

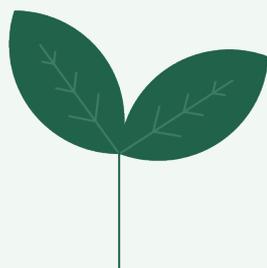
SUSTAINABILITY REPORT 2022



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LETTER TO STAKEHOLDERS

Dear Stakeholders,

this year's short introduction once again gives me the opportunity to describe the efforts made towards a sustainable future.

The aim of this is to render our results even clearer and more measurable, and both the effects of actions for sustainability and the goals still to be achieved transparent.

Despite the fact that the 2022 financial year was one of great uncertainty and characterised by important news for ALLEGRINI, regarding the acquisition of two companies complementary to our business, the Company continues to report on its performance in terms of environmental, social and corporate governance through the 2022 Sustainability Report. I am convinced that, beyond the results, the process followed to achieve them is even more important, and that the value of these results is even more meaningful when shared with all the company stakeholders.

Our Code of Ethics and our Sustainability Policy, which we defined after the pandemic period, constantly lead us to rethink all the activities that every person at ALLEGRINI performs, and can perform, to provide future generations with a more responsible future, and encourage our faith in the path we have so tenaciously chosen to follow. We have identified a "purpose" to guarantee lasting and sustainable change, considering the impact our company has on society and the environment.

There were various activities carried out in favour of environmental sustainability, social responsibility and ethics in corporate governance over the course of 2022. Some have led to results beyond our expectations, while others are progressively moving towards their goals. This is to be expected; what matters is achieving the vision of a company that has made sustainability central to its strategic planning, because we know that it is essential to be competitive, to attract human capital, to raise funds and to comply with increasingly stringent regulations, not only in response to pressure from our customers and our stakeholders, but above all because we are all convinced that preserving the environmental and social context is now the only way to guarantee our future.

Here is a reminder of the most significant activities completed in 2022 by ALLEGRINI for a more sustainable future:

- the implementation of a proprietary supply chain evaluation system based on the most important ESG parameters for ALLEGRINI's sector, which will lead to the issuing of an ESG Rating over the course of the 2023 financial year, to be considered when evaluating supply relationships.
- the creation of an innovative detergent product, intended for professional customers, which will be realised in 2023 and which will significantly reduce both energy consumed for washing and harm to the environment, thanks to its application for cold washes.
- the development of ALLEGRINI's green lines: DPLANET and the line of concentrated detergents, that, for years, have served as a tangible manifestation of ALLEGRINI's commitment to the environment.

The commitment that every single person is continuing to dedicate every day to integrating environmental sustainability, social responsibility and ethical corporate governance into the day-to-day actions that are part of ALLEGRINI's business model is the real strength of our sustainable progress. I am aware that important steps have been taken again this year and, at the same time, that there are still important achievements to be made to help create a more sustainable future.

I am proud to announce that ALLEGRINI has received the Special "Best and most precise definition of ESG growth objectives" Mention regarding the 2021 Sustainability Report, as part of the "Bilancio di Sostenibilità 2023" (2023 Sustainability Report) Award promoted by Corriere della Sera in collaboration with NeXt - Nuova Economia per Tutti, for having clearly outlined the policies for improvement in terms of the three dimensions of sustainability.

Maurizio Gian Carlo Allegrini
CEO



1.0

THE PROCESS
FOR THE CREATION
OF SUSTAINABLE VALUE



1.1 SUSTAINABLE DEVELOPMENT GOALS

ALLEGRINI has long since embarked on a path to create sustainable value, through a series of activities aimed at making sustainability the central focus around which the company's strategy is developed.

One of the most important achievements concerns the integration of ESG (environmental, social and governance) dimensions throughout the entire value chain, to measure achievements and to set strategic goals. As of the 2021 financial year, ALLEGRINI has been developing an ESG matrix KPI system as a benchmark for its sustainable development process. In the spirit that has always distinguished ALLEGRINI, the results of all the actions and strategic objectives have already been shared with all stakeholders through the publication of the 2021 Sustainability Report and will be further integrated in future reports according to the principle of "dynamic" materiality, in order to acknowledge new conditions that emerge over time.

The decision to measure sustainability highlights the challenge that embarking on this process entails, as well as the desire to constantly involve all stakeholders in ALLEGRINI's sustainable value creation process.

Over the course of 2022, ALLEGRINI took another important step in this direction, designing a system for assessing the ESG performance of the supply chain in order to verify its overall sustainability. The goal over the coming years will be to carry out ESG rating of the supply chain and to integrate sustainability variables in the assessment of all supply relationships.

A further step that will be taken by the company in the next financial year, with a view to all-round integration of ESG values, including relations downstream of the supply chain, is adherence to the BWH Hotel Group Italia's Supplier Code of Conduct, as the official supplier of Best Western Italia's Si Supply platform. For ALLEGRINI, this represents an opportunity to reflect on the results achieved so far in terms of environmental sustainability, social responsibility and ethical governance, and an important guide in orienting the future strategic directions of the process of change and transformation launched in 2020.

2022 saw the continuation of ALLEGRINI's commitment to the Sustainable Development Goals (SDGs) of the action programme set out in the 2030 Agenda and signed by the governments of the 193 UN member states, which defines central themes for sustainable business development. ALLEGRINI's contribution is tangible and upheld by the results achieved during 2022 and the targets set for the years to come. The most important milestones achieved this year were:



The installation of a refrigeration plant, to be commissioned in 2023, capable of recovering 44% of wastewater and 66% of cooling water.



An increase in hours of employee training on the topic of diversity and inclusion from 22 to 99 hours provided in the 2022 financial year.



The adoption of a “Smart Working Regulation” to ensure a flexible and dynamic working environment, to foster the dissemination of mutual trust and cooperation between employees, to ensure an adequate work-life balance, to consolidate a sense of belonging among employees and to promote sustainable mobility.

The start of the process to achieve UNI/PdR 125:2022 Gender Equality Certification.



The consolidation of a plan to reduce energy consumption, launched in 2021, aimed at recovering thermal energy and increasing the energy produced from renewable sources.



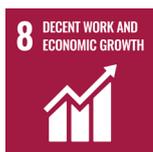
The definition of an incentive scheme customised according to tasks and types of employment.

The implementation of a human capital development plan.

A 10% increase in training hours for employees, contractors and customers compared to the previous year.

The provision of training to employees on sustainability issues.

The installation of a heating system for the packaging department.



The definition of a supply chain evaluation system also based on the theme of respect for human and labour rights.

The provision of training on human rights and respect for workers.





The drive to promote the DPlanet green cosmetics line by highlighting its benefits in terms of environmental impact compared to traditional solutions.

Increased promotion of the professional dilution system for super-concentrated FM5 detergents, thanks to which every 1000 litres of product saves 86.4 per cent of CO₂ emissions compared to ready-to-use products for glass (equal to the amount absorbed by 12,397 Norway Maple trees).

An increase in the use of renewable and certified materials.

The elimination of environmentally harmful waste and the reduction of all waste produced.

The positive impact for the environment and the community through the purchase of paper and printed materials from sustainable suppliers will be further bolstered with the aim of significantly reducing the use of paper in Allegrini's internal processes over the coming years.

The development of an ESG Supply Chain Rating system with the goal of defining an ESG Supply Chain Rating.



The development of an integrated system for the management of complaints and non-conformities for consumer health and safety which, thanks to the proper management of all situations, has made it possible to halve the number of non-conformity cases relating to labelling and to reduce the number of complaints relating to qualitative and quantitative product non-conformities by around 30% compared to the previous year.

The provision of staff training on anti-corruption practices and anti-competitive conduct.

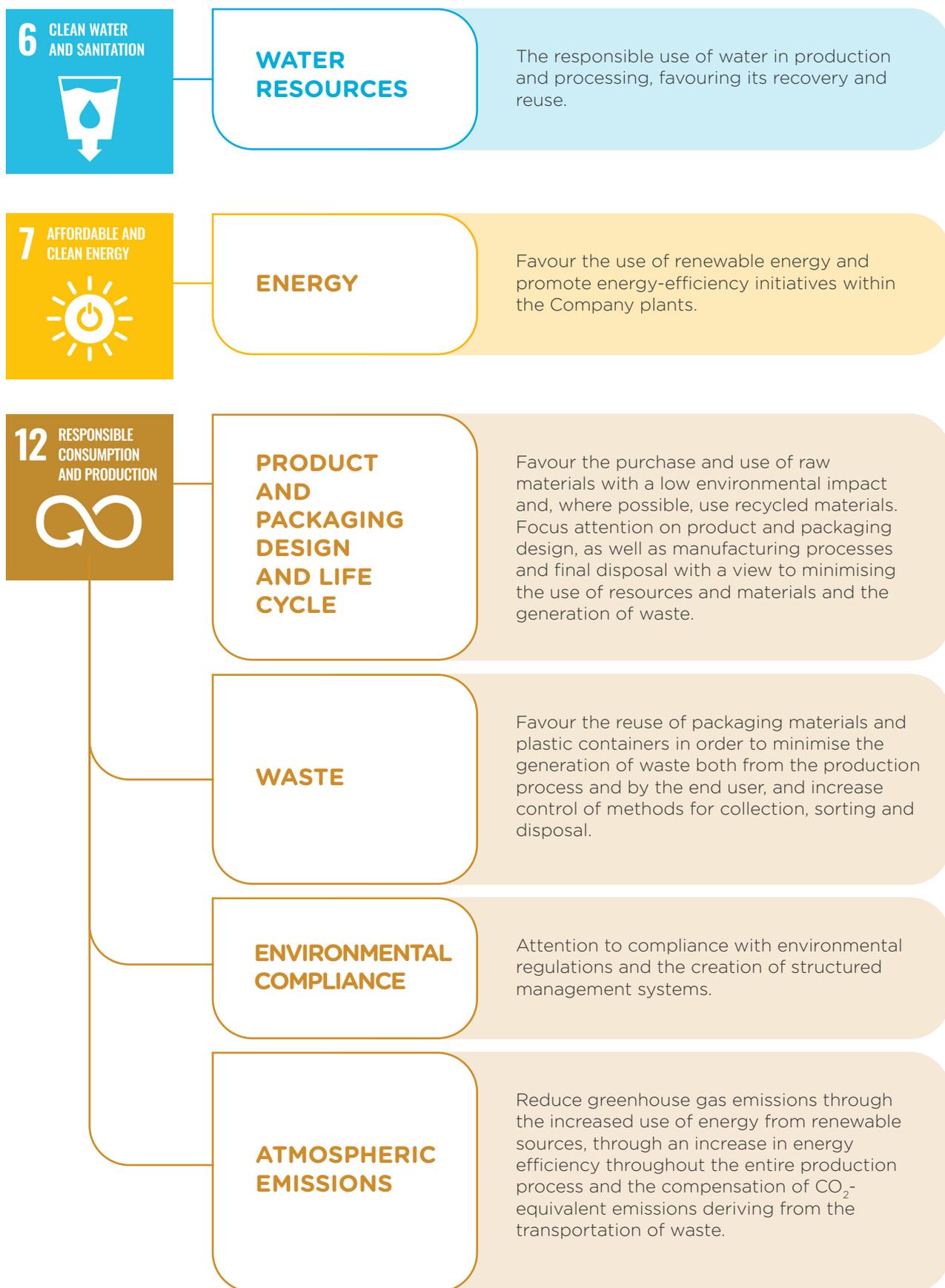
The updating of the Organisation, Management and Control Model.

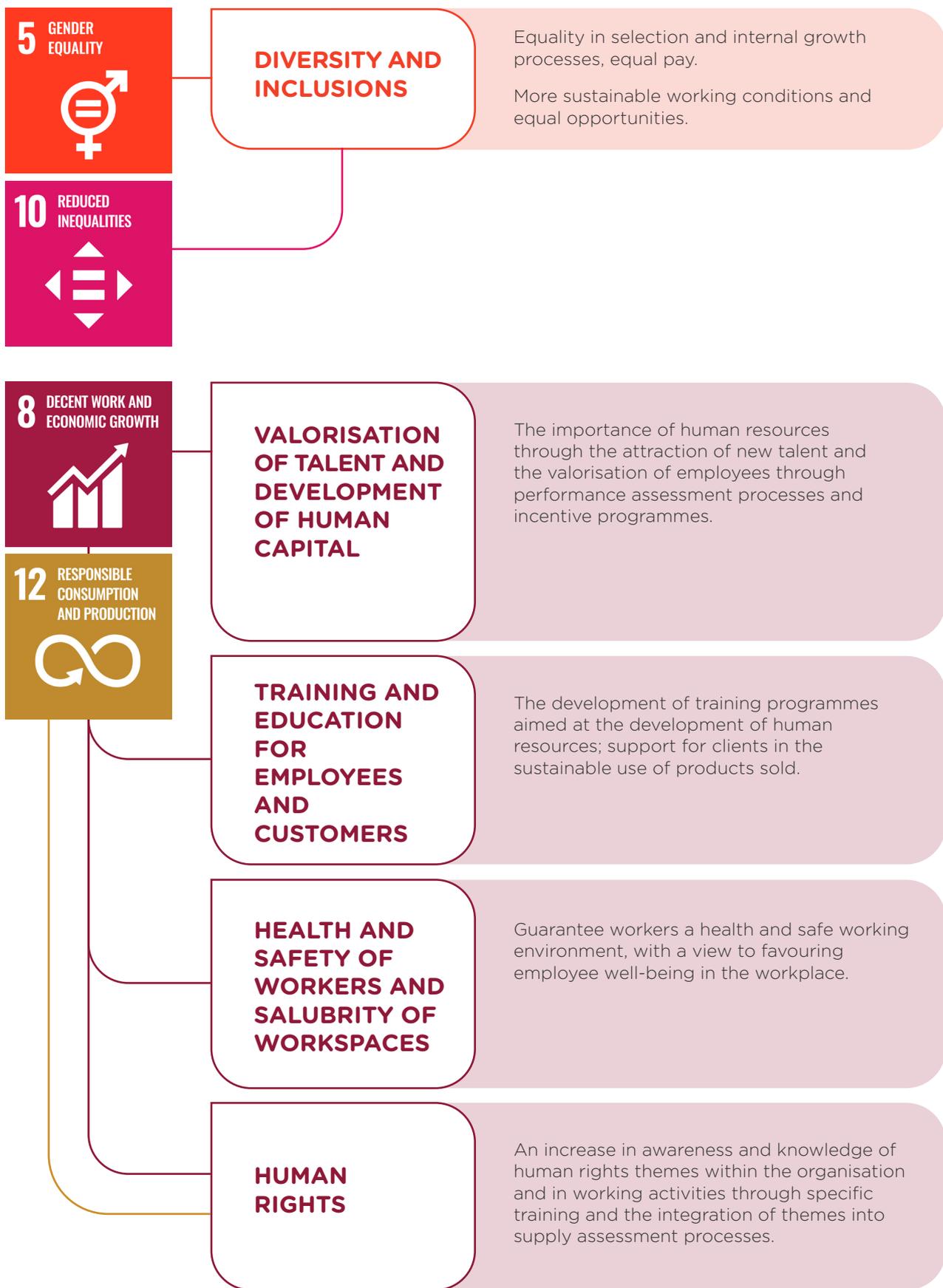
The introduction of fair competition clauses in contracts with collaborators and clients.

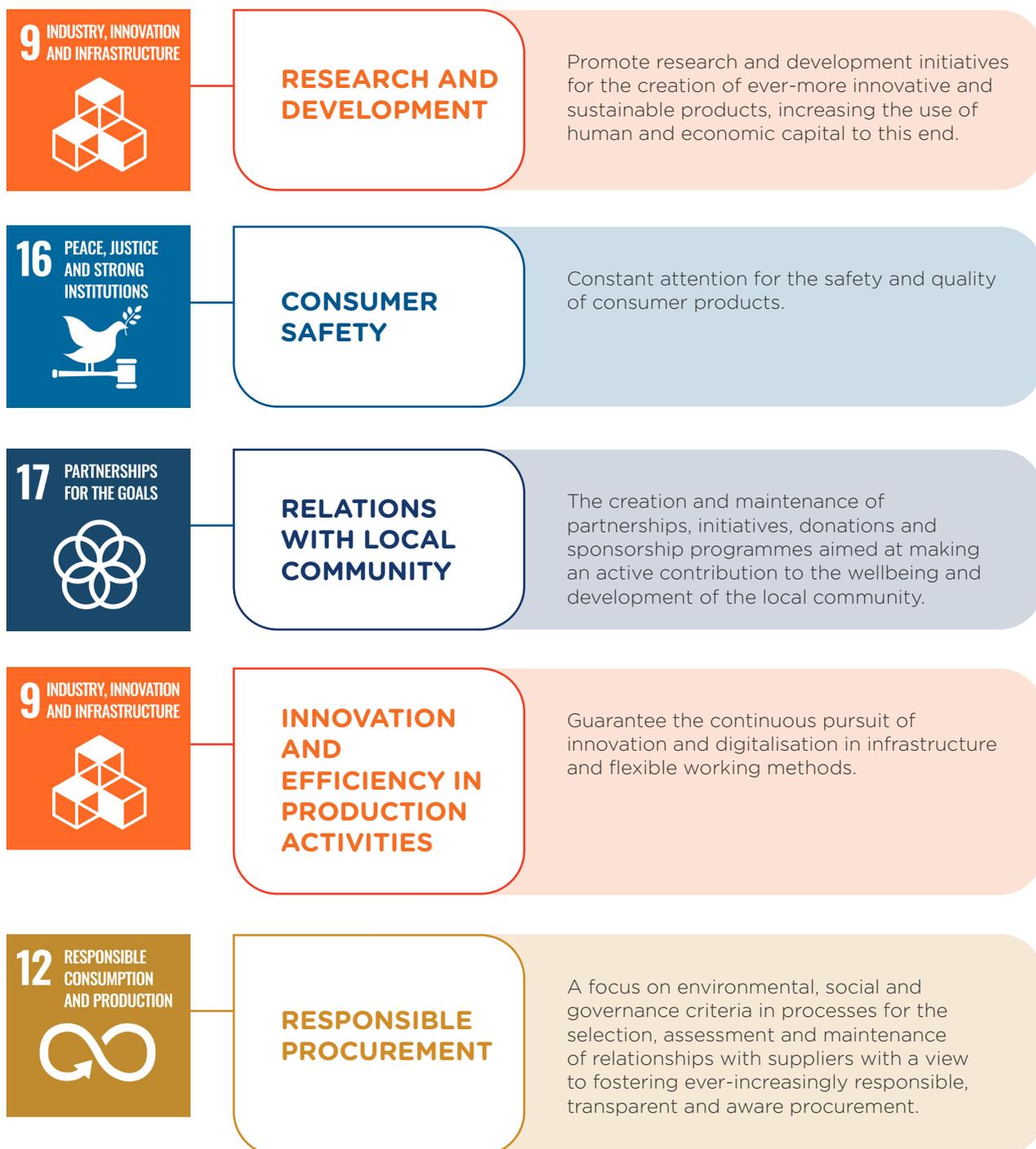
The setting up of an internal ESG committee, responsible for transparent communication to corporate stakeholders.

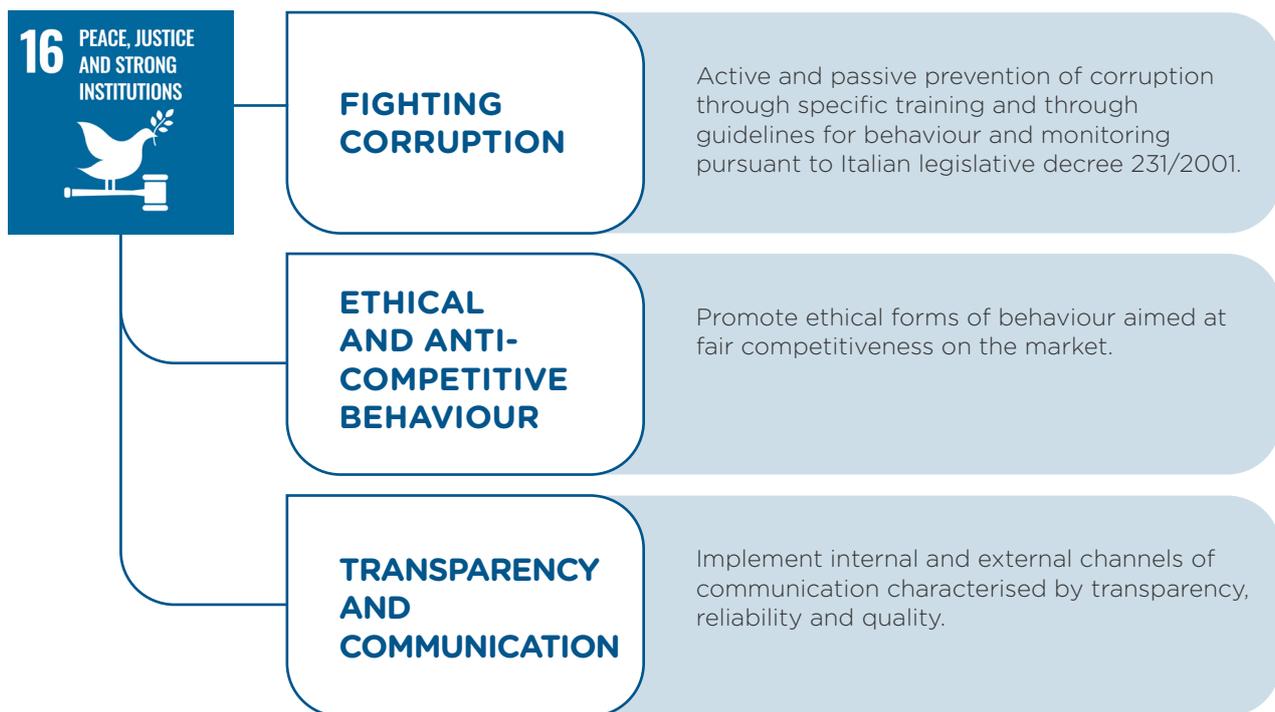


Supporting for numerous initiatives and projects by a range of organisations and non-profit bodies.









1.2 ECONOMIC VALUE CREATED AND SHARED WITH STAKEHOLDERS

ALLEGRINI is committed to creating, maintaining and sharing economic value with its stakeholders. The economic value generated represents the wealth created over the course of 2022, while the distributed value represents the effects of ALLEGRINI's activities with regards to its stakeholders. In 2022, ALLEGRINI generated an economic value of EUR 36,433,637; EUR 35,183,470 was the value distributed to stakeholders. EUR 28,573,156 was shared with suppliers of goods and services (81.21%) while EUR 6,643,408 was the amount generated for employees (18.88%). EUR 207,904 was distributed to the community (0.59%), while EUR 2,851,511 was retained by the company for the sustainable development process.

	2022
Economic value generated by ALLEGRINI	36.433.637
Revenue from sales	34.600.256
Changes in inventories of work in progress, semi-finished and finished products	1.093.721
Other revenue and income	781.673
Financial income	20.820
Write-downs	-62.833
Economic value distributed by ALLEGRINI	35.183.470
Suppliers	28.573.156
Personnel	6.643.408
Debt capital	620.168
Remuneration of risk capital	-
Public administration	-861.262
Community	207.904
Exchange rate losses	96
Economic value withheld by ALLEGRINI	2.851.511
Amortisation and provisions	2.851.511

Over the course of the 2022 financial year, the Group's revenues from sales and services decreased mainly due to the discontinuation of the supply of disinfectant gel to the COVID emergency commission for the Lombardy region (amounting to approximately EUR 8.2 million), partly offset by the growth seen in the cosmetics division, due to the recovery in 2022 of the hotel sector.

With reference to Allegrini S.p.A., the difference between the value and cost of production was EUR 1,863,162, as a result of the fall in sales volume and price margins related to factors in production. The Detergent Business Unit (BUD) saw a turnover of EUR 21,187,134 (-26.70% compared to 2021), whereas the Cosmetics Business Unit (BUC) saw an increase in turnover of 30.5%, thus achieving a result of EUR 12,284,653.

The breakdown of the Group's turnover by geographical area is shown below.

GEOGRAPHIC AREA	VALUE
Italy	26.571.580
UE	7.858.471
Non-UE	4.685.010
Total	39.115.061

With reference to production costs, it should be noted that in 2022, the incidence of costs for the purchase of raw materials, ancillary materials and goods, and for services and personnel costs (with respect to total revenues from sales and services) increased over the previous year in a more than proportional manner as a result of the continuous increase in the price of production factors, in particular raw materials and electricity, which was felt to a greater extent in the second half of the year. This increase is partly explained by the change in the scope of consolidation; for Cliners S.r.l. for EUR 858,177 and for DEP S.r.l. for EUR 898,778. Costs for services increased by EUR 1,161,636 as did costs for the use of third-party assets, which increased by EUR 9,128 on a consolidated level. Personnel costs increased by EUR 514,290 (EUR 423,975 for Allegrini S.p.A. alone). Depreciation and amortisation increased by EUR 172,329, mainly due to the consolidation difference. Other operating expenses saw an increase of EUR 85,213 on a consolidated level and a decrease of EUR 29,734 for Allegrini S.p.A.

Consolidated Profit and Loss Account	2022	% of prod. value	2021	% of prod. value
Revenue from sales and services	44.016.679	95%	40.816.074	99%
Variation in FP and WIP inventories	1.292.675	3%	-207.596	-1%
Increases in intangible assets for internal processing	53.971	0%	0	0%
Other revenue and income	961.097	2%	574.043	1%
OPERATING REVENUE	46.324.422	100%	41.182.521	100%
Purchases (incl. var. stocks of RM)	-22.752.503	-49%	-14.996.122	-36%
Services	-10.705.699	-23%	-9.177.710	-22%
Use of third-party assets	-2.288.376	-5%	-1.733.024	-4%
Personnel	-7.753.295	-17%	-6.444.098	-16%
Other operating costs	-1.319.417	-3%	-522.288	-1%
OPERATING COSTS	-44.819.290	-97%	-32.873.242	-80%
Adjustment of non-recurring operating costs, leasing and provisions	2.990.318	6%	2.170.589	5%
GROSS OPERATING MARGIN (EBITDA)	4.495.450	10%	10.479.868	25%

	Consolidated	Allegrini	Russia	Cliners	Dep	Elisions
Revenue from sales and services	44.016.679	34.600.256	3.392.805	4.168.595	3.472.285	-1.617.262
Variation in FP and WIP inventories	1.292.675	1.093.721	200.035	55.785	-5.661	-51.205
Increases in intangible assets for internal processing	53.971	-	-	-	53.971	-
Other revenue and income	961.097	781.673	-	81.647	102.991	-5.214
OPERATING REVENUE	46.324.422	36.475.650	3.592.840	4.306.027	3.623.586	-1.673.681
Purchases (incl. var. stocks of RM)	-22.752.503	-17.360.517	-2.006.740	-2.612.637	-2.389.871	1.617.262
Services	-10.705.699	-8.782.891	-592.839	-721.935	-613.248	5.214
Use of third-party assets	-2.288.376	-2.145.098	-16.996	-71.752	-54.530	-
Personnel	-7.753.295	-6.643.408	-364.896	-582.367	-162.624	-
Other operating costs	-1.319.417	-492.554	-	-818.883	-7.980	-
OPERATING COSTS	-44.819.290	-35.424.468	-2.981.471	-4.807.574	-3.228.253	1.622.476
Adjustment of non-recurring operating costs, leasing and provisions	2.990.318	2.044.292	5.300	940.726	-	-
GROSS OPERATING MARGIN (EBITDA)	4.495.450	3.095.474	616.669	439.179	395.333	-51.205

Again for 2022, management confirmed an extremely positive result of EUR 3,253,951 (9% of the value of production) for EBITDA (Earnings Before Interest Taxes Depreciation and Amortisation).

The Net Financial Position as of 31/12/2022 is summarised in the table below.



Consolidated net financial position	2022 balance	2021 balance	Variation
Amounts due to banks	20.463.934	11.601.179	8.862.755
Amounts due to other financial institutions	599.032	760.029	-160.997
Cash funds	-1.397.189	-2.814.621	1.417.432
Total net financial position	19.665.777	9.546.587	10.119.190



Net consolidated position per company as of 31/12/2022	Consolidated	Allegrini	Russia	Cliners	Dep
Amounts due to banks	20.463.934	18.013.018	0	2.275.841	175.075
Amounts due to other financial institutions	599.032	599.032	0	0	0
Cash funds	-1.397.189	-221.650	-203.594	-34.400	-937.545
Total net financial position	19.665.777	18.390.400	-203.594	2.241.441	-762.470



2.0

SUSTAINABILITY FOR ALLEGRINI



2.1 THE SUSTAINABLE DEVELOPMENT STRATEGY

2021 saw the definition of the ALLEGRINI Sustainability Plan, outlining the commitment to sustainable development and the integration of environmental sustainability, social responsibility and ethical corporate governance into ALLEGRINI's business model. The Sustainability Plan draws on the core values that have always defined ALLEGRINI's mission.

- **QUALITY**, 100% Made in Italy, for Italian quality distributed on a global level.
- **INNOVATION**, cutting-edge technology to innovate company products and processes and to influence consumption behaviour.
- **SUSTAINABILITY**, respect for the environment surrounding ALLEGRINI, its customers and its suppliers. Commitment to the environment is a founding value of the company's identity and an integral part of its history.
- **SKILLS**, formed over more than 75 years and constantly updated and developed through training and learning-by-doing activities.
- Client **SERVICE**, support and consultancy are integrated in a comprehensive service system, which effectively makes the combination of product and service inseparable and considerably enhances client satisfaction.
- **PASSION**, a value that drives the entire ALLEGRINI world to pursue its commitment to the achievement of objectives and, in accordance with corporate values, to define the future image of ALLEGRINI, a company actively involved in environmental protection, respect for and the social development of people and the community, and in practices of "good corporate governance".

In defining the Sustainability Plan, the views of all the people making up ALLEGRINI were taken into account, and the plan is the result of dialogue with a number of company stakeholders. The Sustainability Plan has no defined time horizon, in the belief that the commitment to sustainable growth is not an action with a deadline but rather a process of continuous evolution and transformation. For this reason, every year the Sustainability Plan and the strategic objectives contained in the Plan are updated by the ALLEGRINI Sustainability Manager with the active participation of everyone, to ensure that sustainability is increasingly integrated throughout ALLEGRINI's value chain.

The Plan's strategic lines of action are united by a common goal; to create sustainable economic value, and are developed in line with the three fundamental dimensions of sustainability:

- **environmental sustainability**, which translates into attention to design to improve the product and packaging life cycle, into the importance of water resources, waste management and energy sources, and into environmental compliance and atmospheric emissions.
- **social responsibility**, in the form of research and development, diversity and inclusion, talent enhancement and human capital development, training and education of employees and clients, consumer safety, employee health and safety and healthy workplaces, human rights and relations with the local area and community.
- **ethical corporate governance**, where responsible sourcing, anti-corruption, ethical and anti-competitive behaviour, transparency and communication and innovation and

streamlining of production activities are the key principles in ensuring a growth path based on environmental sustainability and social responsibility.

These guidelines define the most important themes for the sustainable development of ALLEGRINI and for the creation and sharing of value with the company's stakeholders. This is why each topic included in the Sustainability Plan is, again this year, the subject of a specific in-depth analysis in the Sustainability Report. The spirit of ALLEGRINI has meant that, from the very first issue, the report has been seen as a tool for monitoring and controlling corporate strategy (sustainability strategy) and for dialogue with corporate stakeholders, not as merely a form of external reporting on corporate sustainability. All stakeholders are an integral part of the Sustainability Plan; each has their own role, representing a fundamental piece of ALLEGRINI's sustainable development path.



2.2 OUR IDENTITY

THE ALLEGRINI GROUP

ALLEGRINI is a leading Italian chemical company in the production of professional detergents and cosmetics for the hotel industry.

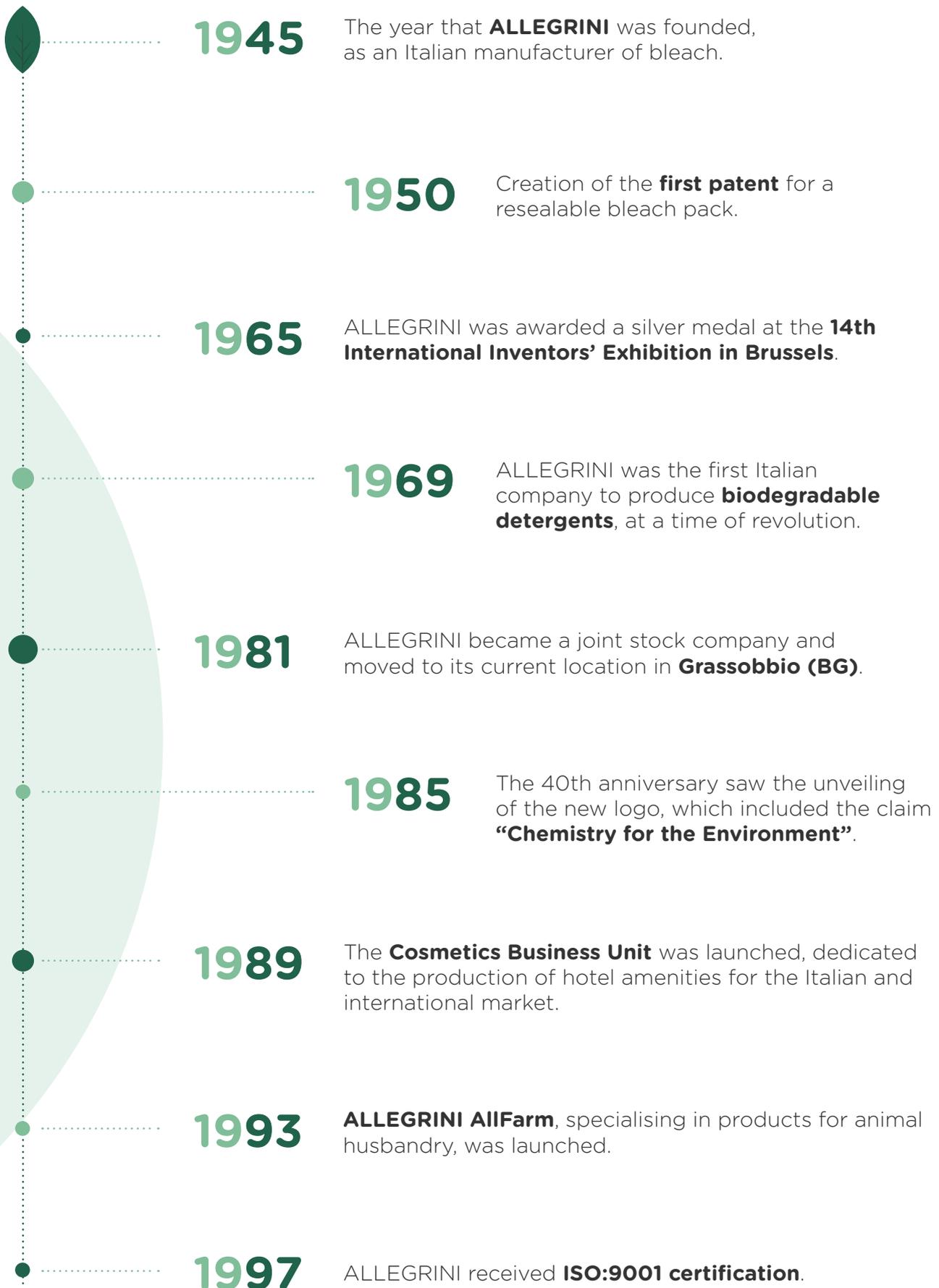
The company's almost 80 years of experience have allowed the development of notable skills and passion, shared by every person at ALLEGRINI, leading to the spread of two business lines in over 47 countries worldwide:

- **Cosmetic Business Unit.** Standard and luxury amenities, both own-brand and private label, for the hotel sector, as well as the line of cosmetics and room fragrances.
- **Top Clean Business Unit.** Cleaning products for the hotel, automotive (including car washes and workshops), professional laundry, healthcare and hospital, animal husbandry (including the entire farming and food chain), commercial and collective catering, shipping companies, leisure boating and safety sectors.

With 7 divisions:

- **ALLEGRINI FOOD INDUSTRY.** Products for hygiene and disinfection in the farming and food sector.
- **ALLEGRINI HO.RE.CA & FACILITIES.** Professional hygiene products for hotels, restaurants and bars.
- **ALLEGRINI CARWASH & CAR CARE.** Car wash and car care products.
- **ALLEGRINI NAUTICAL.** Highly professional technical products for the cleaning, maintenance and protection of boats and accessories.
- **ALLEGRINI HEALTHCARE.** Detergents, disinfectants and sanitizers for: hospitals, clinics, nursing homes and healthcare facilities in general.
- **ALLEGRINI ZOOTECHNICS.** Detergents, disinfectants and sanitizers dedicated to the livestock wellbeing.
- **ALLEGRINI SERVICE & SAFETY.** With its range of detergents, disinfectants and cosmetics for professional users, ALLEGRINI is always close to its partners, through its constant and precise support service, the regular training of operators and the technical consultancy provided by two research laboratories equipped to study new raw materials and products. In addition to products and technical assistance, ALLEGRINI is also the ideal partner for safety in the workplace, offering safety footwear, technical clothing, hand protection equipment, eye protection equipment, respiratory protection equipment, hearing protection equipment and first aid kits.

ALLEGRINI has always offered the market environmentally friendly solutions, thanks to a green philosophy that characterises the ALLEGRINI Method. There are numerous milestones and results achieved over time that have made a positive contribution to the well-being of the environment and, more generally, to the territory and the community.



2001 Recognition of Legambiente's "**Innovazione Amica per l'Ambiente**" (**Environmentally Friendly Innovation Award**), for the "Casa Quick" project, a home-delivery service for the most popular detergents.

2006 The year of foundation of **ALLEGRINI Russia**, a 100% subsidiary of ALLEGRINI based in Moscow. The internationalisation of ALLEGRINI began. In the same year ALLEGRINI launched the line of Ecolabel certified products.

2008 The **Research Centre** for the production of detergents using surfactants of plant origin was established.

2010 ALLEGRINI received the **silver medal at the Geneva International Exhibition** for the creation of a perfume seal for detergents and cosmetics.

2010
2011 After having supported important volleyball clubs such as Foppapedretti Bergamo and Copra Volley Piacenza, ALLEGRINI became the **technical sponsor of the Atalanta football club**.

2011 The **Cleaning Center**, a car restoration centre based in Grassobbio (BG), was launched.

2020 With a view to supporting the business development process, ALLEGRINI signed an agreement with **Metrika SGR S.p.A.**, which acquired the majority share of company capital.

2021 ALLEGRINI published its first **Sustainability Report**, the result of a process of dialogue and discussion that lasted for more than a year.

2022

The most important events in 2022 included:

- **The acquisition**, through DEP S.r.l., of the **Hotelify.com platform**, a company specialising in the B2B online sale of amenities and accessories for the hospitality sector, with a particular focus on B&Bs, hotels and Airbnb, now also oriented towards 4/5-star hotels.
- **The acquisition of Cliners**, a company operating in the professional detergent sector, with a particular focus on the industrial laundry sector, which has enabled ALLEGRINI to directly access this complementary channel with the necessary technical expertise and commercial strength.

2022 was a year of great challenges, opportunities and achievements for ALLEGRINI. The most significant include:

- **The renewal of the collaboration as Main Partner with the Associazione Calcio Monza football team**, as a symbol that teamwork, healthy competition and the development of young people are values in which ALLEGRINI has always believed.
- **Participation in Interclean Amsterdam 2022** (10-13 May 2022) with a stand designed by world-renowned architect and designer Simone Micheli, which brought the values of research, innovation and sustainability to the most important detergent trade fair.
- **Membership of the Donizetti Opera Festival**, supporting the dissemination of the musical culture of one of Bergamo's great composers, Gaetano Donizetti, a symbol of ALLEGRINI's support for its territory and community.
- **The acquisition of Cliners**, a company operating in the professional and industrial laundry channel, which enabled the expansion of the Detergent Business Unit's horizons, and the acquisition of DEP, which enabled the distribution of the Cosmetics Business Unit's products via the B2B hospitality amenities and accessories online supply platform Hotelify.com.
- **Participation in SIA Hospitality Design 2022** (12-14 October 2022), the only trade fair in Italy dedicated exclusively to hospitality and new hospitality concepts, with an open space of almost 200 square metres designed by the world-famous architect and designer Simone Micheli. This event saw a full calendar of events dedicated to sustainability taking place in the Allegrini Arena, with the presence of many representatives from institutions and industry.
- **Participation in EquipHotel Paris 2022** (6-10 November 2022), Europe's leading international trade fair for the hotel and restaurant industry. During this event, thanks to DPlanet, the innovative water- and preservative-free and totally plastic-free solid cosmetic product, ALLEGRINI was one of the exhibitors chosen to benefit from prestigious visibility within the site dedicated to luxury hospitality, "Hotellerie de Luxe by Delporte Hospitality", managed directly by Laurent Delporte, luxury hotel expert and user experience designer.

One important asset that ALLEGRINI can offer its customers to improve environmental sustainability in anticipation of trends in legislation is FMX TOPFORMULA+, an electronic system that allows a complete range of products to be dispensed at the correct concentration, thanks to a state-of-the-art software and hardware system. The technology adopted allows advanced warehouse management and the analysis of the products actually picked by each operator, using information from personnel ID badges. The advantages for the environment are countless: a reduction in product waste and in risks related to incorrect dosage of the product, but the most important is the reduction of packaging. The FMX TOPFORMULA+ system makes it possible to reduce all the packaging that would have been used in diluted products, and to cut down on logistical handling for transporting detergents. As well as being technologically advanced, this solution has proven to respond to European legislator's concerns for environmental protection, as expressed in the proposed revision of the packaging and packaging waste directive, published by the European Commission at the end of 2022. This proposal aims to counter the increase in packaging waste, a goal that ALLEGRINI has been pursuing for years in all new product development policies. The FMX formula also offers many other advantages for ALLEGRINI's clients:

- Full product range.
- Products free of external contamination.
- Cost optimisation and reduction.
- A significant reduction in inventory.
- Operator identification via QR code.
- Constant monitoring of consumption and running costs.

The history and values that make up the corporate identity have enabled ALLEGRINI over time to develop important skills as part of a sustainable value creation path. These skills have also resulted in the granting of numerous awards and certifications.



ISO 9001

A standard aimed at continuous and constant improvement of the company, with the aim of optimising the organisational structure.



ISO 45001

This standard certifies compliance with the requirements of occupational health and safety management regulations.



ISO 22716

Every cosmetic product is realized in full compliance with the Good Manufacturing Practices (GMP).



ECOLABEL

The European Union's label for ecological quality, which rewards products with reduced environmental impact throughout their life cycle, from production to use and subsequent disposal.



ICEA

The leading certification body for natural cosmetics in Italy, guaranteeing that formulations respect physical well-being.



ECO CERT

COSMOS certified products are produced in accordance with the highest standards for the biological and natural cosmetics: they are safe, effective and gentle to use.



HALAL

It certifies that the products comply with the Islamic teaching. It is therefore a quality, industry and product certification.

In the belief that value cannot be created alone but is, unavoidably, the result of a sharing process, ALLEGRINI firmly believes in partnerships with figures who share the same mission: to create tailor-made solutions for professional detergents that allow the preservation of sustainable business for future generations. ALLEGRINI is now present on the market alongside important organisations.

FOR ALLEGRINI CARWASH

S.A.C.B.O. (Milan Airport - Orio al Serio), for S.A.C.B.O., ALLEGRINI has identified effective technological solutions combined with complete respect for the environment, through the supply of products that guarantee service on the runways in all weather conditions.

FOR ALLEGRINI FOOD INDUSTRY

Following a study by ALLEGRINI, the collaboration with **RISO SCOTTI** led to the development of cleaning solutions for production and packaging plants.

FOR ALLEGRINI HO.RE.CA & FACILITIES

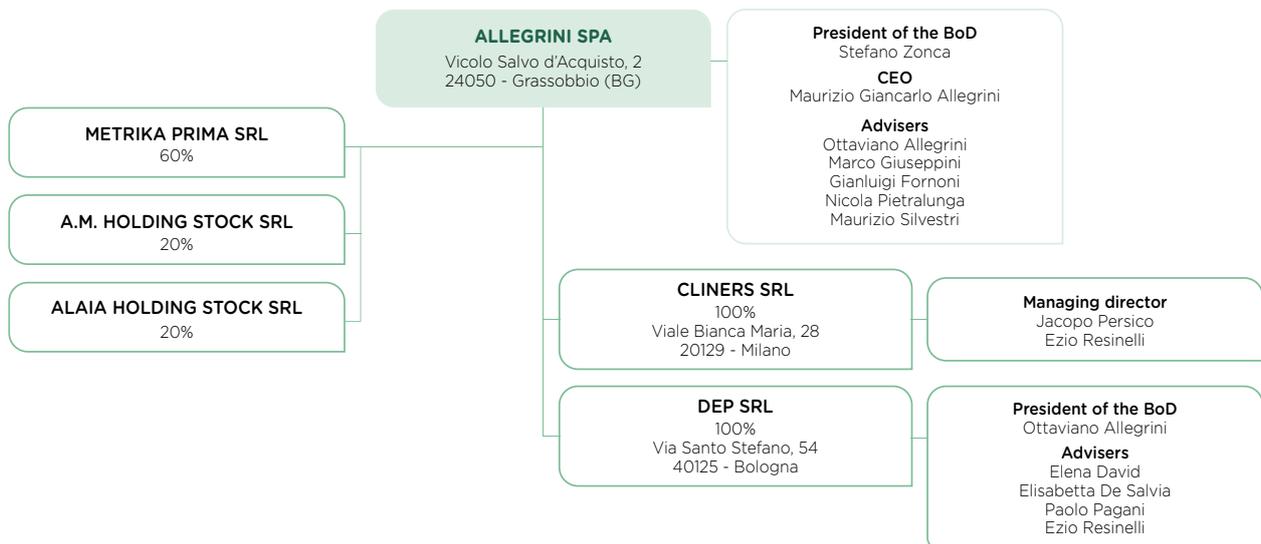
- For the **POLICLINICO GEMELLI in Rome**, ALLEGRINI produced a medical product specifically for the cleaning and disinfection of hospital premises (operating theatres, clinics, etc.), which solved specific and delicate problems related to sanitisation and disinfection.
- **PASTIFICIO RANA**, a company that has chosen ALLEGRINI for professional cleaning, leading to the creation of an all-round partnership, complete with technical assistance and support in calculating operating costs in order to optimise cleaning results.
- **FRA.MAR**, a collaboration that has resulted in a series of products and methods to improve cleaning activities.

- **VATICAN CITY**, a collaboration that fully represents ALLEGRINI; from the supply of products to the definition of methods and procedures through training for the cleaning staff of the Holy See premises where the Holy Father resides and works.

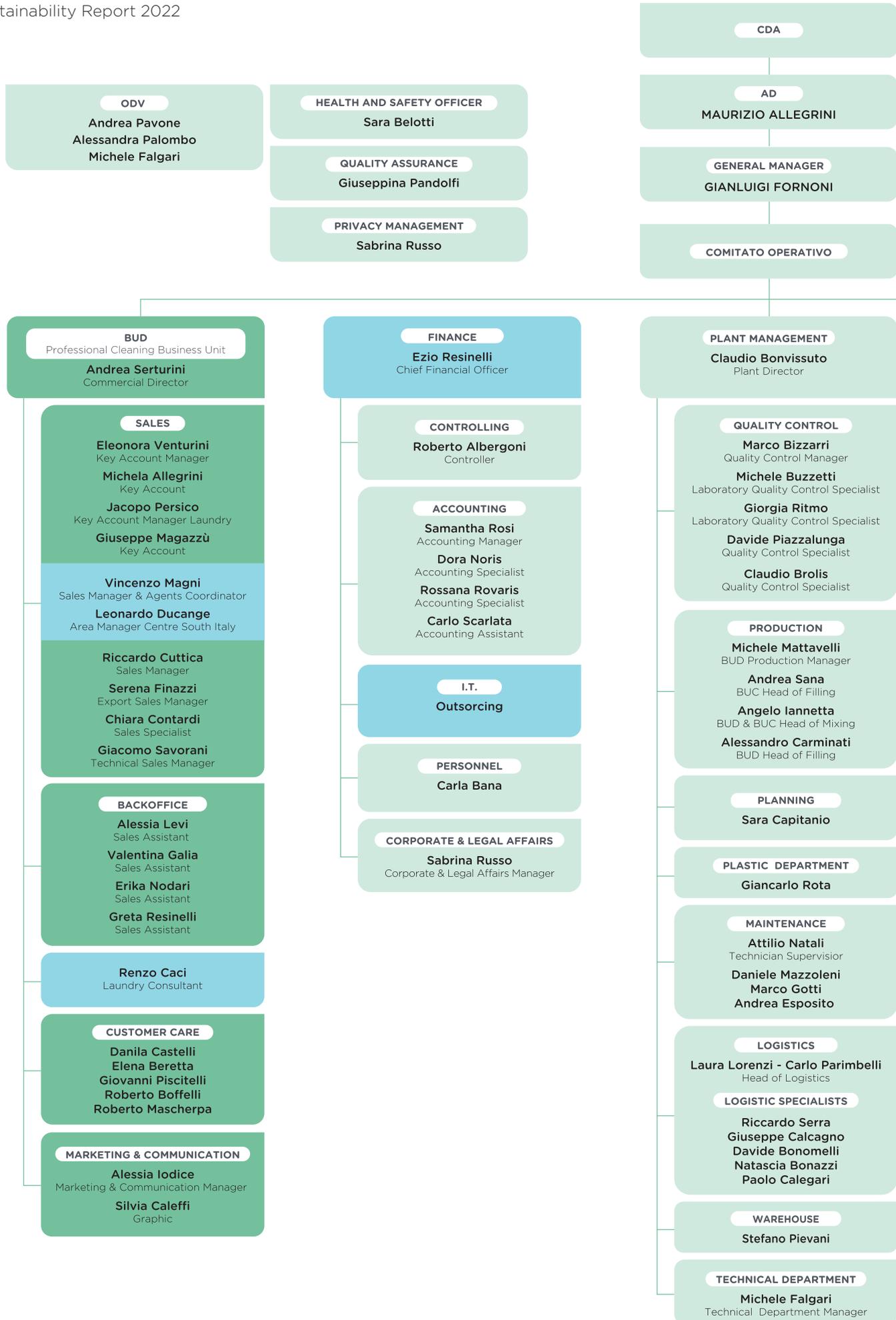
OUR GROUP

The ALLEGRINI Group was set up in 2022 as an expression of a new concept of Cleaning and Cosmetics. The acquisition of two companies that play a particularly significant role for ALLEGRINI’s business has allowed us to further expand our services. The first, DEP S.r.l., is a highly innovative company in Bologna, responsible for the creation and development of the B2B platform Hotelify.com, set up as a distributor of courtesy lines for luxury B&Bs and Boutique Hotels, and currently the leading e-commerce platform in Italy and Europe for the online sale of supplies for hotels, bed & breakfasts, restaurants, bars and Airbnb establishments. The second, Cliners S.r.l., is a company that owns the CLINERS brand, which has been present in the cleaning industry for over 50 years. CLINERS is synonymous with innovative, cutting-edge products that meet all requirements in the industrial laundry sector. CLINERS has also been following a path of sustainability for a number of years, which has led to the development of a comprehensive range of environmentally friendly formulations in addition to a well-established range of traditional products offering cutting-edge solutions for people and the environment.

The new additions to the ALLEGRINI Group are tangible representations of a process of sustainable growth that has characterised ALLEGRINI for many years, based on the integration into the business model of the fundamental principles of sustainability, promoting environmental sustainability, social responsibility and ethics in the carrying out of business activities.



ALLEGRINI is a zero-mile factory. Design, packaging, customisation, production, formulation and logistics are carried out entirely in Italy. Nonetheless, ALLEGRINI has active branches in Italy, Russia and the United States that distribute Italian quality from Europe to the Middle East, and from South-East Asia to Canada.





Corporate



BUD



BUC



Outsourcing

Elena David
Business Executive Advisor

CSR
Elena David
Corporate & Legal Affairs
Marketing & Communication

R&D
Roberto Rivoltella
Laboratories Manager Coordinator

R&D
Leonardo Torre
R&D Manager
David Zanatta
R&D Manager
Alice Capitoli
R&D Specialist
Kostandin Haxhi
R&D Specialist
Alice Marazzi
R&D Assistant

REGULATORY
Giovanna Tengattini
BUD Regulatory Manager
Mariachiara Grigis
BUC Regulatory Specialist
Chiara Selogni
BUD Regulatory Specialist

TECHNICAL DIRECTION FOR SURGICAL MEDICAL DEVICES
Leonardo Torre

PROCUREMENT
Michele Allegrini
Procurement Manager

Mirella Renna
Procurement Manager
Fabio Finazzi
Procurement Specialist
Marcello Bertossi
Procurement Assistant

RECEPTION
Simona Curto

BUC
(Cosmetic Business Unit)
Ottaviano Allegrini
Managing Director

Giacomo Allegrini
Key Account Manager
Loris Planchon
Sales Manager

BACKOFFICE
Alessandra Ceruti
Sales Manager
Clarissa Allegrini
Product Assistant
Michela Longo
Sales Specialist
Lucilla Rota
Sales Specialist
Rebecca Andreucetti
Sales Assistant
Alessandra Medolago
Sales Assistant
Francesca Colleoni
Backoffice Support
Stefania Ciapi
Backoffice Support

MARKETING & COMMUNICATION
Federica Foresti
Marketing & Communication Manager
Francesca Cimmino
Graphic
Sarah Paracchini
Graphic



COMITATO OPERATIVO
Maurizio Allegrini
Ottaviano Allegrini
Elena David
Andrea Serturini
Ezio Resinelli
Claudio Bonvissuto
Roberto Rivoltella
Michele Allegrini

OUR PEOPLE

ALLEGRINI recognises the value and centrality of people as fundamental drivers of the sustainable growth process and as strategic assets towards its competitive advantage. Passion, skills, knowledge and personal and professional experience are assets for the company and are essential for the development of increasingly innovative and environmentally sustainable solutions and products.

ALLEGRINI is constantly committed to ensuring the protection of all workers’ rights; their physical, cultural and moral integrity; their freedom of expression and equal opportunities, and to fostering the promotion of culture centred on cooperation and mutual respect. The company strongly condemns any form of discrimination based on age, gender, sexual orientation, health, disability, pregnancy, religion, ethnicity, culture or political orientation. ALLEGRINI’s aim is to create a serene and stimulating working environment that is attentive to employees’ needs and promotes their involvement in company processes, thus fostering a sense of involvement in sustainable growth.

The employees of ALLEGRINI as of 31 December 2022 totalled 138, an increase over the previous year. During 2022, 24 new workers were hired (11 women and 13 men), and + 13 left the company (5 women and 8 men).

	MEN	WOMEN	TOTAL
Executives	2	0	2
Middle Managers	12	7	19
Clerical staff	19	31	50
Factory workers	54	6	60
Trainees	4	3	7
Total	91	47	138

STAFF SUBDIVIDED BY PROFESSIONAL CATEGORY - 2022



STAFF SUBDIVIDED BY GENDER - 2022



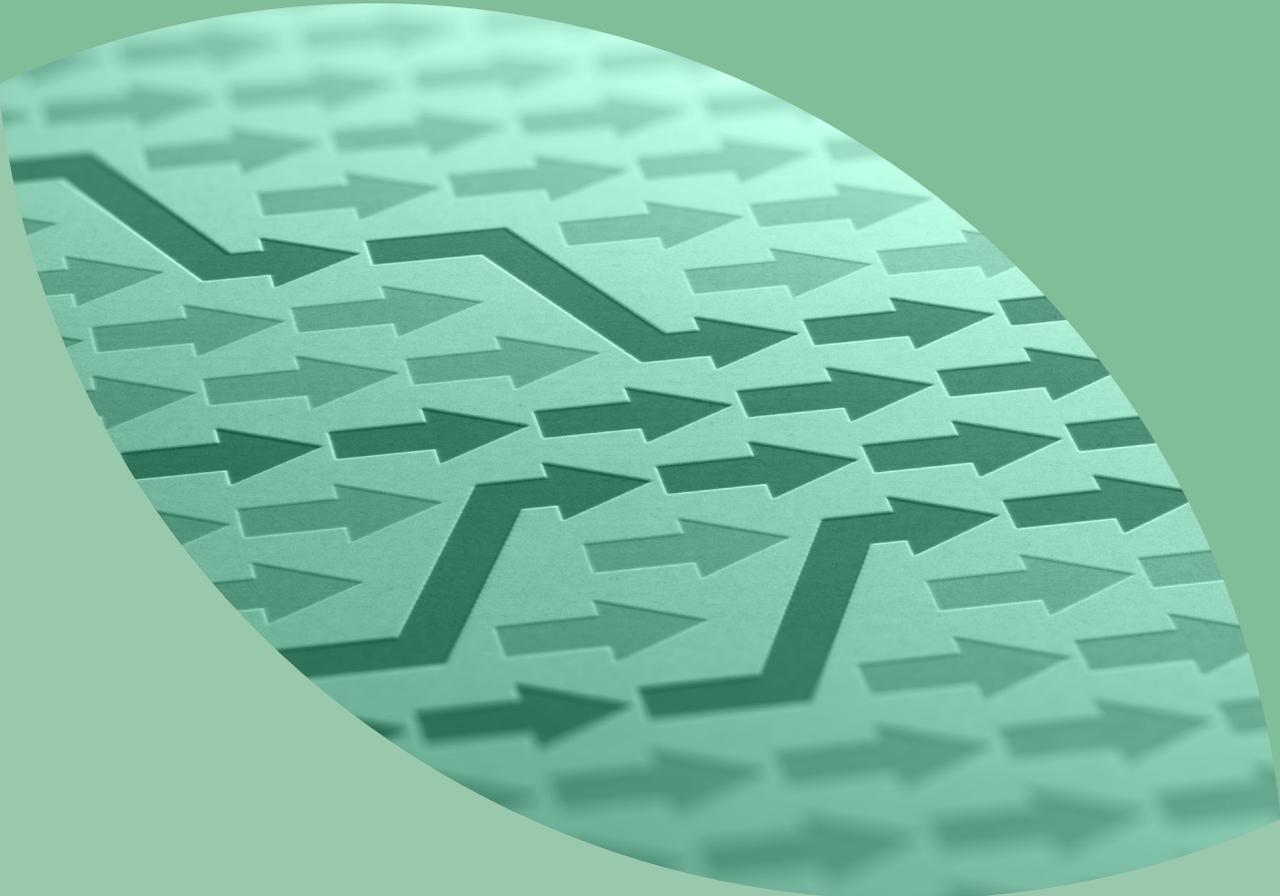
The occupational category with the highest number of employees is skilled workers (44%), followed by clerical staff (36%). Women account for 34% of the total workforce.

STAFF SUBDIVIDED BY AGE GROUP - 2022

	< 30	30 - 50	> 50
Executives	0	1	1
Middle Managers	1	10	8
Clerical staff	13	33	4
Factory workers	7	35	18
Trainees	7	0	0
Total	28	79	31

ALLEGRINI is a young company, with the majority of employees (57%) in the 30-50 age bracket; overall, the average age of personnel is 41 years, 42 years for men and 38 years for women.





3.0

**METHODOLOGICAL
NOTES**

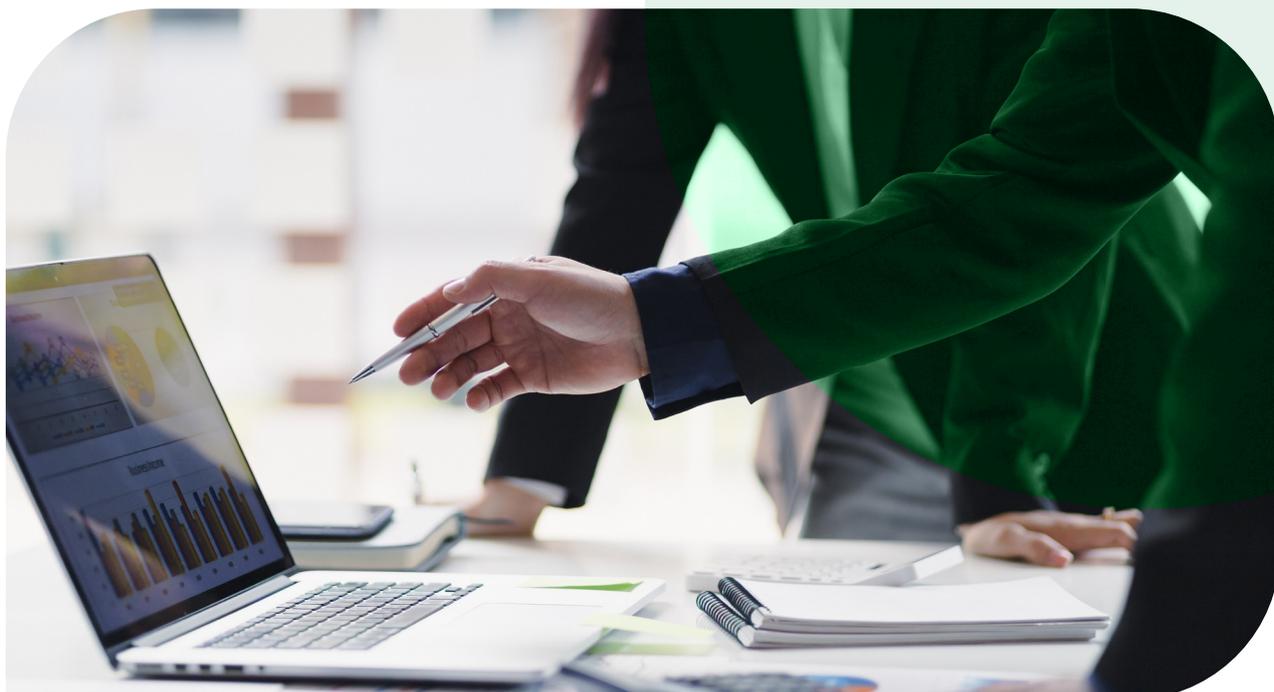
Since 2021 ALLEGRINI has been publishing the Sustainability Report on a voluntary basis, addressing the report to all company stakeholders with the aim of highlighting the results achieved during the 2022 financial year in relation to environmental sustainability, social responsibility and ethics in corporate governance.

This Annual Report has been prepared on the basis of the contents of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) defined by the Global Reporting Initiative (GRI), with reference to the latest available versions of each standard. In order to facilitate the understanding of the document, the principles referenced and the link to the parts of the Sustainability Report 2022 are provided in the appendix in the “GRI Content Index” section.

In drafting this document, ALLEGRINI has drawn inspiration from the contents of other respected and recognised standard setters, the Sustainability Accounting Standards Board (SASB), the International Business Council (IBC) of the World Economic Forum and the OECD Guidelines for Multinational Enterprises. Furthermore, ALLEGRINI has also taken into account the best national and international theory and practice on sustainability reporting.

The structure of this document has remained unchanged with relation to the reporting of material issues and has not undergone any substantial changes in general compared to the previous Sustainability Report; this is to ensure understanding of the company’s achievements and the attainment of strategic goals by all company stakeholders.

The topics covered in this Report are those considered material following a process conducted by ALLEGRINI during 2021 involving all company managers and some of the company’s stakeholders, in order to ensure a clear definition of ALLEGRINI’s sustainability priorities, objectives and commitments.



The material topics covered in this Sustainability Report are the same as in the strategic sustainability planning document “Sustainability Plan”.

The qualitative and quantitative data and information contained in this 2022 Report refer to the performance of Allegrini S.p.A. and relate to the financial year ending 31 December 2022. The other subsidiaries have been excluded due to their irrelevance for the topics covered; with reference to the companies Cliners S.r.l. and DEP S.r.l., this exclusion is further justified by the fact that they became part of the Group during the 2022 financial year.

To ensure external transparency, ALLEGRINI has adopted a rigorous reporting process that provides for:

- the participation of all corporate functions involved in areas relevant to sustainability reporting.
- the use of an IT platform to process all data and information contained in the Sustainability Report and the adoption of a one-level data validation model by all heads of functions involved in sustainability reporting.
- the approval of the Sustainability Report 2022 by resolution of the Board of Directors on 08/05/2023.
- the presentation to the shareholders’ meeting held to approve the 2022 Annual Report.
- the publication of the Sustainability Report 2022 on the ALLEGRINI website (www.allegrini.com).
- the distribution of the Sustainability Report 2022 through social media and other ALLEGRINI communication channels.

Further information and insights into the content of the Sustainability Report 2022 can be obtained from:

Corporate Social Responsibility Management

Ms. Elena David
elena.david@allegrini.com

Privacy Management

Ms. Sabrina Russo
sabrina.russo@allegrini.com

In order to ensure a comparative reading of the 2022 Sustainability Report with that of the previous reporting period, Allegrini has decided to maintain the approach previously used. The following were identified for each of the relative issues identified by Allegrini: a) the objectives set by the company; b) the actions taken during 2022; c) the actions to be taken in subsequent years.



4.0

**ENVIRONMENTAL
SUSTAINABILITY**

As part of the process taken towards sustainable development, ALLEGRINI considers the issue of environmental protection to be of primary importance for all strategic decisions. To this end, it fosters the promotion of a culture of environmental sustainability and responsible behaviour and practices both within the company and throughout the entire value chain, scrupulously ensuring the application of and compliance with the relevant regulations. ALLEGRINI's focus on compliance with regulations and all legal requirements is also demonstrated by its decision not to relocate production to countries less attentive to environmental protection. As evidence of its commitment, the company received no fines or penalties for non-compliance with environmental laws and/or regulations over the course of 2022.

Focus on this issue is represented by the efforts made by all the people involved, and in intensive research and development efforts to implement solutions and formulations and to create innovative products that minimise environmental impact. In addition, the company constantly invests in the responsible use of raw materials and packaging.

Within the Code of Ethics, ALLEGRINI expresses its commitment to ensuring that no activity either directly or indirectly generates any negative impact on the surrounding area or environment. The company promotes production processes and activities that are environmentally friendly and increasingly efficient, through an approach that aims to preserve natural resources and avoid waste. This goal is achieved by constantly sharing commitments with all stakeholders, fostering their collaboration and active participation, as ALLEGRINI is aware that individual responsibility is a fundamental element for the success of the actions undertaken.

The commitments made by ALLEGRINI with regard to environmental issues, and set out in the Sustainability Policy, were translated into concrete actions over the course of 2022. The most relevant included:

- ongoing promotion of the DPlanet solid product line, launched in 2021, and the use of concentrated products, which ensured environmental benefits in terms of reduced CO₂ emissions.
- commencement of installation of a refrigeration system to allow cooling water to be recirculated.
- testing of a refrigerated water and steam system that allows wastewater and cooling water to be recovered.
- awareness-raising and staff involvement activities covering all company departments and concerning practices for the proper collection, sorting and recycling of waste.
- the improving of energy efficiency in production processes and offsetting CO₂ emissions from the transportation of waste produced that ALLEGRINI is not able to reduce directly.

4.1 PRODUCT AND PACKAGING DESIGN AND LIFE CYCLE

Goal

Favour the purchase and use of raw materials of low environmental impact and, where possible, the use of recycled materials. Focus attention on product and packaging design, as well as on manufacturing processes and final disposal with a view to minimising the use of resources and materials and the generation of waste.

Environmental sustainability has always been an integral part of ALLEGRINI's identity. ALLEGRINI is committed to following every stage of product manufacture down to the finest detail, from design to the selection of raw materials and packaging, to final disposal, and to monitoring environmental impact with the aim of devising solutions to limit them as much as possible. The company is fully aware that sustainability is the only path to follow for responsible innovation.

2022 saw the ongoing promotion of the DPlanet solid product cosmetics line, launched in 2021, in line with the objectives set by ALLEGRINI. This resulted in a significant increase in sales volume, which more than quadrupled in comparison to the previous year, and in benefits for the environment in terms of reduced CO₂ emissions (-65 tons of CO₂ in 2022) and water consumption (-43,630 m³ in the same year).

ALLEGRINI is committed to promoting the spread of another important innovation; the professional dilution system for super concentrated FM5 detergents. In 2022, the volume of concentrated detergents sold grew by approx. 36% compared to the previous year, allowing a reduction of 25 tons in emissions.

The environmental benefits of using concentrated products have been confirmed by the results of the LCA (Life Cycle Assessment) study on the comparison between ready-to-use detergents and their concentrated version. The result of comparing the environmental impact of three different products (glass, degreaser and multipurpose) in the two versions demonstrated that the concentrate has a significantly lower impact than the same products in a diluted ready-to-use version because the pollution produced from production, transport and disposal processes diminishes proportionally to the percentage of product dilution. Every 1,000 litres of product in concentrated form results in a reduction of:

-  **86.4% of CO₂ emissions compared to ready-to-use for the glass product.**
-  **91.5% for the degreaser product.**
-  **92.8% for the multipurpose product.**

The amount of CO₂ saved in one year is equivalent to the absorption activity of 12,397 Norway Maple trees.

Reducing the environmental impact of products also involves focusing special attention on packaging. ALLEGRINI achieved tangible results in 2022:



the amount of plastic packaging purchased was reduced by about 25% compared to the previous year;



the number of tons of plastic saved increased thanks to the development of the DPlanet cosmetics line of solid products, which are coated with recyclable, FSC-certified paper.

With regards to the Hemp Care lifestyle line, ALLEGRINI has set itself the goal of using recycled paper as of the next financial year obtained from processing waste and at zero mileage, for all secondary product packaging.

All of these results are the fruit of investment in Research and Development and the experimentation of new technology and formulas for the responsible use of raw materials and packaging, a central component of ALLEGRINI's sustainability strategy. The company aims to continue with this process, which it started years ago, with the aim of ever-further reducing the environmental impact of its products.

PRODUCT AND PACKAGING DESIGN AND LIFE CYCLE. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Product and packaging design and life cycle	Sustainability product design and implementation of sustainability issues for the entire product and packaging life cycle.	Use of environmentally sustainable and customisable packaging, made from recycled and recyclable materials.	Reuse of packaging.	Use of zero-mileage paper for the secondary packaging of Hemp Care lifestyle products. Ongoing actions and improvements.
	Implementation of plastic-free and water-free solutions for products and processes.	Promotion of the DPlanet solid cosmetics line and influence user consumption behaviour, and consolidation of the promotion of concentrated detergent products.		
	Purchase and use of low-environmental-impact raw materials and, where possible, recycled materials.	Reduction of waste in terms of product and packaging.		
		Increase in end-consumer awareness of waste reduction and reuse of packaging.		

PRODUCT AND PACKAGING DESIGN AND LIFE CYCLE. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET %
Non-renewable materials used	Quantity of all non-renewable resources used or process-related (non-recycled or non-recyclable)	Tons	11.820	11.750	-10,64%
Renewable materials used	Quantity of all renewable resources used or process-related (recycled or recyclable)	Tons	570	950	-15,79%
Renewable packaging used	Quantity of renewable packaging materials, including paper, cardboard and plastic (recycled or recyclable)	Tons	1.180	1.010	-20,79%
Plastic packaging	Total plastic packaging purchased	Tons	765	620	-19,35%
Recycled plastic packaging	Total plastic recycled from packaging purchased	Tons	18	30	+10,33%
DPlanet line	Volume sold	Packs	375.331	924.154	+62,31%
Sales volume of comparable traditional products	Volume sold	Packs	25.763.048	30.343.454	+8,75%
Reduction of emissions from the DPlanet line	CO ₂ saved as a result of the DPlanet line	Tons of CO ₂	36	65	+52,77%
Reduction in resource consumption resulting from the DPlanet line	Plastic saved as a result of the DPlanet line	Kg	24.101	16.095	+55,33%
Reduction in resource consumption resulting from the DPlanet line	Cubic metres of water saved as a result of the DPlanet line	M ³	8.890	43.630	+55,86%
FM LINE Concentrated Cleaners	Volume sold	Litres	27.245	34.719	+15,21%
Reduction of emissions from concentrated detergents	CO ₂ saved as a result of concentrated detergents	Tons of CO ₂	20	25	+14,78%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.



4.2 WATER RESOURCES

Goal

The responsible use of water in production and processing, favouring its recovery and reuse.

Water is a precious yet limited resource for our planet. ALLEGRINI is aware of this and strives to ensure that it is used in its production processes in a responsible and increasingly efficient manner, avoiding any form of waste. The company's commitment to managing and using water in its processes in a more sustainable manner, through recovery and subsequent reuse, is expressed within the Sustainability Plan, finalised in 2021, in which the company has clearly set out its priorities in relation to environmental issues.

This commitment came to fruition in December 2022, with the start of the process for the installation of the refrigeration system, built in partnership with a leading Italian company in the production of industrial machinery and equipment, and capable of guaranteeing the recirculation of cooling water. In addition, a chilled water and steam system was tested in December 2022, which will enable ALLEGRINI to recover 44% of its wastewater and 66% of its cooling water in the next financial year.

Despite ALLEGRINI's commitment to the responsible use of water resources, in 2022, total water consumption increased in comparison to 2021, attributable to the increase in production volume, particularly in relation to the cosmetics line, the production of which, until the previous year, was entrusted to parties external to the company.

WATER RESOURCES. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Water resources	Responsible use and reuse of the water employed in production processes.	Recovery of 44% of water from waste.	Start of the process for the installation of a refrigeration system.	Commissioning and maintenance of the water recovery and reuse system.
		Recovery of 66% of cooling water.	Testing of wastewater and cooling water recovery plant.	

WATER RESOURCES. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	MEDIA 2020-2022	2022	% TARGET 2023
Consumption of water resources	Total water consumption	M ³	35.098	46.191	-10,00%
Consumption of water resources for production	Total water consumption in production	M ³	7.699	6.330	-10,00%
Water resources consumed in cooling processes	Total water consumption for the cooling process	M ³	11.843	19.728	-66,00%
Water resources used in production processes	Total water consumption in production processes	M ³	31.767	41.468	This goal is closely related to Allegrini's production mix. An estimate of an indicator is not available as of publication of the report.
Water resources obtained as production waste	Total amount of wastewater	Tons	2.480	2.040	-15,00%
Water resources obtained as a result of the cooling process	Total amount of cooling water	Tons	11.843	19.728	-66,00%
Wastewater recovery	% wastewater recovered	%	0	12%	44,00%
Cooling water recovery	% cooling water recovered	%	0	0	66,00%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.

4.3 WASTE

Goals

Prioritise the re-use of packaging materials and plastic containers so as to minimise waste generated by the production process and the consumption of company products by the end customer. Intensification and greater control over the way waste is collected, sorted and disposed of.

The issue of waste management is another aspect to which ALLEGRINI has been committed for years through raising staff awareness of correct waste collection, sorting and recycling practices and the creation of dedicated procedures and routines.

This commitment takes the form of careful material management, aimed at minimising waste production throughout the value chain. In particular, significant effort has been made with reference to the production department, the very heart of the company, where all human resources employed in production and warehouse logistic phases have been made aware of the importance of reusing packaging materials and containers.

The actions taken by ALLEGRINI in relation to this issue produced tangible results in 2022:

- A** the target set in 2021 to reduce the amount of environmentally harmful waste produced to zero was met;
- B** the production of hazardous waste was reduced by approximately 2%, and non-hazardous waste by 15%, quantities significantly higher than planned.

The increase in the quantity of plastic waste sent for disposal, on the other hand, is attributable to the increase in ALLEGRINI's production volume, especially in relation to the cosmetics line, and the elimination of obsolete products from the warehouse.

Despite the results already achieved in terms of waste management, ALLEGRINI intends to take further steps in this direction, transforming this commitment into a formalised internal policy for proper waste management and recycling.

WASTE. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Waste	Management of the recovery of packaging materials and plastic containers in business processes, and by users in consumer processes.	Reduction of waste generated by the packaging process, also through monitoring the actions of users.	Reduction of the amount of environmentally harmful, hazardous and non-hazardous waste produced.	Ongoing actions and improvements.
		Widespread distribution of separate waste collection systems in all corporate office space.	Implementation of a collection and recycling system.	Definition of an internal policy for proper waste management and recycling.
		Awareness-raising aimed at an informed and reduced use of plastics by human resources and users.		Ongoing actions and improvements.

WASTE. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET %
Hazardous waste	Total hazardous waste produced	Tons	1.909	2.124	-20,00%
Environmentally harmful waste	Total environmentally harmful waste produced	Tons	0	0	0
Non-hazardous waste	Total non-hazardous waste produced	Tons	200	195	-8,00%
Plastic waste collection	Total plastic waste collected for disposal	Tons	22	24	+10,00%
Plastic waste reuse	% recycling and reuse of plastic waste	%	100%	100%	100%
Separate waste collection in offices	Total coverage of separate waste collection	%	Data not available	80%	100%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.



4.4 ENERGY

Goal

Favour the use of renewable energy and promote energy-efficiency initiatives within the company plants.

ALLEGRINI constantly monitors its energy consumption in order to achieve the targets set in the Sustainability Plan. The company's energy consumption is mainly related to the use of electricity in production processes and gas for heating.

During the previous financial year, ALLEGRINI defined a process to reduce the consumption of energy resources that follows two guidelines; it has carried forward the process in this financial year and intends to continue in the future.

- 1 recovery of thermal energy generated by production processes with a reduction in heat loss;
- 2 increase in energy generated and produced from renewable energy sources - which it has carried forward in the current financial year and intends to continue in the future.

Within the scope of these initiatives, ALLEGRINI has programmed for the insulation of plant lines to reduce heat loss and gas use, which will be implemented and completed over the next few years due to the complexity of the project. The rationalisation of the energy used in production processes and its recovery are central elements in the choices made on a day-by-day basis by ALLEGRINI and in the investments that will be planned in the near future.

Despite the concerted efforts of ALLEGRINI, 2022 saw an increase in overall electricity consumption, which is attributable, as was the case for the increase in plastic waste delivered and cubic metres of water consumed, to the increase in production volumes recorded by the company.

This financial year saw the continuation of ALLEGRINI's transition towards increasingly sustainable energy supplies, with the ultimate goal of meeting its needs through energy from 100% renewable sources, thanks also to the use of the photovoltaic system installed in 2011. In particular, in 2022, ALLEGRINI succeeded in meeting the target (approximately +5%) that it had set itself in the previous year in terms of increasing its consumption of electricity from renewable sources. ALLEGRINI is also evaluating various projects and new ways to increase electricity production from photovoltaic systems.

ENERGY. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Energy	Technological investments for generation of energy from renewable sources.	Reduction of energy losses through sustainable investments.	Planning of the insulation of plant lines.	Recovery of thermal energy with reduced heat loss.
	Technological investments to reduce energy consumption in production processes.	Meeting energy needs in a sustainable manner.		Use of energy from 100% renewable sources.

ENERGY. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET %
Electricity	Electricity consumed	kWh	3.643.549	4.263.670	+8,00%
Electricity from non-renewable sources	Electricity consumed and procured from non-renewable sources	kWh	3.560.177	4.176.759	-5,00%
Electricity from renewable sources	Electricity consumed and procured from renewable sources	kWh	83.372	86.911	+13,00%
Electricity production	Electricity produced from renewable sources	kWh	83.372	86.911	-1,00%
Energy resources used for heating	Gas consumed for heating	M ³	158.453	206.253	+10,00%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.

4.5 ENVIRONMENTAL COMPLIANCE

Goal

Attention to compliance with environmental regulations and the creation of structured management systems.

The numerous achievements and awards obtained by ALLEGRINI over time are evidence of the company's attention and commitment to environmental protection with a view to sustainable development, promoting responsible practices and behaviour. In particular, ALLEGRINI:

- **produces a range of products with Ecolabel certification**, the European Union's ecological brand that certifies the reduced environmental impact of products and services offered by companies.
- **offers a range of ICEA-certified products** (ICEA is a non-profit consortium that certifies that products meet environmental sustainability criteria).
- **develops environmentally sustainable solutions** formulated with respect for the environment, thanks to a facility equipped with the most sophisticated technology.

The framework of said lines of action aimed at reducing the environmental impact of the company's activities also includes the process started by ALLEGRINI in 2021, which, thanks to the considerable efforts made, will lead the company to obtain certification of its Environmental Management System according to the ISO 14001 standard.

ENVIRONMENTAL COMPLIANCE. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Environmental compliance	Designing and implementation of an integrated environmental management system.	Compliance with environmental regulations and environmental certification (environmental compliance of product and process).	Monitoring activity.	Acquisition of ISO 14001 certification.

ENVIRONMENTAL COMPLIANCE. PERFORMANCE MEASUREMENT AND KPIs

VARIABLE	DESCRIPTION	UNITÀ OF MEASUREMENT	2020-2022 AVERAGE	2022
Hours invested in the environmental analysis phase	Internal staff hours	Staff hours	The process continued with monitoring activities over the course of the 2022 business year.	
Resources invested in the environmental analysis phase	Resources invested for support for external figures	Number of resources dedicated		
Hours invested in the definition of the environmental policy	Internal staff hours	Staff hours		
Resources invested in the definition of the environmental policy	Resources invested for support for external figures	Number of resources dedicated		

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report.



4.6 ATMOSPHERIC EMISSIONS

Goal

Reduction of greenhouse gas emissions through: A) use of energy from predominantly renewable sources, B) rendering of the production process energy efficient, C) offsetting CO₂ equivalent emissions deriving from the transportation of waste.

The reduction of greenhouse gas emissions through the use of energy from renewable sources and the rendering of all production processes energy efficient are cornerstones of ALLEGRINI's environmental strategy, in line with the Sustainable Development Goals (SDGs) defined in the UN 2030 Agenda.

ALLEGRINI constantly monitors and measures greenhouse gas emissions related to its business activities, with the aim of making a concrete contribution to the fight against climate change and reducing negative impact on the environment.

The tables below provide a summary of the values of consumption and direct (Scope 1) and indirect (Scope 2) CO₂ emissions created by ALLEGRINI in 2022, measured in accordance with the Greenhouse Gas (GHG) Protocol.

VARIABLE	DESCRIPTION	UM	2022
Natural gas	Natural gas consumed	Smc	285.750,00
Motor vehicles	Km travelled by all company vehicles	Km	160.817,00
Electricity from non-renewable sources	Electricity purchased and consumed and obtained from non-renewable sources	kWh	3.983.143,00

VARIABLE	UM	2022
Direct emissions from methane gas consumption (Scope 1)	tCO ₂	571,50
Direct emissions related to company vehicles (Scope 1)	tCO ₂	32,18
Direct emissions (Scope 1)	tCO ₂	603,68
Indirect emissions from electricity consumption (Scope 2)	tCO ₂	892,22
Indirect emissions (Scope 2)	tCO ₂	892,22

ENERGY SOURCE	UNIT OF EMISSION	2022	SOURCE
Natural gas	tCO ₂ /Smc	0,002	The Ministry of the Environment - Table of national standard parameters for monitoring and reporting greenhouse gases for 2022
Electricity (location-based method)	kgCO ₂ /kWh	0,224	United Nations Climate Change - IFI Default Grid Factors 2021

In cases where ALLEGRINI is unable to act directly to reduce CO₂ emissions, as in the case of waste transport, it undertakes to offset them. As proof of this concrete commitment to contributing to a decarbonised economy, in 2022 ALLEGRINI received the Carbon Offset Certificate for its advanced industrial waste management activity, entrusted to Omnisyst, which neutralised 3.41 tons of CO₂, equivalent to the total amount of CO₂ emitted for waste management and transport.

VARIABLE	2022
Tons of waste disposed of during the financial year	2.318,45
Km travelled*	3.512,50
Total Kg CO ₂ eq. (equivalent to neutralised total)	3.410,00

*The km travelled represent the total distance required to transport the waste to the delivery facilities. This figure is an estimate based on the shortest route that lorries can take to reach the plant.



To further combat climate change, in 2022 ALLEGRINI created a new project, 'Chi semina, respira', in collaboration with Legambiente, which will lead to the planting of around 500 trees in the 2023-2025 three-year period. The implementation of this project will generate direct benefits for the community as the trees will be incorporated into the ecosystem of the province of Bergamo.

All initiatives undertaken by ALLEGRINI are part of a process towards sustainable development that has already been set out by the company, the goal of which is to reduce negative environmental outcomes. In this regard, ALLEGRINI has made a commitment for the future: to manage to use electricity from exclusively renewable sources.

ATMOSPHERIC EMISSIONS. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT FINANCIAL YEARS
Atmospheric emissions	Investments and process modifications to increasingly reduce gas emissions into the atmosphere.	Achievement of environmental sustainability for emissions generated throughout the value chain.	Acquisition of Carbon Offset Certificate. Offsetting of CO ₂ equivalent emissions deriving from the transportation of waste.	Use of energy from 100% renewable sources. Support for local projects to combat climate change.

ATMOSPHERIC EMISSIONS. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET %
Direct emissions of greenhouse gases (Scope 1)	Direct GHG emissions in gross tons of CO ₂ equivalent	Tons of CO ₂ equivalent	The measurement and monitoring of greenhouse gas emissions in accordance with EU-recognised protocols, started in the 2022 financial year.	603,68	-2,00%
Indirect emissions of greenhouse gases (Scope 2)	Indirect GHG emissions in gross tons of CO ₂ equivalent	Tons of CO ₂ equivalent		892,22	-2,00%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.

5.0

SOCIAL RESPONSIBILITY



Human capital is a valuable resource for ALLEGRINI, and the company promotes respect for the value of people, constantly investing in the personal and professional growth of its resources.

ALLEGRINI is committed to ensuring a serene, inclusive and stimulating working environment through continuous dialogue, collaboration and the sharing of opinions and ideas, censuring any behaviour that is discriminatory or detrimental to freedom of expression, aware that its own success and the achievement of corporate objectives are inextricably linked to individual satisfaction and well-being.

In the Code of Ethics, the company has clearly set out its commitment both in terms of the personal and professional empowerment of its employees and of safeguarding health and safety in the workplace. ALLEGRINI condemns any form of discrimination on the grounds of nationality, race, ethnicity, religious belief, political and trade union affiliation, language, age, gender or sexual orientation and defines the criteria of objectivity, legality, transparency and fairness adopted in personnel evaluation and selection.

Protecting health and safety in the workplace is an important objective for ALLEGRINI, considering it to be a fundamental right to be guaranteed to its employees. In this regard, the company is committed not only to fulfilling relative legal obligations, but also to fostering a culture of health and safety in the company and favouring an attentive analysis of the possible risks and dangers to which each worker is exposed by virtue of the activity performed. Thanks to ALLEGRINI's strategy, with regards to occupational health and safety, there were no cases of accidents with serious injuries recorded in 2022.

In 2022, ALLEGRINI's commitment to social responsibility took the form of numerous actions, such as:

- the provision of training to employees on the subject of diversity and inclusion, equal opportunities, respect for human rights and health and safety in the workplace, in order to promote a culture of social responsibility centred on the protection of the well-being of human resources and individual upskilling.
- the introduction of the smart working clause in contracts, which gives employees the opportunity to benefit from flexible working arrangements in order to ensure an adequate work-life balance.
- the definition of incentive schemes for employees that encourage their involvement in the achievement of the company's strategic goals and the enhancement of each individual's skills.
- increasing the number of hours and the number of employees dedicated to research and development, in order to produce products that meet the highest quality standards and protect the health and safety of customers.
- the installation of a heating system in the packaging department to ensure a safer and healthier workplace.
- support for numerous initiatives and projects by organisations and entities on a local level, making a concrete contribution to the development and enhancement of the area in which the company operates.

5.1 RESEARCH AND DEVELOPMENT

Goal

Promote research and development initiatives for the creation of ever-more innovative and sustainable products, increasing the use of human and economic capital to this end.

For ALLEGRINI, research and development is a fundamental aspect of the path to creating sustainable value. The company therefore constantly invests in innovation to make continuous improvements to its products and to better meet market needs through solutions that are also environmentally friendly. Proof of this is the increase in the number of hours allocated by ALLEGRINI to research and development, which in 2022 totalled 7,621, and the achievement of the goal of increasing the number of employees dedicated to this activity.

ALLEGRINI's commitment has also led to tangible results in 2022, with the launch of numerous new projects in both the detergent and cosmetic product lines. In order to offer increasingly sustainable products in line with the spirit of the relative regulations, ALLEGRINI changed the formulation of a number of products and increased the use of raw materials with reduced environmental impact, in line with plans made during the previous year. The promotion of concentrated products, which have less impact on the environment than their ready-to-use version, has also been intensified.

ALLEGRINI has also initiated a process that will lead to the production in 2023 of a detergent for the industrial laundry channel, which can be used at lower washing temperatures and will therefore reduce energy consumed, water used and CO₂ emissions into the atmosphere.

In 2022, collaborations continued with research centres, scientific institutions and universities, which foster the development of solutions capable of maintaining the high-quality standards that are currently offered by ALLEGRINI. The partnership with the Mario Negri Pharmacological Research Institute continued during the financial year, which, in collaboration with the ALLEGRINI detergent business unit, is aimed at developing a hygiene and cleaning protocol for the hospitality sector that is certified and shared, and that offers transparency to guests.

The focus on research and innovation and the promotion of a culture of sustainability are two distinctive features of ALLEGRINI that translate into concrete actions that will be carried forward over subsequent years.



RESEARCH AND DEVELOPMENT. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Research and development	Continuous product and process innovation with a view to sustainability.	Development of new product and process research and development projects in an incremental and radical manner.	Use of raw materials with low environmental impact.	Increase in investment in research to support innovation.
			Development of human and financial capital as key levers to foster sustainable innovation.	Research and development initiatives aimed at sustainability.
	Expansion of the Ecolabel-certified product line with the development of a new cosmetics line.			
	Development of a line of cosmetic products made with natural ingredients (bio-based).			
	Manufacture of products whose active ingredients or fragrances are obtained from food waste (upcycling).			
	Development of a biodegradable product line using Ecolabel product bases.			
	Replacement of the more aggressive synthetic surfactants with equivalent surfactants of plant origin in washing-up liquids.			
	Internal acquisition and development of specific innovation skills.		Setting up of skill-development plans.	Increase in human resources involved in research and development activities.
	Raising of client awareness on assuming sustainable behaviour in after-sales activities.		Creation of forms of client incentives.	Reuse of plastic waste or disposal of the same with an economic incentive system for customers.
	Collaboration with corporate stakeholders for the joint development of sustainability projects.		Collaboration with research centres, scientific institutions and universities.	Setting up of lines of action for new shared projects.

RESEARCH AND DEVELOPMENT. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	MEDIA 2020-2022	2022	TARGET 2023
Research and Development initiatives	Total Research and Development Initiatives/Projects	Nr	60*	100*	40*
New Research and Development Initiatives	Number of new Research and Development initiatives/projects	Nr	10*	10*	10*
Patents filed	Total patents filed	Nr	2 patents filed in 2022	2	1
Product patents	Total patents filed related to product innovation	Nr	2 patents filed in 2022	2	1
Process patents	Total patents filed related to process innovation	Nr	1 patent filed in 2022	1	0
Patent applications	Total number of filing procedures initiated	Nr	2 filing procedures initiated in 2022	2	1
Patent Development	Number of new patent applications	Nr	2 applications for filing in 2022	2	1
Resources involved in Research and Development	Number of employees dedicated to Research and Development activities	Nr	5	6	6
Resources involved in Research and Development	Total hours dedicated to Research and Development activities	H	7.237	7.621	+1,99%
Resources invested in Research and Development	Resources invested for support from external figures	Eur	237.608	440.325	+12,45%
Resources invested in Research and Development	% of profits reinvested in R&D activities	Eur	n.a.	0	12,11%
Partnerships	Total number of partnerships with institutes, research centres and universities	Nr	1	2	2
Use of substances with lower environmental impact	Number of new substances with lower environmental impact introduced in products	Nr	0	0	2

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.

The parameters related to research and development initiatives and projects decreased significantly in 2022 compared to the goals previously set. This change is due to the identification of a new method of calculation, which has made it possible to consider only those events that show positive effects on the environment.

5.2 DIVERSITY AND INCLUSION

Goal

Equality in selection and internal growth processes, equal pay, more sustainable working conditions and equal opportunities.

ALLEGRINI firmly believes in the uniqueness of people as a strength to be enhanced. To this end, the company is constantly striving to reinforce the culture of inclusion and the protection of diversity, placing these aspects at the heart of strategic decisions and choices made for the development of human capital.

This goal is also bolstered by concrete actions taken by the company over the course of 2022. The total number of hours of training provided to employees on the topic of diversity and inclusion and equal opportunities are more than quadrupled in comparison to previous years, from 22 to 99.

ALLEGRINI also committed to the ongoing monitoring of the gender pay gap in order to reduce pay inequality between women and men. In 2022, this figure remained stable in relation to the previous year, tangible evidence of the company's focus on adopting remuneration schemes that protect pay and gender equity. ALLEGRINI values the presence of women in the company, including in positions of leadership.

In line with the goal of promoting a culture of social responsibility focused on protecting the welfare of human resources set in the previous year, the smart working clause was introduced in employee contracts, which encourages the creation of flexible working arrangements.

This way of working is governed by the "Smart Working Regulations", adopted by ALLEGRINI in 2022, which define the conditions and aims pursued; these include ensuring a flexible and dynamic working environment, fostering trust and mutual collaboration between workers, guaranteeing an adequate work-life balance, consolidating workers' sense of belonging, and promoting sustainable mobility by reducing the number of journeys to and from work.

2022 saw the commencement of the process to achieve the UNI/PdR 125:2022 Gender Equality Certification, which will be completed in 2023 and which is a further indication of ALLEGRINI's commitment to reducing gender inequality.

DIVERSITY AND INCLUSION. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Diversity and inclusion	Fair selection and internal growth of human resources.	Enhancement of the well-being of human resources within an organisational culture centred on social responsibility.	Planning and design of initiatives and allocation of resources.	Adoption of policies that promote diversity and inclusion.
	Gender and job pay parity.			Monitoring of the gender pay gap.
	Creation of sustainable ways of working that increase well-being.	Promotion of a working culture based on results, professionalisation and the development of skills.	Introduction of the smart working clause.	An increase in the presence of women in Management and in the Board.



DIVERSITY AND INCLUSION. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	
			M	F
New hires	Total new hires by age group and gender	No.	13	8
New hires	Total new male hires by age group	No.		
New hires	Total new female hires by age group	No.		
New hires	Rate of new hires by age and gender	%	62%	38%
New hires	Rate of new male hires by age group	%		
New hires	Rate of new female hires by age group	%		
Turnover	Total resignations and dismissals by age and gender	No.	18	10
Turnover	Total male resignations and dismissals by age group	No.		
Turnover	Total female resignations and dismissals by age group	No.		
Turnover	Resignation and dismissal rates by age and gender	%	64,29%	35,71%
Turnover	Male resignation and dismissal rates by age group	%		
Turnover	Female resignation and dismissal rates by age group	%		
Characteristics of the staff	Number of employees by category, gender and age group	No. of clerical staff	14	27
		No. of factory workers	55	6
		No. of trainees	3	3
		No. executives and managers	16	7
Average staff remuneration	Difference between average salary for employees and average salary for executives and managers	% Difference between clerical staff and executives and management	-35,57%	-35,49%
Average staff remuneration	Difference between average salary for factory workers and average salary for executives and managers	% Difference between factory workers and executives and management	-46,34%	-51,24%
Average staff remuneration	Difference between average salary for trainees and average salary for executives and managers	% Difference between trainees and managers and executives	-58,06%	-54,70%
Average management remuneration	Basis for the calculation of pay differences	% Difference executives and managers	-	-
Training	Average hours of training subdivided by category and gender	Clerical staff training hours	11,61	12,04
		Worker training hours	3,92	1,75
		Apprentice training hours not included in the individual training plan	3,18	8,63
		Training hours executives and managers	11,56	18,81
Training on issues related to diversity, inclusion and equal opportunities	Total training hours provided to employees on diversity, inclusion and equal opportunities issues	Hours of training		

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.

E	2022					2023 TARGET							
	<30	30-50	>50	M	F	<30	30-50	>50	M	F	<30	30-50	>50
	9	11	1	13	11	9	15	0	14	8	4	12	6
	5	7	1			3	10	0			2	7	5
	4	4	0			6	5	0			2	5	1
	43%	54%	3%	54%	46%				63,64%	36,36%			
	37%	58%	5%			23%	77%	0%			14,29%	50,00%	35,71%
	52%	48%	0%			55%	45%	0%			25,00%	62,50%	12,50%
	10	13	5	8	5	6	5	2					
	7	8	3			4	3	1					
	3	5	2			2	2	1					
	35,71%	46,43%	17,86%	62%	38%								
	38,89%	44,44%	16,67%			50%	38%	13%					
	30,00%	50,00%	20,00%			40%	40%	20%					
	4	8	2	19		4	13	2	16		3	11	2
	5	20	2		31	9	20	2		29	5	22	2
	5	35	15	54		6	32	16	55		5	34	16
	0	4	2		6	1	3	2		7	1	4	2
	3	0	0	4		4	0	0	4		4	0	0
	3	0	0		3	3	0	0		3	3	0	0
	0	11	5	14		0	7	7	17		0	10	7
	1	4	2		7	1	4	2		7	1	4	2
	-43,75%	-34,90%	-18,70%	-35,23%		-43,98%	-35,88%	-17,96%	-35,23%		-43,98%	-35,88%	-17,96%
	-40,54%	-34,64%	-33,08%		-26,59%	-39,65%	-23,99%	-24,04%		-26,59%	-39,65%	-23,99%	-24,04%
	-53,93%	-44,69%	-43,15%	-46,49%		-52,67%	-47,23%	-43,31%	-46,49%		-52,67%	-47,23%	-43,31%
	-16,76%	-52,92%	-48,87%		-46,12%	-50,29%	-49,24%	-45,38%		-46,12%	-50,29%	-49,24%	-45,38%
	-58,06%			-56,80%		-56,80%			-56,80%		-56,80%		
	-164,60%				-49,27%	-49,78%				-49,27%	-49,78%		
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
	8,17	15,89	0,83	11,52		8,17	15,89	0,83	11,52		8,17	15,89	0,83
	10,10	12,16	7,89		11,38	10,10	12,16	7,89		11,38	10,10	12,16	7,89
	1,62	4,66	3,60	4,12		1,62	4,66	3,60	4,12		1,62	4,66	3,60
	6,02	5,00	3,43		4,66	6,02	5,00	3,43		4,66	6,02	5,00	3,43
			2,80	2,80				2,80	2,80				2,80
			17,56		17,56			17,56		17,56			17,56
		28,69	2,97	14,51			28,69	2,97	14,51			28,69	2,97
	12,00	32,63	12,00		23,79	12,00	32,63	12,00		23,79	12,00	32,63	12,00
				70	29	23	55	21	70	29	23	55	21

5.3 TALENT ENHANCEMENT AND HUMAN CAPITAL DEVELOPMENT

Goal

The importance of human resources through the attraction of new talent and the valorisation of employees through performance assessment processes and incentive programmes.

ALLEGRINI strongly believes in the value of talent and the uniqueness of human resources as drivers of professional growth and well-being in the workplace, creating a safe, meritocratic and stimulating environment. This is why the company is committed to ensuring a working environment where the individual is at the centre of all company processes and is enabled to express their potential, skills and professionalism to the full.

In 2022, in line with the goals defined in the sustainable development strategy, a number of important actions were completed: 1) the definition of a programme of incentive schemes, customised to workers' tasks and types of employment, to involve employees in achieving the company's strategic goals. 2) the implementation of human capital development plans.

Moreover, as a further incentive a bonus of EUR 500, paid in the form of vouchers, was granted to all employees in 2022, in addition to the incentive schemes already in place.

The valorising of skills and the empowerment of human resources are key elements in the process of change that began in 2021. ALLEGRINI therefore intends to continue along this path in the coming years, continuing the monitoring and evaluation of performance and the definition of plans for the development of human capital, to support internal growth and attract new talent.



VALORISATION OF TALENT AND DEVELOPMENT OF HUMAN CAPITAL. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
<p>Valorisation of talent and development of human capital</p>	<p>Strategic development of human capital through internal growth and external acquisition processes.</p>	<p>Valorisation of human capital for growth as part of a process of sustainable development.</p>	<p>Implementation of human capital development plans within the company with a view to supporting resources in terms of internal growth and attracting new talent.</p>	<p>Continued implementation of human capital development plans.</p>
		<p>Evaluation, monitoring and incentivising of staff for the development of talent and professionalisation at work.</p>		<p>Continued evaluation and performance monitoring.</p>
		<p>Implementation of variable remuneration systems capable of leading the organisation towards strategies for sustainable development of value.</p>	<p>Definition of a staff incentive programme, linked to performance appraisal, extended to all staff and customised to workers' tasks and types of employment.</p>	<p>Increase in the bonuses in the staff incentive programme linked to the process for the evaluation of performance.</p>

VALORISATION OF TALENT AND DEVELOPMENT OF HUMAN CAPITAL. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE		2022		2023 TARGET	
			M	F	M	F	M	F
Employee evaluation	% of employees, by gender and category, subject to periodic performance and competence evaluations	% Clerical staff	100%	100%	100%	100%	100%	100%
		% Factory workers	100%	100%	100%	100%	100%	100%
		% Trainees	100%	100%	100%	100%	100%	100%
		% Executives and managers	88%	100%	88%	100%	88%	100%
Valorisation of talent	% of employees, by gender and category, linked to performance-based variable remuneration policies	% Clerical staff	100%	100%	100%	100%	100%	100%
		% Factory workers	0%	7%	0%	20%	2%	0%
		% Trainees	20%	100%	20%	100%	20%	100%
		% Executives and managers	100%	100%	100%	100%	100%	100%
Valorisation of talent	Total variable remuneration paid by gender and by category	Total clerical staff	12.755	24.083	16.472	24.489	4.189*	5.925*
		Total factory workers	45.281	4.081	48.519	5.267	11.425*	1.158*
		Total trainees	287	51	509	395	602	407
		Total executives and managers	18.151	10.635	20.149	11.484	4.057*	2.759*
Valorisation of talent	Total rewards (linked to performance and/or skills developed) by gender and category	Total clerical staff	16.062	55.085	19.379	55.904	-	-
		Total factory workers	-	250	-	250	-	-
		Total trainees	167	1.167	250	-	-	-
		Total executives and managers	76.625	36.556	90.547	37.767	-	-

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.

*A reduction in variable remuneration that will be paid in the financial year 2023 is to be noted. This reduction is due to the economic-financial parameters set out in the remuneration plan that were only partially met in 2022



5.4 TRAINING AND EDUCATION FOR EMPLOYEES AND CUSTOMERS

Goal

The development of a training programme aimed at the development of resources and at providing support for clients in the sustainable use of products sold.

Valorising and fostering the personal and professional growth of human capital is a fundamental commitment for ALLEGRINI, as the company is aware that the consolidation of skills can help support the path of change undertaken to create sustainable value. The company promotes a culture of ongoing learning, which led to the continuation of both compulsory and non-compulsory human resource training in 2022. 67 hours of training were provided to employees, 36 hours to external collaborators and 83 hours to ALLEGRINI's clients. Training activities for external staff and clients were increased (+10% of training hours) in line with the targets set for 2021.

In addition, all employees were trained in anti-corruption, ethical and anti-competitive behaviour and human rights within the framework of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, in order to ensure the effective understanding and implementation of the organisational model, and the contents of the ALLEGRINI Code of Ethics were brought to the attention of customers, in order to make them aware of the importance of the company's commitment to conducting business in a responsible manner.

Employees participated in a training course on smart working, in line with the commitment to promote flexible working arrangements and facilitate the spread of the smart working culture.

Lastly, training sessions involving employees were organised on sustainability issues; this included raising awareness among employees on proper waste separation in the company and on waste recycling.

The aim of ALLEGRINI's training activities is to increase business efficiency and effectiveness, personal and professional growth of human capital, and a focus on social responsibility and environmental sustainability.

In fact, in 2021 the Allegrini Academy was born, a coaching path aimed at enhancing soft skills, empowerment and the development of individual potential.

TRAINING AND EDUCATION FOR EMPLOYEES AND CUSTOMERS. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT FINANCIAL YEARS
Training and education for employees and customers	Implementation of training programmes to enhance the skills of resources.	Increasing the capacity of members of the organisation to cope with organisational change.	Designing and devising solutions and allocating resources for their implementation.	Continuation of training through the “Allegrini Academy”, path aimed at enhancing soft skills, empowerment and the development of individual potential.
	Raising awareness and transforming client habits for sustainable product use, in line with the company mission and vision.	Increasing the technical skills and soft skills of resources, in order to make each figure part of the process of sustainable growth.		

TRAINING AND EDUCATION FOR EMPLOYEES AND CUSTOMERS. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE		2022		2023 TARGET	
			M	F	M	F	M	F
Training	Average hours of training by gender and employee category	Clerical staff hours	14	12	12	8	7	11
		Factory worker hours	7	4	4	2	3	2
		Trainee hours	12	6	1	1	2	2
		Manager/Executive hours	13	21	15	24	20	20
Training	Average hours of training provided to Allegrini’s external collaborators	H	Data not available		36		Not estimable	
Allegrini Academy	Total number of initiatives implemented	No.	0		0		1	
Allegrini Academy	Total hours of training provided as part of the Allegrini Academy project	H	57	76	0	0	680	680
Client training	Total hours of training delivered to clients	H	Data not available		83		Not estimable	
Training on themes related to sustainability	Total hours of training provided to employees on sustainability issues (identification of participants and roles)	H	Data not available		80		20	60

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year expressed as a percentage change (+/- %) refer to the variation over the 2022 financial year.

5.5 CONSUMER SAFETY

Goal

Onstant attention for the safety and quality of consumer products.

Consumer health and safety is a priority for ALLEGRINI, which has always been committed to offering products with high safety and quality standards, a focus that is underscored by the many certifications obtained over time.

ECO CERT

COSMOS-certified products are made according to the highest standards for organic and natural cosmetics, and are safe, effective and pleasant to use.

ECOLABEL

In 2006 ALLEGRINI affirmed its commitment to product safety and quality by launching a line of products with Ecolabel certification, the European ecological quality brand that allows European consumers to recognise particularly environmentally friendly and ecological products and services.

ICEA

ICEA certification, obtained by ALLEGRINI for a dedicated product line, ensures that products are healthy and natural and free of chemical substances harmful to humans, animals and the environment, through strict and scrupulous checks on all ingredients and the finished product itself.

HALAL

It certifies that the products comply with the Islamic teaching. It is therefore a quality, industry and product certification.

In order to guarantee constant attention to consumer safety, ALLEGRINI has for many years now been relying on an integrated system for the management of complaints and non-conformities relating to the health and safety of products destined for end users, which allows for the systematic verification of compliance with standards and certifications, monitoring any negative impact on the environment.

The total number of cases of non-compliance (internal non-conformities and complaints) detected in 2022 can be broken down as follows:

BUSINESS UNIT	NO. OF CASES
Detergent BU	78
Cosmetics BU	47
TOTAL	125

As confirmation of ALLEGRIINI's widespread commitment, as was the case in the previous year, 2022 saw no instances of end-user health and safety non-compliance or regulatory non-compliance. In addition, compared to 2021, the number of cases of non-compliance of external information in terms of product labelling was cut by half and the number of complaints (62 in 2022) concerning quantitative and qualitative product non-compliances, of which 51 were found to be justified, fell by around 30 per cent.

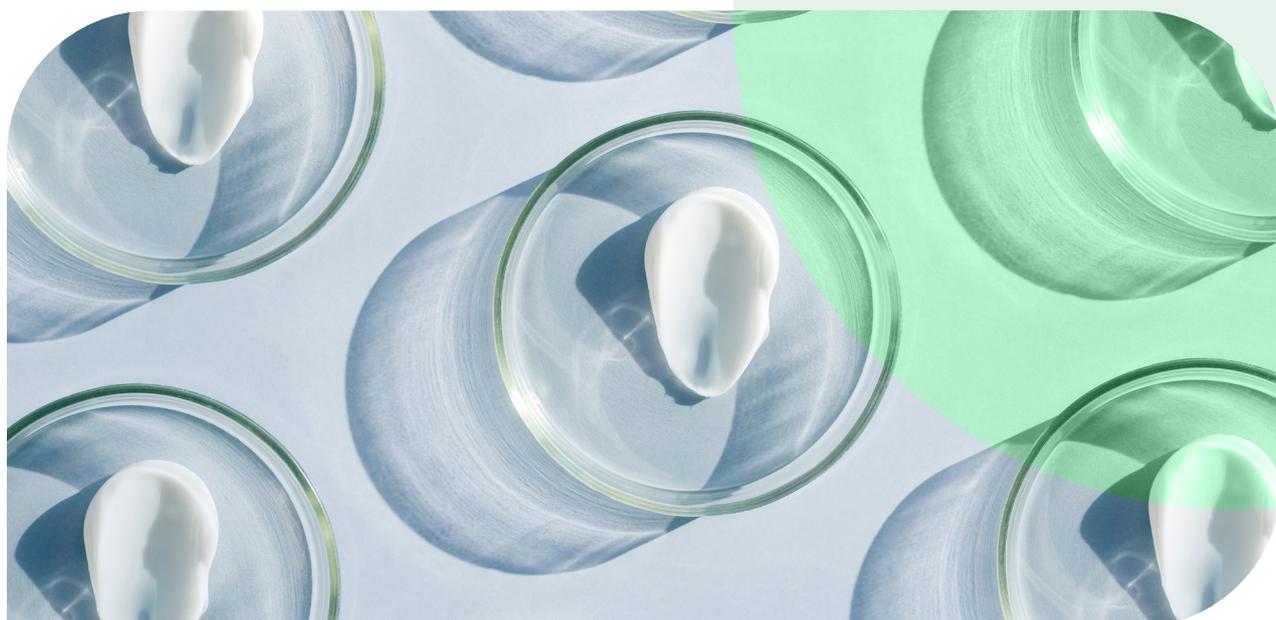
CONSUMER SAFETY. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT FINANCIAL YEARS
Consumer safety	Monitoring of the safety and quality of products directly addressed to the end user.	Implementation of an integrated product safety and quality management and verification system.	Maintaining of a system for the management of complaints and non-compliance regarding the health and safety of clients and the quality and compliance of products.	Ongoing actions and improvements.

CONSUMER SAFETY. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET
Complaints	Number of complaints relating to quantitative and qualitative product non-compliance	No.	59	62	-3,50%
Complaints	Number of complaints related to non-compliance concerning the health and safety of the end user	No.	0	0	0
Non-compliance	Number of cases of non-compliance with regulations leading to a fine or penalty	No.	0	0	0
Non-compliance	Number of cases of non-compliance with regulations leading to a report	No.	0	0	0
Non-compliance	Number of cases of non-compliance with Allegrini's policies or Code of Ethics	No.	0	0	0
Labelling	Number of cases of non-compliance of external information or product labelling	No.	5	5	+0,00%
Complaint management system	Number of staff hours invested in handling complaints and non-compliance related to health and safety, quality and product conformity	Staff hours	57	62,5	+0,00%
Complaint management system	Total value invested in the creation and implementation of the system for the management of complaints and non-compliance related to health and safety, quality and product conformity	EUR	1,995,00	2,187,50	+0,00%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year, expressed as a percentage change (+/- %), refer to the variation over the 2022 financial year.



5.6 HEALTH AND SAFETY OF WORKERS AND SALUBRITY OF WORKPLACES

Goal

Guarantee workers a health and safe working environment, also with a view to favouring employee well-being in the workplace.

Developing a working environment that guarantees the health and safety of workers is a fundamental principle for ALLEGRINI that is to be respected with a view to sustainable growth and the creation of shared value.

The safeguarding of health and safety in the workplace is the result of careful analysis of the possible risks and dangers to which each worker is exposed and of full compliance with relative legislation.

As evidence of ALLEGRINI's commitment to understanding the specific needs of its resources and respecting its commitments, 2022 saw the installation of a heating system in the packaging department and a summer air-conditioning system in a number of departments.

Employee training on health and safety in the workplace also continued, provided not only to comply with legal obligations, but also to raise workers' awareness and promote a culture of health and safety within the company. Despite a reduction in comparison to the previous year, ALLEGRINI provided 260 hours of training to its employees in 2022.

This training made it possible to eliminate the occurrence of serious occupational injuries.

In order to continue to raise health and safety standards in the workplace, ALLEGRINI has planned a number of initiatives for 2023, such as the differentiation of the uniforms used by workers in the production department, the purchase of a weight reducer for the warehouse, the renovation of roof lifelines and the addition of guardrails.

HEALTH AND SAFETY OF WORKERS AND SALUBRITY OF WORKPLACES. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Health and safety of workers and salubrity of workplaces	Design and launch of solutions to improve occupational health and safety.	<p>Identification of hazards and risks that may arise in the workplace.</p> <p>Development of corrective actions to protect health and safety in the workplace.</p>	<p>Air conditioning for departments.</p> <p>Heating for the packaging department.</p>	Ongoing implementation of solutions to improve occupational health and safety.

HEALTH AND SAFETY OF WORKERS AND SALUBRITY OF WORKPLACES. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET
Occupational health and safety management system	Presence of an occupational health and safety management system	Yes/no	Yes	Yes	Yes
Occupational health and safety management system	Implementation of a system in compliance with legal requirements	Yes/no	Yes	Yes	Yes
Occupational health and safety management system	Involvement of employees in the occupational health and safety management system	Yes/no	Yes	Yes	Yes
Occupational health and safety management system	Involvement of collaborators in the occupational health and safety management system	Yes/no	Yes	Yes	Yes
Occupational health and safety management system	Involvement of employees/ collaborators, indirectly involved in Allegrini's activities, in the occupational health and safety management system	Yes/no	Yes	Yes	Yes
Risk assessment	Presence of a system/procedure for assessing hazards and risks in the workplace	Yes/no	Yes	Yes	Yes
Medical prevention in the workplace	Presence of a medical service system that contributes to the identification and elimination of hazards and risks in the workplace	Yes/no	Yes	Yes	Yes
Training related to occupational health and safety	Total amount of training hours provided to workers on occupational health and safety	Hours of training	333	260	270
Training related to occupational health and safety	% staff involved in training activities	%	36%	30%	35%
Work-related injuries	Total work-related injuries	No.	4	4	-25,00%
Work-related injuries	Total serious work-related injuries	No.	0	0	0
Work-related injuries	Total work-related injuries involving production activities	No.	2	3	3
Hours worked	Total annual working hours	Staff hours	300.000 The figure is an estimate	218.957	+15%
Projects for improving occupational health and safety	Number of projects implemented to improve occupational health and safety	No.	6	5	5
Projects for improving occupational health and safety	Total hours invested by Allegrini staff in projects to improve occupational health and safety	Staff hours	454	61	+14,75%
Projects for improving occupational health and safety	Value of resources invested in improving occupational health and safety	EUR	130.000 The figure is an estimate	184.000	+15,00%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year, expressed as a percentage change (+/- %), refer to the variation over the 2022 financial year.

5.7 HUMAN RIGHTS

Goal

An increase in awareness and knowledge of human rights themes within the organisation and in working practices through specific training and the integration of themes into supplier assessment processes.

As stated in its Code of Ethics, ALLEGRINI promotes respect for the physical, cultural and moral integrity of its employees and collaborators, condemning any form of discrimination. For the company, respect for human rights, both in relations with its employees and with all other figures throughout the value chain, is a principle to be safeguarded with the utmost commitment.

This is why ALLEGRINI has also integrated this theme into the supplier evaluation process by preparing a questionnaire which, among the many ESG topics surveyed, includes a section on respect for human and labour rights. Over the course of this financial year, this evaluation process involved 67 of ALLEGRINI's suppliers and required the company to make a significant investment.

Furthermore, in 2022, the company provided training to its employees aimed at raising awareness on human rights, which it intends to further develop in future years, increasing the number of hours and participants.

HUMAN RIGHTS. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Human rights	Raising awareness on human rights in labour practices.	Raising individual awareness on respect for and the ethics of human rights.	Provision of training programmes for employees and collaborators regarding human rights that contribute to increasing awareness of this theme.	Increasing the number of training hours for employees and collaborators.
	Integration of the principle of respect for human rights into the supplier evaluation process.	Integration of a supplier evaluation system into current responsible sourcing strategies that also regards the issue of respect for human rights throughout the production chain.	Implementation of a supplier evaluation system that takes human rights aspects into account.	Increase in the % of suppliers assessed by taking human rights aspects into account.

HUMAN RIGHTS. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET
Procurement	Presence of suppliers deemed to pose risks in terms of child labour issues and young staff exposed to work considered hazardous by local legislation	Yes/no	Data not available	No	No
Production activities	Presence of activities carried out either internally or externally that pose risks in terms of child labour or young staff exposed to work considered hazardous by local legislation	Yes/no	No	No	No
Policy	Presence of policies adopted by Allegrini to monitor the risk of child labour	Yes/no	Yes	Yes	Yes
Geographic Area	Identification of countries directly or indirectly involved in Allegrini's activities	% Turnover % Purchase	Sales 70% ITA 30% Foreign Procurement 95% ITA 5% Foreign	Sales 60% ITA 40% Foreign Procurement 95% ITA 5% Foreign	Sales 55% ITA 45% Foreign Procurement 95% ITA 5% Foreign
Training on human rights issues	Total amount of hours dedicated to training on human rights issues	H	33	99	-64% <small>The figure will decrease due to the progressive achievement of the target</small>
Training on human rights issues	Number of employees involved in training activities	No.	33	99	-77% <small>The figure will decrease due to the progressive achievement of the target</small>
Training on human rights issues	Number of collaborators involved in training activities	No.	0	0	8
Supplier evaluation	Total hours invested by staff in supplier evaluation	H	150	200	+8%
Supplier evaluation	Value of resources invested in supplier evaluation	EUR	8.000	15.000	+13%
Supplier evaluation	% of suppliers evaluated	%	28%	22%	23%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year, expressed as a percentage change (+/- %), refer to the variation over the 2022 financial year.

5.8 RELATIONS WITH LOCAL COMMUNITIES

Goal

The creation and maintenance of partnerships, initiatives, donations and sponsorship programmes aimed at making an active contribution to the wellbeing and development of the local community.

ALLEGRINI strives on a daily basis to contribute to developing the local community, supporting numerous initiatives and projects of a range of organisations and bodies. The goal pursued by the company over the course of the previous year to share part of the value generated with the local community was renewed for 2022.

ALLEGRINI took to the field alongside the volleyball teams USD Scanzorosciate Pallavolo and Olimpia Pallavolo Bergamo and the football teams Atalanta Bergamasca Calcio and Associazione Calcio Monza, in line with the company's recognition of the importance of sport as a driver of social responsibility values.

ALLEGRINI also supported the BergamoScienza Festival in 2022, a scientific educational event that aims to publicly promote scientific culture and raise awareness on technological advances, and continued its partnership with Da Vittorio Relais & Chateaux, one of the best restaurants in Italy, which combines innovation and Bergamo tradition.

In 2022, ALLEGRINI became one of the "Donizetti Ambassadors", a partnership between art and industry to promote the music and the culture of the Bergamo-born composer Gaetano Donizetti, further strengthening ties with the territory. As part of its involvement in this partnership, the company plans to invite the children of employees and their families to the theatre to attend two performances and participate in workshops to be held during the Donizetti Opera Festival in December 2023.

ALLEGRINI has dedicated particular attention to the theme of development and valorisation of the local area, participating in numerous and varied projects and initiatives that bring economic benefits for the company and share this value with the local community. ALLEGRINI's commitment took the form of a total of 15 initiatives including sponsorships, donations and voluntary payments amounting to more than EUR 200,000 for sports clubs and other organisations. The numerous sponsorships included collaborations set up in 2022 with a number of important clients and partners to support internal training on prevention and safety in the workplace related to the use of detergent products.

ALLEGRINI intends to continue promoting these sharing experiences as part of the Corporate Social Responsibility process set in motion many years ago. Numerous initiatives have already been planned for 2023, including a partnership with Europa Donna Italia for the organisation of training and awareness-raising events on the subject of breast cancer prevention, for the entire corporate population, and the 'Chi semina, respira' project, with the support of Legambiente, for the planting of about 500 trees in the province of Bergamo in the 2023-2025 three-year period on the occasion of a series of initiatives aimed at raising awareness on climate change issues in local communities.

RELATION WITH LOCAL COMMUNITIES. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Relation with local communities	Implementation of an integrated set of initiatives and services to enhance the well-being of the local community.	Increased commitment to the local community as a key partner in the process of creating and sharing sustainable value.	Designing and devising solutions and allocating resources for the implementation of the chosen solutions.	Development of and increase in initiatives, donations and sponsorship in favour of the local community.

RELATIONS WITH LOCAL COMMUNITIES. PERFORMANCE MEASUREMENT AND KPIs

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET
Initiatives with local communities	Number of donations in favour of the local community	No.	4	7	3
Initiatives with local communities	Value of donations in favour of the local community	EUR	13.475	20.226	11.800
Voluntary payments	Number of voluntary payments made to research bodies and institutes	No.	0	1	2
Voluntary payments	Value of voluntary payments made to research bodies and institutes	EUR	614	1.841,60	5.000
Sponsorships	Number of sponsorships for sports organisations and clubs	No.	9	7	9
Sponsorships	Value of sponsorships for sports organisations and clubs	EUR	147.237	187.678	43.200

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year, expressed as a percentage change (+/- %), refer to the variation over the 2022 financial year.

6.0

ETHICS IN CORPORATE GOVERNANCE



ALLEGRINI considers respect for principles such as integrity, fairness, transparency and legality in the exercise of business activities to be necessary conditions in guiding the behaviour of all those who work in the name and on behalf of the company, in order to achieve its goal of creating and distributing sustainable value. ALLEGRINI is aware that this goal can only be achieved from within, with solid Corporate Governance and a set of policies that underpin the company's activities and define its fundamental priorities. The corporate governance system, i.e., the set of rules adopted for the proper functioning of the company, plays a central role in ensuring transparent management of company activities and relations with all stakeholders, both internal and external.

ALLEGRINI's Code of Ethics, which is an integral part of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01, defines the commitments and responsibilities assumed by its members towards all stakeholders and the standards and rules of conduct that must inspire and guide the actions of all those who work in the name of and on behalf of the company, preventing misconduct or behaviour inconsistent with the company's values.

In line with the principles of ethical governance, ALLEGRINI's commitment in 2022 took the form of numerous actions, including:

- the implementation of a system to assess suppliers according to ESG criteria, in order to raise awareness on environmental sustainability, social responsibility and ethical governance and to involve them in the path taken by ALLEGRINI, with a view to increasingly conscious and transparent procurement.
- the provision of specific staff training regarding the Organisation, Management and Control Model, aimed at promoting a culture of legality and transparency and raising awareness of the fight against corruption and anti-competitive conduct.
- the introduction of special clauses in contracts with agents, consultants and customers requiring them to read and comply with the contents of the Code of Ethics and the ALLEGRINI Organisation, Management and Control Model, according to the philosophy that the path towards sustainable development initiated by the company requires the active involvement of the entire value chain.
- the digitalisation of processes and working practices as a key driver for promoting both innovation and sustainable development.

6.1 RESPONSIBLE PROCUREMENT

Goal

A focus on environmental, social and governance criteria in processes for the selection, assessment and maintenance of relationships with suppliers with a view to fostering ever-increasingly responsible, transparent and aware procurement.

The path towards sustainable development initiated by ALLEGRINI requires the active involvement of the supply chain, where collaboration and sharing with stakeholders are key drivers of the value creation process, based on environmental sustainability, social responsibility and compliance with ethical standards in governance. The company firmly believes that in order to foster increasingly responsible sourcing, it is imperative to create solid relationships with suppliers who share the same values and principles. By purchasing paper and printed matter from its main supplier, which is a member of Regusto's "Positive Impact" project, ALLEGRINI has helped to generate benefits for the environment and the community, in the form of: 1) 8,668 meals distributed; 2) 4,334 kg of CO₂ not produced; 3) 8,668 m³ of water saved; 4) 13,002 m² of soil saved.

Allegrini has also set an ambitious goal, ALLEGRINI PAPERLESS, to significantly reduce the daily amount of paper used over the coming years. To do this, ALLEGRINI has already started a process of measuring and monitoring paper consumption throughout all internal and external processes and, over the course of 2023, objectives will be assigned to all organisational managers to limit the use of this precious resource to only a few essential activities.

In order to make its suppliers aware of, and active participants in, the path taken by ALLEGRINI, the company also requires them to read and accept the contents of the Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01. ALLEGRINI's commitment for the future in this sense is to draw up its own code of conduct, containing ethical principles and rules of behaviour, to be signed and complied with by suppliers.

In line with plans for the previous financial year, ALLEGRINI implemented a system for evaluating its suppliers according to ESG criteria, so as to integrate environmental, social and corporate governance factors into its procurement strategy and into the criteria adopted for selecting its suppliers. 67 suppliers were evaluated over the course of 2022. The goal that ALLEGRINI has set for the coming years is to extend the mapping of suppliers, involving 23% of the total supplier portfolio, and to translate the information collected into an ESG score, thus leading to the creation of an ESG Supply Chain Rating, aware that a responsible procurement strategy requires the sharing of principles, values, behaviour and objectives.

EVALUATION OF SUPPLIERS ACCORDING TO ESG CRITERIA

In 2022 ALLEGRINI implemented a system to assess the performance of its strategic suppliers according to ESG criteria, which consists of administering a questionnaire to measure supplier commitment and actions in relation to environmental protection, social responsibility and ethical governance. In 2022, the questionnaire was sent to 67 suppliers, corresponding to about 22% of the total supplier portfolio, and 30 completed questionnaires were received.

The survey includes 47 questions divided into 3 general areas (Environment, Social and Governance) and 15 detailed topics within these thematic areas.

ENVIRONMENT	SOCIAL	GOVERNANCE
Management of environmental aspects	Safety and quality certifications	Management aspects
Materials and substances	Human and workers' rights	Corruption
Waste	Health and Safety	Fair competition
Water resources	Working hours and remuneration	Supply chain
Environmental Certifications		
Energy		
Emissions		

In addition, suppliers were given the opportunity to accompany their response to the questionnaire with documentation to support their level of maturity in terms of ESG issues.

Of the 30 suppliers who responded to the questionnaire, the vast majority hold at least one certification (in particular ISO 9001, relating to quality management); in addition, some have drawn up a Code of Ethics and have adopted organisational models pursuant to Italian Legislative Decree no. 231/01. In terms of responsible management of natural resources and environmental protection, about half of the suppliers use electricity from renewable sources and adopt a process to monitor CO₂ emissions. Lastly, the protection and development of human capital appear to be at the core of the suppliers' business choices and processes, as is the case for ALLEGRINI. This is evidence of an alignment of values that is necessary to guarantee the sustainability of the entire supply chain.

The goal pursued by ALLEGRINI through this performance monitoring system is, in fact, to chart a process shared with its suppliers to achieve the highest standards in both environmental and social sustainability and ethical governance.

In the process of monitoring and selecting suppliers according to sustainability criteria, ALLEGRINI's commitment is not limited to sending out questionnaires, but also includes on-site audits. While informal visits were conducted until 2022 to assess the sustainability risk factors of suppliers, from 2023 onwards the company intends to continue this monitoring activity in a more structured manner, through the drafting of a supply chain audit plan.

ALLEGRINI is aware that responsible procurement is a key element in the strategy for creating sustainable value. For this reason, the company intends to continue monitoring its supply relationships, with the aim of fostering the creation of relations with figures who share its core values.

RESPONSIBLE PROCUREMENT. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Responsible procurement	Management of responsible and sustainable procurement.	Implementation of a system of supplier assessment increasingly oriented towards a vision that goes beyond an assessment of the financial and economical solvency of the supplier.	Implementation of a system for the evaluation of suppliers according to ESG criteria.	Expansion of the number of suppliers involved to include at least 23% of the total supplier portfolio.
	Assessment of the supply chain on the basis of ESG factors.	Definition of a common standard for all company suppliers.	Introduction of a clause requiring suppliers to accept the contents of Allegrini's Code of Ethics and Organisation, Management and Control Model.	Drafting of a code of conduct to be signed by suppliers for acknowledgement and acceptance.
		Analysis of the positioning of all figures within the supply chain with regards to environmental and social factors and to business governance.		Conducting of supplier audits also in relation to ESG aspects.

RESPONSIBLE PROCUREMENT. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET
Local procurement	% of purchasing costs related to local procurement (Lombardy region)	%	61%	63%	65%
Local procurement	Number of local suppliers (Lombardy region)	No.	200	205	+2.00%
Supplier assessment system	Presence of a strategic supplier evaluation system based on criteria of environmental sustainability, social responsibility and ethics in corporate governance	Yes/no	Yes	Yes	Yes
Supplier assessment system	Total number of suppliers assessed	No.	19	67	70
Supplier assessment system	% of suppliers assessed	%	6%	22%	23%
Supplier assessment system	Total new supply relationships assessed	No.	4	8	12
Supplier assessment system	% of new supply relationships assessed	%	37%	70%	70%
Code of Ethics and Organisation, Management and Control Model (Italian Legislative Decree no. 231/01)	Acceptance of the Code of Ethics and the Organisation, Management and Control Model by new suppliers deemed to be strategic	Yes/no	Yes	Yes	Yes
Code of Ethics and Organisation, Management and Control Model (Italian Legislative Decree no. 231/01)	% acceptance of the Code of Ethics and the Organisation, Management and Control Model by new suppliers deemed to be strategic	%	0%	0%	50%
Code of Ethics and Organisation, Management and Control Model (Italian Legislative Decree no. 231/01)	% acceptance of the Code of Ethics and the Organisation, Management and Control Model by current suppliers	%	0%	0%	10%
External audits	Conducting external audits of the supply chain with regard to environmental sustainability, social responsibility and corporate governance ethics	Yes/no	No	No	Yes
External audits	% of suppliers involved in the review process with regard to environmental sustainability, social responsibility and corporate governance ethics	%	6%	22%	23%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year, expressed as a percentage change (+/- %), refer to the variation over the 2022 financial year.



6.2 FIGHTING CORRUPTION

Goal

Active and passive prevention of corruption through specific training and through guidelines for behaviour and monitoring pursuant to Italian legislative decree no. 231/2001.

Preventing and fighting active and passive corruption and ensuring compliance with the principles of legitimacy, integrity, fairness and transparency in business management are fundamental objectives for ALLEGRINI. The company has implemented an anti-corruption standard, which is constantly updated to adapt to specific needs and regulatory developments; every employee and collaborator has a formal duty to carry out thorough investigations whenever there is any suspicion of misconduct by persons either inside or outside the company.

The objective that ALLEGRINI set itself in the previous year, and renewed in 2022, is to promote a culture of responsibility and awareness through targeted training actions, aimed at increasing the level of awareness of employees and collaborators of the subject of anti-corruption and reducing the risk of incorrect phenomena and actions. The company's commitment in the fight against corruption therefore not only fulfils legal obligations but is consistent with the company's values and responsibilities towards its stakeholders.

This commitment was translated into concrete actions: a) the anti-corruption policies and practices adopted by ALLEGRINI were communicated to employees (24 in 2022), collaborators (7 in 2022) and business partners (8 in 2022); b) specific training was provided to employees (99 hours in 2022) to raise awareness of anti-corruption issues; c) 96 hours were devoted to maintaining and updating the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01.

Again in 2022, the effectiveness of the anti-corruption system implemented by ALLEGRINI was confirmed and, as in the previous year, no incidents of corruption occurred.

FIGHTING CORRUPTION. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Fighting corruption	Activation of formal internal active and passive anti-corruption safeguards.	Monitoring of the effectiveness and efficiency of the prevention tools already implemented.	Continuous maintenance and updating of the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01.	Continuation of activity and development of incremental forms of improvement.
		Training of company resources as a tool to prevent corruption.		Provision of training programmes for employees and collaborators regarding the active and passive prevention of corruption that contribute to providing guidelines on the codes of conduct to adopt in the carrying out of day-to-day activities, increasing awareness and sensitivity to the issue of fighting corruption.

FIGHTING CORRUPTION. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET %
Risk of corruption	Total number of operations assessed as at-risk for corruption issues	No.	0	0	0
Risk of corruption	% of operations assessed as at-risk for corruption issues	%	0	0	0
Risk of corruption	Total number of established incidents of corruption against Allegrini or its employees	No.	0	0	0
Risk of corruption	Presence of corruption-related lawsuits brought against Allegrini or its employees	Yes/no	No	No	No
Communication of anti-corruption policies	Number of Board members to whom the company's anti-corruption policies and procedures were communicated	No.	All members of the Board of Directors were already informed over the course of the 2020 financial year.		
Communication of anti-corruption policies	Number of employees to whom the company's anti-corruption policies and procedures were communicated	No.	50 66 factory workers 56 clerical staff 26 executives/ managers	24 6 factory workers 16 clerical staff 2 managers	-4,35%
Communication of anti-corruption policies	Number of collaborators to whom the company's anti-corruption policies and procedures were communicated	No.	13 16 consultants 9 agents	7 4 consultants 3 agents	-14,29%
Communication of anti-corruption policies	% of collaborators to whom the company's anti-corruption policies and procedures were communicated	%	20,31%	14,061%	9,67%
Communication of anti-corruption policies	Number of commercial partners to whom the company's anti-corruption policies and procedures were communicated	No.	7	8 Partnerships with Italian entities	+5 partnerships (of which 3 in Italy and 2 abroad)
Communication of anti-corruption policies	% of commercial partners to whom the company's anti-corruption policies and procedures were communicated	%	9,60 %	7,8 %	6,57%
Training on anti-corruption issues	Number of Board members involved in anti-corruption awareness training initiatives	No.	1	0	5
Training on anti-corruption issues	Total training hours provided to Board members on anti-corruption issues	H	2	0	5
Training on anti-corruption issues	Number of employees involved in anti-corruption awareness training initiatives	No.	45	99	23
Training on anti-corruption issues	Total training hours provided to employees on anti-corruption issues	H	56	99	23
Training on anti-corruption issues	Number of collaborators involved in anti-corruption awareness training initiatives	No.	12	0	8
Training on anti-corruption issues	Total training hours provided to collaborators on anti-corruption issues	H	14	0	8
Organisation, Management and Control Model (Italian Legislative Decree 231/01)	Number of employees involved in maintaining and updating the Model	No.	2	2	2
Organisation, Management and Control Model (Italian Legislative Decree 231/01)	Total amount of hours invested by employees in maintaining and updating the Model	H	18	96	96

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6.3 ETHICAL AND ANTI-COMPETITIVE BEHAVIOUR

Goal

Promote ethical forms of behaviour aimed at fair competitiveness on the market.

Ethics, integrity and legality are core elements of ALLEGRINI's daily operations and are indispensable components of a sustainable business model. This commitment is demonstrated by the definition in the Code of Ethics of the policy "Respect for competition as an indispensable tool for the development of the economic system", which outlines prohibited conduct and the obligations to which all recipients of the code are subject.

Although ALLEGRINI has not yet achieved its goal of drafting a code of conduct and behaviour for agents, in 2022 it took steps in this direction by introducing clauses in its contracts with agents, consultants and clients requiring them to read and comply with the contents of the Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01, as well as with the principles of fair competition.

As part of the initiatives put in place by the company to standardise behaviour and promote values such as integrity and legality defined in the Code of Ethics, training sessions (99 hours in 2022) were held for employees on issues related to anti-competitive conduct.

Over the course of 2022, as in the previous year, thanks to ALLEGRINI's efforts, there were no incidents and/or proceedings or actions related to violations of free competition, monopolistic and anti-trust practices.

ETHICAL AND ANTI-COMPETITIVE BEHAVIOUR. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Ethical and anti-competitive behaviour	Activation of ethical tools and principles, and those for fair market competition.	Creation of a formal standard procedure, which is common both inside and beyond the organisation, in line with ethical issues and anti-competitive behaviour.	Introduction in contracts with agents, consultants and clients of clauses requiring acknowledgement and acceptance of the contents of Allegrini's Code of Ethics and Organisation, Management and Control Model.	Drawing up of a code of conduct for agents regarding the conduct to be adopted in carrying out their activities.

ETHICAL AND ANTI-COMPETITIVE BEHAVIOUR. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET %
Legal Action	Number of pending or concluded lawsuits on anti-competitive behaviour, regulatory or antitrust violations relating to monopolistic practices	No.	0	0	0
Legal Action	Value of damages awarded to third parties as a result of anti-competitive practices	EUR	0	0	0
Code of conduct	Presence of a code of conduct on anti-competitive behaviour	Yes/no	Si	Si	Si
Code of conduct	Number of board members to whom the code of conduct was communicated	No.	5	5	0
Code of conduct	Number of employees to whom the code of conduct was communicated (identification of senior bodies)	No.	50 66 factory workers 56 clerical staff 26 executives/ managers	24 6 factory workers 16 clerical staff 2 managers	-4,35%
Code of conduct	Number of collaborators to whom the code of conduct was communicated	No.	12,5 25 16 consultants 9 agents	7 4 consultants 3 agents	-16,67%
Code of conduct	% of collaborators to whom the code of conduct was communicated	%	27,11%	14,51%	9,67%
Code of conduct	Number of commercial partners to whom the code of conduct was communicated	No.	7	6 Partnerships with Italian entities	5
Code of conduct	% of commercial partners to whom the code of conduct was communicated	%	9,60%	7,80%	6,57%
Training	Number of board members involved in training initiatives related to anti-competitive behaviour (with proxies and representative functions)	No.	1	0	5
Training	Total training hours provided to board members on issues related to anti-competitive behaviour (with proxies and representative functions)	H	2	0	5
Training	Number of employees involved in training initiatives related to anti-competitive behaviour	No.	33	99	12
Training	Total training hours provided to employees on anti-competitive behaviour issues	Hours of training	56	99	23
Training	Number of collaborators involved in training initiatives related to anti-competitive behaviour	No.	12	0	8
Training	Total training hours provided to collaborators on anti-competitive behaviour	Hours of training	12	0	8

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year, expressed as a percentage change (+/- %), refer to the variation over the 2022 financial year.

Some of the values in the table have decreased and are expected to decrease, due to the progressive achievement of the target that has been set in the Sustainability Plan.

6.4 TRANSPARENCY AND COMMUNICATION

Goal

Implement internal and external channels of communication characterised by transparency, reliability and quality.

ALLEGRINI places values such as transparency, clarity and reliability at the centre of all stakeholder relations, with a view to inspiring responsible action and guiding the company on the path towards sustainable development.

The Code of Ethics sets out the rules of conduct to which all those involved in ALLEGRINI's activities must adhere, in order to ensure the creation of relationships based on trust and authenticity.

Over the course of 2022, ALLEGRINI's commitment to preserving the values of fairness, correctness and transparency took the form of: a) the provision of training for personnel on the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01, which involved 66% of employees for a total of 99 hours dedicated, a significant increase over the previous year; b) in the establishment of an ESG Committee, comprising 13 people.

ALLEGRINI intends to continue along this path in order to achieve all the goals it has set, starting with the creation of new partnerships with organisations, institutions and private individuals in order to define a process characterised by the shared values of transparency and quality of communication.



TRANSPARENCY AND COMMUNICATION. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Transparency and communication	Implementation of internal and external communication and transparency tools and policies.	Training of company resources on transparency and communication.	Provision to employees of training regarding the Organisation, Management and Control model pursuant to Italian Legislative Decree no. 231/01.	Continuation of training activities.
		Introduction of a warning system to highlight potentially dangerous or critical situations.		
		Introduction of a risk management system for the evaluation and management of company risks.	Establishment of an ESG Committee.	Implementation of a risk management system that integrates ESG risks in company risk management.
		Support for the creation of new partnerships to nurture shared processes based on transparency, reliability and quality of communication.		Creation of new partnerships with organisations, institutions and private entities.

TRANSPARENCY AND COMMUNICATION. PERFORMANCE MEASUREMENT AND KPIs

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET %
Organisation, Management and Control Model (Italian Legislative Decree 231/01)	Amount of training hours provided to employees on the Organisation, Management and Control Model	H	45	99	23
Organisation, Management and Control Model (Italian Legislative Decree 231/01)	% of employees involved in training initiatives	%	29,77%	66,00%	15,33%
Internal reporting system	Number of reports	No.	0	0	0
Internal reporting system	Number of employees responsible for maintaining verification of the functioning of the internal reporting system	No.	1	1	2
Sustainability risk measurement and management system	Presence of a sustainability risk measurement and management system	Yes/no	No	Yes	Yes
Sustainability risk measurement and management system	Number of employees involved in the design and development of a sustainability risk measurement and management system	No.	4	13	13
Sustainability risk measurement and management system	Total amount of hours invested by staff in system design and development	Staff hours	17	52	52
Sustainability risk measurement and management system	Amount of resources invested in system design and development	EUR	1.047	3.141	3.141

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year, expressed as a percentage change (+/- %), refer to the variation over the 2022 financial year.

6.5 INNOVATION AND EFFICIENCY IN PRODUCTION ACTIVITIES

Goal

Guarantee the continuous pursuit of innovation and digitalisation in infrastructure and flexible working methods.

The constant search for innovation is a key value for ALLEGRINI, which has a structure equipped with the latest technology, enabling it to maintain its role in Italy as a leader in the production of professional detergents and cosmetics for the hotel industry.

Similarly, innovation is not a secondary project in the path of sustainable growth and creation of shared value undertaken by ALLEGRINI, but rather an integral part of the sustainability strategy; therefore, innovation cannot be limited to the product or production process but must concern every single activity carried out by the company.

ALLEGRINI is aware that the digitalisation of processes and working practices plays a central role in promoting this combination of innovation and sustainable development. To this end, in 2022, in line with the target set in the previous year, the company committed itself to flexible working arrangements, which are a further means of contributing to the well-being of employees. This commitment took form through the adoption of the “Smart Working Regulation”, with the inclusion of a special clause in contracts, involving more than 40% of ALLEGRINI’s employees for a total of 10,862 hours in smart working in 2022. The introduction of this alternative way of working was accompanied by the provision of dedicated employee training to share proper management of remote work and to facilitate the promotion of the smart working culture.

INNOVATION AND EFFICIENCY IN PRODUCTION ACTIVITIES. GOALS AND ACTIONS

IMPORTANT THEME	DESCRIPTION	GOALS	2022 ACTIONS	ACTIONS IN SUBSEQUENT YEARS
Innovation and efficiency in production activities	Innovation and digitalisation of infrastructure and flexibility of working methods.	Increasing digitalisation to render working practices more flexible and innovative.	Digitalisation of systems with a view to favouring flexible working in line with internal policies regarding smart working.	Ongoing actions and improvements.

INNOVATION AND EFFICIENCY IN PRODUCTION ACTIVITIES. PERFORMANCE MEASUREMENT AND KPIS

VARIABLE	DESCRIPTION	UNIT OF MEASUREMENT	2020-2022 AVERAGE	2022	2023 TARGET %
Smart working	% employees covered by smart working contractual clauses	%	15%	43,48%	45,00%
Smart working	Total amount of hours worked in smart working	Staff hours	Data not available	10.862	8.000
Smart working	% of hours worked in smart working	%	Data not available	5%	3%
Smart working	Number of workers involved	No.	The number of employees involved is directly related to the % of employees covered by smart working contractual clauses.		
Smart working	Amount of employee training hours related to flexible working modes	Hours of training	121	363	10
Smart working	% of employees involved in training initiatives	%	6.07%	18.12%	8.00%
Smart working	Number of initiatives undertaken regarding smart working issues	No.	0	1	2
Infrastructure digitalisation	Total staff (internal and external) involved in processes for the digitalisation of work activities	No.	81	138	138
Infrastructure digitalisation	Amount of hours invested by employees in processes for the digitalisation of work activities	Staff hours	993	1,380	It is assumed that the same number of staff hours will be invested
Infrastructure digitalisation	Value of resources invested in processes for the digitalisation of work activities	EUR	159,755	325,206	+13.16%

The values defined as targets for the 2023 financial year are an estimate based on the data available at the time of publishing of the Report. Target values for the 2023 financial year, expressed as a percentage change (+/- %), refer to the variation over the 2022 financial year.



7.0

APPENDIX

**SUMMARY OF ISSUES
RELEVANT TO THE COMPANY**

GRI CONTENT INDEX



ALLEGRINI'S ACTIONS AND COMMITMENTS FOR SUSTAINABLE GROWTH. ENVIRONMENTAL SUSTAINABILITY.

1. PRODUCT AND PACKAGING DESIGN AND LIFE CYCLE

DESCRIPTION

- Sustainability product design and implementation of sustainability issues for the entire product and packaging life cycle.
- Implementation of plastic-free and water-free solutions for products and processes.
- Purchase and use of low-environmental-impact raw materials and, where possible, recycled materials.

2022 ACTIONS

- Reuse of packaging.

GOALS

- Use of environmentally sustainable and customisable packaging, made from recycled and recyclable materials.
- Promotion of the DPlanet solid cosmetics line and influencing of user consumption behaviour, and consolidation of the promotion of concentrated detergent products.
- Reduction of waste in terms of product and packaging.
- Increase in end-consumer awareness of waste reduction and reuse of packaging.

ACTIONS IN SUBSEQUENT YEARS

- Use of zero-mileage recycled paper for the secondary packaging of Hemp Care lifestyle products.
- Ongoing actions and improvements.

2. WATER RESOURCES

DESCRIPTION

- Responsible use and reuse of water used in production processes.

2022 ACTIONS

- Start of the process for the installation of a refrigeration system.
- Testing of wastewater and cooling water recovery plant.

GOALS

- Recovery of 44% of water from waste.
- Recovery of 66% of cooling water.

ACTIONS IN SUBSEQUENT YEARS

Commissioning and maintenance of the water recovery and reuse system.

3. WASTE

DESCRIPTION

Management of the recovery of packaging materials and plastic containers in business processes, and by users in consumer processes.

- 2022 ACTIONS**
- Reduction of the amount of environmentally harmful, hazardous and non-hazardous waste produced.
 - Implementation of a collection and recycling system.

- GOALS**
- Reduction of waste generated by the packaging process, also through monitoring of the actions of users.
 - Widespread dissemination of separate waste collection systems in all company office spaces.
 - Awareness-raising aimed at an informed and reduced use of plastics by human resources and users.

- ACTIONS IN SUBSEQUENT YEARS**
- Ongoing actions and improvements.
 - Definition of an internal policy for proper waste management and recycling.

4. ENERGY

- DESCRIPTION**
- Technological investments for generation of energy from renewable sources.
 - Technological investments to reduce energy consumption in production processes.

- 2022 ACTIONS**
- Planning of the insulation of plant lines.

- GOALS**
- Reduction of energy losses through sustainable investments.
 - Meeting energy needs in a sustainable manner.

- ACTIONS IN SUBSEQUENT YEARS**
- Recovery of thermal energy with reduced heat loss.
 - Use of energy from 100% renewable sources.

5. ENVIRONMENTAL CONFORMITY

DESCRIPTION

Designing and implementation of an integrated environmental management system.

GOALS

Adaptation to environmental regulations and environmental certification (environmental compliance of product and process).

2022 ACTIONS

Monitoring activities.

ACTIONS IN SUBSEQUENT YEARS

Acquisition of ISO 14001 certification.

6. ATMOSPHERIC EMISSIONS

DESCRIPTION

Investments and process modifications to increasingly reduce gas emissions into the atmosphere.

GOALS

Achievement of environmental sustainability for emissions generated throughout the value chain.

2022 ACTIONS

- Acquisition of Carbon Offset Certificate.
- Offsetting of CO₂ equivalent emissions deriving from the transportation of waste.

ACTIONS IN SUBSEQUENT YEARS

- Use of energy from 100% renewable sources.
- Support for local projects to combat climate change.

SOCIAL RESPONSIBILITY

1.

RESEARCH AND DEVELOPMENT

DESCRIPTION

- Continuous product and process innovation with a view to sustainability.
- Development of human and financial capital as key levers to foster sustainable innovation.

2022 ACTIONS

- Use of raw materials with low environmental impact.
- Research and development initiatives aimed at sustainability.
- Setting up of skill-development plans.
- Creation of forms of client incentives.
- Collaboration with research centres, scientific institutions and universities.

GOALS

- Development of new product and process research and development projects in an incremental and radical manner.
- Internal acquisition and development of specific innovation skills.
- Raising of client awareness on assuming sustainable behaviour in after-sales activities.
- Collaboration with corporate stakeholders for the joint development of sustainability projects.

ACTIONS IN SUBSEQUENT YEARS

- Increase in investment in research to support innovation.
- Production of a detergent for the industrial laundry channel for cold washing.
- Expansion of the Ecolabel-certified product line with the development of a new cosmetics line.
- Development of a line of cosmetic products made with natural ingredients (bio-based).
- Manufacture of products whose active ingredients or fragrances are obtained from food waste (upcycling).
- Development of a biodegradable product line using Ecolabel product bases.
- Replacement of the more aggressive synthetic surfactants with equivalent surfactants of plant origin in washing-up liquids.
- Increase in human resources involved in research and development activities.
- Reuse of plastic waste or disposal of the same with an economic incentive system for customers.
- Setting up of lines of action for new shared projects.

2. DIVERSITY AND INCLUSION

DESCRIPTION

- Fair selection and internal growth of human resources.
- Gender and job pay parity.
- Creation of sustainable ways of working that increase well-being.

GOALS

- Enhancement of the well-being of human resources within an organisational culture centred on social responsibility.
- Promotion of a working culture based on results, professionalisation and the development of skills.

2022 ACTIONS

- Planning and design of initiatives and allocation of resources.
- Introduction of the smart working clause.

ACTIONS IN SUBSEQUENT YEARS

- Adoption of policies that promote diversity and inclusion.
- Monitoring of the gender pay gap.
- An increase in the presence of women in Management and in the Board.

3. VALORISATION OF TALENT AND DEVELOPMENT OF HUMAN CAPITAL

DESCRIPTION

Strategic development of human capital through processes of internal growth and external acquisition.

GOALS

- Valorisation of human capital for growth within a process of sustainable development.
- Evaluation, monitoring and incentivising of staff for the development of talent and professionalisation at work.
- Implementation of variable remuneration systems capable of leading the organisation towards strategies for sustainable value development.

2022 ACTIONS

- Implementation of human capital development plans within the company with a view to supporting resources in terms of internal growth and attracting new talent.
- Definition of a staff incentive programme, linked to performance appraisal, extended to all staff and customised to workers' tasks and types of employment.

ACTIONS IN SUBSEQUENT YEARS

- Continued implementation of human capital development plans.
- Continuation of evaluation and performance monitoring.
- Increase in the bonuses in the staff incentive programme linked to the process for the evaluation of performance.

4. TRAINING AND EDUCATION FOR EMPLOYEES AND CUSTOMERS

DESCRIPTION

- Implementation of training programmes to enhance the skills of resources.
- Raising awareness and transforming client habits for sustainable product use, in line with the company mission and vision.

GOALS

- Increasing the capacity of members of the organisation to cope with organisational change.
- Increasing the technical skills and soft skills of resources, in order to make each figure part of the process of sustainable growth.

2022 ACTIONS

- Designing and devising solutions and allocating resources for their implementation.
- Employee training on smart working and waste recycling.

ACTIONS IN SUBSEQUENT YEARS

- Continuation of training through the “Allegrini Academy” project aimed at the valorization of individual potential.
- Increasing training provided to employees.

5. CONSUMER SAFETY

DESCRIPTION

Monitoring of the safety and quality of products directly addressed to the end user.

GOALS

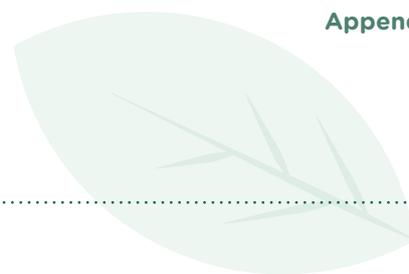
Implementation of an integrated product safety and quality management verification system.

2022 ACTIONS

Maintaining of a system for the management of complaints and non-compliance regarding the health and safety of clients and the quality and compliance of products.

ACTIONS IN SUBSEQUENT YEARS

Ongoing actions and improvements.



6. HEALTH AND SAFETY OF WORKERS AND SALUBRITY IN THE WORKPLACES

DESCRIPTION

Design and launch of solutions to improve occupational health and safety.

- 2022 ACTIONS**
- Air conditioning for departments.
 - Heating for the packaging department.

- GOALS**
- Identification of hazards and risks that may arise in the workplace.
 - Development of corrective actions to protect health and safety in the workplace.

- ACTIONS IN SUBSEQUENT YEARS**
- Ongoing implementation of solutions to improve occupational health and safety.

7. HUMAN RIGHTS

- DESCRIPTION**
- Raising awareness on human rights in working activities.
 - Integration of the principle of respect for human rights into the supplier evaluation process.

- 2022 ACTIONS**
- Provision of training programmes for employees and collaborators regarding human rights that contribute to increasing awareness of this theme.
 - Implementation of a supplier evaluation system that takes human rights aspects into account.

- GOALS**
- Raising individual awareness on respect for and the ethics of human rights.
 - Integration of a supplier evaluation system into current responsible sourcing strategies that also gives importance to respect for human rights throughout the production chain.

- ACTIONS IN SUBSEQUENT YEARS**
- Increasing the number of training hours for employees and collaborators.
 - Increase in the % of suppliers assessed by taking human rights aspects into account.

8. RELATIONS WITH LOCAL COMMUNITIES

DESCRIPTION

Implementation of an integrated set of initiatives and services to enhance the well-being of the local community.

GOALS

Increased commitment to the local community as a key partner in the process of creating and sharing sustainable value.

2022 ACTIONS

Designing and devising solutions and allocating resources for the implementation of the chosen solutions.

ACTIONS IN SUBSEQUENT YEARS

Development of and increase in initiatives, donations and sponsorship in favour of the local community.



ETHICS IN CORPORATE GOVERNANCE

1. RESPONSIBLE PROCUREMENT

DESCRIPTION

- Management of responsible and sustainable procurement.
- Assessment of the supply chain based on ESG factors.

2022 ACTIONS

- Implementation of a system for the assessment of suppliers according to ESG criteria.
- Introduction of a clause requiring suppliers to accept the contents of Allegrini's Code of Ethics and Organisation, Management and Control Model.

GOALS

- Implementation of a system for the evaluation of suppliers increasingly oriented towards a vision that goes beyond an assessment of the economic and financial assessment of the supplier itself.
- Definition of a common standard for all company suppliers
- Analysis of the positioning of all figures in the supply chain with regard to environmental and social factors and company governance.

ACTIONS IN SUBSEQUENT YEARS

- Expansion of the number of suppliers involved to include at least 23% of the total supplier portfolio.
- Drafting of a code of conduct to be signed by suppliers for acknowledgement and acceptance.
- Conducting of supplier audits also in relation to ESG aspects.

2. FIGHTING CORRUPTION

DESCRIPTION

Activation of formal internal anti-corruption safeguards, both active and passive.

2022 ACTIONS

Continuous maintenance and updating of the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01.

GOALS

- Monitoring the effectiveness and the efficiency of the prevention tools already implemented.
- Training of company resources as a tool to prevent corruption.

ACTIONS IN SUBSEQUENT YEARS

- Continuation of activity and development of incremental forms of improvement.
- Provision of training programmes for employees and collaborators regarding the active and passive prevention of corruption that contribute to providing guidelines on the codes of conduct to adopt in the carrying out of day-to-day activities, increasing awareness and sensitivity to the issue of fighting corruption.

3. ETHICAL AND ANTI-COMPETITIVE BEHAVIOURS

DESCRIPTIONS

Activation of ethical tools and principles and those for fair market competition.

2022 ACTIONS

Introduction in contracts with agents, consultants and clients of clauses requiring acknowledgement and acceptance of the contents of Allegrini's Code of Ethics and Organisation, Management and Control Model.

GOALS

Creation of a formal standard procedure, which is common both inside and beyond the organisation, in line with ethical issues and anti-competitive behaviour.

ACTIONS IN SUBSEQUENT YEARS

Drawing up of a code of conduct for agents regarding the conduct to be adopted in carrying out their activities.

4. TRASPARENCY AND COMMUNICATION

DESCRIPTION

Implementation of internal and external communication and transparency tools and policies.

2022 ACTIONS

- Provision to employees of training regarding the Organisation, Management and Control model pursuant to Italian Legislative Decree no. 231/01.
- Establishment of an ESG Committee.

GOALS

- Training of company resources on transparency and communication.
- Introduction of a warning system to highlight potentially dangerous or critical situations.
- Introduction of a risk management system for the evaluation and management of company risks.
- Support for the creation of new partnerships to nurture shared processes based on transparency, reliability and quality of communication.

ACTIONS IN SUBSEQUENT YEARS

- Continuation of training activities.
- Implementation of a risk management system that integrates ESG risks in company risk management.
- Creation of new partnerships with organisations, institutions and private entities.

5. INNOVATION AND EFFICIENCY IN PRODUCTION ACTIVITIES

DESCRIPTION

Innovation and digitalisation of infrastructure and flexibility of working methods.

2022 ACTIONS

Digitalisation of systems with a view to favouring flexible working in line with internal policies regarding smart working.

GOALS

Increasing digitalisation to render working practices more flexible and innovative.

ACTIONS IN SUBSEQUENT YEARS

Ongoing actions and improvements.

GRI CONTENT INDEX

ALLEGRINI has chosen to follow the GRI principles. The table below is intended to underscore the connection between the principles adopted throughout the reporting process and the contents of the Report.

GRI STANDARD		REFERENCE IN THE REPORT
GRI 2. GENERAL INFORMATION		
GRI 2. General information	The organisation and its reporting practices	21-24, 27, 33-34
GRI 2. General information	Activities and workers	21, 30-31, 58-59
GRI 2. General information	Governance	27-29
GRI 2. General information	Strategy, policies and practices	letter to stakeholders, 7-13, 19-20, 26, 36, 66, 82-83
GRI 3. MATERIAL ISSUES TOPIC STANDARDS		
201. Financial performance	201-1. Economic value directly generated and distributed	14-17
203. Indirect economic impact	203-1. Investments in infrastructure and supported services	14, 24-27, 72-73
204. Procurement practices	204-1. Proportion of expenditure made in favour of local suppliers	76-79
205. Anti-corruption	205-1. Operations assessed to determine risks related to corruption	80-81
205. Anti-corruption	205-2. Communication and training on regulations and anti-corruption procedures	63, 75, 80-81
205. Anti-corruption	205-3. Confirmed incidents of corruption and measures adopted	80-81
206. Anti-competitive behaviour	206-1. Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	82-83
301. Materials	301-1. Materials used by weight or volume	37-39
301. Materials	301-2. Recycled input materials used	37-39
302. Energy	302-1. Consumption of energy within the organisation	44-45, 48
302. Energy	302-3. Energy intensity	44-45
303. Water and effluents	303-1. Interaction with water as a shared resource	37, 39-41
303. Water and effluents	303-4. Water discharge	40-41
305. Emissions	305-1. Direct (Scope 1) GHG emissions	48-50
305. Emissions	305-2. Energy indirect (Scope 2) GHG emissions	48-50
306. Waste	306-3. Waste generated	41-43, 49
308. Environmental assessment of suppliers	308-1. New suppliers that were screened using environmental criteria	76-79
308. Supplier environmental assessment	308-2. Negative environmental impacts in the supply chain and measures taken	76-79
401. Employment	401-1. New employee hires and employee turnover	30, 58-59
403. Occupational health and safety	403-1. Occupational health and safety management system	68-69
403. Occupational health and safety	403-2. Hazard identification, risk assessment and incident investigation	68-69
403. Occupational health and safety	403-3. Occupational health services	68-69
403. Occupational health and safety	403-5. Worker training on occupational health and safety	68-69
404. Training and education	404-1. Average number of training hours per year per employee	8, 56-69, 63-64, 70-71, 80-85, 87
404. Training and education	404-2. Programs for upgrading employee skills and transition assistance programs	63-64
404. Training and education	404-3. Percentage of employees receiving regular performance and career development reviews	60-62
405. Diversity and equal opportunity	405-1. Diversity of governance bodies and employees	30, 56-59
405. Diversity and equal opportunity	405-2. Ratio of basic salary and remuneration of women to men	56-59
408. Child labour	408-1. Operations and suppliers at significant risk for incidents of child labour	70-71
409. Forced or compulsory labour	409-1. Operations and suppliers at significant risk for incidents of forced or compulsory labour	70-71
414. Supplier social assessment	414-1. New suppliers that were screened using social criteria	76-79
414. Supplier social assessment	414-2. Negative social impacts in the supply chain and actions taken	76-79
416. Customer health and safety	416-2. Incidents of non-compliance concerning the health and safety impacts of products and services	9, 65-67
417. Marketing and labelling	417-2. Incidents of non-compliance concerning product and service information and labelling	9, 65-67

In order to facilitate the connection between the GRI principles and the material themes reported by ALLEGRINI in this document, the following table of contents is provided, in which the GRI standard of reference is indicated for each material theme, together with its relative placement within the Sustainability Report.

MATERIAL THEME	GRI REFERENCE STANDARD	REFERENCE IN THE REPORT
Product and packaging design and life cycle	GRI 301. Materials GRI 303. Water and effluents	37-39
Water resources	GRI 303. Water and effluents	40-41
Waste	GRI 306. Waste	41-43
Energy	GRI 302. Energy	44-45
Environmental compliance		46-47
Atmospheric emissions	GRI 305. Emissions	48-50
Research and development	GRI 203. Indirect economic impact	53-55
Diversity and inclusion	GRI 401. Employment GRI 404. Training and education GRI 405. Diversity and equal opportunity	56-59
Valorisation of talent and development of human capital	GRI 404. Training and education	60-62
Training and education for employees and customers	GRI 404. Training and education	63-64
Consumer safety	GRI 416. Customer health and safety GRI 417. Marketing and labelling	65-67
Health and safety of workers and salubrity of workplaces	GRI 403. Occupational health and safety	68-69
Human rights	GRI 408. Child labour GRI 409. Forced or compulsory labour	70-71
Relations with local communities		72-73
Responsible procurement	GRI 204. Procurement practices GRI 308. Supplier environmental assessment GRI 414. Supplier social assessment	76-79
Fighting corruption	GRI 205. Anti-corruption	80-81
Ethical and anti-competitive behaviour	GRI 206. Anti-competitive behaviour	82-83
Transparency and communication	GRI 205. Anti-corruption	84-85
Innovation and efficiency in production activities	GRI 203. Indirect economic impact	86-87



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