated	<i>Waste management p. 44 In-depth data p. 54</i>	
306-4	Waste diverted from disposal	<i>Waste management p. 44 In-depth data p. 54</i>	
306-5	Waste directed to disposal	<i>Waste management p. 44 In-depth data p. 54</i>	
<b>ENVIRONMENTAL ASSESSMENT OF SUPPLIERS</b>			
3-3	Management of Material Topics	<i>Responsible sourcing p. 25</i>	
30 8 -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	
30 8 -2	Negative environmental impacts in the supply chain and actions taken	<i>Responsible sourcing p. 25</i>	
<b>EMPLOYMENT</b>			
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. 12</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. 49</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
<b>HEALTH AND SAFETY AT WORK</b>			
3-3	Management of Material Topics	<i>Health and safety of our employees p. 36</i>	
4 03 -1	Occupational Health and Safety Management System	<i>Health and safety of our employees p. 36</i>	
4 03 -2	Hazard identification, risk assessment and accident investigation.	<i>Health and safety of our employees p. 36</i>	
403-3	Occupational Health Services	<i>Health and safety of our employees p. 36</i>	
403-4	Worker participation, consultation and dialogue on occupational health and safety	<i>Health and safety of our employees p. 36</i>	
403-5	Worker training in occupational health and safety	In the reporting year, 85% of the training hours, i.e. 452 hours, were on occupational health and safety topics	
403-6	Workers' health promotion	<i>Health and safety of our employees p. 36</i>	
4 03 -7	Prevention and mitigation of occupational health and safety impacts directly related to business relations	<i>Responsible sourcing p. 25</i>	
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 p. 36 In-depth data p. 51</i>	
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
<b>TRAINING AND EDUCATION</b>			
3-3	Management of Material Topics	<i>Training p. 37</i>	
404-1	Average annual training hours per employee	<i>In-depth data p. 51</i>	
404-2	Employee skills upgrading and transition assistance programmes	<i>Training p. 37 In-depth data p. 51</i>	
404-3	Percentage of employees receiving regular performance and career development reviews	<i>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.</i>	
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
3-3	Management of Material Topics	<i>Responsible sourcing p. 25-26</i>	
407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	<i>Responsible sourcing p. 25-26</i>	
<b>CHILD LABOUR</b>			
3-3	Management of Material Topics	<i>Responsible sourcing p. 25-26</i>	
408-1	Operations and suppliers at significant risk of child labour incidents	<i>Responsible sourcing p. 25-26</i>	
<b>FORCED OR COMPULSORY LABOUR</b>			
3-3	Management of Material Topics	<i>Responsible sourcing p. 25-26</i>	
409-1	Operations and suppliers at significant risk of forced or compulsory labour incidents	<i>Responsible sourcing p. 25-26</i>	

GRI Standards	Informative Report	No. Page and Notes	Reason for Omission
<b>LOCAL COMMUNITIES</b>			
3-3	Management of Material Topics	<i>LBG, Community and Territory p. 34</i>	
413 -1	Local community engagement operations, impact assessments and development programmes	<i>LBG, Community and Territory p. 34</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
<b>SOCIAL EVALUATION OF SUPPLIERS</b>			
3-3	Management of Material Topics	<i>Responsible sourcing p. 25</i>	
414 -1	New suppliers selected on the basis of social criteria		No new suppliers were selected on the basis of social criteria in 2023
414 -2	Negative social impacts in the supply chain and actions taken	<i>Responsible sourcing p. 26-27</i>	
<b>CUSTOMER HEALTH AND SAFETY</b>			
3-3	Management of Material Topics	<i>Food quality and safety p. 33</i>	
416 -1	Assessing the impacts of product and service categories on health and safety	<i>Food quality and safety p. 33</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	
<b>R&amp;D NEW FOOD SOLUTIONS</b>		
GRI 3-3	Management of Material Topics	<i>Research and Development p. 30</i>
-	Significant achievements related to research and development activities	<i>Research and Development p. 30</i>
<b>REFORESTATION</b>		
GRI 3-3	Management of Material Topics	<i>Reforestation p.42</i>
-	Results and objectives on the promotion of reforestation	<i>Reforestation p.42</i>



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