

SUSTAINABILITY REPORT 2024



SANPELLEGRINO
GRUPPO

Certified





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I am proud of leading the Sanpellegrino Group which, through our products, has been spreading the Italian quality and way of life in over 150 countries around the world for 125 years.

Together with the over 1,400 people who work with me, we have a great responsibility that drives our work every day – that of preserving water, this precious resource, indispensable for life, and ensuring healthy, high quality water reaches the tables of our consumers around the world. Every day, we strive to be ever better at our job by leveraging our origins, rooted in the culture of the region, and our calling to an international presence.

I am proud to see that, year after year, the performance of the key indicators for our company's responsible management are confirmed, when not improved. These results concern the environmental impact, the supply chain and logistics, the relationship with customers and consumers, governance and business ethics and, above all, our people, who are the beating heart of Gruppo Sanpellegrino.

Having that in mind, in September 2023, after a strict external auditing process, we joined the B Corp Movement, a community of businesses that believe in the same principles and that – building on the awareness that there is no future without the love for natural resources and the daily commitment to ensuring they remain available to future generations – promotes sustainable growth focused on people and communities.

Like the companies in the B Corp Movement, we believe in collaboration. We believe that only by being clear as to the results we achieved and the challenges ahead, and only by working together, can we continuously improve to reach the goals set by sustainable development.

Based on this approach, we are pleased to present our Sustainability Report, which summarises the work carried out so far and our path to a more equitable, inclusive and sustainable future.


It is our contribution to a better world.


MICHELE BENEVENTI
CEO
and Chairman of the Board of Directors


”

OUR KEY PERFORMANCES

OUR PEOPLE

20  average training hours per employee per year

96%  of eligible second parents took advantage of the paid leave policy (Nestlé Baby Leave)

96%  permanent contracts


41%  women in executive positions

Over 17  programmes in place for the promotion of people’s health and well-being


COMMUNITIES AND TERRITORY

The Group’s facilities scored **84-88/100** in the Local Acceptability Index

OUR ENVIRONMENTAL IMPACTS

100%  of the electricity purchased by the Group comes from renewable sources

95%  waste recovered

0.05L  average consumption per litre of bottled water¹

12,950  tonnes of R-PET (recycled PET) used in Sanpellegrino bottles (79% more than in 2022)


¹Starting from 2022, this figure was restated by excluding the amount of bottled water from the value of water consumed

SUPPLY CHAIN AND LOGISTICS


82%  local suppliers

100%  of suppliers operates in compliance with responsible procurement policies

20%  of products transported by rail*


17%  of products transported by sea*

55%  of the remaining road transport, equal to 63% of products transported in total, travels on low environmental impact vehicles (LNG and BIO LNG)*

1°  electric truck dedicated to Levissima (launched in 2023)

* transport on the Italian territory


CUSTOMERS AND CONSUMERS


350,931  students involved in the “A Scuola di Acqua” (Learning Water) project on proper hydration and recycling over its 9 editions

7  projects on sustainability issues that involve customers

GOVERNANCE, ETHICS AND INTEGRITY

0  cases of corruption

5,075  hours of training provided on the subject of compliance and anticorruption in 2023 (62% more than 2022)

0  cases of privacy violation

→ **96%** ← of the shared economic value generated (corresponding to 0.12% of the GDP) is distributed to all stakeholders

CERTIFICATIONS AND RECOGNITIONS



01. THE SANPELLEGRINO GROUP

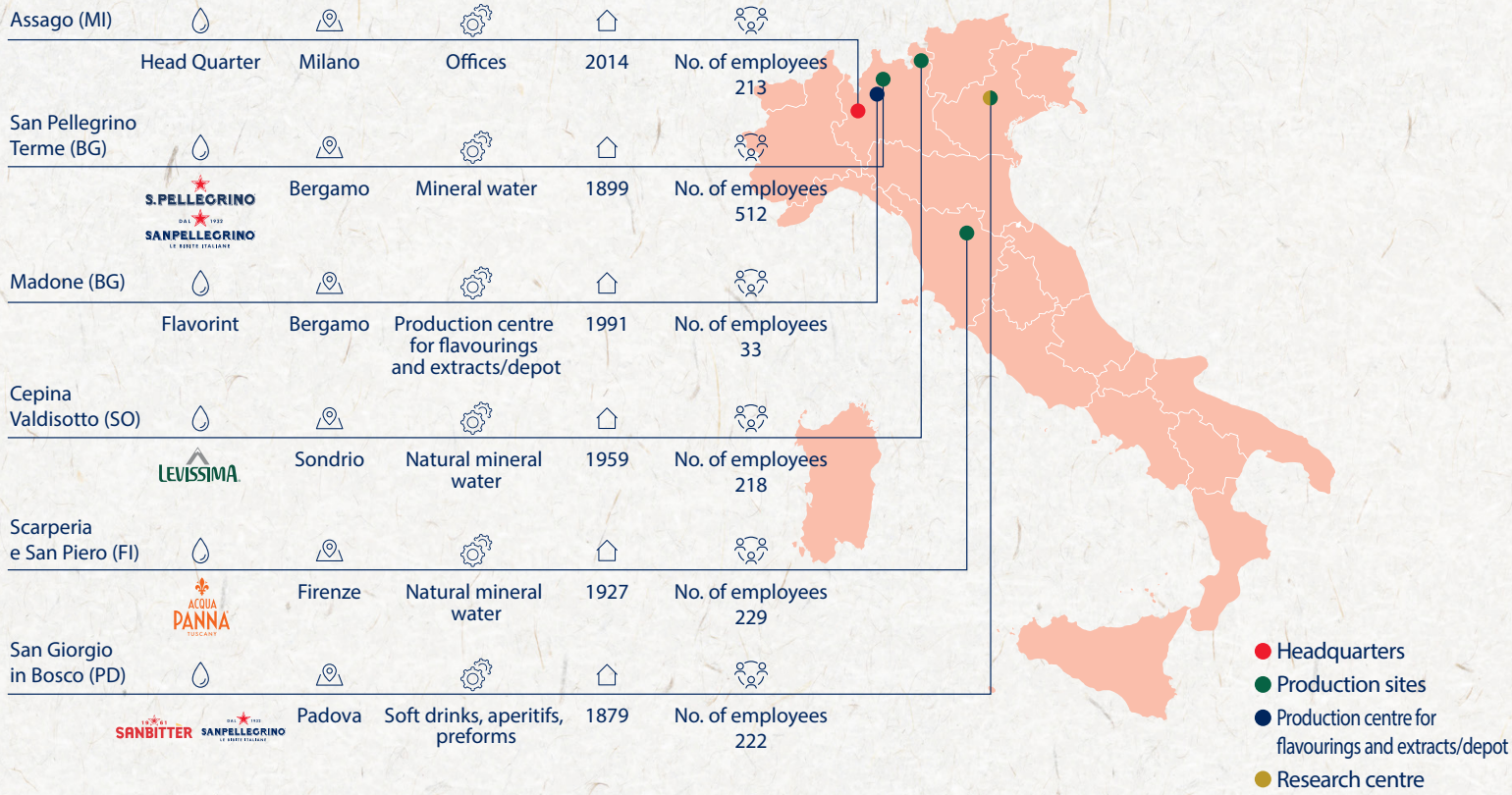
Sanpellegrino Group is one of the leading companies in the beverage industry in Italy. Thanks to its high quality products and its history, which began in 1899, Sanpellegrino has become one of the ‘Made in Italy’ symbols around the world.

Sanpellegrino Group holds a diversified product portfolio composed of mineral waters, flavoured and functional waters, soft drinks and aperitifs, distributed in suitable packaging and formats for every consumer opportunity and lifestyle. There are 3 mineral water brands: S.Pellegrino, Acqua Panna, and Levissima. On top of these there is a wide range of soft drinks and aperitifs: Sanpellegrino soft drinks, made with 100% Italian citrus fruit, the historical Sanbittèr and Gingerino aperitifs, Acqua Brillante Recoaro. The range of brands is further complemented by the effervescent digestive Diger Selz.



S.Pellegrino water has been exported around the world for over 125 years, and, along with Acqua Panna and Sanpellegrino Soft Drinks, it is distributed in over 150 countries. In 2021, its role of Italian Style ambassador was confirmed by its entry into the Top 30 Most Valuable Italian brands of the “Kantar BrandZ”, the world’s most extensive and up-to-date brand equity study, based on financial analyses and on consumers’ opinions.

01 / 01 Our sites



Aside from the 4 production and bottling sites, active facilities also include the **production centre for extracts and flavourings for soft drinks and non-alcoholic beverages**, 7 **first-level warehouses**, the main one being in Madone, and the Assago (MI) headquarters. Production of the Acqua Brillante, Gingerino and Sanbittèr brands is partly carried out at the Recoaro Terme facility, which was sold in 2017 to the Refresco Group. The company bottles mineral water for third parties under the Acqua Vera brand at the San Giorgio in Bosco production facility.

01 / 02 Our leadership

The Sanpellegrino Group is a legal entity belonging to the Nestlè Group. Since April 2023, the Sanpellegrino Group has been led by Michele Beneventi as CEO and Chairman of the Board of Directors.



MICHELE BENEVENTI
CEO
and Chairman of the Board of Directors



STEFANO BOLOGNESE
Business Director
International Unit



ILENIA RUGGERI
Marketing Director
and Innovation Local
Business Unit



MARCO MAZZUCHELLI
Sales Director
Local Business Unit



GIULIANO DAL FO'
Finance and
Control
Director



FABIANA MARCHINI
Sustainability
Director



CRISTIANA PASSERINI
Supply Director
Chain



MANUELA KRON
Corporate Director
Affairs



GIAN LUCA DODERO
Director, Human
Resources and
Organisation



SALVATORE SBRIGLIONE
Technical
Director

In 2020, the Sanpellegrino Group set up a specific **sustainability department**, coordinated by the **Head of Sustainability** and reporting directly to the CEO. This role ensures the implementation of the commitments established at Group level and contributes to defining an independent sustainability strategy, aligned to local priorities and to the expectations of national and regional stakeholders.

The **Head of Sustainability** plays a significant role within the Leadership Team, taking on operative responsibilities in company management. Each member of the **Senior Leadership Team (SLT)** has a sustainability goal that affects remuneration and is strictly linked to the department’s contribution to attaining the goals.

Some members of the SLT also take part in the **Planet Steering Committee**, which is responsible for approving the main decisions on matters of environmental sustainability and on monitoring performance, for key goals and corporate priorities, through regular updates.

01 / 03 Our foundations

Our mission

To guarantee a quality future to water – that is the mission that the Sanpellegrino Group pursues with commitment and consistency, starting with the protection of the regions in which it operates.

Our vision

OFFERING VALUABLE
INNOVATIVE
SOLUTIONS

SUPPORTING
QUALITY WITH
OUR
BRANDS: PURITY,
SAFETY, PLEASURE,
WELL-BEING

BRINGING
THE VALUES
OF WHAT IT MEANS
TO BE ITALIAN
TO THE WORLD

Our values

FOCUS ON
PEOPLE

Focus on the true “motor”
of all internal and external
projects

BUSINESS
ETHICS

Growth while
respecting the
environment
and resources

QUALITY
IN
INNOVATION

The search for new and
advanced development
models

WELL-BEING

Guarantee of
healthy
and high quality
beverages

The business operating model is based on **Creating Shared Value** for people, communities, and the planet, with the aim of improving people’s quality of life and contributing to creating a healthier and more sustainable future.

For people

we wish to stand as a “Force for Good” through our brands to promote hydration and mineral water quality.

For communities

we ensure the implementation of good business practices to support the regions in which we operate and empower ideal communities.

For the planet

we undertake to reduce our environmental impact respecting present and future generations and to ensure water protection and regeneration.

The Group undertakes to contribute to the achievement of the Sustainable Development Goals (SDGs) of the United Nations’ 2030 Agenda.



MISSION AND VALUES: OUR PRIORITIES

1. DOING BUSINESS WHILE GENERATING A POSITIVE IMPACT

In our journey towards sustainability, we are guided by our values, the wish to do ever better and to generate a growing positive impact for people, communities and the planet. These are the reasons that have led the Group to join the B Corp Movement and to obtain the status of B Corp Certified company.

2. BRANDS AS ACTORS OF CHANGE

Our brands keep their sustainability promises by implementing tangible initiatives that generate a positive impact and promote collective activism.

3. REDUCING OUR ENVIRONMENTAL FOOTPRINT TO SAFEGUARD THE PLANET

We have implemented a process to reduce carbon emissions, we promote circular economy actions, we develop projects to support the regeneration of the water cycle in the regions where we operate, we foster, through ad-hoc studies, the implementation of regenerative agricultural practices by our suppliers.

4. THE SUSTAINABILITY CULTURE THAT MAKES THE DIFFERENCE

In order to generate a real and growing positive impact we engage all our stakeholders – employees, consumers, customers and communities – in a shared pathway towards sustainability.

Certified JOINING THE B CORP MOVEMENT

In September 2023, the Sanpellegrino Group was recognised as a B Corp, joining an international Movement of over 7,500 companies, which operate in accordance with high standards of social and environmental performance, transparency and accountability. The Group has obtained the status of B Corp Certified company after a strict auditing process conducted by the not-for-profit B Lab network, which is transforming the global economy for the benefit of people, communities and the planet. This status is granted to companies that integrate sustainability objectives into their business model, focusing their mission on the creation of shared value.

Indeed, B Corporations are goal-driven companies that create benefits for all stakeholders, not just shareholders. The Impact Assessment, i.e. the assessment conducted by B Lab on the organisations that apply for the certification, measures a company’s positive impact with regard to five key areas: governance, employees, environment, community, and, lastly, customers and consumers. The Sanpellegrino Group has proven it meets the high standards required to become a Certified B Corp, with strengths such as the commitment towards people and the planet. With regard to people, the comprehensiveness of the employee benefits programme (which shows the determination to improve the well-being of the people who work for the company), the Group’s attention to diversity and inclusion policies and family-focused policies (such as paid leave for eligible second parents or the offer of summer programmes for employees’ children) were particularly appreciated. These are tangible examples that highlight how the company prioritises employees’ work-life balance, supporting their family needs and contributing to a more inclusive and sustainable economy. B Lab also positively assessed the practices implemented by Sanpellegrino to reduce the environmental impact of its activities, such as the use of environmentally friendly biofuels such as LNG and BIO-LNG, and the use of recycled PET for its bottles alongside virgin PET. Sanpellegrino’s investments in biofuels indicates its proactive approach to the reduction of climate-changing emissions in its logistics network, while the commitment to reducing the use of virgin materials, promoting a circular economy and conserving valuable resources for the planet is considered by B Lab as a positive example for the industry to minimise waste.

For Sanpellegrino, joining the B Corp community is a commitment to a business model that acts as a positive force in society. Being part of a movement of virtuous companies that collaborate synergistically for a common goal is a further incentive to continue measuring the environmental and social performance, being committed to promoting a fair and inclusive economic system with a view to continuous improvement.

01 / 04 Listening to our stakeholders and the materiality of impacts

In 2023, the Sanpellegrino Group updated the Double Materiality Assessment in compliance with the ESRS Standards, preliminarily adhering to the requirements introduced by the new Directive (EU) 2022/2464 (CSRD, Corporate Sustainability Reporting Directive). Specifically, the Group worked on rationalising the impacts mapped in the course of 2022 and, based on an internal and external context analysis, as well as on an assessment of the topics and sub-topics set forth by the new ESRS Standards (European Sustainability Reporting Standards) of EFRAG, it defined the “inside-out” impacts (positive, negative, current and/or potential) for 2023. These impacts were assessed in terms of significance on a scale from 1 (low) to 4 (high) and in terms of probability of occurrence for potential impacts on a scale from 1 (unlikely) to 4 (very likely). Lastly, an overall index was calculated with the aim to identify the significance of each impact, obtained as a product of severity and probability, and to be able to prioritise. Furthermore, consistently with the requirements of the ESRS Standards, in early 2024 Sanpellegrino initiated a process aimed at mapping the risks and opportunities potentially able to influence the Company’s current and future cash flows (Financial Materiality) with the aim of completing the Double Materiality Assessment in the financial year 2024.



Consistently with the aim of contributing to the achievement of the UN Sustainable Development Goals (SDGs), the Group has integrated them into its Impact Materiality assessment. The main impacts identified by the 2023 Materiality Assessment are set out below, broken down between negative and positive impacts.























KEY: ENVIRONMENTAL SOCIAL GOVERNANCE



Very significant and probable impact (score between 11 and 16) Significant and possible impact (score between 7 and 10) Moderate and improbable impact (score between 4 and 6) Minor and rare impact (score between 1 and 3)
















RECONCILIATION TABLE BETWEEN THE SANPELLEGRINO GROUP’S POSITIVE IMPACTS AND THE SDGs:

ESG-related	Topic ESRS	Material topic	Description positive impacts	Activity to address impacts	SDGs	Impact assessment
	S4 Consumers and end users	Promoting healthy lifestyles and nutrition education	Training of the sales force and collaboration with customers, increasing their engagement and awareness, in addition to partnerships with schools to educate tomorrow's consumers	• Launch of new products that can contribute to people's well-being • Reduction of sugar in the products • Projects targeting schools for proper hydration education	 	●
	S1 Workforce	Caring for people	Skills development through activities aimed at fostering workers' professional growth	• Nestlé policy • FAB model • Total reward statement • 100% employees covered by a health and safety management system	 	●
	E5 Circular economy	Sustainable packaging and the Circular Economy	Business models that reduce the use of non-renewable resources («Bottle to bottle» circular economy practices)	• Goal of increasing the use of recycled PET • Targets for the use of recycled glass and aluminium • Co-founding and supporting Coripet	 	●

RECONCILIATION TABLE BETWEEN THE SANPELLEGRINO GROUP’S NEGATIVE IMPACTS AND THE SDGS:

ESG-related	Topic ESRS	Material topic	Description positive impacts	Activity to address impacts	SDGs	Impact assessment
	S4 Consumers and end users	Product traceability and transparent labelling	Improvement of customer satisfaction thanks to secure access to information and effective management of any complaints and non-conformities	• Non mandatory environmental information • Guaranteed origin of the raw materials • Quality checks		●
	E3 Water and sea resources	Water management	Good water resource management to ensure a positive water balance	• Water regeneration plan • AWS certification		●
	G1 Business conduct	Sustainable supply chain management	Increased supplier satisfaction through responsible ethical conduct in supplier relations (e.g. by ensuring prompt cash flows)	• Public affairs plans	 	●
	S3 Communities concerned	Community support and engagement	Value creation, generated directly and through suppliers, for the region, guaranteeing e.g. employment, quality, and community involvement	• Sponsorships and gratuities • Donations • Agreements with municipalities • Listening activities to calculate the Local Acceptability Index	  	●
	S2 Workers in the value chain	Workers in the value chain	Workforce satisfaction in the value chain through secure employment, adequate wages, active dialogue, freedom of association, rights to information, consultation and participation of the workers, work-life balance and respect for working hours and any overtime	• Quality and Responsible Sourcing Standard • Monitoring human rights in the supply chain	  	●
	G1 Business conduct	Integrity and transparency	The impacts linked to the whistleblowing system are generated by the implementation of effective reporting systems available to stakeholders (both internal and external) as a listening tool that guarantees anonymity.	• Implementation of the Speak Up channel	 	●
	S1 Workforce	Working conditions and industrial relations	Workforce satisfaction through secure employment, adequate wages, active dialogue, freedom of association, rights to information, consultation and participation of the workers, and respect for working hours and any overtime	• 100% of employees covered by collective bargaining agreements		●
	E4 Biodiversity and ecosystems	Biodiversity and deforestation	Initiatives to protect biodiversity	• Biodiversity monitoring, protection and enhancement plan • Regenerative agriculture project • Project Vaia		●

ESG-related	Topic ESRS	Material topic	Description negative impacts	Activity to address impacts	SDGs	Impact assessment
	E1 Climate change	Climate Change	Contribution to climate change through the generation of greenhouse gas emissions (GHG) along the value chain (scope 3)	• 100% Electricity purchased coming from renewable sources • Increased production process efficiency • Sustainable logistics plans • Investment in packaging with reduced environmental impact • Optimisation of the natural capital	 	●
	E3 Water and sea resources	Water management	Impacts on the water resource, specifically in areas subject to water stress, derived from water withdrawal for residential and production uses	• Water regeneration plan • AWS certification		●
	S2 Workers in the value chain	Workers in the value chain	Human rights violation of suppliers and business partners (forced and child labour)	• Quality and Responsible Sourcing Standard • Monitoring human rights in the supply chain	  	●
	E5 Circular economy	Sustainable packaging and the Circular Economy	Pollution caused by end-of-life packaging	• R-Pet roadmap • Targets for the use of recycled glass and aluminium • Co-founding and supporting Coripet	 	●
	E2 Pollution	Pollution	Pollution caused by microplastics generated by incorrect product disposal	• R-Pet roadmap • Targets for the use of recycled glass and aluminium	 	●
	S1 Workforce	Diversity and inclusion	Discrimination events	• Nestlé Policy • Group-wide investments and initiatives • Disability empowerment plan • Fair remuneration systems • Coaching and mentoring programmes • Parental Policy and Nestlé Baby Leave • Programme to empower the female component of the sales population	  	●
	G1 Business conduct	Integrity and transparency	Reputational impact on stakeholders (e.g. customers, employees and suppliers)	• Public affairs plans • Corporate activities that protect the category	 	●
	S1 Workforce	Human Rights	Incidents of human rights violations within the context of business activities (in terms of child labour, forced or compulsory labour, psychological or physical abuse, freedom of association, human trafficking, modern slavery)	• Nestlé policy • Dedicated training course for the entire company population	  	●
	S4 Consumers and end users	Privacy	Breaches of customers’ confidential data	• ISO 27001:2022 certification on Sanpellegrino information systems • Training on GDPR requirements and on data protection issues		●

ESG-related	Topic ESRS	Material topic	Description negative impacts	Activity to address impacts	SDGs	Impact assessment
	S4 Consumers and end users	Product traceability and transparent labelling	Incorrect marketing strategies / practices with possible negative impacts in terms of loss of consumer trust	<ul style="list-style-type: none">Environmental claims that anticipate the lawGuaranteed origin of the raw materialsQuality checks		
	S1 Workforce	Caring for people	Impacts on the health and safety of the organisation's workforce caused by workplace accidents and occupational diseases	<ul style="list-style-type: none">Nestlé policyFAB modelTotal reward statement100% employees covered by a health and safety management system	 	
	E4 Biodiversity and ecosystems	Biodiversity and deforestation	Use of the natural resources in the regions	<ul style="list-style-type: none">Biodiversity monitoring, protection and enhancement planRegenerative agriculture projectProject Vaia		
	S4 Consumers and end users	Promoting healthy lifestyles and nutrition education	Incidents of impacts on consumers' health and safety	<ul style="list-style-type: none">Launch of new products that can contribute to people's well-beingReduction of sugar in the productsProjects targeting schools for proper hydration education	  	

Our priorities, the identification of the material topics and of their impacts are translated into tangible commitments made by the Group:

OBJECTIVE	TARGET YEAR
Make all packaging recyclable or reusable (more details on p.50)	2025
Reach 50% of recycled plastic (R-PET) in our packaging (more details on p. 50)	2025
Certify all our bottling facilities in accordance with the Alliance for Water Stewardship international standard (more details on p.38)	2025
Generate a positive impact by activating projects that make additional quantities of water available to the communities where the Group operates (more details on p.39)	2025

01 / 05 Alliances and partnerships

In June 2023, the Group's sustainability strategy was presented during the **Food&Beverage Forum organised by The European House - Ambrosetti** in Bormio. On that occasion, Levissima shared with the participants a study on the sustainability of the Italian agri-food supply chain. Organised each year by The European House - Ambrosetti, the Forum is an appointment not to be missed for the sector in our country. With a significant media impact and the participation of over 350 leaders of Italian and multinational companies, it is the final event of a series of meetings, studies and research.

Furthermore, Sanpellegrino gave a significant contribution during 2023 to the dissemination and popularisation of sustainability topics on several **media channels**:



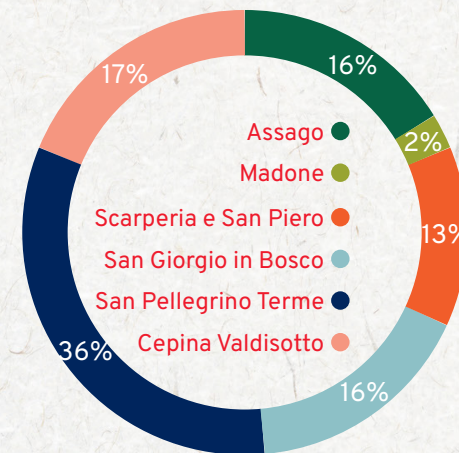
02. PEOPLE

02/01 People: our greatest asset

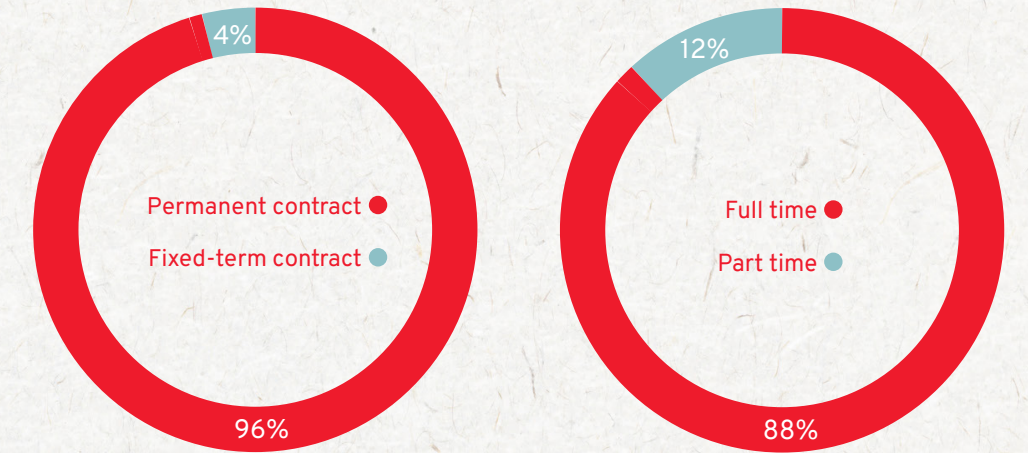
The Sanpellegrino Group has always been committed to generating value for its people, and has always considered them the organisation's very heart and strength. As at 31 December 2023, the Group had 1,427 employees, in continuity with the previous year's figure. Consistently with the Group's focus on the well-being and job security of its people, the employment relationship is stable and long-lasting, with 96% of permanent employment contracts. Part-time contracts, which account for 12% of the total, arise mainly due to the workers' personal needs. 100% of Sanpellegrino employees are covered by social protection.

1,427 employees in 2023

EMPLOYEES BY
GEOGRAPHICAL AREA IN 2023

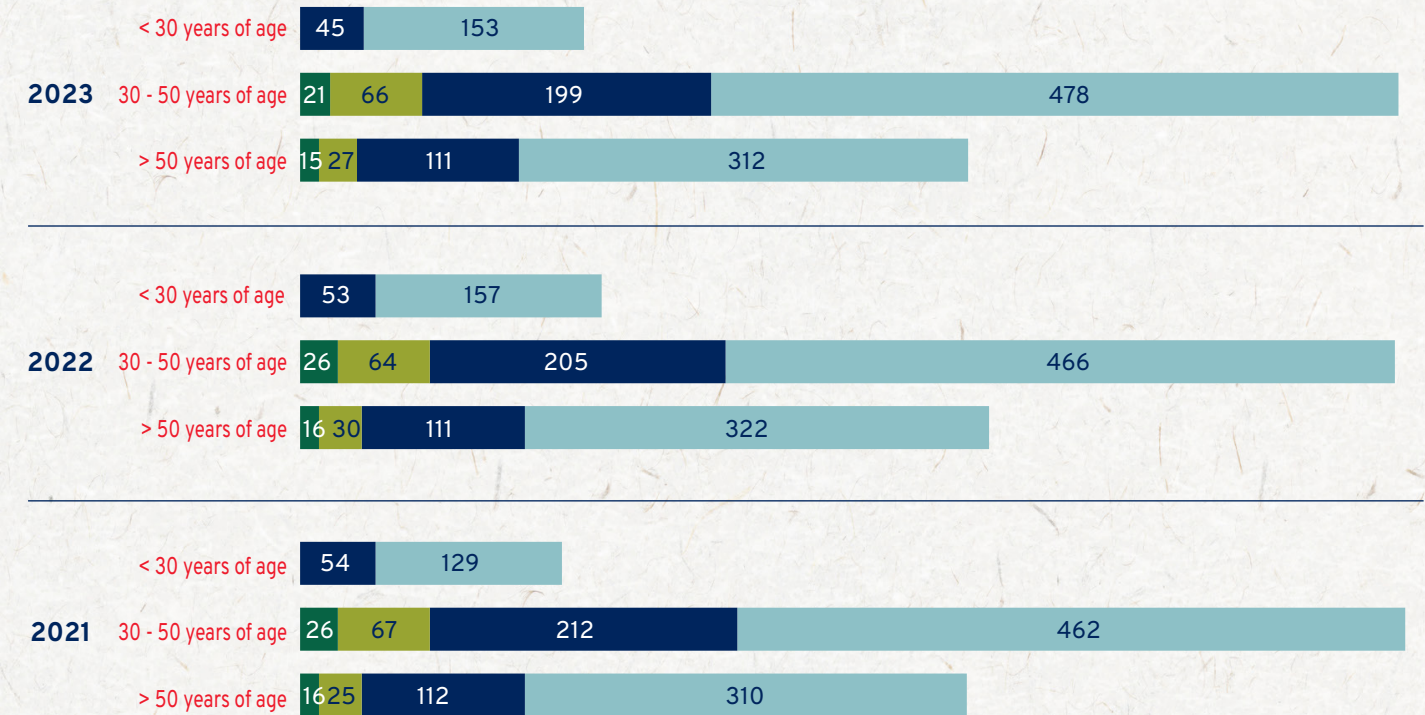


EMPLOYEES BY CONTRACT TYPE IN 2023



Sanpellegrino continues being a young company: **14%** of its population is **under 30 years old** and the figure for the group of employees aged between 30 and 50 is the same as the previous year.

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE BRACKET



Executives ● Managers ● Office workers ● Production workers ●

During 2023, 197 people were hired, 34% of whom were women and 36% was under 30 years old. However, 211 people left the company, down 19% on the previous year. Specifically, those due to the end of the contract decreased by 36% compared to 2022 and those due to resignations by 33%. In general, the turnover linked to voluntary resignations decreased considerably compared to the previous year, going from 4.1% in 2022 to 2.9%, therefore lower than the national average.

HIRES AND SEPARATIONS BY AGE GROUP²




INDUSTRIAL RELATIONS

The Group supports the freedom of association and the effective recognition of the right to collective bargaining, believing that dialogue with trade unions and workers' representatives is essential. On a six-monthly basis, the Group takes part in the national trade unions' coordination meeting at Assolombarda. The sustainability plan was also presented in detail at the last meeting. Furthermore, at each site, periodic meetings are held with the amalgamated unions to promote not only an ongoing dialogue, but also proactive cooperation on all major issues, with a special focus on safety, and on training and sustainability initiatives.

 **100% of the employees are covered by collective bargaining agreements**

REMUNERATION

The Group guarantees all its employees remuneration above the living wage³, which is established following the method set out by the WageIndicator Foundation⁴.

 **100% of employees are paid an adequate salary**

02 / 02 We train and engage our People

Sanpellegrino promotes a workplace environment where all employees feel positively and actively involved in setting their own skills development and career path, keeping performance and motivation high. Skill development is a key topic for the Group and is a responsibility shared between the individual employees, the Line Manager, the HR Business Partner and the Group's Learning & Development expertise centres. For each profile, the Group has access to a job description, indicating key functional skills, leadership skills ad expected level. Two specific tools are used to support the definition of development actions: a **self assessment tool** to identify any training gaps and a **development planner** to define any development actions. The latter is based on the “**70:20:10 model**”, a framework used in training processes that helps to identify the most suitable development actions: 70) = on the job training, 20) = mentoring/coaching 10) = training.

On-the-job training (70) plays a primary role and is guaranteed thanks to the involvement of Line Managers, who are encouraged to play the role of guide and coach in the development of their staff, so that they may successfully perform their current tasks and, at the same time, increase their awareness for future career aspirations.

Training through Coaching and Mentoring programmes (20) provides all-round feedback collection tools.

For the **training** part, classroom, virtual or digital self-learning modes are available. A Training Centre at every site provides classroom training acclivities with the support of external (certified professionals) and in-house trainers.

² It should be pointed out that the figures for hires and separations do not include employees' intercompany job changes.
³ The living wage differs from the minimum wage. Indeed, the latter is set by governments and is often not sufficient to guarantee a decent standard of living. On the contrary, the living wage, generally set by specialized organisations, makes it possible to guarantee a decent standard of living for the worker and his/her family.
⁴ WageIndicator set the living wage by averaging four quarterly publications in 2022. A range of values is obtained from this calculation, from which the lowest level is selected, based on the lowest prices collected.

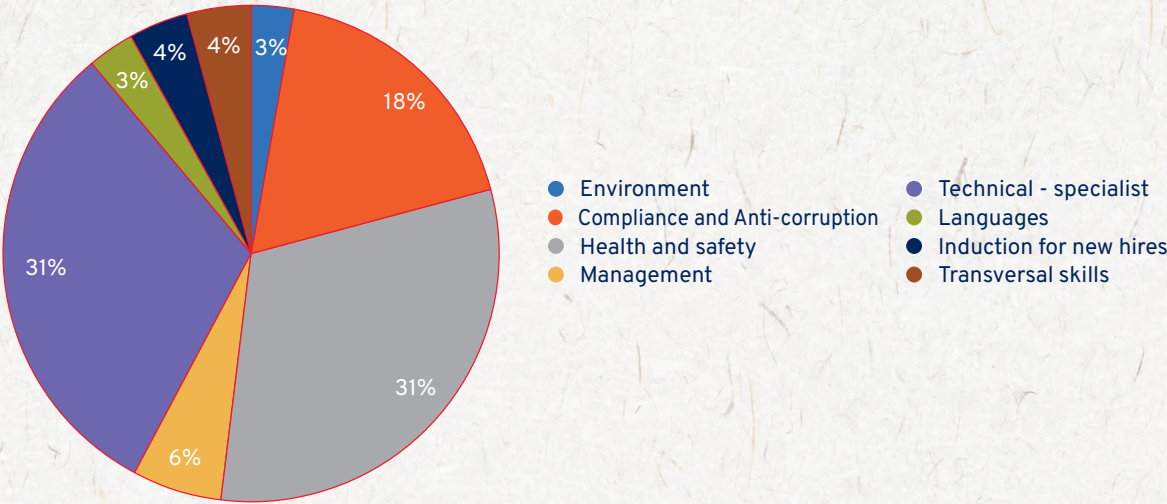
The **Learning Gate**, the digital platform that contains all Training information and links, collects local and corporate training catalogues, the information on self-learning opportunities, operative instructions for the use of the iLEARN self-learning platform and specific instructions on how to sign up, book and cancel courses.

The iLEARN platform is open to the whole organisation and is designed for self-learning. There are more than **15 Academy** courses, constantly updated and dedicated to the development of transferable skills, collaboration and people management, the culture of diversity and inclusion, functional and digital skills as well as specific functional and job training.

A section of the People Academy is devoted to sustainability topics, including the "Sustainability as a Mindset" course. This programme is open to all Group employees, and aims at disseminating not only Sanpellegrino's main projects and commitments, but also at making sustainability a part of each employee's daily activities. Furthermore, specific sessions are scheduled for departments that have a significant impact on sustainability, such as the sales team, the production team, controllers and the financial community. The training plan is regularly updated, in line with every change in roles or departments.



HOURS OF TRAINING BY TOPIC



Employees may access on-demand external training, based on specific requests. Line Managers follow specific individual courses, recommended and organised in-house.

In 2023, the Leading the Regeneration programme was launched for all Group Managers. This course, inspired by a reflection on the external complexity and constantly evolving markets, aims to support managers in reconsidering and reinterpreting their role and managerial responsibilities towards the people and teams they lead, with the aim of achieving results by creating an environment in which well-being and a sense of belonging are a tangible priority. External feedback is ensured through the platform “**The European House - Ambrosetti: Manager Program**”, which offers webinars and fortnightly events on the topics of leadership, innovation, sustainability and geopolitics.

The management of the training budget follows a structured process and requires the amount dedicated to training to be reviewed twice during the year. During 2023, the delivered training was partly funded by the company budget (30%) and partly by inter-professional funds, such as Fondimpresa and Fondirigenti, FNC (70%). The following **types of individual requirements** are provided for:

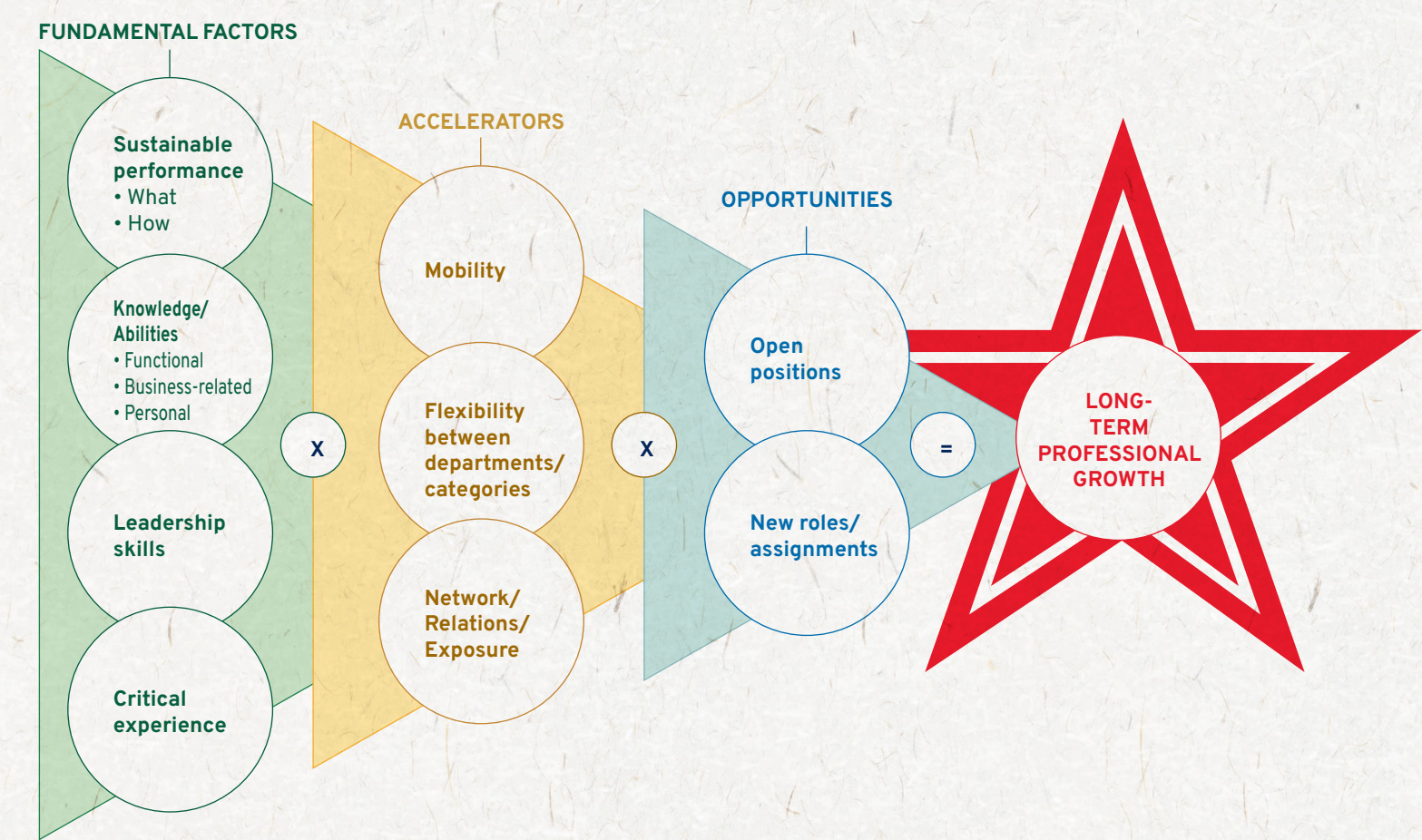


The Group underlines the importance of onboarding as a starting point for continuous skills development, proving its commitment to ensuring it is effective and integrated. During 2023, the onboarding programme for new hires in the Group in Italy was subject to a review. Topics such as Nestlé’s purpose/values, possible development, career ad training pathways, reward, salary & welfare policies are covered interactively during a monthly, six-hour classroom training course. At the ed of the session, the participation, on rotation, of two members of the Group’s Board is also planned for a special Q&A session. In addition, during the year in question, a new training course on Safety (lasting six hours) was implemented, aimed at strengthening the mindset and engagement of people on the topics of health & safety, which includes the use of innovative formats such as virtual reality and gamification techniques such as the escape room.

CAPABILITY BUILDING AND CAREER PATHS

To guarantee the professional development of every employee, the company provides a **Career Development Process**, a model aimed at focusing on the many variables that can affect development pathways, divided into:

THE CAREER DEVELOPMENT PROCESS AT NESTLÉ



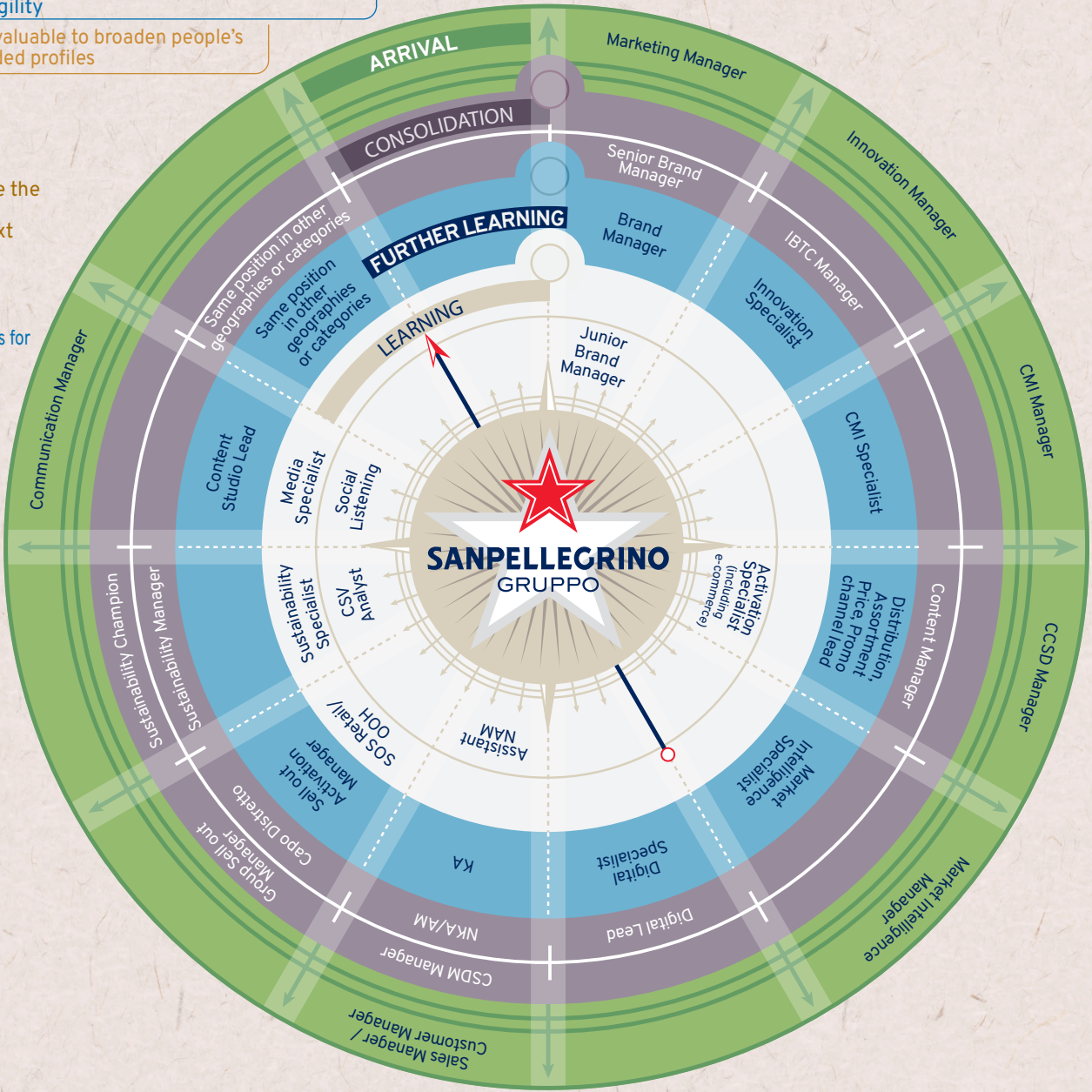
All Sanpellegrino Group employees have a **skill set and a development plan**. The Group also organises specific events and plenary meetings aimed at explaining in detail the approach and the tools to support employees. In addition to those already mentioned, there are also **Coaching and Mentoring programmes and all-round feedback tools**. Furthermore, in 2023, the **Discover Generating Demand** initiative was implemented, whose aim was to give the opportunity to all interested Sanpellegrino personnel to discover the **Generating Demand** world and/or build a **development and career** pathway in these areas. After the first kick-off meeting, during which the programme was described and an overview was provided of the key aspects of career development, a series of meetings was organised to present the various **Generating Demand** areas (structure, roles/responsibilities and required skills).

In order to encourage and guide people towards a path of professional growth based on their career aspirations, a **"compass"** has been created, which provides for the following golden rules.

GOLDEN RULES:

- 0 There is no single career path, they are potentially infinite because each one of us is unique
- 1 In order to best acquire the skills required by the landing position, it is recommended to go through the vertical cone. Forexample, inordertobecomeMarketingManager, it is desirable to have gained experience as Senior Brand Manager/Brand Manager
- 2 Cross-functional courses are recommended to enrich one's skill set and increase one's agility
- 3 Horizontal career paths are invaluable to broaden people's agility and for more well-rounded profiles

- LEARNING
Entry level positions that give the opportunity to learn, gain experience of the context and business procedures
- FURTHER LEARNING
Positions that provide opportunities for further learning, in order to understand and test one's aptitudes, strengthen one's skills and develop a long-term path
- CONSOLIDATION
Positions to strengthen the varied experience gained and that make it possible to develop and apply managerial skills



Furthermore, a **Career advisor** service was made available, through which senior colleagues provided their experience to support and identify, together with the people concerned, their own Development and Career pathway in the **Generating Demand world**. The promoted activities were positively received by all the participants, confirming once again people’s sincere interest in “looking” beyond one’s own department.

PEOPLE’S DEVELOPMENT PROCESS AND PERFORMANCE



All Sanpellegrino employees with Executive, Middle Management and White-collar qualifications are involved in the **PDP (People Development Performance)** assessment process, while for Blue-collar roles there are performance assessment tools linked to the team they belong to and their personal contribution to the team’s objectives. In detail, through a TPM culture (Total Performance Improvement), Blue Collars’ performance is assessed using key performance indicators (KPI), action plans and operative standards. At the same time, they are provided with an individual skills development plan known as “Skill Matrix”, which identifies and promotes the acquisition of indispensable skills for their role. These processes are linked to variable remuneration, provided for in different forms for each employee regardless of qualification, and the remuneration policy guided by the pay for performance principle. During 2023, 98% of employees with Executive, Middle Management and White-collar qualifications received a performance and professional development assessment. Although this figure is slightly lower than the 100% recorded in 2022, it is important to note that this decrease is mainly due to circumstances such as resignations, periods of maternity leave or extended illnesses that prevented some employees from completing the assessment process.

Starting in early 2023, the whole **Senior Leadership Team of the Group formalised, within their PDP, a sustainability goal linked to the department’s contribution that leads to the achievement of the various sustainability commitments.**

At the same time as the Performance Review, the Group carries out and manages the Talent Management process that entails meetings between employees and Line Managers in the same department, led by HRBP. These discussions, called “**Talent Talking**”, take into account career aspirations, the sustainability of performance, the learning agility and the availability of the employees involved. Following the meeting, they receive a feedback which will lay the foundation for the creation of high-quality development plans.

PEOPLE ENGAGEMENT

Dialogue and employee engagement are a cornerstone for the Sanpellegrino Group to enhance people’s motivation and satisfaction, as well as to create solid and long-lasting relations.

To this end, the Group organises **plenary sessions** and carries out **surveys** and **climate surveys**, offering its employees the opportunity to get to know the corporate strategy and projects and to actively take part in their definition by sharing opinions, hints and suggestions.

During the FAB pilot project, for example, six-monthly surveys were conducted to gather inputs and feedback from employees and to understand how they were experiencing the period of job change.

Since it believes firmly in the importance of engaging in dialogue with its employees, Sanpellegrino organises **focus groups** before and after the implementation of any organisational change, in order to explore the needs, requirements and opinions of its employees.

Finally, the Group actively promotes a culture of daily feedbacks, supporting regular meetings between line managers and employees as a tool to gather feedback, reflections and ideas. The initiative “**A coffee with**” was introduced to this end. It entails periodic meetings during the coffee break between the CEO, senior Sanpellegrino executives and the Group’s employees.

On the other hand, middle and top managers organise quarterly meetings, called “**Hotline**”, with the aim of sharing feedbacks on strategy, on operational changes and on company initiatives. The Group’s strategy is based on a model that prioritises dialogue and transparency, and encourages workers to anonymously report discrimination, concerns or discomfort through tools such as the Code of Ethics, corporate principles and the “**Speak Up**” channels, a structured protection tool in whistleblowing cases.

EVERY PERSON COUNTS

The **Total Reward** is customised for each employee. In addition to the fixed salary, the variable remuneration and benefits, the model includes the recognition of successes, personal development and the workplace environment, always taking into account the social and legal context of reference, the collective bargaining agreements, ensuring that each employee understands their remuneration and the associated benefits.

The variable incentive system includes the PAV (Variable Annual Bonus), which is recognised to all employees, and additional forms of incentive that vary according to professional category, department and level. Specifically, **the sales force earns incentives based on sales; Managers, Executives and other people with medium/high-level positions, however, are granted a Short Term Bonus** consisting of collective company targets and individual targets established every year in the PDP (People Development Performance). The Group implements remuneration policies that recognise people’s value and merit, based on shared rules and principles, with a careful eye on the market context and internal equity. In detail, in order to ensure **fairness and equal pay**, the remuneration policy focuses mainly on improving the benchmark with respect to the external market, reducing to the minimum any gaps. Therefore, every position within the organisation has been assessed using a market benchmark system, to establish remuneration and bonus parameters. In line with these principles, the **annual salary review process** is managed taking into account performance and the current salary level against the external benchmark.

In addition, everyone has direct (online) access to the **Total Reward Statement**, i.e. the summary document of the personal situation with respect to salary and benefits, including a comparison with context and market elements. Line Managers have been trained on how to explain the **Total Reward Policy**⁵ to their staff and have taken an active role in wage policy choices by actively participating in the annual salary review process, by entering recommendations directly into the system.



02 / 03 We promote diversity and equal opportunities

The Group is committed every day to promoting a stimulating work environment that is open to diversity, guaranteeing equality in the workplace and equal opportunities for all employees.

A zero tolerance policy applies to all forms of discrimination, violence and harassment at the workplace. Employees and other associates are incentivised to promote these values – which are essential for Sanpellegrino – taking steps to report any situation that is not in line with the corporate culture.

Sanpellegrino actively promotes a **culture that embraces diversity and promotes inclusion**, and undertakes steps to raise awareness and educate on issues of gender violence and respect in the workplace. To evidence that, already last year, the San Pellegrino Terme plant signed a **partnership agreement** with the local Penelope Anti-Violence Centre to promote pathways for temporary pathways for reintegration into the labour market on fixed-term contracts for women victims of violence, thus promoting personal emancipation and the recovery of social and work skills. In order to strengthen the ability to respond appropriately to sexual harassment, all Group employees completed a compulsory **Sexual Harassment Prevention** training programme in e-learning mode.

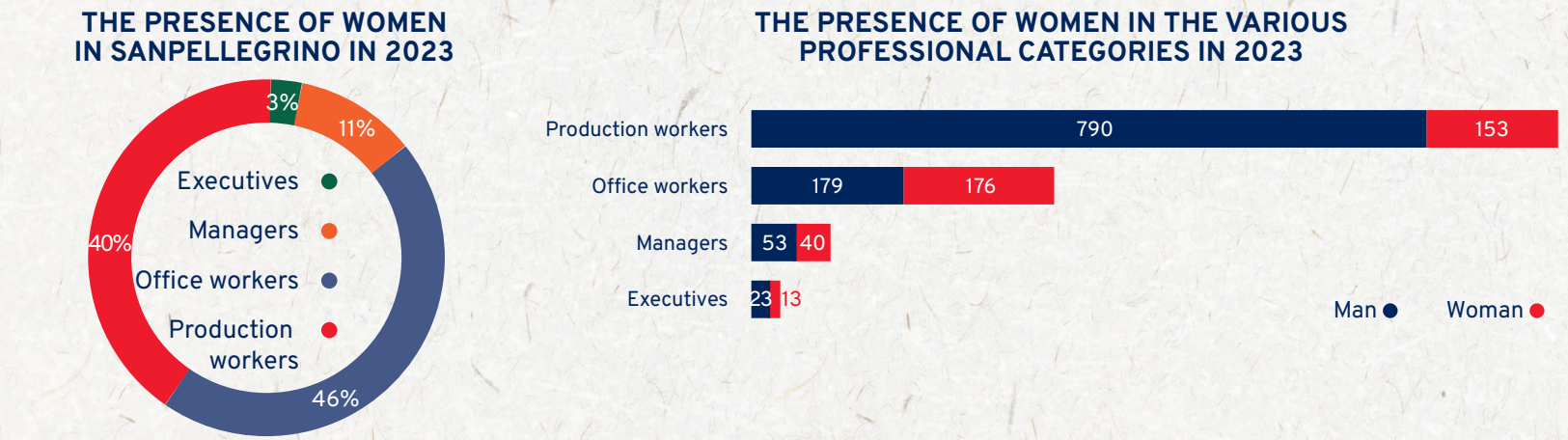


NO INCIDENTS of discrimination also during 2023

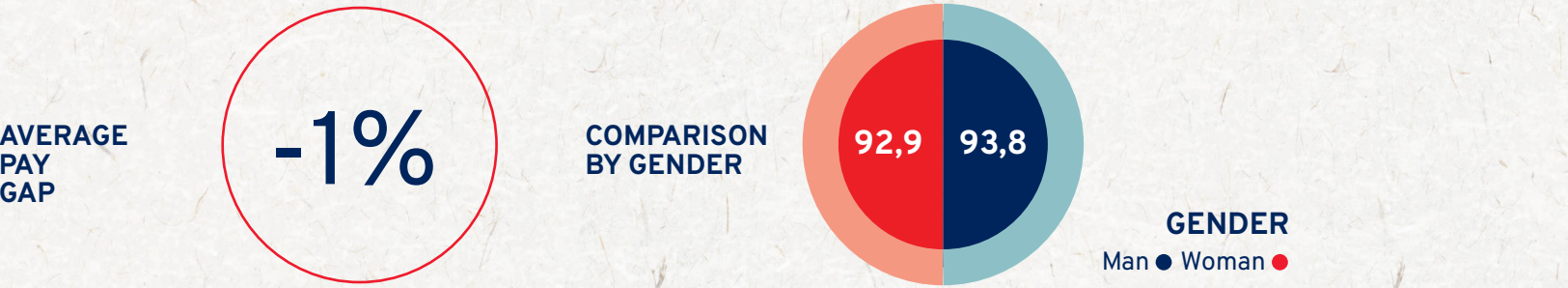
⁵ The Nestlé Total Rewards Policy is shared at all levels, in order to ensure that every person fully understands what Total Rewards means and how this scheme is applied within the Group. This system aims to fully reflect the company's priorities, especially the performance level required to achieve the Purpose and the objectives, combined with behaviour that is in keeping with the Values and Principles.

GENDER BALANCE: A CONTINUING JOURNEY

To date Sanpellegrino has 27% of people who identify as female (an increase compared to 2022, during which the figure stood at 25%). **A percentage of 41% of top management positions in the company (executives and middle managers) are held by women** (down on 2022), who consistently with 2022 hold 37% of managerial positions. 15% of female workers are under 30 years old (in line with 2022) and 75% are under 50 years old (up 14% on 2022). In 2023, women’s presence grew significantly in Operations with the appointment of two factory directors who identify as women.



In order to reduce the pay gap between women and men, with the end goal of eliminating it, the Group regularly conducts a **process for the assessment of pay equality**. In 2023, the overall pay gap between men and women stood at 7%, however, the figure was zero for the professional categories of executive and office worker. It should be noted that the pay gap in managerial positions (13%) and among production workers (4%) is closely related to the effect of company seniority. Furthermore, no significant discrepancies emerge when comparing the average wages by gender (-1%).

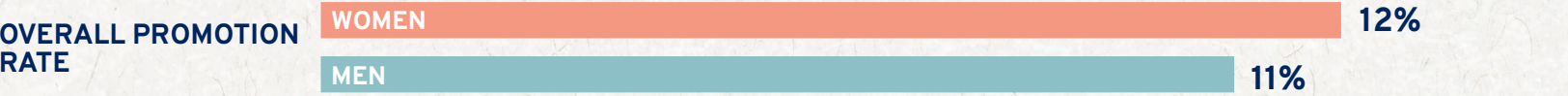


A PATHWAY TO GENDER EMPOWERMENT

As of 2021, a **Gender Balance Roadmap** was launched, dedicated to Operations departments with a lower presence of women, based on three pillars:



Women’s empowerment and gender equality are also promoted through forms of support to improve work-life balance (see “Parenting Initiatives”, P.30)
In 2023, women recorded a higher Promotion Rate (the ratio of people promoted by gender to the total number of employees by gender) compared to men. Specifically, 50% of promotions to executive and 42% of promotions to middle management concerned women.



DISABILITY

The Group is working on various fronts to include an increasing number of persons with disabilities, either through direct employment or through Cooperative B contracts (a form of social enterprise, which aims to create value not only for its members but also for the community). During the **International Day of Persons with Disabilities**, the Group also hosted several speakers to talk about the experience of the **Caregiver** of persons with disabilities.
At Group level, this occasion was used as a jumping board to launch the **cultural transformation** that we intend to pursue on this topic – “From disabled to differently abled/talent is everywhere” as the underlying concept.

SEXUAL ORIENTATION AND THE LGBTQ+ COMMUNITY

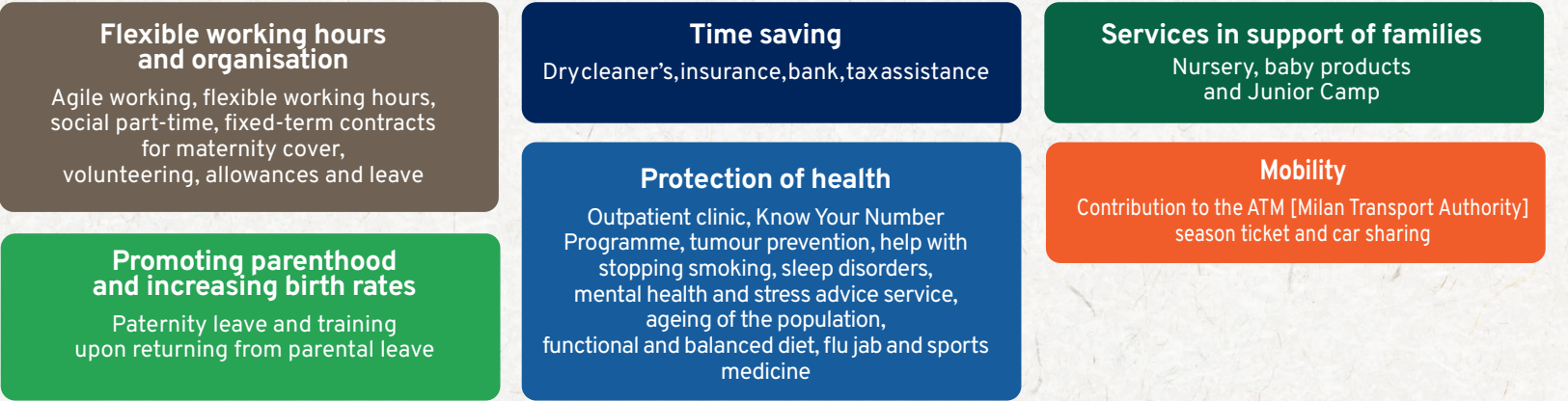
The Group promoted and has made available a **course on Diversity & Inclusion** in e-learning mode for all employees aimed at creating awareness and working on creating mindsets that foster inclusion in the various areas (gender, origin&nationality, religion, disability etc.), and a specific course “Diversity and Inclusion at Nestlé: LGBTQ+ Community”, supporting learning and dissemination of an inclusive culture within the context of the LGBTQ+ community. Furthermore, **communities** dedicated to the various themes have been created in the Group, including LGBTQ+, active in promoting talks, providing support, also through a quarterly newsletter. As a partner of Milano Pride, the Group continues to support the LGBTQ+ community so that it always feels **integrated, supported and accepted**. Indeed, within Pride Month it shared a host of initiatives, among which the communities fair, i.e. a monthly listening lunch called **Spring Lunch**, the NIM event (Nestlé Italia) with space devoted to the LGBTQ+ community, the internal event during which a bench was painted the colours of the LGBTQ+ flag, participation in the **Milano Pride** parade and the Global Webcast Leading Together For LGBTQ+ inclusion.

02 / 04 We invest in the well-being of our People

FAB (FLEXIBLE, ADAPTABLE AND BALANCED) WORKING

To support the success of this corporate change for Line Managers, workshops were organised both to listen and exchange views on how the application of the new model is taking shape, as well as workshops to develop new leadership skills that are increasingly important for managing teams in a new context (e.g. workshops on empathy, on managing difficult conversations and on self-awareness).
To **improve the quality of life of its workers** and contribute to a better and healthier future, one of the levers for the improvement of performance and productivity is greater **flexibility**.
Launched in 2022, the work model based on the FAB concept (flexible, adaptable, balanced) was confirmed for all White collars as it continues proving to be a winning concept **in terms of people’s satisfaction and well-being as well as in terms of company performance**. Indeed, a high degree of motivation of employees to perform their work in accordance with the FAB model is evident.
Since 2012, the Group has been one of the pioneers in Italy in the application of a hybrid work model (remote and in-presence) aimed at reconciling a performance management culture with the life needs of each individual, and in recent years the application of the FAB concept has brought about an actual **cultural change**.

PROMOTION OF WELL-BEING





DIGITAL CORNER

The Nestlé world: a company in which to nurture ideas, grow and do something good every day

An engaging, stimulating, flexible and inclusive workplace environment! Here, colleagues can find the perfect balance of professional and personal life, for a guaranteed well-being!

WORK-LIFE BALANCE: PARENTING

Parental leave is granted to all employees and the **Parental Policy**⁶ has been promoted across the whole Group, in line with the fundamental principles set by the “International Labour Organization (ILO) Maternity Protection Convention” (No. 183), which is one of the most important tools for safeguarding gender equality and for the promotion of breastfeeding at the workplace. Furthermore, from 1 April 2022, the “**Nestlé Baby Leave**” policy was introduced, which grants three months paid leave at 100% of salary to second parents within the first six months of the birth or adoption of a son or daughter⁷. This very innovative policy not only enables new fathers to be constantly present during the first months of their child’s life, but also enables a better balance of family loads to further gender equality. Similarly, the new leave policy for children’s illness provides some invaluable support: by filing the paediatrician’s certificate, the parents of children up to 3 years of age are entitled to stay at home for the entire duration of the child’s illness without pay (unpaid leave) and without any restrictions on days. Unpaid leave of 10 days a year is granted for the parents of children older than 3 years of age and up to 10 years of age, as an integral part of Nestlé’s initiatives for families.

During 2023, **96%**of eligible second parents took advantage of the “**Nestlé Baby Leave**”.

02 / 05 We protect occupational health and safety

The Group considers the promotion of Health and Safety an essential principle of its activities and, building upon the premise that “**safety is not a negotiable value and even one incident is one incident too many**”, it carries out coordinated actions at all levels, involving not just direct employees but also external associates and all other stakeholders who interact with the company along the value chain, including suppliers, customers, and the public in general. In 2021, the Group launched an initiative aimed at promoting an interdependent culture of safety through the Caring Leadership in Safety approach. This programme was developed to guide senior leaders, managers and team leaders in the integration of health and safety into the organisational culture, with the aim of improving the overall company performance. The programme is based on five key principles, which can be implemented to strengthen current practices:

1°

Focus on the role that enables value (Leadership @ Shopfloor)

A well-planned leadership routine will help leaders define their priorities and reachtheirleadershippurpose

2°

Know your safety profile

Understand one’s safety profile and that of one’s staff to improve personal leadership and guide the team’s behaviour

3°

Safer and simpler mindset

Involve employees in the improvement of processes to make the job safer and simpler

4°

The great risk

This principle helps identify the «Big Risks» and prevents and averts them through a different and innovative approach

5°

Check maturity

Reflect on progress to improve the culture of safety and the commitment to take care of employees

Sanpellegrino adopts a wide range of policies and procedures in order to guarantee health and safety in the workplace. In addition, it implements a range of practices and protocols, including **regular operative reviews at all levels**, in order to ensure risk mitigation on the issue of health and safety. In 2021, the **8 RegoleSalvaVita**, the Life Saving Rules, showing the importance of communication and of immediately taking action in situations of danger. The Health and Safety of people is guaranteed – in all production sites of the Group, as well as at the Assago headquarters – also by the management system put in place by the Nestlé Group (**Nestlé Occupational Safety and Health Management System**), which is certified in accordance with the international standard **ISO 45001**, and which aims to guarantee high levels of health and safety and promote operating management focused on continuous improvement and monitoring performance. The **Management System covers 100% of employees and non employee workers** who operate at these sites. Furthermore, Sanpellegrino provides **educational/training programmes and all the equipment required to avoid hazardous situations**. During 2023, 1,304 employees in total were trained on the topic of "Workers’ health and safety". Over 44% of them took part in specialised and refresher courses, for a total of 8,839 hours of training. The Group undertakes to increase the excellence of the production processes with the use of the “**Total Performance Management**” (TPM) method. This method accelerates the achievement of improvements and ensures the sustainability of the results over time, through a transformation of the workplace and operating methods.

⁶ The Policy focuses on: paid leave for primary and secondary “caregivers”; protecting health in the workplace; opportunities for flexible work, a work environment that is supportive of breastfeeding and employment protection and non-discrimination.
⁷ Parenthood is a key issue for the Nestlé Group in Italy, which was the first in Italy, in 2012, to introduce two weeks of paid paternity leave.



The Nestlé Group in Italy, which Sanpellegrino belongs to, has activated since 2022 the **Reward and Recognition programme O.R.A. (Observe, Reflect and Act)**, with the aim of rewarding those employees who are more **attentive to the topic of safety** and who suggest innovative ideas. This commitment was rewarded, in 2023, **bybeing recognised as Best Practice** globally for the category **Safety Caring Leadership**. The rate of recordable occupational accidents has increased slightly compared to 2022⁸. In addition, no occupational disease reports were recorded in 2023.

	m.u.	2021	2022	2023	
Accidents that can be recorded ⁹		10	8	11	7 in-transit incidents were recorded in 2023. It must also be noted that no cases of occupational disease were reported in 2023, against 1 case in 2022 and 1 case in 2021.
of which accidents with serious consequences ¹⁰		-	-	-	
Deaths		-	-	-	
Hours worked		2,371,160	1,787,998	2,286,118	
Rate of recordable accidents at work ¹¹	No. hours	4	4	4.8	
Rate of accidents at work with serious consequences ¹²		-	-	-	
Fatality rate ¹³		-	-	-	

Sanpellegrino believes effective communication with its employees is essential in order to promote the culture of safety within the organisation. To this end, every Group site uses a **newsletter** to provide essential information on people’s health and safety. These newsletters supplement the communication coordinated centrally by the Nestlé Group in Italy on the occasion of special periods or events (e.g. World Safety Day, high season, etc.).

For the Group, safety is inextricably linked to **health**. Therefore, in addition to ensuring the protection of workers’ health and safety in the workplace, the company, in constant collaboration with the Company Doctor, promotes the well-being of its employees also outside the workplace. This commitment is built upon the adoption of healthy lifestyles, that include proper nutrition and hydration.

At the San Pellegrino Terme and Assago sites, the Group guarantees **daily nursing care**, both for emergencies and for managing non-emergency situations. Furthermore, led by the Company Doctor and Coordinator with the position of “**Health Manager**”, with the aim of guiding the employees’ health strategy, the Group has developed at its facilities a range of **programmes to promote its People’s health**, around three main principles:

PILLARS	PROGRAMMES IMPLEMENTED
PROMOTION OF A GOOD DIET	Nutrition help service: in person visits, at the Assago site, or online consultations after taking a survey on eating habits, to obtain indications and advice related to one’s diet and a measurement of one’s body mass.
	Healthy Diet Project: revision, improvement of the offer and continuous monitoring of the company restaurant, by controlling portions, reducing salt and saturated fats, introducing wholegrain foods, increasing vegetables in collaboration with Nutrition Foundation Italy. The review of the company restaurant’s offerings has already concerned the Assago and San Pellegrino Terme sites, and the review at the other sites is in progress. Data collection through a standardised questionnaire to track the actual improvement in the nutritional style of the population in scope.
	Webinars: to guarantee continuous updates on the topic of nutrition. From 2023, publication of a monthly Newsletter on the topic of nutrition.

⁸ For the work force that is not under a direct employment contract, two injuries occurred in 2023.
⁹ The term “recordable accidents at work” refers to all accidents that may involve death, days off work, limitations at work, relocation to other tasks, medical treatments beyond first aid, losing consciousness. These are accidents generated by risks and dangers that workers are exposed to at work (e.g. death, amputation, cuts, fractures, hernias, burns, loss of consciousness and paralysis).
¹⁰ The term “accidents at work with serious consequences” refers to accidents that entailed damage lasting for more than 6 months, excluding death.
¹¹ The calculation of the “Rate of accidents at work with serious consequences” is based on 1,000,000 hours worked, as per the following formula: ((Total recordable accidents at work + Total accidents at work with serious consequences) / Hours worked) * 1,000,000.
¹² The calculation of the “Rate of accidents at work with serious consequences” is based on 1,000,000 hours worked as per the following formula: (Total accidents at work with serious consequences/Hours worked) * 1,000,000.
¹³ The calculation of the “Fatality rate” is based on 1,000,000 hours worked as per the following formula: (Total deaths / Hours worked) * 1,000,000.

PILLARS	PROGRAMMES IMPLEMENTED
PROMOTION OF PHYSICAL WELL-BEING	“Sports medicine” programme: it entails full medical examinations with a doctor who specialises in sports medicine and who issues the certificate of fitness for non-competitive sports, following an electrocardiogram and an assessment of the BIA [Bioelectrical Impedance Analysis]. During 2023, 99 sports visits were provided.
	Healthy Break programme: an online platform, with over 100 fitness videos, accessible to all workers, that offers the possibility to choose among functional breaks, desk yoga, mindfulness or fun breaks, created by a scientific partner to support physical and mental well-being and counter a sedentary lifestyle. As of 2022, a weekly meeting is organised via teams, open to everyone, to take active and healthy breaks together in the workplace.
	Remote ergonomic consulting service: with a posture expert who is available for a remote online consultation on how to best adjust the work station and to provide suggestions on the exercises that are most suited to every situation.
	“I feel good if I sit well” project: the online ergonomic consultancy service has been complemented by specific consultations for the sales force, to counteract the effects of sitting in the car for long stretches of time. Since 2023, the Assago facility has also been offering in-person desk consultations with a posturologist, available to help people make the most of their workstation and to provide advice on the most suitable exercises for each situation. Posturology consultancy with podoscope is also active, which provides a complete study of one’s posture with indications on how to improve it in everyday activities.
	Remote -working KIT: a EUR 100 coupon is issued for the purchase of an ergonomic chair, in addition to the possibility to receive a 27 inch monitor, keyboard and mouse.
	Webinars to guarantee continuous updates on the topic of posture.
	My Health Numbers programme: drawing up a Health Risk Assessment combined with a test for: cholesterol (total and fractions), blood sugar and triglycerides that makes it possible to obtain a customised risk score on one’s health and lifestyle.
	“Eye Health” programme: it includes permanently available short training videos (eyesight and driving, eyesight and PCs, eyesight and diet, eyesight and posture), consultations with specialists and practical activities to protect the eyesight, prevent eye tiredness and eyesight deterioration.
	Backschool@work¹⁴: a programme to prevent musculoskeletal disorders and to increase awareness of how the right posture has a positive influence on well-being and helps prevent accidents. The activity is carried out with a qualified physiotherapist, who measures the body’s axes with a specific tool (Kinette) and teaches people how to implement their body proprioception, self-correct their posture and movements by making small changes to their daily habits.

¹⁴ This is mandatory training to protect health in the workplace.

PILLARS	PROGRAMMES IMPLEMENTED
PROMOTION OF MENTAL WELL-BEING	Corporate psychotherapy service in presence or remotely: with a psychologist specialising in work and organisational psychology.
	Monthly newsletter: on the links between stress and work activities, written by the Psychologist and the Coordinating Physician.
	Autogenic training courses: mindfulness courses starting in 2023.
	Stress management webinars: In 2023, a project focused on sleep was launched, which includes webinars on the physiology and pathology of sleep and the administration of standardised questionnaires to assess the levels of insomnia. These tools make it possible to access, if necessary, specialist consultations with doctors who are experts in sleep pathologies or with psychologists specialised in re-education to achieve proper sleep-wake rhythm.
	#HealthyLives programme: training course that provides information and practical advice on key topics, such as diet, exercise and sports, and sleep. In 2023, an important collaboration with LILT – Lega Italiana per la Lotta contro i Tumori – began. In addition to three educational webinars on the prevention of skin cancer, lung cancer and prostate cancer, it is possible to access specialist examinations at an advantageous price to be carried out at the infirmary during working hours. The project is active for the Assago and San Pellegrino Terme sites, and it will be extended to all the Group’s sites in 2024. It involves dermatological examinations, gynaecological examinations with pap smear tests, breast examinations with breast ultrasound or mammograms (depending on age), and urological examinations for men over 50. A major awareness-raising campaign on the importance of blood donations is also under way. With a view to that, a collaboration with AVIS has been initiated. The Italian Blood Volunteers Association will be hosted at all group locations for donations during working hours where possible, or for dedicated awareness-raising days, during which it is possible to sign up for deferred blood donations.

Employees’ satisfaction is measured by a periodic global survey called “**Nestlé & I**”. The last edition was held in November 2023 and it was hugely successful, reaching a redemption¹⁵ rate of **93%**. The results show strong appreciation from employees for the attention that the Group devotes to issues such as health and safety, the involvement, inclusion and well-being of its people, as well as in defining a clear strategy and priorities.



¹⁵ The redemption rate is given by the ratio of number of responses received to the total number of people involved in the survey.

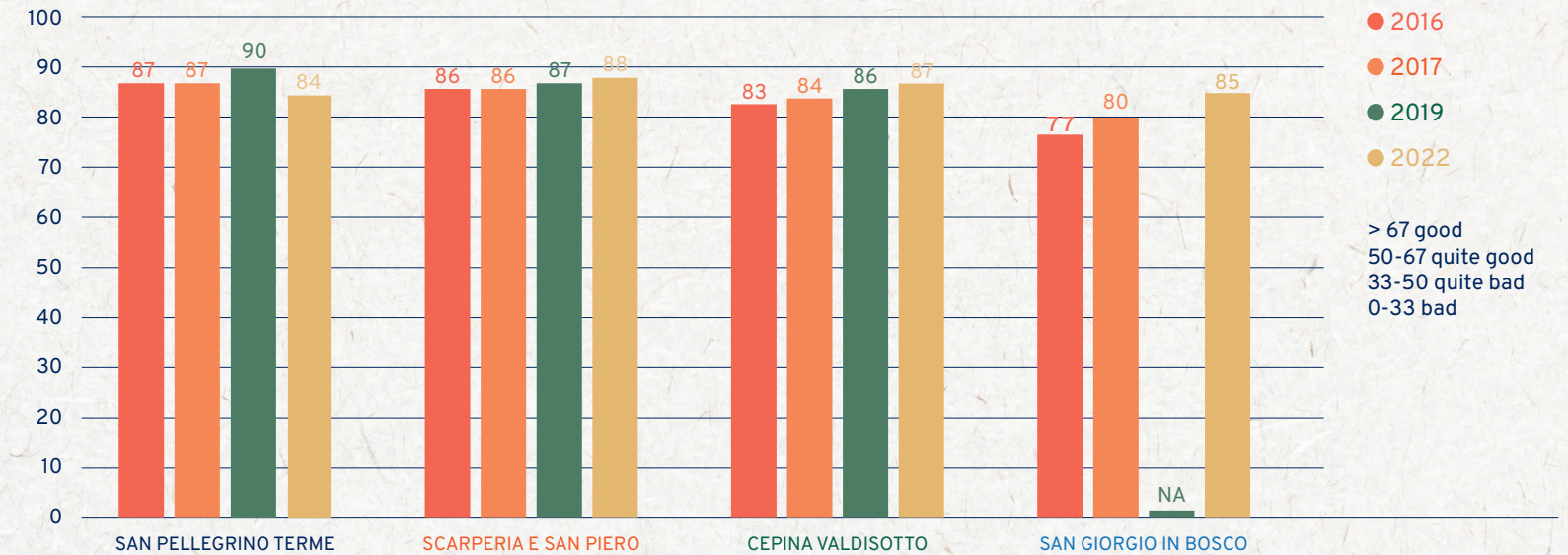
03. COMMUNITIES AND TERRITORIES

Sanpellegrino has always cared about the communities and regions in which it operates. Its presence rooted in the territory, the inseparable relationship with the water springs and its historical brands, make the Group an active member of the communities in which it operates.



03 / 01 Listening to communities

Sanpellegrino is committed to establishing a strong connection with the communities in which it operates, by promoting a number of initiatives and projects aimed at listening to them, and involving and supporting them.



The **Community Relation Process (CRP)**, through detailed measures and a synthetic index, makes it possible to carefully monitor the evolution of the company's perception by its communities and to define and implement – where possible – action plans aimed at promptly addressing any concerns that have emerged and seizing opportunities to create shared value in the communities. In the 2022 survey, 50 stakeholders identified as “key” were interviewed and the Municipalities near the facilities were involved through 750 interviews to the resident population in four areas of analysis:

WATER RESOURCE MANAGEMENT	ENVIRONMENTAL IMPACT	RELATIONSHIP WITH STAKEHOLDERS	CONTRIBUTION TO LOCAL DEVELOPMENT
Quality and quantity of the water available in the reference territorial context	Possible negative effects generated by the establishments	Nature of the relationship between the company and the various stakeholders of the local communities	Impacts in terms of the community's socioeconomic development

The **Local Acceptability Index** summarises this complex analysis, providing a score that represents the level of acceptance and integration of the company in local communities. In 2022, the LAI of San Pellegrino Terme, Scarperia e San Piero, Cepina Valdisotto and San Giorgio in Bosco scored high, between 84 and 88 (on a maximum scale of 100). During 2023, Nestlé Waters conducted a **Survey** targeting external stakeholders¹⁶ in order to understand their perception with regard to the impact of the Group's activities. The stakeholders involved expressed a good degree of satisfaction with the sustainability actions implemented by the Group, also providing valuable insights and suggestions with regard to the sustainability strategy, the social and environmental impacts, as well as communication and consumer involvement.

Furthermore, in AWS-certified facilities, respectively for Scarperia e San Piero and San Pellegrino Terme, **annual meetings** are organised with the selected stakeholders to share information on company performance, ongoing projects, and results, with regard to resource management, thus offering an opportunity for open dialogue. Prior to any AWS certification or surveillance audit, notices are published on local media to enable stakeholders to voice any concerns or needs during the audit.

Finally, the Group has set up a specific External Relations **email address** for contacts and reports. Through feedback, communities also have the opportunity to assess the frequency and quality of the dialogue with the company, ensuring the constant improvement of communication and interaction practices with stakeholders.



LEVISSIMA AND VALTELLINA: AN EXAMPLE OF A VALUABLE RELATIONSHIP

Levissima has always had a very strong bond with the land where it springs from. The love for Valtellina is expressed in its constant commitment to safeguarding its resources and promoting its natural and cultural heritage, also through its label, where a dedicated space is set aside for the Valtellina logo.

Levissima has been in partnership with the University of Milan since 2007 to support research on the glaciers of Alta Valtellina and has a long-term relationship with the Stelvio National Park. In 2018, it supported the construction of Levissima 3000, a high-altitude chalet built with environmentally friendly materials to highlight the beauty of the mountains from which the water springs. Since 2021, it has been supporting a local social cooperative engaged in the management of a regenerated, 5000 square-metre agricultural area for the cultivation of herbs and vegetables. During 2024, Levissima will install a fitness trail made of recycled materials in an area earmarked by the municipality of Cepina for a recreational park. Furthermore, for the past three years, Levissima has sponsored the Ambrosetti-Community Food and Beverage Forum held in Bormio.

¹⁶ This mainly involved stakeholders from 11 countries, most of whom belonged to the following categories: Non Governmental Organisations, government representatives, academics and commercial partners.

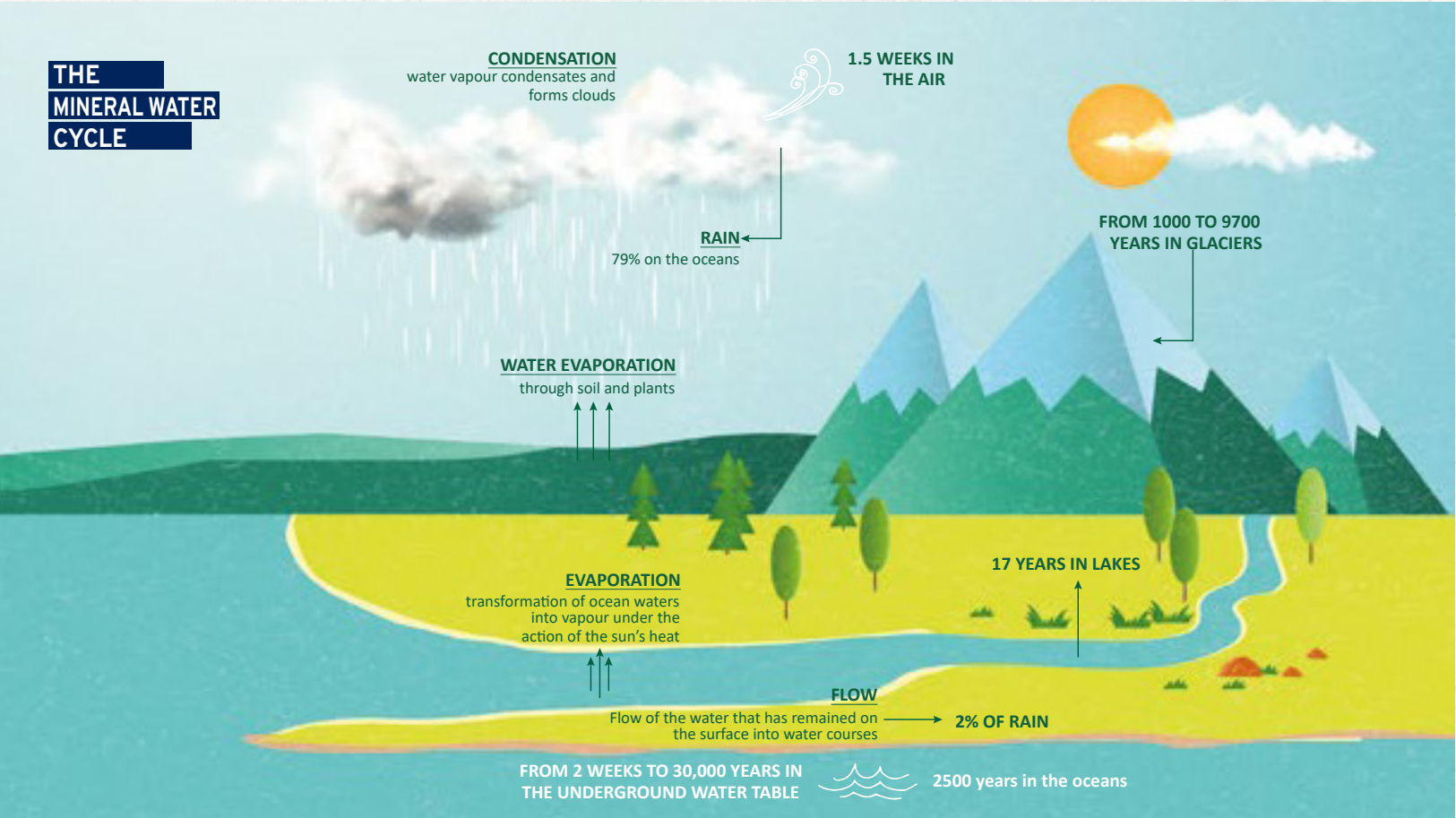
03 / 02 Looking after water resources

The Sanpellegrino undertakes to manage the water resource responsibly and sustainably, in order to preserve it and ensure its availability, guaranteeing its quality for present and future generations.

To this end, a special team of geology experts, from within and outside the organisation, constantly monitors water extraction operations, conducting checks on the data provided by sophisticated remote control systems. The processed and analysed hydrogeological data are published in hydrogeological reports (*Water Resource Studies*), issued periodically by the Group, thus demonstrating compliance with the sustainable use of water sources. All the Group's mining and prospecting concessions are subject to **Environmental Impact Assessments**.

THE SPRINGS

Not all **natural mineral waters** are equal: their properties depend on the place of origin of the source and the nature of the water table. Mineral salts and trace elements collected underground through the rocks constitute an actual fingerprint that guarantees their uniqueness. The abundance of deep water tables, the vast variety of rocks and geological structures found in Italy result in the formation of many special mineral waters that differ from each other, characterised by their excusive terroir, providing its special signature. Every natural mineral water is therefore the result of the **natural environment that it springs from**.



As established by the law, natural mineral water can only come from underground aquifers, deep and naturally protected by a layer of impermeable material both below and above, fed by water that seeps through the permeable ground in the so-called “recharge” zone.



DIGITAL CORNER

Sanpellegrino Group: continuous care for water resources

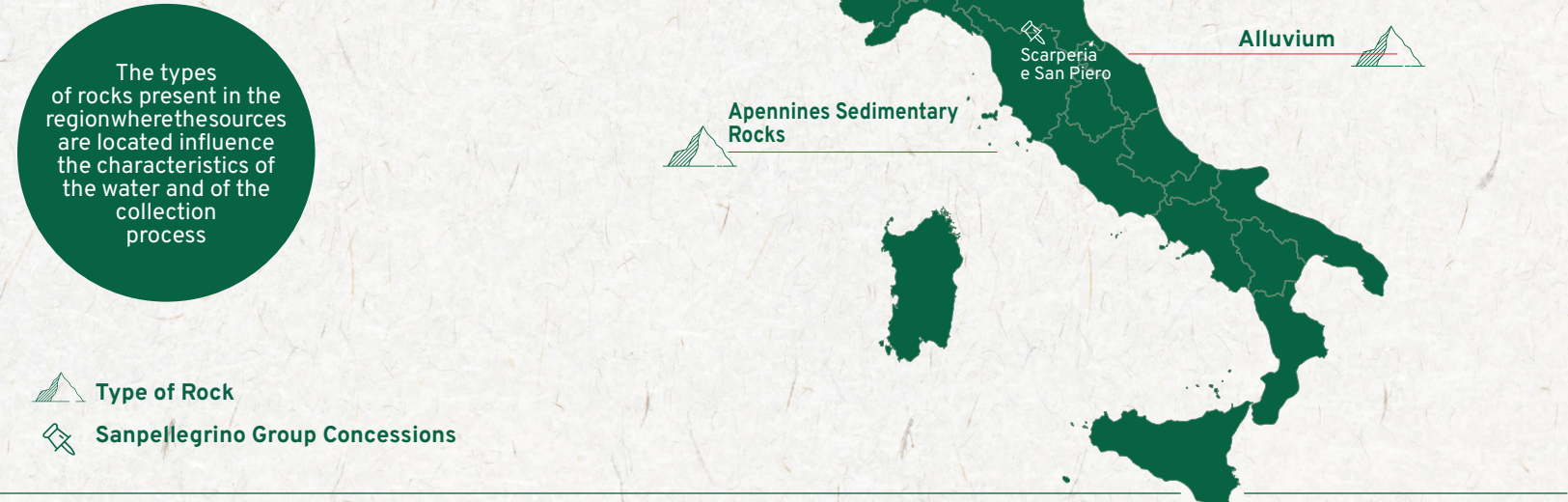
The Group is committed to the regeneration of hydrogeological water cycles in the communities in which it operates.

Italian law envisages that, in order to be able to perform their activities, all natural mineral water bottling companies must hold the official authorisation to use one or more springs. This “acknowledgement” is granted by the Health Ministry only to companies holding a “**mining concession**” (It. Legislative Decree 176/2011).

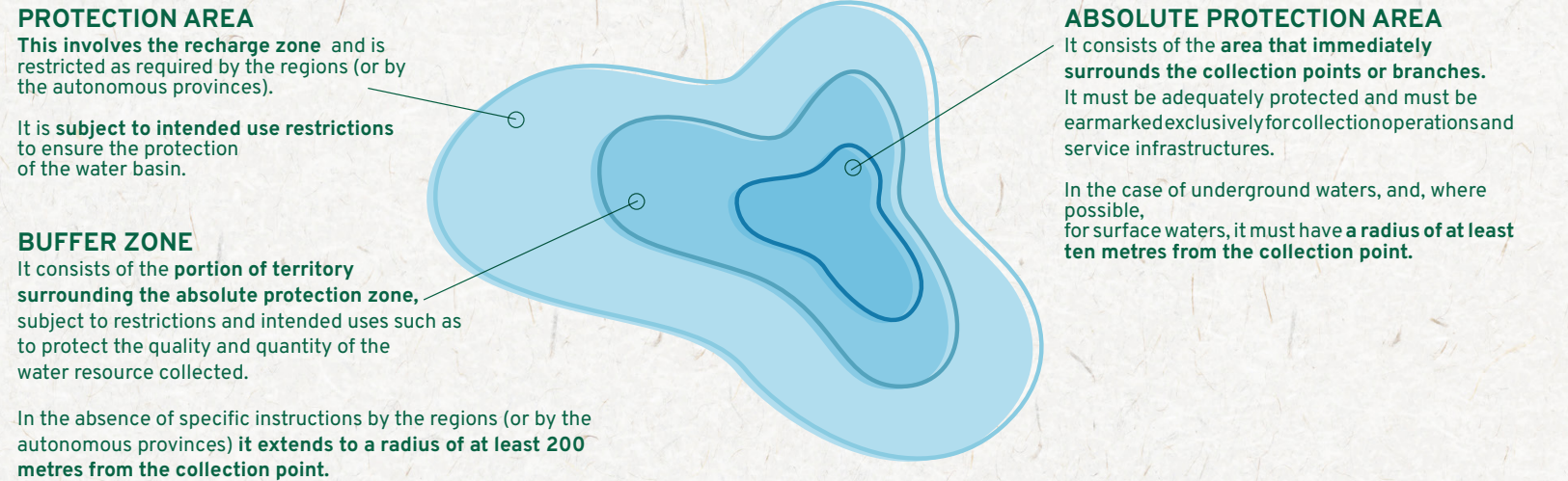
PURSUANT TO THE REGULATORY FRAMEWORK, THE MANDATORY REQUIREMENTS OF A MINERAL WATER ARE AS FOLLOWS:

- Origin from a water table or an underground and protected deposit
- The original purity and its preservation
- The content in minerals, trace elements, the composition, the temperature and the other essential characteristics that stay constant over time
- Bottling at source
- Possible beneficial properties
- Approval by the (It.) Ministry of Health

OUR CONCESSIONS



The Single Environmental Act (It. Legislative Decree 152/2006) requires setting up, around each natural mineral water source, specific **areas to be protected** and related protective measures, which are more stringent the closer you get to the source.



In the protection measures of sources and collection zones, Sanpellegrino adopts measures that are more stringent than required by law. In the collection area, for example, the buildings that protect the source are equipped with armoured doors, the area is monitored through intrusion sensors and video cameras, accessways to collection facilities are monitored and there are additional safety procedures in case of alarm.

In addition, Sanpellegrino carries out scientific studies on aquifers and sets up partnerships with other operators in the protected areas, defining areas to be more protected more strictly and identifying crops and agricultural practices that are not detrimental to the aquifer.



The Sanpellegrino Group has undertaken the process to obtain AWS certification for all bottling facilities within 2025. This standard, internationally recognised, promotes sustainable water management as a shared resource worldwide. The San Pellegrino Terme facility (BG) and the Panna facility, in Scarperia e San Piero (FI) were certified in accordance with the AWS standard, Core Level, in 2021 and 2022 respectively. The Levissima facility in Cepina Valdisotto (SO) will apply for the certification in 2024 while the facility where Sanpellegrino soft drinks are bottled, in San Giorgio in Bosco, will apply by 2025. The certification rewards the manner in which companies **look after water resources** in 5 key areas:

1. GOOD WATER GOVERNANCE

Active participation in the effective and sustainable management of local water resources

2. SUSTAINABLE WATER BALANCE

Management of the resource to guarantee that the amount of water used does not exceed the natural recharging capacity of the water table

3. GOOD WATER QUALITY

Specific actions to preserve and improve the quality of available water resources

4. IMPORTANT WATER-RELATED AREAS

Identifying and protecting the areas of the water basin that are crucial to the health and sustainability of the local water resources

5. SAFE WATER, SANITATION AND HYGIENE FOR EVERYBODY

Working to improve safe access to water, hygiene and sanitation

THE STANDARD WAS ADOPTED THROUGH FIVE FUNDAMENTAL STEPS



DIGITAL CORNER

The Acqua Panna facility has obtained the Alliance for Water Stewardship certification

On World Water Day 2023, we celebrated the AWS certification awarded to the Acqua Panna facility in Scarperia e San Piero (FI)) in November 2022.

03 / 03 Safeguarding the natural resources in our regions

The Group’s sites are generally located in natural areas characterised by high biodiversity.

The activities carried out do not envisage the introduction of animal or plant species other than those existing in the areas and/or pathogenic agents. There have been no reports of significant changes to the ecological processes, water, soil and air quality nor of reductions, alterations and/or loss of natural habitats and fauna caused by the activities. Furthermore, activities to promote biodiversity are under way. For example, the Acqua Panna estate, located in the Mugello area on the border between Tuscany and Emilia-Romagna, has become a prime observatory of Biodiversity.

ACQUA PANNA: THE SOURCE OF BIODIVERSITY AND THE “GOOD BEE” PROJECT

The project “The source of Acqua Panna’s biodiversity” was born in late 2020, in collaboration with Federparchi. It is a pathway towards the protection and monitoring of **biodiversity** of the Acqua Panna estate in Scarperia e San Piero, as part of a broader objective of safeguarding the ecosystem and removing CO2 emissions.

Over the course of 2021 a study was conducted to assess the **flora and fauna** species existing within the property in order to implement protective actions for those presenting a higher degree of risk. The estate, which has become a veritable “open air” biodiversity laboratory, turned out to be a rich and heterogeneous ecosystem, with the presence of 121 species of vertebrates and plants. The study identified a series of actions to be introduced to further protect this area of great naturalistic value and strengthen its ecosystem. The need to protect **pollinating insects** also emerged among the priorities.

The “**Good Bee**” project is therefore the first in a series of initiatives to be developed by Acqua Panna in the coming years. The first **Bee Hotel** was inaugurated, a perforated structure made of wood, bamboo canes, and wood bark that serves as a shelter for bees and diurnal butterflies, allowing the presence of these species in the area to be monitored.

The protection of biodiversity goes hand in hand with “**nature-based**” strategies for capturing CO₂, with the implementation of forestry and farming management aimed at maximising GHG absorption, already significant considering that the property covers 1300 hectares, approximately 70% of which is forest. Sanpellegrino has signed a partnership with the **Scuola Superiore Sant’Anna** in Pisa, which has drawn up guidelines for **forest management**, for an increase in the number of tall trees, including **innovative agroforestry practices** with the introduction of trees and hedges within fields and the development of ecological corridors to protect biodiversity. Both the new forest maintenance plan and the first agroforestry operations were activated in autumn 2023. The planned investment for the project is CHF 2.7 million over 10 years.






Sanpellegrino also commissioned a study from the University of Florence to monitor biodiversity in the Gabbianello Reserve, in the Municipality of Barberino del Mugello, a wetland with an ideal habitat to host a large number of species and an important stop for many bird species on their migratory route over the Central Apennines. The study found the presence of 115 species of birds and amphibians that benefit from the water and shelter offered by the Reserve. The next step will be to identify protection measures to safeguard the rich biodiversity of these animals, which include, according to the IUCN Red List, 1 critically endangered species, 7 endangered species and 12 classified as vulnerable.

WATER REGENERATION FOR OUR COMMUNITIES

The water protection measures that the Group activates do not only concern the sources, but the entire water basins where our production sites are located. The Group is committed to making a tangible contribution to the regeneration of the hydrological cycles of the communities in which it operates through measures aimed at increasing the quantity, quality and accessibility of water to meet local needs. The quantity of water that the Group has undertaken to regenerate each year (Volumetric Water Benefit) is equivalent to that used in bottling processes.

Various projects have been identified, in collaboration with universities, consortia and other local stakeholders. These projects were evaluated ad approved using the**Volumetric Water Benefit Accounting (VWBA)** method, developed by the World Resources Institute. This approach ensures the consistency and effectiveness of activities, ensuring said activities address current water-related challenges, as well as future ones. An external committee, specifically set up, weighs the relevance and sustainability of the projects, providing an important assessment of their impact in addressing the specific needs and opportunities of local communities.

Area / Facility	Project	Description
Cepina Valdisotto (SO) 	Project Vaia 	In 2023, with the aim of regenerating the forested slopes hit by the 2018 Vaia storm which devastated an area of approximately 140 hectares of forest, slope remediation and soil bioengineering operations were started, in order to mitigate the damage caused by the spruce bark beetle. This project, which also entails reforestation of some areas, aims to enhance the recharge capacity of aquifers, preserve biodiversity and increase CO ₂ absorption by the forest.

Area / Facility	Project	Description
Barberino del Mugello (hamlets of Santa Lucia and Monte di Fò) 	Fonte Voltone project to upgrade the public aqueduct 	In 2023, within the Fonte Voltone project to upgrade the public waterworks, a spring that used to be managed by Sanpellegrino (Voltone) was integrated into the public waterworks to support the water supply to mountain hamlets. Sanpellegrino built the connection pipeline, and will undertake to ensure the periodic maintenance of the uptake in the future as well.
San Giorgio In Bosco (PD) 	Brenta aquifer recharge project 	In collaboration with the Brenta Reclamation Authority and Etifor, Sanpellegrino has carried out a study aimed at identifying solutions to address the depletion of the Brenta river basin aquifer due to climate change.
San Pellegrino Terme (BG) 	In addition, Sanpellegrino undertakes to make water accessible to the community of San Pellegrino Terme through the management and maintenance of two water fountains, one located in the town centre and the other along the cycle path in the Limpia spring area, both available to residents and tourists to ensure easy access to good water.	

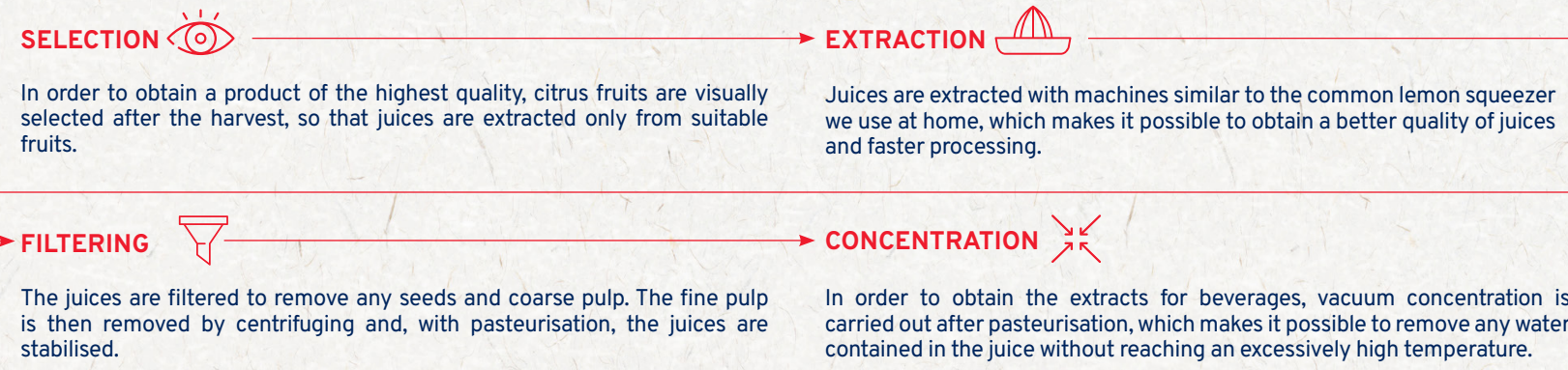
NOT ONLY WATER...CITRUS FRUITS AND THE COUNTRYSIDE

The whole history of Sanpellegrino Soft Drinks is linked to the **Italian territory** which, with the citrus orchards of Sicily and Calabria, gives life to Mediterranean flavours and aromas, invaluable ingredients and inimitable products. **The territory and the area of origin impart different characteristics to citrus fruits thanks to factors such as the sun, the winds, the availability of water, the lay of the land, position with respect to the sea and the temperature range. The variation of even one of the aforementioned elements results in different properties, such as different degree of ripeness, brightness, acidity, different colour, flavour and size of the fruit.**

The high quality of Sanpellegrino Soft Drinks is ensured exactly by the use of excellent natural ingredients, thanks to which the quality of the ingredients is wholly transferred to the finished products, thus maintaining the nutritional properties unchanged and offering the consumer a product of the highest quality with the shortest possible ingredients list.

The respect for the **natural cycles and seasonality** of citrus fruits and the harvest methods are key factors to guaranteeing the highest quality and excellence of Sanpellegrino soft drinks. **Specifically, the harvest happens at a different time in different orchards depending on the specific features of the citrus fruits and use of the plots; for example those that are intended for the harvest of best quality products or those intended for industry.**

The uniqueness of **Sanpellegrino juices** lies in the combination of traditional manual harvest methods and innovative machinery for extraction. The extraction activity is carried out directly by Sanpellegrino partners, just after harvesting. Expert hands wisely combine the ingredients and manage any differences between fruits having different aromas and organoleptic characteristics, depending on the season, thus constantly ensuring that unique taste in every single drop.



SANPELLEGRINO SOFT DRINKS:
A REGENERATIVE AGRICULTURE PROJECT

Along the farm supply chain, in collaboration with Carbonsink, Sanpellegrino has conducted an accurate analysis aimed at verifying how the implementation of **regenerative agriculture** farming by suppliers might aid Sanpellegrino in achieving its climate objectives, thereby identifying potential areas for the reduction and removal of emissions. The project, currently in the assessment stage prior to implementation, aims to identify regenerative agriculture initiatives and sustainable practices that can be scaled up along the entire supply chain. The analysis was carried out on a sample of companies in the Sanpellegrino supply chain (4) and the Biorfarm network (2) and a model was created, that sums up the practices implemented by the farms examined. The main areas of intervention are:

1. **Actions to reduce** the use of fertilisers or the consumption of fossil fuels (e.g industrial fuels)
2. **Removal actions**, such as cover crops, keeping the soil protected with plants increasing soil fertility and quality that are estimated to reach up to 1 tonne of CO₂ eq./year
3. **Harvest residue** management, as sources of nourishment for future crops, while improving soil quality
4. **Use of manure**, applying it to agricultural soils as a high source of nutrients and a method for improving the soil's organic carbon

The project has also led to the identification of Climate Smart practices to further improve the carbon footprint, thereby reaching a mitigation potential of up to 65% of the emissions (reduction + removal) in comparison to the standard scenario, thanks to the support of irrigation methods, alternative energy sources and the transition to more efficient machinery (such as electric equipment) which limit the use of fossil fuels.

During 2023, Sanpellegrino placed the results of the project at the disposal of the farmers and partners involved, as a tool for spreading and promoting good practices for emissions reduction, with the aim of working towards shared objectives synergistically along the entire supply chain.



NOT JUST TERRITORIES BUT COMMUNITIES OF IDEAS

The Sanpellegrino Group believes that communities of ideas, including chef communities, are an actual cultural movement committed to generating social change. Since June 2021, S.Pellegrino has been a partner of the non-profit organisation **Food for Soul**, founded by chef Massimo Bottura with the aim of reducing food waste, opening up new opportunities for social inclusion and encouraging a healthy and fair food system¹⁷. The collaboration led to the development of various projects:

- In 2023, the third season of the video series **“why waste?”** was launched on the international digital platform Fine Dining Lovers by S.Pellegrino & Acqua Panna, which is about how to cook delicious recipes by giving a new lease on life to leftover or discarded food and ingredients. In the second season, Chef Massimo Bottura recruited three of his international peers, Dominique Krenn from S.Francisco, USA, César Troisgros from Roanne, FR and Sat Bains from London, UK. The project was promoted on the international digital channels (social media and website) of S.Pellegrino and Fine Dining Lovers with an awareness-raising campaign on the topic.
- S.Pellegrino donated to the Ambrosiano soup kitchen all the citrus fruit harvested from the trees that had been adopted by the participants in the final event, the S.Pellegrino Young Chef Academy.



DIGITAL CORNER

Download the recipe book of “Why Waste” 3 to discover the anti-waste recipes
The recipes of Massimo Bottura and his team that transform food waste into flavourful dishes.

¹⁷ For more information see: <https://www.foodforsoul.it/it/>

S.PELLEGRINO SUPPORTS GASTRONOMIC EXCELLENCE

The S.Pellegrino Brand is actively committed to promoting and supporting gastronomic excellence globally, with the awareness that fine food goes well beyond dining and may have a significant social as well as environmental impact. In line with this vision, the **S.Pellegrino Young Chef Academy** project aims at playing a key role in these fields.

Through this training platform, young talents from all over the world liaise with the most influential people in the world of gourmet food and get support through mentoring programmes, networking opportunities and educational sessions on crucial topics, including sustainability and social responsibility.

To become a part of this international talent ecosystem, one needs to enter the S.Pellegrino Young Chef Academy Competition, an annual event that since 2015 has sought to pick out the future leading men and women of the fine dining scene. The chefs who enter the competition automatically become members of the Academy, thus ensuring continuity and growth over time.

The **three additional prizes** were confirmed in the 2024-25 edition, with the aim of recognising the various talents and approaches as to how fine food can have a role in transforming Society:

FINE DINING LOVERS FOOD
FOR THOUGHTS AWARD:

voted by the community of Fine Dining Lovers, an award assigned to the young chef who best represents the personal approach to dishes.

S.PELLEGRINO FOR SOCIAL
RESPONSIBILITY AWARD:

voted by the recent partnership with Food Made Good, a programme established by the founders of Sustainable Restaurant Association and created to promote sustainability in the food industry. The award is dedicated to the dish that best represents the principle of food as a result of socially responsible practices.

ACQUA PANNA FOR
CONNECTION IN
GASTRONOMY AWARD:

voted by mentors, representing 50 countries around the world, the award is assigned to the recipe that best highlights the link between different cultures, thereby celebrating a global approach to fine food.

THE ACADEMY'S OBJECTIVES ARE:



Identify the most talented young chefs in the world, through the S.Pellegrino Young Chef Academy Competition.

Provide a comprehensive educational programme to cultivate and support emerging talents, fostering collaborations and exchanges between members of the Academy.

Creating a global network of young and senior chefs to facilitate the exchange of professional and human knowledge and experience.

Spreading values such as inclusiveness and sustainability: in the 2022 edition, the young chefs were invited to take part in webinars on responsible fish and meat consumption, vegan cooking and on the topic of food waste.



DIGITAL CORNER

S. Pellegrino Young Chef Academy 2024- 25: applications for the new edition are open

The sixth edition of the Competition is back, following the 2022-23 edition, offering young chefs the opportunity to showcase their unique skills, talent and creativity on a global stage. Initial applications will be assessed by ALMA, the Italian School of Culinary Arts, which will draw up the list of competitors prior to the Regional Finals. Winners of the Regional Finals will have the opportunity to compete with their recipes in the Grand Finale for the S.Pellegrino Young Chefs Academy Award, where they will be judged by a special Grand Jury.

04. OUR ENVIRONMENTAL IMPACTS

04/01 The environmental performance
of our facilities



DIGITAL CORNER

Where are the Gruppo Sanpellegrino products bottled?

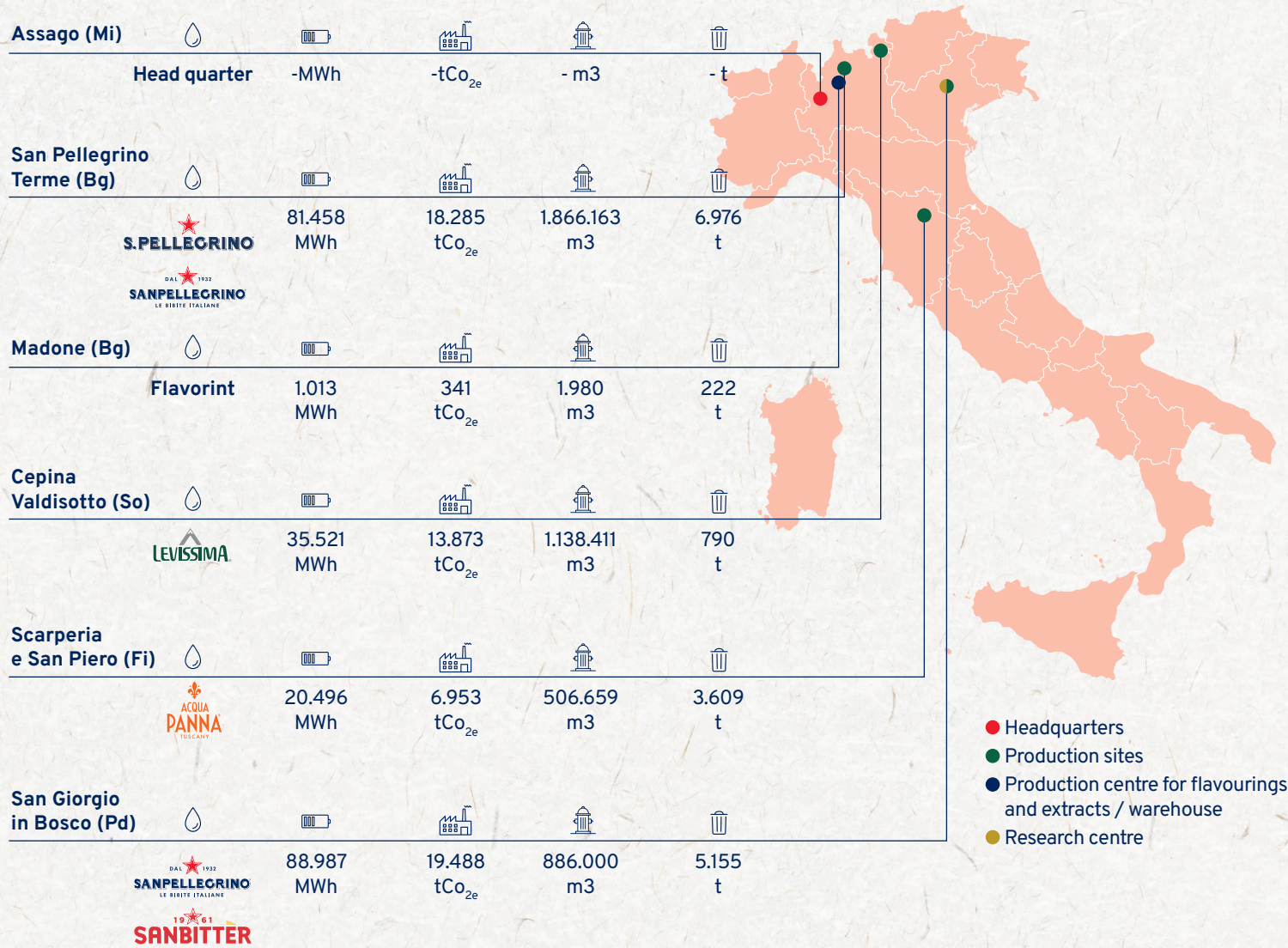
The Group's industrial process includes the bottling of mineral waters ad the production of soft drinks in 4 production units located in Lombardy, Veneto and Tuscany.

All the Group's facilities are constantly devoted to reducing their environmental impact, focusing on efficiency at all stages of the production and bottling processes. This commitment is aimed at achieving the goal of "zero landfill waste" and "zero polluting emissions".

For the daily activities of the production sites, in particular, environmental protection is guaranteed by the presence of the NEMS (Nestlé Environmental Management System), certified according to international standards ISO 14001.

The operating activities of the sites are founded o the NCE method - Nestlé Continuous Excellence which aims at creating value and improvements of efficiency within the organisations. Therefore, the Group aims at achieving the same quantity of water collected and bottled, and pursues the reduction of energy consumption by using alternative sources. The efficiency of each plant is measured according to the *Asset Intensity index*: a synthetic indicator expressing the optimisation of the general processes and production times.

THE ENVIRONMENTAL DATA OF OUR FACILITIES IN BRIEF^{18 19}



¹⁸ The data on 2023 consumption for the Assago site are accounted for in Nestlé Italiana S.p.A

¹⁹ Please note that, in line with the requirements of the new ESRS Reporting Standards, a restatement of the energy consumption data was carried out. As of this version of the Sanpellegrino Sustainability Report, the data will be presented with "MWh" as the unit of measure. For the purpose of calculating energy consumption in MWh, the DEFRA 2023 conversion factors were used (Department for Environment Food & Rural Affairs).

ENERGY CONSUMPTION AND EMISSIONS²⁰

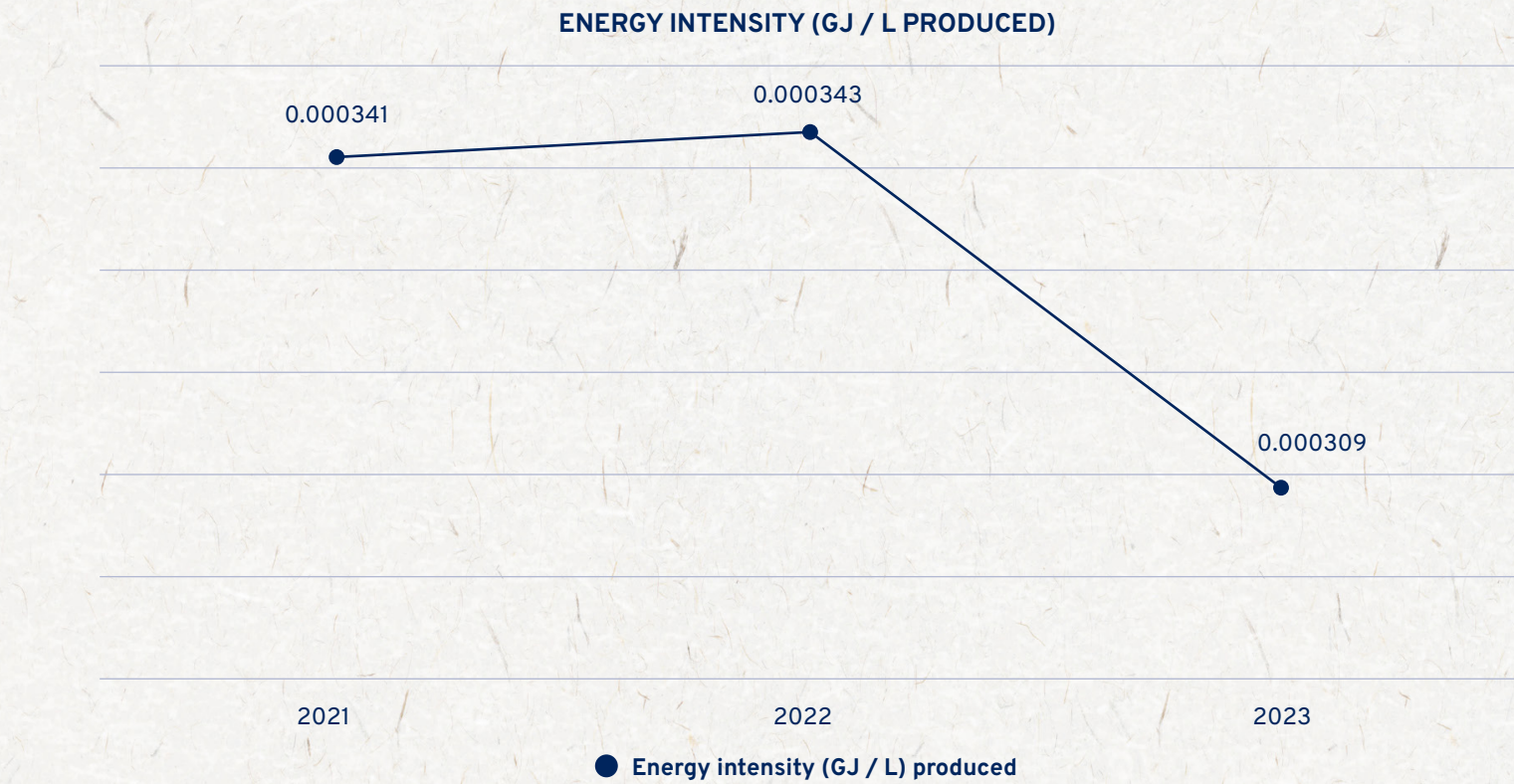
In addition to pursuing their energy efficiency mission through tangible projects and actions, since 2011 all the Sanpellegrino Group sites have been purchasing **electricity that is 100% from RECS- certified renewable sources** (Renewable Energy Certificate System).

All the Sanpellegrino Group sites are part of the global digitisation project called “*Project Horizon*”, which, using a digital platform developed by the Nestlé Group in recent years called “*DMO Energy*”, allows the facilities to improve the monitoring of all energy consumption, with positive effects in terms of identifying possible inefficiencies and improving energy use.

Furthermore, in December 2022 it was decided to stop for good the old VAR (returnable glass) line of the Cepina Valdisotto facility: in 2023, this measure resulted in a reduction in the Group's energy consumption of 9% compared to the previous year, leading to a total of **227,475 MWh** of direct and indirect energy consumption.

ENERGY CONSUMPTION ²¹	m.u.	2021	2022	2023
Fuels from non-renewable energy sources		197.956	196.485	178.339
Natural gas ²²		178.098	181.117	164.248
LNG		19.858	15.368	13.673
Diesel	GJ	-	-	418
Purchased electricity		53.679	53.965	49.136
of which certified from renewable energy sources		53.679	53.965	49.136
Total direct and indirect consumption		251.635	250.450	227.475

On the whole, when comparing the total energy consumption (direct and indirect) to the Group's production, an energy intensity indicator of 0.000309 GJ/ litres produced is obtained for 2023, down 2% on 2022.



²⁰ Please note that, in line with the requirements of the new ESRS Reporting Standards, a restatement of the energy consumption data was carried out. As of this version of the Sanpellegrino Sustainability Report, the data will be presented with “MWh” as the unit of measure. For the purpose of calculating energy consumption in MWh, the DEFRA 2023 conversion factors were used (Department for Environment Food & Rural Affairs).

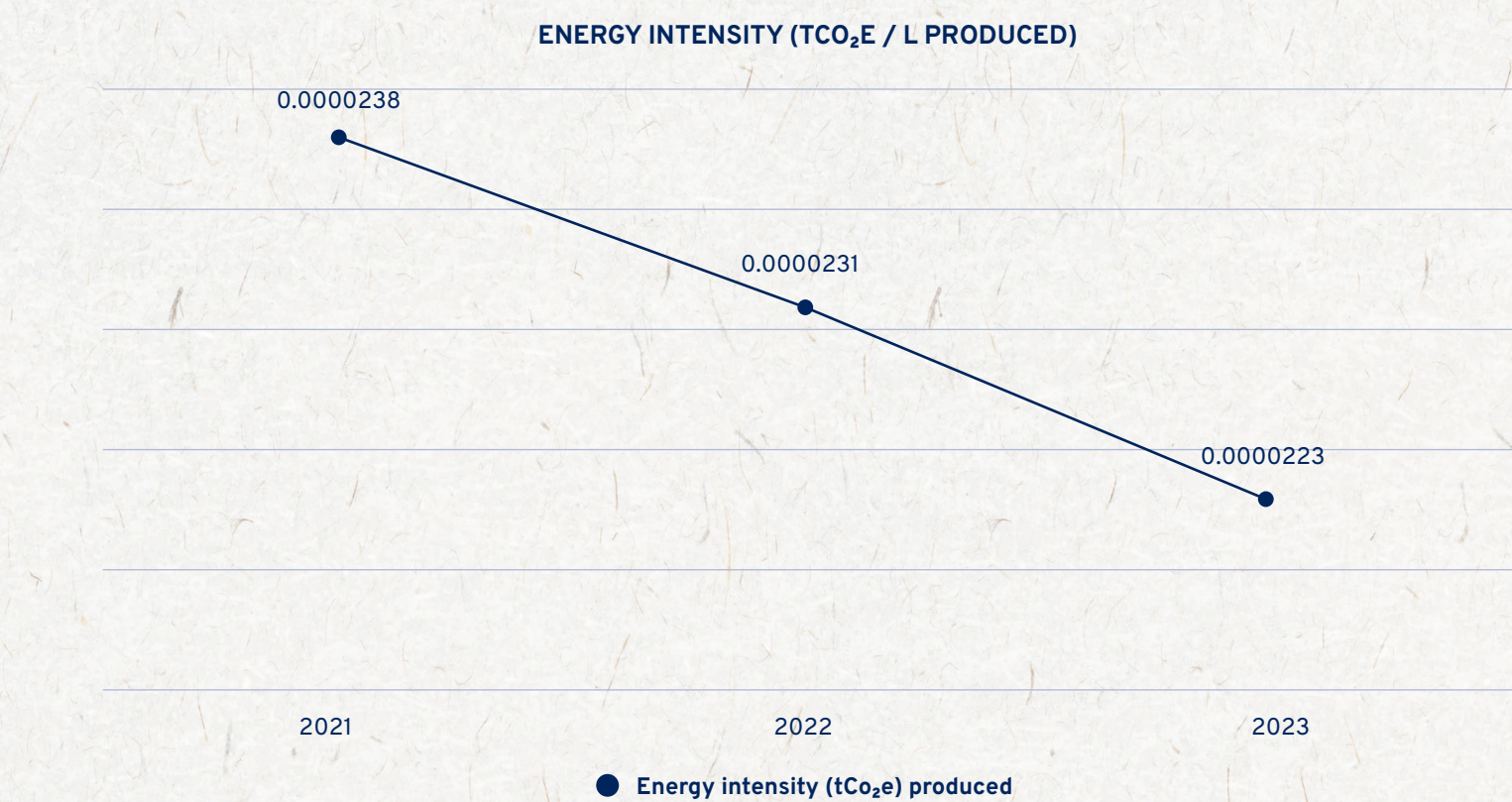
²¹ For 2021 and 2022 the figures also take into account the energy consumption of the Assago site.

²² Natural gas is used for heating as well as producing electricity through cogeneration plants at the San Giorgio in Bosco and San Pellegrino Terme facilities.

In 2023 the production activity carried out at the Sanpellegrino sites generated approx. **38,450 tCO₂ and direct emissions (Scope 1)**, i.e. derived from energy sources used directly as natural gas for heating and cogeneration. As for **indirect emissions (Scope 2)**, i.e. derived from the energy purchased by the company for the production of electricity and heat, the emissions amount to **20,490 tCO₂e**. Therefore, there was a **decrease (-3%) in total emissions Scope 1 and 2** compared to 2022, mainly due to the reduction in LNG use.

EMISSIONI ²³	u.m.	2021	2022	2023
Emissioni dirette (SCOPE 1) ²⁴		41.255	38.958	38.450
Emissioni indirette (SCOPE 2) ²⁵ – Location based	tCO ₂ e	22.041	21.812	20.490
Emissioni indirette (SCOPE 2) ²⁶ – Market based		-	-	-
Totale emissioni		63.296	60.770	58.940

There was a decrease of 3.7% in the **emission intensity indicator** compared to 2022. In fact, when comparing the Scope 1 and 2 emissions to the Group's production for 2023, an indicator of 0.0000223 tCo2e/ L produced is obtained.



²³ For 2021 and 2022 the figures also take into account the emissions of the Assago site.

²⁴ The factors used in the calculation of Scope 1 direct emissions, expressed in CO2 equivalent tonnes, are those included in EnEcoinvent 3.6 in its most updated version.

²⁵ For Scope 2 location-based emissions relative to electrical energy, expressed in CO2 equivalent tonnes, the emissions factors of the most updated version of EnEcoinvent 3.6 were used.

²⁶ For Scope 2 market based emissions, considering the purchase of 100% renewable electrical energy with certificates of guaranteed origin, an emission factor of nil was applied.

THE LIFE CYCLE ASSESSMENT OF OUR PRODUCTS AND THE CARBON TRUST CERTIFICATION

The Sanpellegrino Group has measured its environmental impact with the **Life Cycle Assessment (LCA)** method in 2021 for the first time (on 2018 data). This measurement was repeated in subsequent years: in 2022 (on 2021 data), in 2023 (on 2022 data) and in 2024 (on 2023 data), keeping 2018 s the year of reference to measure progress. The process is conducted externally and it subsequently undergoes an independent review by Quantis.

The LCA is an objective method for assessing the environmental impact of a product throughout its entire life cycle, from the acquisition of raw materials to the end of its life. The aim is to measure activities that have an impact in terms of climate changing emissions (GHG) for the Group's main brands (Levissima, Acqua Panna, S. Pellegrino and Bibite Sanpellegrino), identify opportunities for improvement in order to guide the emission reduction strategy and monitor these reductions year after year thanks to projects addressing the most significant areas: **production, packaging** and **logistics** of these brands.

The scope of the LCA takes into account all **emissions, scope 1, 2, 3**, as pictured below:



NOT REPORTED: Processing of goods sold, Goods leased upstream, Franchising.

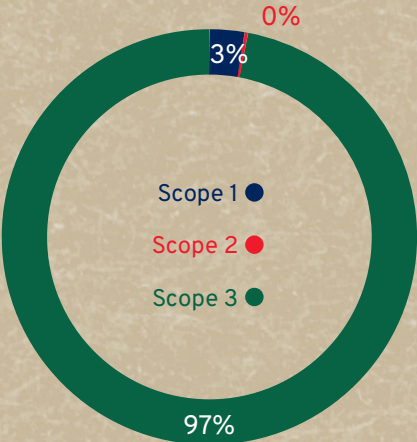
For the Group's business type, **indirect emissions in the value chain (scope 3) are 97% of the total**. Furthermore, thanks to the constant energy efficiency measures implemented in the Group's facilities over the years, direct scope 1 emissions represent a smaller portion of our emissions (equal to 3%), while indirect scope 2 emissions are at 0.

The results for 2023 confirm that the areas with the highest impact are **packaging (which represents 52% of the Group's carbon footprint) and logistics (equalling 29%)**.

The LCA assessments conducted to date have also confirmed that the projects undertaken made it possible to reduce the intensity of the emissions derived from the Group's activities (g CO2eq/litre). These remarkable efforts were recognised in 2022 for the first time, and in 2023 after that, with the **“low emissions” certification by the Carbon Trust**.²⁷ The Carbon Trust is an independent company and one of the most trusted and strictest in carbon footprint calculation that helps companies effectively measure, manage and reduce their emissions. The Carbon Trust's calculation and assessment methodology measures emissions in g CO2eq/litre or Carbon Intensity. **The certification attests that the Acqua Panna, Levissima and S.Pellegrino brands have measured and reduced the intensity of their carbon footprint.**



OUR IMPACT
BY SCOPE
(FULL SCOPE)



WATER RESOURCE MANAGEMENT IN THE FACILITIES

The Sanpellegrino Group pursues projects and investments to keep increasing its efficiency in the use of the water resource through an approach that is not limited to production activities (see p. 38).

Responsible and sustainable management of this resource starts with projects to reduce, reuse and recycle the water used in all production activities, which have enabled the Group to **save 329 million litres over the last 6 years**. In detail, **industrial water use has been significantly optimised**, thanks to investments made on the water installations of processing systems. During the bottling process, the utmost care is taken to reduce water waste by acting on filling machines and on adjustment mechanisms.

At the Sanpellegrino Terme facility, for example, the collected industrial water is microfiltered and used to rinse empty glass bottles before filling. This water is then collected line by line and, after going through a filtering and chlorinating plant, is used to fill tanks, bottle washing and crate washing machines, for example. The facility has also implemented a sound rainwater collection system, which is conveyed into two separate tanks, respectively intended for production plant activities and for the multi-storey parkig lot for articulated trucks.

Part of the process and processing water is then returned to surface water courses, after specific purification, straining and pH neutralisation treatments both within the facilities and in the consortium purifying plants. In addition, some waters require treatment in specific homogenisation tanks before being sent to the consortium purifying plant. Purification treatments and discharge processes, which potentially are the only polluting activities of the Group, are controlled and monitored directly on a monthly basis (although the site authorisations require checks to be carried out less frequently²⁸) to check the quality levels of the release, ensuring that no pollutants whatsoever are released into the water (surface, underground, soil, subsoil).

In 2023 the **average quantity collected stood at 1.66 litres of industrial water for each litre of mineral water bottled**. This collected amount represents an **average consumption**, net of discharges and bottled litres, **of 0.05 litres of water per bottled litre**²⁹, down on 2022, when the figure was 0.07 litres of water per bottled litre.

The total **water collection** of both natural mineral water and the water necessary for operating the plants was 4,399,213 cubic metres during 2023, down **4%** compared to 2022. Nearly **all** the water **collected** comes from underground water, in no case does it come from areas under water stress.

WATER CONSUMPTION	m.u.	2021	2022	2023
Water withdrawals	M³	4.600.000	4.579.000	4.399.213
Water discharges		1.702.000	1.721.000	1.617.192
Bottled water		2.659.000	2.668.000	2.646.969
Total water consumption		239.000	190.000	135.052

WASTE MANAGEMENT

The activities and strategies implemented by the Sanpellegrino Group are constantly aimed at recovering useful materials from waste with the purpose of reusing them, thus transforming waste materials into a resource. For this purpose the Group has an agreement with HeraAmbiente, thanks to which it ensures that **100% of the waste managed by the contractor is intended for recovery**. This agreement ensures that management is complete, tracked and integrated, thus guaranteeing the best quality of the waste recovered and significant cost reductions. The Group ensures **constant monitoring** of the waste it generates. In detail, in 2023 the total waste produced was **16,752 t**³⁰, up 8% on 2022.

GENERATED WASTE	m.u.	2021	2022	2023
Hazardous waste	t	352	271	146
Non-hazardous waste		14.229	15.176	16.606
Total waste		14.581	15.447	16.752

Of the waste generated in 2023, less than 1% can be classified as hazardous waste, down 46% on 2022 and 59% on 2021, of which the largest share consists of motor oils and packaging contaminated by hazardous substances, while approx. **99% is non-hazardous waste**, mostly paper, cardboard, plastic, wood and glass packaging.

²⁷The 2023 LCA data will not be certified by the Carbon Trust because the certification was renewed in 2023 with two-year validity.

²⁸The analyses required by the site authorisations include monitoring certain parameters such as: pH, sulphates, nitric nitrogen, total phosphorus, surfactants, etc.

²⁹This figure differs from 2021 and previous years because in 2022 the method for calculating the water consumed, which corresponds to the water not discharged into the network and not bottled, was updated.

³⁰As of 2021 the reporting scope has been extended to the Madone facility, while the waste produced at the Assago site has been included in the report of Nestlé Italiana S.p.A.

04 / 02 Our product packaging

THE MATERIALS USED IN 2023

Primary packaging



PLASTIC: PET AND R-PET

- **Bottle:** recyclable
- **Label:** recyclable
- **Cap:** recyclable
- **Glue:** not recyclable



GLASS

- **Bottle:** recyclable
- **Label:** recyclable
- **Cap:** non recyclable (aluminium, including plastic)
- **Glue:** not recyclable



ALUMINIUM

- **Can:** recyclable
- **Tab:** recyclable

Secondary packaging



FILMPACK

Shrink wrapping in PE or RPE
100% recyclable



FRIDGEPACK

Cardboard packaging with side openings
100% recyclable



CLUSTERPACK

Cardboard packaging that completely wraps the product
100% recyclable

The Group's approach to circular economy is based on the **3R model: reduce, reuse and recycle**.

> REDUCE

We lighten up and eliminate unnecessary packaging: we use less material by designing lighter packaging and reducing the weight of our bottles, also eliminating any useless overpackaging. Lighter packaging not only uses less material but also results in lower CO₂ eq emissions.

> REUSE

We value our returnable glass: bottles can be used several times, after use they are sent back to our facility to be washed and sanitised, and made ready for re-use. For Acqua Panna and S. Pellegrino, returnable glass makes up 40% and 36% of the glass portfolio, respectively.


> RECYCLE

We increase the content of recycled material in our PET bottles and work with our suppliers to have an increasing percentage of recycled material in glass and aluminium, as well.

The Sanpellegrino Group has joined the Ellen MacArthur Foundation and the Consumer Goods Forum. In line with the directives of these organisations, **100% of the Group's products are designed to be recyclable, in keeping with the D4R principle (Design For Recycle)**. Furthermore, in line with the application of the circularity principles, the Group undertakes to follow the "Golden Rules", a set of rules guiding packaging design to ensure its recyclability and sustainability. These indications include streamlining all stages of packaging, using recycled content as much as possible and the involvement of consumers in proper waste management. These commitments should be seen within the wider context of initiatives aimed at promoting a circular economy.

PET AND R-PET

PET is a type of plastic widely used for the production of bottles intended to contain liquid products for human consumption, thanks to its distinctive features: it is **transparent, safe, light**, resistant to impacts and **100% recyclable**. Furthermore, PET can be potentially reused for multiple applications.



The Group sets ambitious targets for the use of recycled PET (R-PET) for each of its brands and to promote a circular economy. **The objective is to ensure, by 2025, that all packaging is fully recyclable or reusable and that at least 50% of the materials used in packaging consists of recycled plastic (R-PET and R-PE).**

This implies making a significant contribution to the development of the entire recycled PET supply chain, as PET can be recycled a virtually infinite number of times, resulting in a plastic material identical in quality, safety and strength to conventional PET, which is also 100% recyclable. This is a challenging job that the Group carries out together with suppliers, recycling operators, and institutions, in order to actively contribute to the development of a recycling chain capable of feeding an actual market. To this end, an environmental label has been developed to guide consumers on proper recycling (see the detail on p. 61). Over the years, Sanpellegrino has introduced an increasing use of R-PET, or recycled PET, as well as proactively engaging in consumer communication about the 100% recyclability of this packaging.

Levissima, already a pioneer in 2010 with the use of R-PET, was **the first brand in Italy to launch a bottle with 100% R-PET** as soon as Italian law allowed it in 2021. The first formats launched were the Litre and 75cl sport bottles. In 2022, two new 100% R-PET references were added, 50cl natural and sparkling, dedicated to the HORECA channel. Since 2023, the whole Levissima portfolio has consisted of at least 25% R-PET, anticipating by 2 years the legal obligation set forth by the European Community. For Acqua Panna and S. Pellegrino, 30% of R-PET has been reached on the entire range.

Furthermore, to **promote bottle circularity** and with the ambition of reaching growing collection rates, Sanpellegrino pursues several initiatives, including:



the Group is a founding member of **Coripet**, the consortium for the selective collection of PET (and R-PET) to promote the bottle-to-bottle recycling system (more details on p. 52)



Raising our consumers' awareness of proper recycling through our brands' initiatives



Education of consumers of the future through projects in schools



SIMPLEX PROJECT

The Group undertakes to reduce to the maximum unnecessary packaging, producing lighter packaging in order to use less material.

As Nestlé Waters, in other countries where it operates the Group takes part in initiatives to reduce the impact of product end-of-life, both through projects raising awareness of proper recycling and by collaborating with institutions and taking part in initiatives to reduce incorrectly managed waste, which often ends up discarded in the environment.

88% of the product marketed abroad is sold in countries where the Group cooperates in recycling initiatives and initiatives to reduce littering.

In 2023, 12,950 tonnes of R-PET were used, 79% more than the 7,246 tonnes used in 2022. The work required to achieve circularity objectives must be collective, i.e. it must be performed alongside suppliers, recyclers and institutions in order to actively contribute to the development of a **recycling chain** capable of feeding an actual recycled PET market. Indeed, the contribution in this sense may be very significant if one considers that PET may be **recycled for an almost unlimited number of times** and, through the current processes of mechanical recycling and mixing with a percentage of virgin material, it maintains the chemical and physical properties that are suitable for the preservation of beverages.



GLASS

The glass range of S.Pellegrino and Acqua Panna is intended for the best restaurants, cafés and hotels around the world. There are two types of glass bottles: “disposable glass” and “returnable glass”. After use, returnable glass bottles are collected and sent back to the facility where they are washed and disinfected, making them fit for being reused. The recycled material content in glass bottles is linked to the colour of the material itself. **On average, in 2023 the Group used 53% recycled glass, broken down into 65% for green glass and 45% for clear glass** (the percentage of the latter is lower because it is more difficult to find on the market).



Recyclable glass and secondary packaging composed only of cardboard
65% recycled green glass
45% recycled white glass

ALUMINIUM

Aluminium is infinitely and 100% recyclable. Together with virgin aluminium, Sanpellegrino also uses recycled aluminium. Specifically, it requires its suppliers to ensure that production is aligned with the **percentage of recycled materials on the European market, which amounts to 59% on a global level.**



Primary packaging: 100% recyclable cans and plastic use of in secondary packaging has been brought down to zero: clusterpacks or fridgepacks, in replacement of plastic shrink wrap
59% recycled aluminium

SANPELLEGRINO AIMS TO ACHIEVE INCREASINGLY CIRCULAR PACKAGING

The focus on the sustainability of packaging, in terms of recyclability and use of recycled materials, especially plastic, is ever increasing. The Sanpellegrino Group is one of the founding members of Coripet, a voluntary consortium authorised by the Ministry of the Environment for the selective collection and preparation for recycling of PET beverage bottles, a 100% recyclable material. The Consortium is composed of recycling operators, producers of preforms, companies in the sector of natural mineral waters, soft drinks, milk, and olive oil. Coripet collects PET bottles through two channels: traditional sorted waste collection and the selective collection of PET bottles through eco-compactors set up in areas of high traffic, such as, for example, mass retail stores. This form of collection ensures the high quality and hygiene standards set forth by the European Food Safety Agency (EFSA) for the production of food-grade recycled PET production, usable for the production of other bottles. This channel therefore represents an important tool for the development of a “bottle-to-bottle” circular economy.

In addition to that, Sanpellegrino is committed to raising consumers’ awareness of sorted waste collection and the value of PET which, if collected correctly, is a resource and not waste.

With this in mind, in 2022 the Group installed a number of compactors at restaurants and lidos (see also Sustainability together with our customers p. 62).



05. SUPPLY CHAIN AND LOGISTICS

05/01 Supply chain management: collaboration, sustainability and transparency

The Sanpellegrino Group uses its Vendor Approval Process Standard to qualify all its suppliers. The **Risk & Crisis** tool allows the Group to monitor approved suppliers i terms of risk. The components assessed are: country risk, financial risk, supply flexibility, planning and OTIF (On Time In Full). In addition to the financial performance of suppliers, quality and responsibility in procurement are also assessed. This approach aims at assuring operative reliability and consistency with corporate sustainability and transparency objectives. Suppliers are required to complete a questionnaire³¹ for **Quality and Responsible Sourcing Standard** aspects, and to address food safety risks along the value chain, suppliers of raw materials and packaging in scope (cf. QA procedure) are required to hold or commit to obtaining a certification recognised by the GFS (Global Food Safety Initiative). Suppliers are subject to regular conformity **audits by the Quality Team, at all production sites from which the Sanpellegrino Group receives materials and products.**




The Group's **Responsible Sourcing Standard**³² describes the **requirements and the working methods** that are applied to guarantee the long-term **sustainable supply of materials and services** and to reach preset goals, in particular with a view to **constantly reducing the impact on the planet's resources**. The requirements apply to the entire upstream supply chain and apply to everyone who has a direct commercial relationship with the Group (so-called Tier 1 Suppliers, and all affiliates), Tier 2 Suppliers (intermediaries) and suppliers of "at source" services, those responsible for the production of raw materials. The Standard contributes to the implementation of the Group's commitment to the OCSE Guidelines for multinational enterprises, the ILO fundamental Conventions and the United Nations' SDGs.

Within the **Sustainable Procurement Programme** involving tier 1 suppliers who exceed the turnover threshold of CHF 300,000 (Sustainable Sourcing Tier 1), and for S&IM (services) with regard to expense categories in scope (always with reference to the turnover threshold), the Group ascertains conformity to the Standard by its Tier 1 suppliers, conducting independent audits by accredited companies which adopt **SMETA** (Sedex Members Ethical Trade Audit) or **ECOVADIS** practices, which are compulsory for assessing environmental and social sustainability (in relation to work, health and safety, transparency and business ethics standards)³³.

This process makes it possible to identify **improvement targets**, thus contributing to the design and implementation of specific projects.

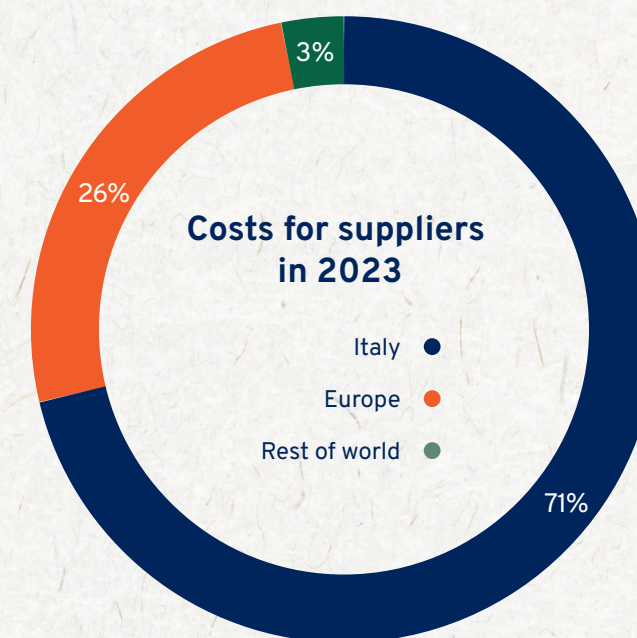
Should non-conformities or gaps be encountered, the supplier is required to adopt an Action Plan with precise deadlines, the implementation of which will subsequently be verified by the auditor. Any failure to make improvements by the suppliers or failure to take part in the audits may also result in their exclusion from the Group's supplier panel (so-called delisting). The Group ensures the full traceability of all the materials used for the finished product, guaranteeing 100% coverage.

 The suppliers assessed based on the Sustainable Procurement programme account for 67% of the Group's total turnover.

With a view to **promoting the local area and supporting excellent local products**, especially in relation to juices, for which 100% Italian raw materials are used, the Group manages the supply chain by prioritising, whenever possible, **collaboration with local suppliers.**



1,287 suppliers, of which 82% in Italy



³¹ Integrated platform for the management of the entire procurement process from the first contact with suppliers to managing orders.

³² The Standard is divided into **5 main sections**: the first is dedicated to **sourcing practices**, the second to the **management of Tier 1 suppliers** with regard, for example, to compliance matters, the protection of human rights, health and safety, the workplace environment, the conservation of nature and of the territory, as well as the commitment to Plastic Packaging Stewardship. A third chapter is dedicated to **intermediaries upstream the supply chain**, i.e. any entity involved in the manufacture, procurement or production of services or materials that has a contract with the Group via Tier 1 suppliers, in particular with regard to the obligations of transparency and due diligence in relation to the management of people, the protection of the environment and of animals. The fourth chapter concerns **due diligence with regard to the origin of raw materials, packaging materials and services**, i.e. in relation to the primary production site or the collection of materials (forest, land, or sea) and, for services, the entity tasked with creating or making the physical delivery of the services contracted by the Group. Lastly, the last chapter deals with **performance reporting** in terms of initiatives implemented in favour of constant improvement and any violations.

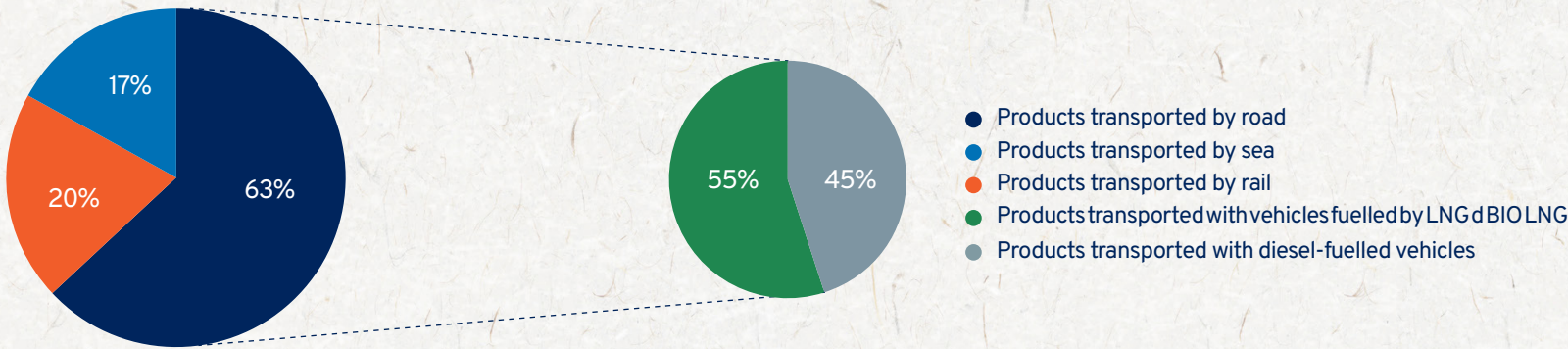
³³ The certificates of this ethical audit are available on the SEDEX platform (Supplier Ethical Data Exchange).

05 / 02 Logistics: The journey from the source to the table

Sanpellegrino is committed to developing streamlined, integrated and innovative logistics that uses all available tools to reduce the ecological footprint. Within the scope of the Life Cycle Assessment³⁴ (process aimed at measuring the ecological footprint of a product along its entire life cycle, the Group has identified logistics as one of the areas that generates the **greatest impact (about 29% on average), and where there is greater potential for mitigating emissions.**

In a national context, in which logistics is traditionally based on road transport, the innovation of heavy goods transport can be extremely significant, not only in terms of reducing the Footprint of specific products, but also in terms of renewal and creation of opportunities for entire industrial supply chains. Sanpellegrino monitors the flows by transport mode under various aspects: brands, pallets transported, km travelled, and transport methods. The study and constant improvement of flows includes reducing to the minimum the number of kilometres travelled on the road by incentivising the use of **rail transport** and, where necessary, intensifying the experimentation and application, on an increasingly industrial scale, of alternative fuels to diesel, such as the switch to vehicles powered by LNG (liquefied natural gas) and BIO LNG. Sustainable logistics plans make it possible today to transport Sanpellegrino products by **rail, sea and vehicles** fuelled with **alternative fuels**. During 2023 the **products transported by vehicles fuelled by LNG and BIO LNG** accounted for **55% of the total products transported by road**, up by 39% on 2022.

SANPELLEGRINO TRANSPORTS IN ITALY:



DIGITAL CORNER

For the second year in a row, in 2023 the Sanpellegrino Group obtained the "Il Logistico dell'Anno" award, thanks to the “Commuter Train” project. The "Il Logistico dell'Anno" award is a prominent award in the logistics sector and further testifies to the Group's commitment to making its logistics more efficient and sustainable.

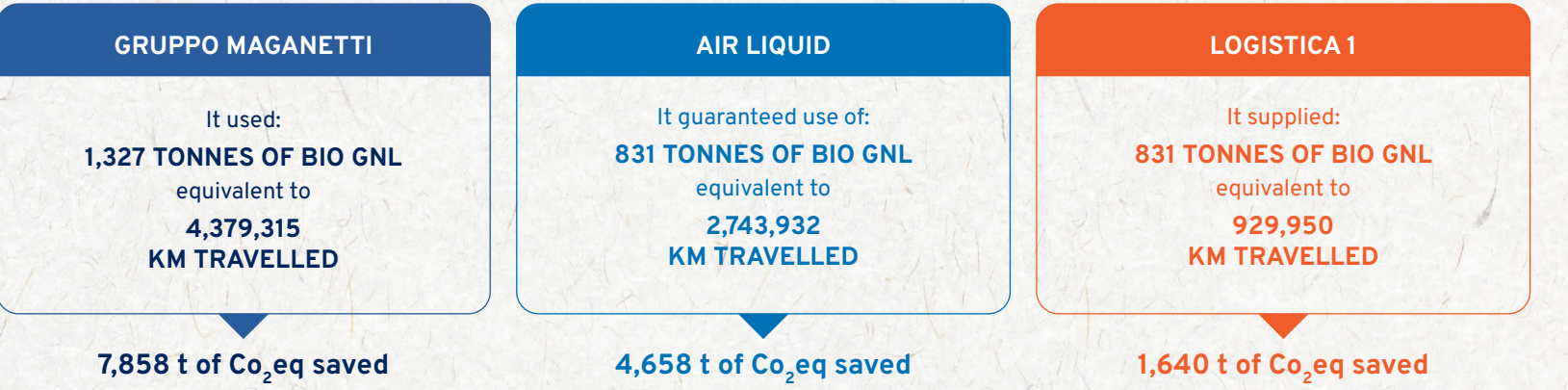
Thanks to **ultralight trailers**, which make for an increase in the number of pallets per trip, it was possible to increase the payload and consequently reduce the number of trips. Furthermore, because it prioritises rail transport, Sanpellegrino is now **Trenitalia's largest direct customer in consumer goods.**

Furthermore, starting from 2016, when this technology was still in its infancy and the necessary infrastructure, such as fuelling stations, was almost non-existent across Italy, the Group began developing projects for goods transport, involving the use of LNG (Liquefied Natural Gas) fuelled **vehicles**, due to its lower emissions. Compared to diesel vehicles, these vehicles can **reduce carbon dioxide emissions by up to 15%**, reduce **emissions of particulate**, including fine, to almost zero, and **reduce No_x emissions by up to 90%**, thereby also representing an effective solution for reducing pollution on a local level. In collaboration with **Maganetti Group**, one of its Logistics partners, the Sanpellegrino Group began using a fleet of heavy vehicles fuelled with Liquefied Natural Gas (LNG) for transport leaving the Cepina Valdisotto production plant. The fleet of gas-powered vehicles has progressively grown and today it accounts for 51% of the km travelled on gas out of the total km travelled (in detail 36% of the km travelled on BIO LNG and 15% of the km travelled on LNG). Similar agreements have been signed with other logistics partners to cover an increasing share of transport with this type of fuel, for all of the Group's brands.

³⁴For more information see pg. 48.

To date, the distribution of LNG is much more extensive, also thanks to an infrastructure that guarantees more than 100 refuelling stations across the country. For the Group, since the launch of the project, it was nevertheless clear that this solution was but a starting point. **The natural evolution of the commitments therefore translated into the transition to BIO liquefied natural gas, introduced at the start of 2021. According to a recent study conducted by the CNR, BIO GNL, also taking into account the contribution of the gas production process, enables a considerable reduction in greenhouse gas emissions.**

Within its collaboration with Nestlé, Maganetti Group has signed agreements with **Cooperativa Speranza**, a farming cooperative in Piedmont, which started up a BIO-GAS production plant for automotive use in 2020, with a capacity of 1,800 tonnes per year. To date, the project has made it possible to **save approximately 16,000 tonnes of CO₂**. Within the context of BIO GAS use, during 2023 the Sanpellegrino Group continued cooperating with **Gruppo Maganetti**, with **Air Liquide** for the San Pellegrino Terme-Madone shuttling and with **Logistica 1** for the Cepina Valdisotto-Genova route.



The implementation of these projects was made possible thanks to the strong **involvement of the local community**, which allowed the authorities and the whole community to be fully aware and aligned with the objectives of the initiative, thus giving rise to an actual territorial process for sustainable development with significant economic implications. This collaboration indeed fostered the growth of circular entrepreneurial initiatives and the birth of alliances between large players and new and innovative production concerns.

DIGITAL CORNER



The first electric E-Truck dedicated to Levissima for more sustainable mineral water distribution. In April 2023, the first electric truck dedicated to Levissima was launched, developed by Gruppo Maganetti. This vehicle ensures that the products are distributed without generating polluting emissions. A success story that places Levissima and the Sanpellegrino Group among Italian pioneers in the adoption of fully electric trucks. This 100% electric truck covered 23,267 km between March and December, **saving 48 tonnes of CO₂eq.**



To implement the use of bio-fuels and work more and more on extending sustainable logistics projects to other areas where the company operates, Sanpellegrino plans on investing more than **5 million euros in 2024** for land and sea transport.

06. CUSTOMERS AND CONSUMERS

The Group's activities are aimed at customer and consumer satisfaction, with the objective of guaranteeing the highest product quality, safety and transparency. Sanpellegrino customers include modern distribution, wholesalers serving the out-of-home sector such as bars and restaurants and large fast food chains in the out-of-home sector (e.g. motorway service stations, etc.).



06 / 01 A healthy and sustainable offer

The Sanpellegrino Group is vocal about hydration education, in order to **promote and encourage a healthy lifestyle**, based on correct and conscious daily water consumption. The objective is to contribute to **improve the quality of life of people, for a healthier and more sustainable future**.



DIGITAL CORNER

10 Benefits of water: why drinking water is good for you

The Sanpellegrino Group is vocal about hydration education, in order to promote and encourage a healthy lifestyle, based on correct and conscious daily water consumption

In addition to adequate hydration, the Group is committed to promoting **responsible consumption** of beverages containing sugar. Sanpellegrino is constantly seeking **innovative solutions** to meet consumers' growing needs, while always maintaining high quality and taste standards for its products. Since the early 2000s, the Group has been introducing more balanced recipes with a lower sugar content, prioritising the use of natural ingredients, both in the development of new products and in the reformulation of its traditional recipes. Furthermore, the Group actively works to optimise the selection of suppliers of ingredients and raw materials in order to ensure high quality standards, with a special focus on the environmental impacts along the entire value chain and also ensuring Kosher³⁵ certification for certain products.

06 / 02 Quality and transparency of our products



Sanpellegrino pays the utmost attention to the quality of natural mineral water, ensuring accurate monitoring at all stages of bottling up to the finished product, both internally and in collaboration with the competent health authorities. In this respect, Sanpellegrino is committed to guaranteeing the highest quality and transparency: all the Group's products and processes are 100% certified in accordance with the **ISO9001** and **FSSC22000** standards. Furthermore, quality controls on the materials and production process are strictly defined in a control plan that complies with the Group's quality standards, adapting to the technical specifications of each facility.

³⁵ Kosher certification identifies all foods that are fit to be eaten by Jewish people. Research and careful selection of the raw materials and suppliers are required to obtain kosher certification, as well as checks by a specialised and recognised Rabbinic body. The body oversees production, ensuring that not only the ingredients used to make the food are compliant with the rules of Judaism, but the facilities and packaging process as well.

QUALITY AND COMPONENTS OF MINERAL WATER

Natural mineral water has a very complex composition, made up of 46 parameters, i.e. the set of substances that must be subject to testing and quality control that is mandatory so that the product may be placed on the market. The type of parameters is defined by the legislator in Health Ministerial Decree of 10th February 2015 which establishes the search and determination of the main water components, possible contaminants, and chemical and physical-chemical characteristics.

In accordance with Italian regulations, these must be updated at least every five years, but once a year the bottling company must nevertheless send the analysis certificates to the Health Ministry, to confirm the composition shown on the label. Mineral waters differ by content of the so-called major elements: sodium, potassium, calcium, magnesium, chlorides, sulphates and bicarbonates, and the so-called trace elements, i.e. those that are found at a low concentration: lithium, strontium, fluoride. The fixed residue is the parameter that expresses the quantity of salts dissolved in a water, which is thus defined as “mineralised”³⁶.

This parameter is essential because it makes it possible to classify mineral waters and to choose the waters based on the various consumer needs. As specified by (It.) Legislative Decree of 8 October 2011, no. 176 on the use and marketing of natural mineral waters, the classification is as follows:

- **very low mineral content:** (up to 50 mg/L) this type of water is defined as “light”.
- **low mineral content or slightly mineralised:** (between 50 and 500 mg/L): this is water with low sodium content.
- **rich mineral content:** this type of water contains a high percentage of minerals.

The production process is divided into various steps, and for each one, the Food Safety Team applies the principles of HACCP and assesses the significance of each possible food risk, classifying them into chemical, physical, biological or relating to ingredients with the presence of allergens. Following the risk assessment, all the **control measures** to be implemented in order to prevent, eliminate or reduce significant dangers to acceptable levels are prepared and classified. In addition, for risks classified as critical, **specific operational** limits and **operational testing standards** are defined for the equipment used to eliminate the risk. The entire risk analysis process undergoes verification and validation on an annual basis and for every significant change. The verification is conducted both internally, through **audits** and **analysis plans**, and externally, through conformity and Food Safety audits carried out by certified third-party bodies. Furthermore, the Group is subject to periodic audits by public bodies and agencies. Also during 2023, thanks to the process described, no cases of non-compliance with regulations and/or self-regulatory codes regarding the impacts on health and safety of products and services were found.

OTHER GENERALLY WIDESPREAD PARAMETERS ARE:

- the **pH**, which measures the acidity of water³⁷; generally in natural mineral waters it is between 6.5 and 8.0.
- **electrical conductivity**, i.e. the possibility of passage of electric current through the salts dissolved in the water. The majority of mineral waters on the market have an electrical conductivity that ranges between 100 and 700 µS/cm.
- **hardness**, which is related to the calcium and magnesium content and which refers to the **total hardness**, i.e. the sum of the **permanent hardness** (quantity of cations that remain in the solution after prolonged boiling) and temporary hardness (by difference between the previous types of hardness, it is essentially expresses the quantity of bicarbonates present in the water before boiling). Waters that contain a substantial amount of these minerals are defined as “hard waters”.
- **nitrites**, a chemical compound always present due to natural phenomena (in this case the quantities are always very modest), but above all as a result of human activities, such as the fertilisation of crops using nitrogen compounds. For this reason, the maximum value has been set to 45 milligrams per litre.



06 / 03 Responsible communication



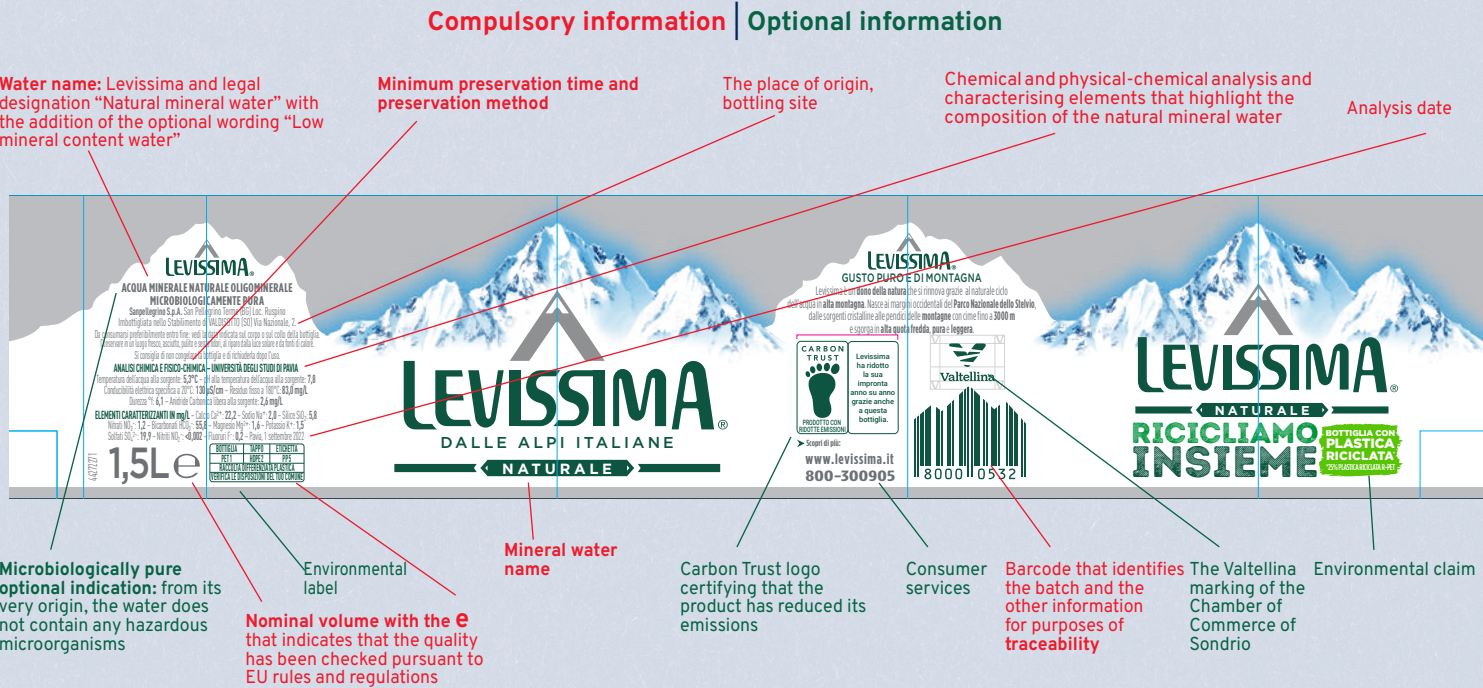
The information on the Sanpellegrino Group product label follows an articulated and complex testing and authorisation process in order to guarantee the highest transparency and correctness of the information provided. Certain principles with which products should be promoted are taken into account, depending on the type of target group the communication is aimed at. For children, for example, additional principles apply that take age into account: in fact, it is forbidden to advertise to children under the age of 6, whereas for children under the age of 12, communication and promotional tools must be limited to healthy and balanced products. Responsible communication also goes through raising our consumers’ awareness of proper recycling, our core value in the promotion of a circular economy.

HOW TO READ THE LABEL: THE EXAMPLE OF LEVISSIMA

The label is the product’s ID card and provides the consumer with all the information required to make an informed purchasing choice.

The information on the label firstly provides what is compulsory by law³⁸, with a special focus on the specific regulations relating to natural mineral water, and secondly voluntary information, such as health claims. Furthermore, always on a voluntary basis, the Group provides, on the front of the bottle, the information relating to ingredients and nutritional information, in order to guarantee the highest transparency and correctness of communication to the consumer.

Not everyone knows that by law natural mineral water, in order to be defined as such, must come from underground aquifers or deposits, must be bottled pure at the source without any changes and must be given special recognition by the Health Ministry, bearing the water’s name. Furthermore, it is also the Health Ministry which, after an assessment of the pharmacological clinical studies, authorises with a Decree of recognition, the indications that are beneficial to health, that can be provided on the label³⁹.



*mandatory as from 1 January 2023.

³⁶ The label always mentions the “Fixed residue at 180 °C”: this value corresponds to the solid part that remains after one litre of water has evaporated at a temperature of 180 °C.
³⁷ I.e. whether it is acid or alkaline.

³⁸ On the mineral water label it is compulsory to provide the information relating to its chemical and physical-chemical characteristics. This information, in accordance with Italian regulations, must be updated at least every 5 years.
³⁹ As stated in paragraph 4 of article 12 of It. Legislative Decree 176/2011, such as “aids digestion”.

06 / 04 The Consumers of the future: education for proper hydration and recycling



The Sanpellegrino Group has set up the **Sanpellegrino Observatory**, a consultancy space which aims at disseminating information concerning correct hydration and promoting, nationally and internationally, research and studies concerning scientific news, trends and lifestyles related to the world of water.

In 2014, also thanks to the technical and scientific contribution of the Observatory, "**A Scuola di Acqua** (Learning about water)" was born, which is an educational project promoted by Scuolattiva Onlus to teach children about how important water is for our health and the planet. The project is mainly intended for elementary schools across the country and mainly takes place in classrooms, with a rich and engaging programme consisting of interactive learning sheets, a survey on climate change, hydration and recycling, and a multimedia challenge.

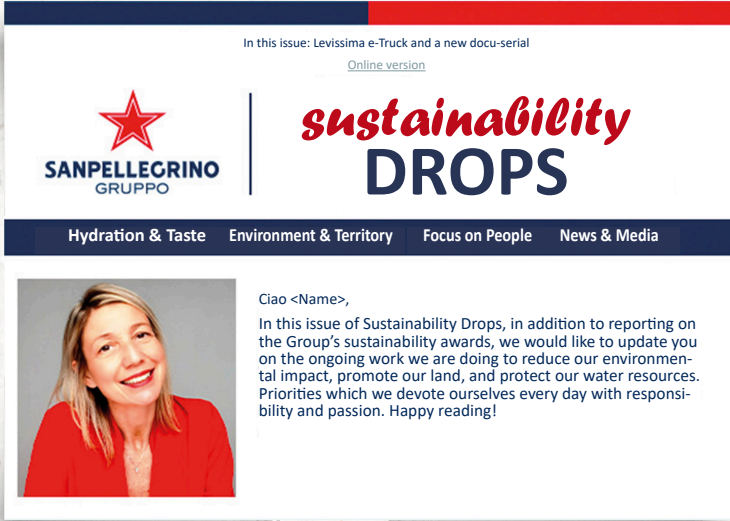
Over the course of its **9 editions**, over 4,066 schools have joined the campaign, for a total of 15,642 classes and 350,931 students thanks to the engagement of 8,485 teachers. In line with the statutory rules of the partner, Scuolattiva Onlus, 30% of the schools involved are located in suburbs, setting the activity in the context of the fight against educational poverty. Over the years, the project has also opened up to the support and participation of highly prestigious institutional partners such as the Italian Committee for the World Food Programme, which was also the subject of a teaching card over the last year.

06 / 05 Sustainability together with our customers

“Growing sustainably together with our customers” is a pillar of Sanpellegrino’s culture. Through this approach, the Group sets itself the dual objective of supporting companies and tangibly improving their all-round performance.

To achieve that, the Group has prepared **information material** to increase customers’ awareness of sustainability commitments and provide them with incentives to carry out joint activities. In addition, a quarterly newsletter entitled “**Sustainability Drops**” has been published since 2022 and sent to about 240 customers to inform them about the Group’s main sustainability projects. In addition, Sanpellegrino implements joint **projects** in partnership with different types of customers, in particular Office Suppliers (Lyreco and Mondo Office). The Group collaborated with these companies to develop an activation plan working on different aspects, from sales force training, dedicated newsletters and leaflet distribution, to product placement in the sustainable products section of the customer’s website.

Since 2010 Sanpellegrino, thanks to the support of **GFK**⁴⁰, has been conducting analyses and research in order to assess the impact of its sustainable actions on its customers and consumers. In detail, the Group set itself the objective of **surveying their sensitivity and concerns with regard to the topic of sustainability**. The surveys highlighted a growing interest and greater awareness by consumers with regard to this issue. The surveys showed that people perceive Sanpellegrino and its brands as “**committed to sustainability**”.



Finally, together with its customers Sanpellegrino promotes awareness-raising **activities targeting all consumers**:

For the away-from-home world (bars and fast food restaurants), refrigerated display cases were customised and Levissima-branded placemats were produced, which provide information on the value of PET and R-PET plastic and the steps for proper recycling.

Furthermore, Sanpellegrino activates **partnerships directly with customers for the selective collection of PET bottles through eco-compactors**.



IN 2023 THE GROUP INSTALLED:



06 / 06 Listening to customers and consumers

With the aim of providing an ever better service and address the needs of its customers and consumers, Sanpellegrino administers annually a **questionnaire** aimed at collecting tips, suggestions or concerns. Furthermore, the Group has established the **Consumer Engagement Service (CES)**, making it possible to manage the collection of feedback, combining more traditional contact channels, such as the toll free number for reports and the form on the website, with digitalised “self-service” solutions (e.g. Q&A, social media), that are accessible at all times, directly and without interference. The Consumer Engagement Service receives and directly manages consumer complaints, which are divided into “complaints for which the company is responsible” and “complaints for which the company is not responsible”. In 2023, a total of 1,438 complaints were received⁴¹.

COMPLAINTS RECEIVED

Total complaints received from third parties and assessable, of which	
Number of product complaints for which the company is responsible	
Number of product complaints for which the company is responsible managed during the year	
Number of product complaints for which the company is not responsible	
Number of product complaints for which the company is not responsible managed during the year	

m.u.	2021	2022	2023
	1.419	1.083	1.438
	93	26	14
No.	93	26	14
	1.326	1.057	1.424
	-	-	-

The management of reports and complaints is an important starting point for the Group to improve product standards and consequently increase customer satisfaction. Sanpellegrino is committed to reducing the number of complaints by 2024 through the adoption of targeted tools (such as Problem solving and the review of the Group’s standards) aimed at addressing potential negative impacts on consumers and end users.

⁴⁰ GFK, a firm that offers services and solutions to companies, supporting them in the complete understanding of consumer purchasing behaviour and the dynamics that affect markets, brands and media trends.

⁴¹ No case required the intervention of Authorities or external bodies

07. GOVERNANCE, ETHICS AND INTEGRITY

07 / 01 Sanpellegrino Group Governance

The Company has a “traditional” top-down organisational structure. The Group adopts a management and control system that includes the Board of Directors, the Board of Statutory Auditors and the **Senior Leadership Team (SLT)**.

THE BOARD OF DIRECTORS

consists of four directors, appointed by the Shareholders’ Meeting for a maximum period of three financial years. It plays a central role in the corporate governance system, deliberating on transactions of significant strategic, economic, or financial importance. The Board is vested with the broadest powers for ordinary and extraordinary management and has the authority to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, except those that the law or the Articles of Association reserve strictly to the exclusive purview of the Shareholders’ Meeting. Michele Beneventi is the Chairman of the Board and CEO. The governance and the operational control of the business are entrusted to a **team of Senior Leaders (SLT)** (see pg. 12) who reports to the Business Executive Officer (BEO). The BEO also covers the role of CEO, which makes it possible to guarantee continuity between the company’s Corporate Governance and operations.

SENIOR LEADERSHIP TEAM

guides operations in the market with the aim of defining strategic directions both at the level of product category and geographical area, monitors and manages impacts on the economy, environment and people to pursue the achievement of all short- and long-term targets, and reviews and approves the sustainability report.

THE BOARD OF STATUTORY AUDITORS

is the body responsible for supervising compliance with the law and with the Articles of Association, compliance with the principles of proper administration and the adequacy of the Company’s organisational structure and internal control system. The BEO also covers the role of CEO, which makes it possible to guarantee continuity between the company’s Corporate Governance and operations.

Lastly, the Group uses the services of an Auditing Firm, which is responsible for carrying out accounting checks so that the information is complete and accurate, and for ensuring that the company’s financial reports comply with the applicable laws.

BOARD OF DIRECTORS

Michele Beneventi CEO and Chairman of the Board of Directors	Giuliano Dal Fo’ Managing Director	Marco Travaglia Director	Massimo Ferro Managing Director
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BOARD OF STATUTORY AUDITORS

Giovanni Arcelli Chairman of the Board of Statutory Auditors	Egidio Bianchi Standing Auditor	Claudio Solenghi Standing Auditor	Filippo Mascia Alternate Auditor	Emilio Fano Alternate Auditor
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SUPERVISORY BODY

Claudio Solenghi Chairman and external member of the Supervisory Body	Giovanni Arcelli External member of the Supervisory Body	Guido Settepassi External member of the Supervisory Body	Giacomo Piantoni Internal member of the Supervisory Body	Daniele Guarnieri Internal member of the Supervisory Body
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Social, environmental and governance matters within the Nestlé Group are managed by the ESG Committee, which is responsible for defining the sustainability strategy with the aim of generating value in the medium-long term for all stakeholders. The ESG Committee ensures that **sustainability activities are controlled and monitored**, taking into account the analysis of the main risks and opportunities, and coordinating the management of projects at product category and area level. The sustainability commitments and targets identified are then managed at intermediate level by the **ESG Councils**, that translate them for each area and product category.

Lastly, sustainability governance envisages the application and implementation of said commitments in terms of market and individual Brand by the **sustainability departments** (that report directly to the Chief of market/chief of category/CEO), thanks to the promotion and implementation of a series of initiatives that aim to further the goals that have been set by the Group⁴². The activation and involvement of **Thematic working groups**, on the basis of the priorities identified, is envisaged for the management of projects that are of particular strategic importance for Nestlé Group, such as the implementation of the Roadmap to Net Zero.

⁴² The Sanpellegrino Group has established a Sustainability department, coordinated by the Head of Sustainability, who reports directly to the CEO (see p.12).

ESG TRACKER

In order to track all the sustainability-related projects, over the course of 2021 Nestlé implemented the **ESG Tracker**, a system that helps the Group monitor, with a single tool, the costs and benefits of each individual project. This tool is essential for identifying which strategic actions should be pursued to achieve the defined priorities, in terms of projects and activities. The main benefits that the tool takes into account are extremely customised with regard to Sanpellegrino's activities and the related contributions are expressed in terms of CO₂ reduction, savings in virgin plastic and water use, and are quantified based on the type of project being accounted. The matching between the actual costs and benefits of the project defines the **NIV-Net Impact Value**, which varies based on a specific set of KPIs divided by project category. These analyses and assessments underlie a very complex process, aimed at defining what projects should be pursued and the implementation methods. Furthermore, for the purpose of assessing how strategic the project is also from a quality point of view, an approval process is carried out by the ESG Council for projects that require investments of over one million euros. The outputs, in addition to being used on a daily basis by the sustainability team, also guide the choices in terms of geographical area and product category.



07 / 02 The safeguards for managing a responsible business

The Group's Corporate Governance structure is based on the principles outlined in the Code of Conduct, in the Code of Ethics and, more generally, on the Nestlé Business Principles and on the Best Practices found internationally, combined with the peculiar aspects of the Group's organisation and business in Italy. The Corporate Governance structure supports the application of the system of delegations, functions and powers of representation consistently with the organisational structure. All Group employees are responsible for the functioning and maintenance of the internal control system within the areas of their activities.

THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

With the introduction of (It.) Legislative Decree no. 231/01, containing the “Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality”, Sanpellegrino has adopted an Organisation Model in line with the regulatory provisions, after mapping the activities at risk of crime in relation to activities. The Organisational Model, the Code of Ethics, the Code of Conduct, the Disciplinary Code and the Corporate Principles have been disclosed to all employees, as well as being the subject of specific training courses, and are constantly updated and made available to stakeholders. Specifically, through the implementation of the Model, Sanpellegrino aims to: **(I)** raise, in all those who work in the name and on behalf of the company and especially those who operate in the areas of activity found to be at risk of crime, the awareness that they may incur – in the event of breaches of the provisions set out in the Model – the criminal offences punishable by sanctions against them and by “administrative” sanctions that may be imposed on the Company. **(II)** make these individuals aware that illegal behaviour is strongly condemned by the Sanpellegrino Group, as they are always and in any case contrary to the provisions of the law, to the corporate culture and to the ethical principles adopted as guidelines in the corporate activity; **(III)** allow Sanpellegrino to take prompt action to prevent or counter the commission of crimes or, at least, to significantly reduce the damage caused by them. **(IV)** improve corporate governance. For the implementation of the Model, the company opted for a collective **Supervisory Body** (SB) composed of three external members (one of whom acting as Chairman) and two internal members. The SB is the body in charge of supervising the actual application of the Model and to whom anyone who becomes aware of information relating to the breach or suspected breach of the provisions of the Model itself can appeal and make reports. Reports can be made by e-mail (organodivigilanza@waters.nestle.com), by voicemail (toll free number 800.655468) or by post (Supervisory Body of Sanpellegrino S.p.A. c/o Legal and Corporate Affairs Department, Via del Mulino, 6 - 20057 Assago - MI). The Supervisory Body takes into consideration all reports received and takes the required measures, being always careful to protect the whistleblower from any type of retaliation, in line with the provisions of the legislation concerning whistleblowing⁴³. In order to guarantee greater effectiveness to the reporting process, the Group has supplemented the communication channels set forth in the Model with **Speak Up**, a new Group level global channel, which is accessible both internally and externally, aimed at making it easier to report episodes and/or wrongful behaviour **along the entire value chain**. Speak Up is managed independently and reports can be sent in through three channels: a web link, a toll free phone number or a QR code.

⁴³ Whistleblowing is a prevention system of wrongful acts, which protects employees who report wrongful doings that they have become aware of during work, guaranteeing their anonymity.

The report is received by the Compliance Manager, in their role as person responsible for the application of the system⁴⁴. The Compliance Manager forwards the information to the competent bodies, depending on its type⁴⁵. Furthermore, the user sending in the report has the option to monitor progress through authentication. All reporting channels are constantly kept up-to-date with regard to compliance with the regulations. Sanpellegrino has also set up an “**Internal Control**” (**IC**) **department** that verifies and promotes the adoption of risk self-assessment methods, such as the Risk and Control Self Assessment and consequently drawing up the Action Plans. It collaborates with other corporate departments and provides them with detailed analyses and risk indicators, with a view to improving corporate procedures and promoting preventive actions linked to potential risky accesses to the management system (Segregation of Duty issues). The Parent Company has also established the GRC Committee – “Group Risk and Compliance Committee” – chaired by the Market Compliance Manager (Director of Legal Affairs), which is responsible for coordinating the main corporate compliance functions with the aim of maintaining integrated monitoring of the main risks. Through the relevant managers, the GRC monitors the following risk areas: Legal (Director of Legal Affairs), Employment Law (Human Resources Director), Finance (Finance Director), Reputational (Communications Director), Tax and Tax Compliance (Senior Tax Manager, Tax Risk Manager), IT Security (Business Services Director), Strategic (ERM Risk Manager), Training (Learning & Talent Manager), Health and Safety (SHE & Sustainability Manager), Technical Management (Head of Operations).

DIGITAL CORNER



The identity of the Sanpellegrino Group, an icon of Italian Style

Since its very birth, Sanpellegrino has been inspired by principles of integrity, honesty ad fairness. These essential factors are formalised in two important documents, the Code of Ethics and the Code of Conduct, which bear witness to the aspiration to excellence of those who, like Sanpellegrino, have always pursued quality in its broadest sense.



Furthermore, through official communication and with express reference within contracts, the Group undertakes to share the provisions of its own Organisational Model also with its external stakeholders, such as consultants and associates, commercial partners, agents, suppliers and those operating on behalf of the Company in the areas that are identified as “at risk”⁴⁶.

THE CODE OF ETHICS AND THE CODE OF BUSINESS CONDUCT

Integrity, honesty and fairness have always been the essential pillars guiding Sanpellegrino since its foundation. These essential principles have been formalised in two important documents aimed at defining the rules and practices to be followed to maintain a high standard of human values and to ensure a consistent corporate reputation: the Code of Ethics and the Code of Corporate Conduct.

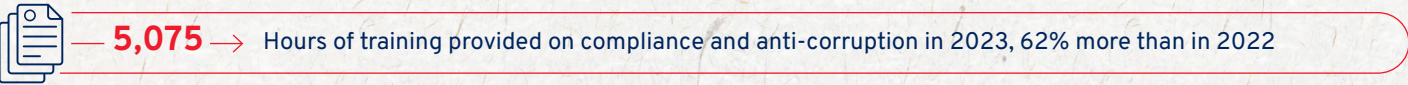
The **Code of Ethics** details the commitments and ethical responsibilities of Sanpellegrino towards its customers, as well as the company's internal activities, including shareholders, employees and associates. It is an essential framework for ethical and respectful behaviour in all aspects of corporate operations.

The **Code of Business Conduct** provides a global framework for the evaluation of all the company's activities. As part of Nestlé, Sanpellegrino undertakes to adopt and comply with these standards worldwide. This code establishes the minimum and non-negotiable standards of conduct in the various areas of the company's operations, ensuring consistency and integrity at every stage of business operations⁴⁷. The Code is disseminated through the corporate bodies, and the Company's employees, consultants, associates and agents by publishing on the intranet and on the website. Furthermore, specific training courses are organised to illustrate its content. A breach of the provisions of the Code may represent a failure of the primary obligations of the employment relationship or a disciplinary offence, in accordance with the procedures set forth by art. 7 of the Workers' Statute. This breach may entail legal consequences, including compensation for damages.

⁴⁴ In accordance with the rules set forth in the dedicated Policy and Management regulations.
⁴⁵ The SB for crimes under Model 231 and the Public Authority in the cases covered by the law.
⁴⁶ Sanpellegrino S.p.A. includes specific clauses within contracts entered into with third parties, which envisage the termination of contractual obligations in the event of non-compliance with the established ethical principles.
⁴⁷ Both documents can be found at <https://www.sanpellegrino-corporate.it/it/identita>

ANTI-CORRUPTION

Based on the Code of Ethics and the Organisational Model, the Group is committed to preventing and fighting any corruption crimes, both public and private, by identifying the set of sensitive activities in relation to the above crime. To this end, the activities that are sensitive to said crimes have been identified, including the management of commercial activities, suppliers of goods and services, sponsorships, donations and gifts, and the management of financial flows. This translates into constant monitoring of the activities and special attention to relations with counterparties, firstly with regard to the Public Administration and along the whole value chain. In addition, the “Speak up” tool can also be used to report cases of non-compliance with reference to incidents of corruption. The Group's commitment originates not only from a need for corporate protection, but also from the constant willingness to raise all the stakeholders' awareness on issues of legality and compliance. Also **for 2023 the Group's commitments confirmed the total absence of incidents of corruption**. All the measures implemented by the Group are an integral part of the compulsory training that all employees take part in, as well as being supported by specific policies.



RISKS AND OPPORTUNITIES

In order to manage purely strategic risks, the company uses the **Enterprise Risk Management (ERM)** framework, which, thanks to a holistic, agile approach that is very closely linked to the objectives, represents an important competitive advantage for the success of corporate growth plans. With the progressive implementation of the ERM model, the company – aside from bolstering corporate compliance systems – has been able to develop a positive risk management culture, which sees risk as an additional source of information for the definition of medium-/long-term strategy, further strengthening the approach to the creation of shared value as a fundamental asset for the company's business. The overall responsibility for creating and supervising the Group's risk management system lies with the **Board of Directors**. The Group's risk management policies aim to identify and analyse possible future and uncertain scenarios that may affect the Group, establish appropriate limits and controls and monitor their evolution. This process aims to ensure an adequate level of risk and compliance with the established limits, while ensuring alignment between corporate strategies and potential risks that might hinder the achievement of objectives. These policies and systems are regularly reviewed in order to take into account any changes in the market conditions and the Group's activities.

The risks are assessed by means of **quantitative** as well as **qualitative** metrics in order to establish priorities with respect to corporate objectives and to develop adequate response plans. In detail, risk measurement entails a **quantification of financial impacts** and reputational impacts. The financial impact (NNS or OPI) is broken down into four categories: major, significant, moderate, negligible, the thresholds of which are established with the CFO. A risk tolerance is also defined, representing the level above which the risk is considered strategic with the Group's Enterprise Risk Management. Generally, the risk assessment and the relative re-calibration were typically carried out within a three-year timeframe. Regardless of this, maximum flexibility of the system was guaranteed to allow total alignment with the scenarios in continuous evolution in this timeframe. Every other year, the Board of Directors updates the **strategic risks and the relevant action plans and provides this information to the Risk Management Department NIM, which processes it and consolidates it at central level with the Group Risk Management**.

Furthermore, the Group has implemented a framework to identify, manage and control risks linked to environmental and social sustainability and governance strategies. Among these, the risks linked to climate change and the consequences on the Group's assets are particularly significant, representing crucial aspects in terms of production and maintenance management and scheduling. Especially significant is the risk linked to the evolution of regulations concerning the containment of the use of plastic in packaging, in particular PPWR, and the related impacts on the Group. In this sense, Sanpellegrino aims to minimise the environmental impact of its activities, in line with a circular vision.

PROTECTING PRIVACY

Sanpellegrino information systems are certified according to **ISO 27001:2022**, an international standard that defines the requirements for an Information Security Management System (ISMS). In addition to that, Sanpellegrino trains all its employees on **GDPR** requirements, and on topics of **data protection** (classification, phishing, malware, cloud, etc.). All websites, protected by WAF systems⁴⁸, are regularly checked to find any vulnerabilities so as to promptly eliminate them; in addition to regular risk assessments to identify or improve any safety checks in order to mitigate said risks. Lastly, all company PCs and servers are checked every day to update antiviruses and safety fixes. In this regard, a **central dashboard** was developed to monitor more than 80 safety parameters on a daily basis, in order to ensure prompt intervention.

This system has ensured that, **also in 2023, no reports of customer privacy violations or loss of customer data were filed**.

⁴⁸ WAF, i.e. the Web Application Firewall, is a technology that increases the protection of the company's web applications and helps organisations adequately protect themselves against various types of cyber attacks, safely protecting data and in many cases blocking said attacks.

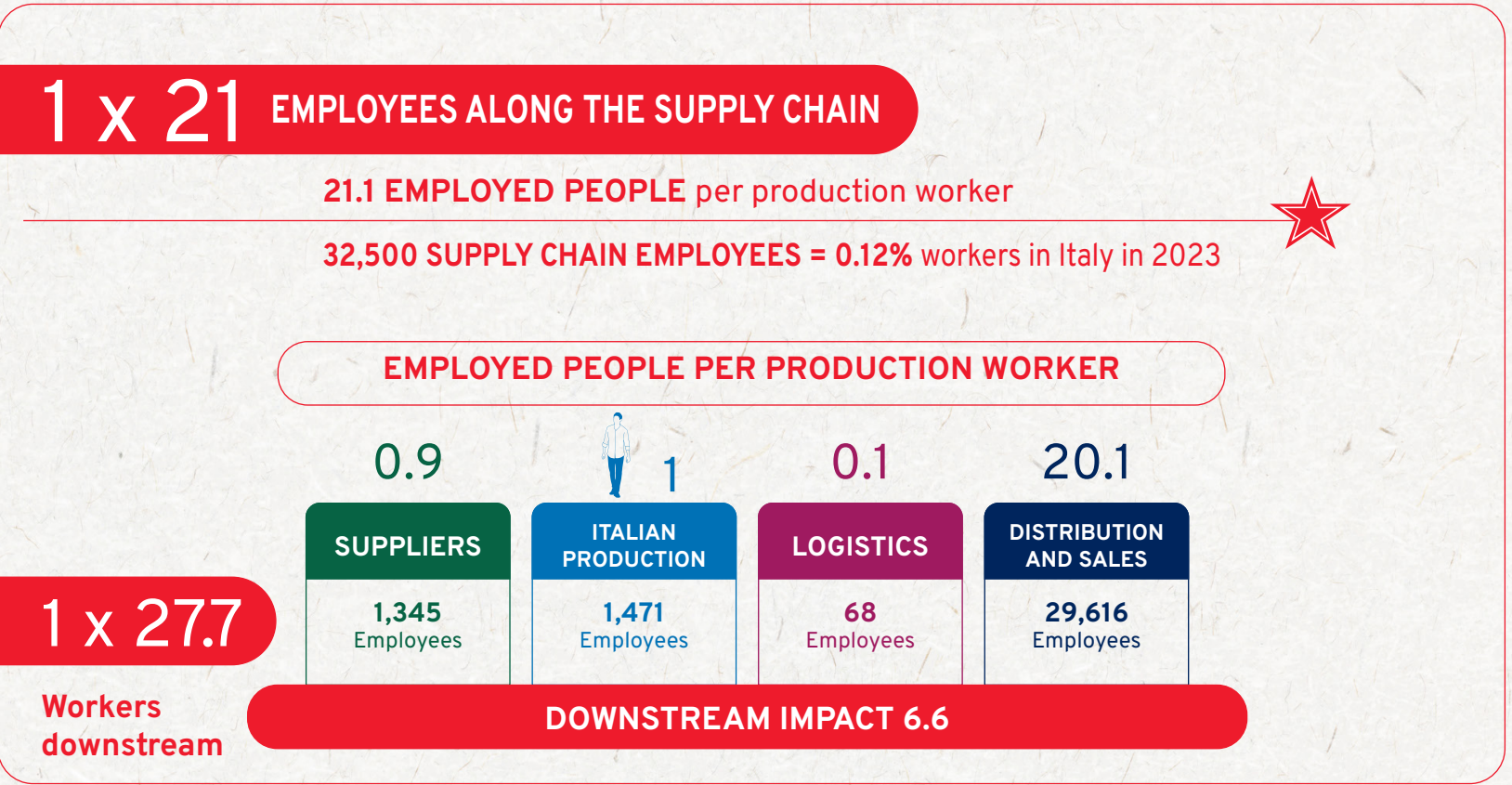
07 / 03 Sanpellegrino as a player in the Italian economy

Creating shared value, for Sanpellegrino, means generating tangible social, economic and environmental benefits for the people, the communities in which it operates and the planet. Through its activities, the company therefore contributes to the Italian economy by generating – either directly, indirectly or through downstream activities – economic value and employment throughout the supply chain.

THE SHARED ECONOMIC VALUE STUDY

With the aim of monitoring the Group's contribution to the country's economic growth and wealth, since 2020 Sanpellegrino has been presenting the study “**Sanpellegrino creates value for Italy**” carried out by Althesys Strategic Consultant. On an yearly basis, the study analyses the social-economic impacts of the Sanpellegrino Group's activity on the country, on the regions where it is present and along the entire production-consumption chain, in order to **quantify the shared economic value** generated by the Company. The model used is based on a theoretical framework and a tried-and-tested method in the academic world. Specifically, the **shared economic value** is made up by 48.4% of the **value added** (calculated as the sum of workers' compensation, the taxes imposed on the company and the remuneration of the other factors), especially distributed to workers in the form of salaries and contributions, and by 51.6% **by VAT and indirect effects**. The study showed a result of over 2.5 billion euros in 2023, slightly up compared to 2022 and equal to 2.2 times the Group's turnover and 0.12% of the Italian GDP in 2023. Of this generated value, around 96% is distributed to external stakeholders (Government, workers and other companies in the supply chain).

HIGHLIGHTS			
Shared value in 2023 2,543 million €	Every euro of shared economic value created during production generates 5.3 euros in the entire Italian economic system	For each one of its people, the company generates, indirectly and downstream, approximately 28 jobs, 21 of which in the supply chain, for a total of 42,236 jobs created	96% of the value generated by Sanpellegrino is shared between the Government, workers and other companies in the chain
0.12% of the GDP 2023			
2.2 times the value of Sanpellegrino production			



CHARITABLE GIVING AND DONATIONS

Sanpellegrino has also adopted two procedures, “**Procedure for making Donations**” and “**Procedure for contributions to the Public Administration, Associations and Territorial Bodies**”, which lay down the principles of the relationships with the communities, also identifying the engagement and authorisation process of the internal stakeholders. The procedures concerning donations and investments intended for the communities, updated in early 2022 to ensure their alignment with the company’s priorities, set forth a clear criterion for classification and measurement, with a view to transparency. In these procedures the company has adopted the guide lines of the international **B4SI (Business for Social Impact) standard**⁴⁹.

Sanpellegrino manifests its commitment to local communities also through a series of **significant initiatives** carried out at the Group’s facilities:

SAN PELLEGRINO TERME

In 2023 it sponsored local sports associations such as the Sanpellegrino FC and the Sanpellegrino Basket Club. Furthermore, it made contributions to Fondazione Ravasio, to support local culture and traditions, and collaborates with Visit Brembo to boost tourism in the area.

SCARPERIA E SAN PIERO

The plant in Scarperia e San Piero has been supporting the Municipality in promoting artistic and cultural assets for some time now. In 2022 it contributed to the restoration of the Madonna del Vivaio church and in 2023 it made a donation under the art bonus scheme for restoring the coats of arms of Palazzo de Vicari.

SAN GIORGIO IN BOSCO

For several years now the San Giorgio in Bosco facility has been organising a summer camp for employees’ children, in partnership with local NGOs. It also supports the initiatives of the Town Council and, in 2023, it contributed to “Marcia dell’Acqua”.

⁴⁹ B4SI is a global standard for measuring and classifying Corporate Community Investments, aimed at assessing the impacts that the contributions may generate on the community. The assessment is carried out based on the 3 pillars of the framework: Inputs, Outputs and Impacts.

TAX RESPONSIBILITY AND TAX MANAGEMENT

As part of its **long-term tax strategy**, Sanpellegrino has developed some **principles of responsible and sustainable tax management** over the past few years, which are based on the assumption that taxation represents an integral element of the Group’s social responsibility and aim for tax compliance and responsible and sustainable planning.

In line with the corporate pillars, said principles are disseminated and monitored by the Tax Organisation, both at Group and Market level. The **management of the tax-related risk** therefore has an increasingly important role in corporate governance, considering the consequences of tax violations on assets and reputation.

Following the update of It. Legislative Decree no. 231/2001, therefore, a significant portion of tax crimes have become part of the list of crimes that represent a prerequisite for the liability of entities for administrative offences deriving from crime. That is why companies must effectively update their organisational models in order to avoid incurring hefty fines and disqualifications.

THE TAX CONTROL FRAMEWORK

Nestlè Italia Group, has implemented the “**Tax Control Framework**” (TCF) with the objective of guaranteeing an **increasingly more defined and structured system** overseeing all company processes. This tool makes it possible to ensure that all activities are carried out while reducing to the minimum the risk of operating in breach of tax rules, or in any way counter to the principles or aims of the legal system.

The **TCF** is a set of rules, procedures, organisational structures and controls, aimed at ensuring detection, measurement, management and control of tax-related risks, i.e. the risk of incurring in the violation of tax regulations or in the conflict with principles and purposes of the legal system⁵⁰. The Framework was structured based on specific data sheets which define, for each individual company process, the tax guidelines that need to be followed in the operational stages. To this end, specific **Roles and Responsibilities** have been assigned for all business or corporate departments, and in some cases, on multiple levels.

The Framework was presented, in 2018, to the Italian Revenue Agency to request access to the new collaborative fulfilment scheme, whereby it is possible to have a constant and transparent interaction with the Agency and this reaps benefits in terms of greater certainty of the law⁵¹ and lower penalties in case of errors. In 2019 the Agency deemed our management system to be suitable and admitted us to the preferential interaction system⁵².



⁵⁰ The essential requirements that the system must have are listed below: Tax strategy, Roles and responsibilities, Procedures, Monitoring, Adaptability to the internal and external context and Reporting to the management bodies.

⁵¹ Also thanks to the possibility of submitting queries, with quicker response times.

⁵² Effective from tax year 2018.

08.
ANNEX



08 / 01 Appendix

Chapter 2: People

WORK FORCE BY TYPE OF CONTRACT AND GENDER⁵³
ESRS S1-6

	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Permanent contract		1,002	349	1,351	1,065	361	1,426	1,008	363	1,371
Milan		86	132	218	87	131	218	82	128	210
Madone		19	17	36	18	14	32	16	16	32
Scarperia and San Piero		151	28	179	158	33	191	152	33	185
San Giorgio in Bosco		177	43	220	179	48	227	169	49	218
San Pellegrino Terme		370	85	455	428	91	519	418	94	512
Cepina Valdisotto		199	44	243	195	44	239	171	43	214
Santo Stefano Quisquina		-	-	-	-	-	-	-	-	-
Castrocielo		-	-	-	-	-	-	-	-	-
Fixed-term contract	No.	41	21	62	19	8	27	37	19	56
Milan		3	9	12	3	5	11	0	3	3
Madone		-	-	-	-	-	-	1	0	1
Scarperia and San Piero		6	-	6	2	-	2	30	14	44
San Giorgio in Bosco		13	4	17	7	-	7	4	0	4
San Pellegrino Terme		2	-	2	1	2	3	0	0	0
Cepina Valdisotto		17	8	25	3	1	4	2	2	4
Santo Stefano Quisquina		-	-	-	-	-	-	-	-	-
Castrocielo		-	-	-	-	-	-	-	-	-
Total employees		1,043	370	1,413	1,081	369	1,450	1,045	382	1,427

EMPLOYEES PER CONTRACT TYPE⁵⁴
ESRS S1-6

	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Full-time		946	283	1,229	971	277	1,248	950	306	1,256
Part-time	No.	97	87	184	110	92	202	95	76	171
Total employees		1,043	370	1,413	1,081	369	1,450	1,045	382	1,427

⁵³ This number only includes Sanpellegrino employees as at 31.12.2023. The number of interns as at 31.12.2023 is 5.
⁵⁴ This number only includes Sanpellegrino employees as at 31.12.2023. The number of interns as at 31.12.2023 is 5.

NON EMPLOYEE WORKERS
ESRS S1-7

	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Milan	No.	-	-	-	-	-	-	-	-	-
Madone		1	-	1	1	-	1	-	-	-
Scarperia and San Piero		28	14	42	45	22	67	31	10	41
San Giorgio in Bosco		18	12	30	17	16	33	21	8	29
San Pellegrino Terme		47	7	54	10	5	15	53	24	77
Cepina Valdisotto		-	-	-	-	-	-	-	-	-
Santo Stefano Quisquina		-	-	-	-	-	-	-	-	-
Castrocielo		-	-	-	-	-	-	-	-	-
Total non employee workers		94	33	127	73	43	116	105	42	147

DIVERSITY OF EMPLOYEES BY PROFESSIONAL CATEGORY
ESRS S1-9

	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Executives	No.	30	12	42	29	13	42	23	13	36
Under 30 years of age		-	-	-	-	-	-	-	-	-
Aged between 30 and 50		16	10	26	17	9	26	12	9	21
Over 50 years of age		14	2	16	12	4	16	11	4	15
Managers		47	45	92	54	40	94	53	40	93
Under 30 years of age		-	-	-	-	-	-	-	-	-
Aged between 30 and 50		29	38	67	33	31	64	35	31	66
Over 50 years of age		18	7	25	21	9	30	18	9	27
Office workers		196	182	378	194	175	369	179	176	355
Under 30 years of age		26	28	54	28	25	53	21	24	45
Aged between 30 and 50		101	111	212	96	109	205	93	106	199
Over 50 years of age		69	43	112	70	41	111	65	46	111
Production workers		770	131	901	804	141	945	790	153	943
Under 30 years of age		107	22	129	127	30	157	119	34	153
Aged between 30 and 50		384	78	462	389	77	466	397	81	478
Over 50 years of age		279	31	310	288	34	322	274	38	312
Total employees		1,043	370	1,413	1,081	369	1,450	1,045	382	1,427
Under 30 years of age		133	50	183	155	55	210	140	58	198
Aged between 30 and 50		530	237	767	535	226	761	537	227	764
Over 50 years of age		380	83	463	391	88	479	368	97	465

EMPLOYEES BELONGING TO PROTECTED CATEGORIES
GRI Standard 405-1

	m.u.	2021	2022	2023
Employees belonging to vulnerable categories	No.	58	62	64
% Employees belonging to vulnerable categories		4%	4%	4.5%

PERSONS WITH DISABILITIES
ESRS S1-12

	m.u.	2023		
		Man	Woman	Total
Persons with disabilities	No.	160	25	185 ⁵⁵
Total employees		1,045	382	1,427
% Persons with disabilities		15%	6.5%	13%

EMPLOYEES WHO ARE ENTITLED TO LEAVE FOR FAMILY REASONS AND USE IT
ESRS S1-15

	m.u.	2023		
		Man	Woman	Total
Employees who are entitled to leave for family reasons	No.	1,045	382	1,427
Eligible employees who have taken family leave		124	63	187
Total number of employees		1,045	382	1,427
% of eligible employees		100%	100%	100%
% of employees who took advantage of parental leave out of those entitled		12%	16%	13%

⁵⁵ This figure includes employees belonging to protected groups and employees with disabilities

NEW EMPLOYEE HIRES AND TURNOVER⁵⁶
GRI Standard 401-1

Number of new recruits	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Under 30 years of age	No.	76	30	106	127	37	164	47	23	70
Aged between 30 and 50		71	30	101	74	33	107	62	32	94
Over 50 years of age		18	3	21	28	6	34	22	11	33
Total recruits		165	63	228	229	76	305	131	66	197

Incoming turnover rate	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Under 30 years of age	%	49	55	58	82	67	78	34	40	35
Aged between 30 and 50		13	13	13	14	15	14	12	14	12
Over 50 years of age		5	4	5	7	7	7	6	11	7
Total		15	16	16	21	21	21	13	17	14

Number of new recruits by place of work	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Milan	No.	7	16	23	13	12	25	6	7	13
Madone		1	3	4	1	-	1	3	3	6
Scarperia e San Piero		21	4	25	27	18	45	71	31	102
San Giorgio in Bosco		24	5	29	14	8	22	10	2	12
San Pellegrino Terme		67	14	81	149	26	175	11	1	12
Cepina Valdisotto		45	21	66	25	12	37	30	22	52
Santo Stefano Quisquina		-	-	-	-	-	-	-	-	-
Castrocielo		-	-	-	-	-	-	-	-	-
Total recruits		165	63	228	229	76	305	131	66	197

Number of people whose service was terminated - including due to natural expiry of the contract	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Under 30 years of age	No.	57	9	66	87	26	113	36	11	47
Aged between 30 and 50		55	24	79	54	34	88	46	32	78
Over 50 years of age		42	11	53	45	13	58	72	14	86
Total terminations		154	44	198	186	73	259	154	57	211

Outgoing turnover rate	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Under 30 years of age	%	43	18	36	56	47	54	26	19	24
Between 30 and 50 years of age		10	10	10	10	15	12	9	14	10
Over 50 years of age		11	13	11	12	15	12	20	14	18
Total		15	12	14	17	20	18	15	15	15

Number of contracts terminated by place of work	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Milan	No.	16	10	26	9	16	25	12	15	27
Madone		1	-	1	2	3	5	3	1	4
Scarperia and San Piero		21	5	26	21	13	34	48	18	66
San Giorgio in Bosco		11	3	14	18	6	24	17	-	17
San Pellegrino Terme		69	14	83	93	17	100	21	1	22
Cepina Valdisotto		36	12	48	43	18	61	53	22	75
Santo Stefano Quisquina		-	-	-	-	-	-	-	-	-
Castrocielo		-	-	-	-	-	-	-	-	-
Total recruits		154	44	198	186	73	249	154	57	211

Number of terminations by type	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Death	No.	3	-	3	1	-	1	3	-	3
Expiry		104	26	130	125	47	172	74	37	111
Resignation		27	9	36	45	16	61	29	12	41
Dismissals		10	5	15	6	5	11	30	8	38
Retirement		10	4	14	9	5	14	18	-	18
Total terminations		154	44	198	186	73	259	154	57	211

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE
ESRS S1-8

	m.u.	2021	2022	2023
Number of employees covered by collective bargaining agreements	No.	1,413	1,450	1,427
% of employees covered by collective bargaining agreements	%	100%	100%	100%

⁵⁶Infra-group movements are excluded from the turnover calculation. It should be pointed out that the figures for hires and separations do not include employees’ intercompany job changes

WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
ESRS S1-14

Employees	m.u.	2021	2022	2023
Number of employees covered by a health and safety management system	No.	1,413	1,450	1,427
% of employees covered by a health and safety management system	%	100%	100%	100%

Non employee workers	m.u.	2021	2022	2023
Number of non employee workers covered by a health and safety management system	No.	127	116	147
% of non employee workers covered by a health and safety management system	%	100%	100%	100%

INJURIES AT WORK OF EMPLOYEES AND INJURY INDICATORS⁵⁷
ESRS S1-14

	m.u.	2021	2022	2023
Accidents that can be recorded ⁵⁸		10	8	11
of which accidents with serious consequences ⁵⁹	No.	-	-	-
Deaths		-	-	-
Hours worked	hours	2,371,160	1,857,072	2,286,118
Rate of accidents at work that can be recorded ⁶⁰		4	4	4.8
Rate of accidents at work with serious consequences ⁶¹		-	-	-
Fatality rate ⁶²		-	-	-

OCCUPATIONAL DISEASES AMONG EMPLOYEES
ESRS S1-14

	m.u.	2021	2022	2023
Cases of occupational disease	No.	1	1	0

⁵⁷7 in-transit incidents were recorded in 2023. It must also be noted that no cases of occupational disease were reported in 2023, against 1 case in 2022 and 1 case in 2021.

⁵⁸The term “accidents at work that can be recorded” refers to all accidents that may lead to death, days off work, limitations at work, relocation to other tasks, medical treatments beyond first aid, losing consciousness. These are accidents generated by risks and dangers that workers are exposed to at work (e.g. death, amputation, cuts, fractures, hernias, burns, loss of consciousness and paralysis).

⁵⁹The term “accidents at work with serious consequences” refers to accidents that have led to more than 6 months of consequences, excluding death.

⁶⁰The calculation of the “Rate of accidents at work with serious consequences” is based on 1,000,000 hours worked, as per the following formula: ((Total recordable accidents at work + Total accidents at work with serious consequences) / (Hours worked)) * 1,000,000.

⁶¹The calculation of the “Rate of accidents at work with serious consequences” is based on 1,000,000 hours worked as per the following formula: (Total accidents at work with serious consequences / Hours worked) * 1,000,000

⁶²The calculation of the “Fatality rate” is based on 1,000,000 hours worked as per the following formula: (Total deaths / Hours worked) * 1,000,000

NUMBER OF DAYS LOST DUE TO WORKPLACE ACCIDENTS AND OCCUPATIONAL DISEASES⁶³
ESRS S1-14

m.u.		2023		
		Employees	Non employee	Total
Number of days lost due to workplace accidents	No.	309	17	326
Number of days lost due to occupational diseases		-	-	-

AVERAGE HOURS OF ANNUAL TRAINING BY PROFESSIONAL CATEGORY⁶⁴
ESRS S1-13

m.u.		2021		2022		2023	
		Total hours	Average hours	Total hours	Average hours	Total hours	Average hours
Executives	hours	753	18	1,379	133	871	24
Managers		1,095	20	2,669	28	2,253	24
Office workers		2,926	21	8,091	22	7,785	22
Production workers		18,312	20	17,481	18	17,664	19
Total		23,086	21	29,620	20	28,573	20

AVERAGE HOURS OF ANNUAL TRAINING DIVIDED BY GENDER
ESRS S1-13

m.u.		2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Total training hours	hours	19,377	9,601	28,978	20,502	9,725	30,277	20,159	8,414	28,573
Average training hours		19	26	21	19	26	21	19	22	20

HOURS OF TOTAL TRAINING DIVIDED BY TOPIC

m.u.		2021	2022	2023
Environment	hours	2,907	524	967
Compliance - Anti-corruption		2,627	3,141	5,075
Health and safety		6,424	7,248	8,839
Managerial		570	759	1,678
Technical - specialist		13,880	15,083	8,966
Languages		551	1,046	703
Induction for new hires		144	461	1,122
Transversal and digital skills		1,876	1,964	1,222
Total		28,979	30,226	28,572

⁶³The figure was presented only for 2023 because the metric was introduced by the new ESRS Reporting Standard. As a consequence, the figure for 2022 is not available.

⁶⁴The division of training hours by gender for all professional categories is the result of an estimate generated directly by the tool used for monitoring the data based on the history.

PERCENTAGE OF EMPLOYEES RECEIVING A PERIODIC EVALUATION OF PERFORMANCES
AND PROFESSIONAL DEVELOPMENT
ESRS S1-13

	m.u.	2021			2022			2023		
		Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Executives	%	93	67	86	100	100	100	100	92	96
Managers		94	98	96	100	100	100	100	100	100
Office workers		99	100	100	100	100	100	97	99	98
Production workers		-	-	-	-	-	-	-	-	-
Total		26	63	35	25	61	34	24	59	33

RATIO OF ENTRY WAGE TO MINIMUM WAGE BY GENDER FOR EMPLOYEES⁶⁵
ESRS S1-10

	m.u.	2023	
		Man	Woman
Entry wage	€	30,180	29,429
Local minimum wage ⁶⁶		27,238	
Ratio of entry wage to minimum wage	%	- 111	- 108

PAY GAP BETWEEN WOMEN AND MEN⁶⁷
ESRS S1-16

	m.u.	2023							
		Executives		Managers		Office workers		Production workers	
		Man	Woman	Man	Woman	Man	Woman	Man	Woman
Gross hourly pay	€	95.36	82.78	46.63	46.43	27.51	27.59	17.93	17.14
Pay gap between women and men	%	13%		0%		0%		4%	
Total pay gap between women and men ⁶⁸					7%				

TOTAL YEARLY REMUNERATION RATE⁶⁹
ESRS S1-16

	m.u.	2023
Total yearly remuneration rate ⁷⁰		9

⁶⁵ The figure was presented only for 2023 because the metric was introduced by the new ESRS Reporting Standard. As a consequence, the figure for 2022 is not available.

⁶⁶ The local minimum wage regards Italy.

⁶⁷ The figure was presented only for 2023 because the metric was introduced by the new ESRS Reporting Standard. As a consequence, the figure for 2022 is not available.

⁶⁸ This figure was obtained by applying the following formula: (Average gross hourly earnings of female employees – average gross hourly earnings of female employees) / (Average gross hourly earnings of male employees) *100

⁶⁹ The figure was presented only for 2023 because the metric was introduced by the new ESRS Reporting Standard. As a consequence, the figure for 2022 is not available.

⁷⁰ This value was obtained by applying the following formula: (Total annual earnings for the highest-paid person in the company) / Median annual total compensation of employees (excluding the highest-paid individual)

Chapter 4: Our environmental impacts⁷¹

ENERGY CONSUMPTION WITHIN THE ORGANISATION⁷²
ESRS E1-5

	m.u.	2021	2022	2023
Fuels from non-renewable energy sources	MWh	197,956	196,485	178,339
Natural gas ⁷³		178,098	181,117	164,248
LNG ⁷⁴		19,858	15,368	13,673
Diesel		-	-	418
Purchased electricity ⁷⁵		53,679	53,965	49,136
of which certified from renewable energy sources		53,679	53,965	49,136
Total direct and indirect consumption		251,635	250,450	227,475

ELECTRICITY SOLD

	m.u.	2021	2022	2023
Electricity sold	MWh	9,302	6,465	6,906

ENERGY INTENSITY

	m.u.	2021	2022	2023
Energy intensity	GJ/ litres produced	0.000341	0.000343	0.000309

TOTAL EMISSIONS⁷⁶
ESRS E1-6

	m.u.	2021	2022	2023
Direct emissions (Scope 1) ⁷⁷	tCO ₂ e	41,255	38,959	38,450
Natural gas		36,013	35,393	35,158
LNG		5,242	3,566	3,172
Diesel		-	-	120
Indirect emissions (Scope 2) ⁷⁸ - Location based		22,041	21,812	20,490
Electricity from renewable energy sources		22,041	21,812	20,490
Indirect emissions (Scope 2) ⁷⁹ - Market based		-	-	-
Electricity from renewable energy sources		-	-	-
Total emissions		63,296	60,771	58,940

INTENSITY OF GHG EMISSIONS
GRI Standard 305-4

	m.u.	2021	2022	2023
Emissions intensity	ktCO ₂ e / I produced	0.0000238	0.0000231	0.0000223

⁷¹ Please note that, in line with the requirements of the new ESRS Reporting Standards, a restatement of the energy consumption data was carried out. As of this version of the Sanpellegrino Sustainability Report, the data will be presented with “MWh” as the unit of measure. For the purpose of calculating energy consumption in MWh, the DEFRA 2023 conversion factors were used (Department for Environment Food & Rural Affairs).

⁷² Starting 2021, the data also consider the energy consumption of the Madone plant and the Assago site. The conversion coefficients used were the latest version available Department for Business, Energy & Industrial Strategy (BEIS) respectively in versions 2021, 2022 and 2023.

⁷³ Natural gas is used for heating as well as producing electricity through cogeneration plants at the San Giorgio in Bosco and San Pellegrino Terme facilities.

⁷⁴ This figure also includes LPG consumption of the Scarperia e San Piero plant, of 8,596 MWh, used for the canteen, kitchen and indoor heating.

⁷⁵ For this figure, a restatement was conducted, following the refinement of the data collection methods, and it does not consider the consumptions of the Assago headquarters, as these are included in the reporting and performance monitoring of Nestlé Italiana S.p.A..

⁷⁶ For 2021 and 2022 the figures also take into account the emissions of the Assago site.

⁷⁷ The factors used in the calculation of Scope 1 direct emissions, expressed in CO2 equivalent tonnes, are those included in EnEcoinvent 3.6 in its most updated version.

⁷⁸ For Scope 2 location-based emissions relative to electrical energy, expressed in CO2 equivalent tonnes, the emissions factors of the most updated version of EnEcoinvent 3.6 were used. One should also consider that Scope 2 emissions relating to the Assago headquarters where part of the Sanpellegrino S.p.A. offices are located, are directly reported by Nestlé Italiana Spa.

⁷⁹ For Scope 2 market based emissions, considering the purchase of 100% renewable electrical energy with certificates of guaranteed origin, an emission factor of nil was applied.

WATER WITHDRAWALS⁸⁰
ESRS E3-4

	m.u.	2021	2022	2023
SANPELLEGRINO GROUP				
Groundwater		4,598,000	4,577,000	4,397,233
fresh water (≤ 1,000 mg/L of total dissolved solids)		4,598,000	4,577,000	4,397,233
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Third-party water resources		2,000	2,000	1,980
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	2,000	2,000	1,923
other types of water (> 1000 mg/l of total dissolved solids)		-	-	57
Total water withdrawals		4,600,000	4,579,000	4,399,213
fresh water (≤ 1,000 mg/L of total dissolved solids)		4,600,000	4,579,000	4,399,156
other types of water (> 1000 mg/l of total dissolved solids)		-	-	57
San Pellegrino Terme facility				
Groundwater		1,780,000	1,750,000	1,866,163
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	1,780,000	1,750,000	1,866,163
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Scarperia and San Piero				
Groundwater		390,000	472,000	506,659
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	390,000	472,000	506,659
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
San Giorgio in Bosco factory				
Groundwater		857,000	883,000	886,000
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	857,000	883,000	886,000
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Cepina Valdisotto facility				
Groundwater		1,571,000	1,472,000	1,138,411
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	1,571,000	1,472,000	1,138,411
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Madone factory				
Third-party water resources		2,000	2,711,00	1,980
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	2,000	2,000	1,923
other types of water (> 1000 mg/l of total dissolved solids)		-	-	57

⁸⁰ As of 2021 it also includes the Madone site and for the three-year period it also considers the San Giorgio in Bosco facility, previously excluded for the facility's transition from production of natural mineral water to Sanpellegrino soft drinks. It is specified that Sanpellegrino Group does not withdraw water from areas under water stress. The Assago headquarters is excluded from the water data, as it is already considered in the Nestlé Italiana S.p.A. Report.

WATER DISCHARGES⁸¹
ESRS E3-4

	m.u.	2021	2022	2023
SANPELLEGRINO GROUP				
Surface water		1,700,000	1,628,000	1,200,155
fresh water (≤ 1,000 mg/L of total dissolved solids)		1,700,000	1,628,000	1,200,155
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Underground water		-	-	390,000
fresh water (≤ 1,000 mg/L of total dissolved solids)		-	-	390,000
other types of water (> 1000 mg/l of total dissolved solids)	m³	-	-	-
Third-party water resources		2,000	93,000	27,037
fresh water (≤ 1,000 mg/L of total dissolved solids)		2,000	93,000	26,980
other types of water (> 1000 mg/l of total dissolved solids)		-	-	57
Total water discharges		1,702,000	1,721,000	1,617,192
fresh water (≤ 1,000 mg/L of total dissolved solids)		1,702,000	1,721,000	1,617,135
other types of water (> 1000 mg/l of total dissolved solids)		-	-	57
San Pellegrino Terme facility				
Surface water		836,000	713.00	818,000
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	836,000	713,000	818,000
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Scarperia and San Piero facility				
Surface water		79,000	91,000	155,000
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	79,000	91,000	155,000
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
San Giorgio in Bosco factory				
Groundwater		314,000	356,000	390,000
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	314,000	356,000	390,000
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Cepina Valdisotto facility				
Surface water		341,000	417,000	227,000
fresh water (≤ 1,000 mg/L of total dissolved solids)		341,000	417,000	227,000
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Third party water		-	-	25,060
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	-	-	25,060
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-

⁸¹ Sanpellegrino does not draw water from areas under water stress.

	m.u.	2021	2022	2023
Madone factory				
Third-party water resources		-	2,000	1,980
fresh water (≤ 1,000 mg/L of total dissolved solids)	m³	-	2,000	1,923
other types of water (> 1000 mg/l of total dissolved solids)		-	-	57

TOTAL WATER CONSUMPTION⁸²
ESRS E3-4

	m.u.	2021	2022	2023
SANPELLEGRINO GROUP				
Total water consumption		4,442,000	191,000	135,052
fresh water (≤ 1,000 mg/L of total dissolved solids)	mL	4,442,000	191,000	135,052
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
San Pellegrino Terme facility				
Total water consumption		908,000	113,000	30,039
fresh water (≤ 1,000 mg/L of total dissolved solids)	mL	908,000	113,000	30,039
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Scarperia and San Piero facility				
Total water consumption		233,000	0	0
fresh water (≤ 1,000 mg/L of total dissolved solids)	mL	233,000	0	0
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
San Giorgio in Bosco factory				
Total water consumption		2,173,000	78,000	95,671
fresh water (≤ 1,000 mg/L of total dissolved solids)	mL	2,173,000	78,000	95,671
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Cepina Valdisotto facility				
Total water consumption		1,127,000	-	9,341
fresh water (≤ 1,000 mg/L of total dissolved solids)	mL	1,127,000	-	9,341
other types of water (> 1000 mg/l of total dissolved solids)		-	-	-
Madone factory				
Total water consumption		-	0	0
fresh water (≤ 1,000 mg/L of total dissolved solids)	mL	-	0	0
other types of water (> 1000 mg/l of total dissolved solids)		-	-	0

⁸² In 2020 the San Giorgio in Bosco factory switched from Nestlé Vera natural mineral water production to Sanpellegrino soft drinks production and bottling, a business that requires greater water consumption. Over the course of 2021 the Nestlé Vera brand was sold to a third party and this implied a substantial drop in production, which is therefore reflected in water consumption. What is more, as of 2022, the figure for water consumption differs from 2021 and previous years because the method for calculating the water consumed, which corresponds to the water not discharged into the network and not bottled, was updated.

	m.u.	2021	2022	2023
SANPELLEGRINO GROUP				
Water consumed per litre produced	L / litres produced	1.08	0.07	0.05
San Pellegrino Terme facility				
Water consumed per litre produced	L / litres produced	1.03	0.12	0.03
Scarperia and San Piero facility				
Water consumed per litre produced	L / litres produced	1.00	0	0
San Giorgio in Bosco factory				
Water consumed per litre produced	L / litres produced	1.29	0.18	0.24
Cepina Valdisotto facility				
Water consumed per litre produced	L / litres produced	-	0	0

WASTE NOT EARMARKED FOR DISPOSAL⁸³
ESRS E5-5

Waste diverted from disposal	m.u.	2021	2022	2023
Hazardous waste		352	271	109
Separate waste collection	t	-	-	9
Other recovery operations		-	-	100
Non-hazardous waste		14,229	15,176	15,712
Separate waste collection		-	-	1,810
Other recovery operations		-	-	13,902
Total waste to be recycled		14,581	15,447	15,821

WASTE INTENDED FOR DISPOSAL⁸⁴
ESRS E5-5

Waste destined for disposal	m.u.	2021	2022	2023
Hazardous waste		-	-	37
Incineration	t	-	-	-
Other disposal operations		-	-	37
Non-hazardous waste		-	-	894
Incineration		-	-	-
Other disposal operations		-	-	894
Total waste to be recovered		-	-	931

⁸³ As of 2021 the reporting scope has been extended to the Madone facility, while the waste produced at the Assago site has been included in the report of Nestlé Italiana S.p.A. The type of recovery operation of waste diverted from disposal was also indicated for the year 2023: this figure is not available for the previous years (2022 and 2021) as it is a metric introduced by the new ESRS Reporting Standards.
⁸⁴ As of 2021 the reporting scope has been extended to the Madone facility, while the waste produced at the Assago site has been included in the report of Nestlé Italiana S.p.A.. The type of treatment of waste intended from disposal was also indicated for the year 2023: this figure is not available for the previous years (2022 and 2021) as it is a metric introduced by the new ESRS Reporting Standards.

EMISSIONS OF AIR POLLUTANTS
ESRS E2-4

AIR POLLUTANTS	m.u.	2022	2023
Sulphur dioxide (SO2)	t	40	51
Nitrogen oxide (NOx)		55	53
Total air pollutants		95	104

Chapter 5: Supply chain and logistics

DESCRIPTION OF THE SUPPLY CHAIN AND TYPE OF SUPPLIERS⁸⁵
GRI Standard 102-9

	m.u.	2021	2022	2023
Suppliers in Italy	No.	1,164	1,144	1,053
Materials		103	56	61
Services		1,061	1,088	992
Suppliers in Europe		148	155	152
Materials		44	37	36
Services		104	118	116
Suppliers in the rest of the world		93	81	82
Materials		7	10	6
Services		86	71	76
Total suppliers		1,405	1,380	1,287

PROPORTION OF EXPENDITURE TO LOCAL SUPPLIERS
GRI Standard 204-1

	m.u.	2021	2022	2023
Suppliers in Italy	%	76	65	71
Materials		51	59	63
Services		49	41	37
Suppliers in Europe		20	29	26
Materials		49	41	32
Services		51	59	68
Suppliers in the rest of the world		4	7	3
Materials		67	90	79
Services		33	10	21

⁸⁵ The figure for the number of suppliers broken down by Materials and Services has been counted only once if it belongs to both categories.

Chapter 6: Customers and consumers

NUMBER OF COMPLAINTS RECEIVED AND HANDLED THROUGHOUT THE YEAR DIVIDED BY WELL-FOUNDED AND UNFOUNDED COMPLAINTS⁸⁶

	m.u.	2021	2022	2023
Total complaints received from third parties and assessable, of which	No.	1,419	1,083	1,438
Number of well-founded complaints concerning the product		93	26	14
Number of well-founded complaints concerning the product managed throughout the year		93	26	14
Number of unfounded complaints concerning the product		1,326	1,057	1,424
Number of unfounded complaints concerning the product managed throughout the year		-	-	-

Chapter 7: Governance, ethics and integrity

DIVERSITY IN GOVERNING BODIES - BOARD OF DIRECTORS
GRI Standard 405-1 | ESRS 2 GOV-1

BOARD OF DIRECTORS					Executive/ Non executive	Start of assignment	End of assignment
Name and Surname	Age	Gender	Role				
Michele Beneventi	52	Male	Chairman and Chief Executive Officer		Yes	26/04/2023	approval of financial statements as at 31/12/24
Giuliano Dal Fo'	62	Male	Managing Director		Yes	01/12/2012	until resignation
Marco Travaglia	59	Male	Director		No	29/04/2022	approval of financial statements as at 31/12/24
Massimo Ferro	66	Male	Managing Director		Yes	23/06/2007	until resignation
BOARD OF STATUTORY AUDITORS					Executive/ Non executive	Start of assignment	End of assignment
Name and Surname	Age	Gender	Role				
Giovanni Arcelli	62	Male	Chairman of the Board of Statutory Auditors		Yes	26/04/2023	approval of financial statements as at 31/12/2025
Egidio Bianchi	63	Male	Standing Statutory Auditor		Yes	26/04/2023	approval of financial statements as at 31/12/2025
Claudio Solenghi	63	Male	Standing Statutory Auditor		Yes	26/04/2023	approval of financial statements as at 31/12/2025
Filippo Mascia	62	Male	Alternate Auditor		No	26/04/2023	approval of financial statements as at 31/12/2025
Emilio Fano	70	Male	Alternate Auditor		No	26/04/2023	approval of financial statements as at 31/12/2025

⁸⁶ It should be pointed out that the criterion for the allocation of complaints was changed in 2019 and the scope was restricted exclusively to those directly attributable to the production sites, so that improvement activities in the plants could be focused in a targeted manner, through a deployment of losses contextualised to the production scope.

SUPERVISORY BODY						
Name and Surname	Age	Gender	Role	Executive/ Non executive	Start of assignment	End of assignment
Claudio Solenghi	63	Male	Chairman of the SB	n/a	30/11/2022	31/12/2024
Giovanni Arcelli	62	Male	SB Member	n/a	30/11/2022	31/12/2024
Guido Settepassi	51	Male	SB Member	n/a	30/11/2022	31/12/2024
Giacomo Piantoni	57	Male	SB Member	n/a	30/11/2022	31/12/2024
Daniele Guarnieri	51	Male	SB Member	n/a	30/11/2022	31/12/2024

SENIOR LEADERSHIP TEAM			
Name and Surname	Age	Gender	Role
Michele Beneventi	52	Male	CEO
Stefano Bolognese	48	Male	Director, International Business Unit
Ilenia Ruggeri	52	Female	Director Marketing, Innovation and Local CCSD Business Unit
Marco Mazzucchelli	50	Male	Sales Director, Local Business Unit
Giuliano Dal Fò	62	Male	Director, Finance and Control
Cristiana Passerini	51	Female	Supply Chain Director
Manuela Kron	61	Female	Corporate Affairs Director
Gian Luca Doderò	53	Male	Human Resources Director
Salvatore Sbriglione	5249	Male	Technical Director
Fabiana Marchini		Female	Sustainability Director

08 / 02 List of policies adopted by Sanpellegrino

MATERIAL TOPIC	POLICY	POLICY DESCRIPTION
• Climate change • Waste management • Water management • Biodiversity and deforestation	Environmental management system certified UNI EN ISO 14001:2015 EnvironmentalSustainabilityPolicy	The Environmental Sustainability Policy emphasises the Group’s commitment to environmental responsibility and sustainability, extended to all employees and accessible to the public. Key principles include creating shared value, legal compliance, ISO 14001 environmental management, and responsible sourcing of sustainable ingredients. The focus ranges from product life cycle to various corporate areas. The policy is implemented through Nestlé’s Environmental Management System (NEMS), with the management responsible for implementation. NEMS is based on a continuous improvement cycle, supported by the Nestlé Continuous Excellence (NCE) methods. The application of NCE practices improves efficiency, quality and productivity, translating into optimal use of resources and waste reduction.
	Travel Policy	The Travel Policy actively promotes the reduction of Scope 2 emissions, underscoring the importance of carefully considering alternatives before undertaking a business trip. The policy, for example, promotes and encourages sharing trips with colleagues, preferably through car pooling, in order to optimise travel.
• Promoting healthy lifestyles and nutrition education	Quality Policy	The Quality Policy guides the Group’s efforts in pursuing excellence, guaranteeing safe products and services of the highest quality, compliant and suited to the consumers’ preferences. The Policy summarises all the essential elements to achieve the Group’s ambition, i.e. being reliable and recognised for offering products that improve quality of life and contribute to a healthier future.
	Nestlé Waters Operational Standard	This standard applies to all units that develop, produce or distribute Nestlé Waters products. This includes all of those standards that are fundamental for: maintaining and improving the quality of Nestlé Waters product; managing the water resources; maintaining a management that is in line with local agreements and accepted by local communities (relations with the community). The standard guarantees the creation of safe products that are compliant with regulations; the acceptance and pursuit of good relations with local communities where the company operates; the reduction of complaints and defects as well as management costs and the destruction of materials and defective products.
	Quality certifications, including UNI EN ISO 9001:2015 and FSSC 22000 vers.5, specific to food product safety	
• Product traceability/transparent labelling	Consumer Communication Policy	The basis of these processes is the Consumer Communication Policy which defines the principles that need to be taken into consideration and the means by which Sanpellegrino products must be promoted on the various communication channels, based on the type of recipient for whom the soft drink and the related advertising are intended. For children, the Policy involves additional principles that take age into account: in fact, it is forbidden to spread advertising messages to children under the age of 6, whereas for children under the age of 12, communication and promotional tools must be limited to healthy and balanced products. More specifically, they must not be misleading or encourage incorrect behaviour, nor question parental authority.

MATERIAL TOPIC	POLICY	POLICY DESCRIPTION
• Community support and involvement	Donations procedure	The procedures lay down the principles of relations with communities, also identifying the process of involvement and authorisation of internal stakeholders.
	Procedure for contributions to the Public Administration, Associations, Territorial Entities	The procedures concerning contributions and investments for the communities, updated in early 2022 to ensure their alignment with the company's priorities, set forth a clear criterion for classification and measurement, with a view to transparency. In these procedures the company has adopted the guide lines of the international B4SI (Business for Social Impact) standard.
	Nestlé Purpose, Values and Business Principles	Procedure that lays down the fundamental principles for the Group, including “Helping to develop prosperous Communities that are able to react to change and enable better living conditions for those who live and work with us”.
• Sustainable supply chain management • Sustainable packaging and the Circular Economy	Responsible Sourcing Standard	The Group's Responsible Sourcing Standard describes the requirements and the working means that are applied to guarantee long-term sustainable supply of materials and services and to reach preset goals, in particular with a view to constantly reducing the impact on the planet's resources. The Standard is divided into 5 main sections: the first is dedicated to sourcing practices, the second to the management of Tier I suppliers with regard, for example, to compliance matters, the protection of human rights, health and safety, the workplace environment, the conservation of nature and of the territory, as well as the commitment to Plastic Packaging Stewardship. A third chapter is dedicated to intermediaries upstream the supply chain, i.e. any entity involved in the manufacture, procurement or production of services or materials that has a contract with the Group via Tier I suppliers, in particular with regard to the obligations of transparency and due diligence with regard to the management of people, the protection of the environment and of animals. The fourth chapter concerns due diligence with regard to the origin of raw materials, packaging materials and services, i.e. in relation to the primary production site or the collection of materials (forest, land, or sea) and, for services, the entity tasked with creating or physically delivering the services contracted by the Group. Lastly, the last chapter concerns performance reporting in terms of initiatives implemented with a view to constant improvement and any violations.
• Working conditions and industrial relations • Diversity and inclusion • Human rights • Caring for people	Nestlé People Policy	The Nestlé People Policy outlines the fundamental company principles that underlie shared behaviour-related rules, objectives and the main drivers of development. This is the embodiment of the Group's responsibility to ensure growth inside the company and promote the development of every employee to create the right context, incentivise collaboration and guarantee the team's success, also by attributing adequate and tailor-made goals. This refers to the Group as a whole and is subject to the law and to the local collective agreements. It is shared and disseminated in a structured manner so that it can be implemented and experienced by all employees, every day and wherever they may be operating.
	Total Reward Policy	The Nestlé Total Rewards Policy is shared at all levels, in order to ensure that every person fully understands what Total Rewards means and how this scheme is applied within the Group. This system aims to fully reflect the company's priorities, especially the performance level required to achieve the Purpose and the objectives, combined with behaviour that is in keeping with the Values and Principles.
	Parental Policy	The Policy focuses on: paid leave for primary and secondary “caregivers”; protecting health in the workplace;opportunities for flexible work, a work environment that helps breastfeeding and employment protection and non-discrimination.
	Nestlé Baby Leave Policy Certification of Occupational Health and Safety management system UNI EN ISO 45001:2018	Policy that makes it possible for second caregivers to be constantly present during the first months of a child's life and enables a greater balancing of family loads to further gender equality. In detail, the Policy grants three months paid leave at 100% of salary to fathers or second Caregivers within the first six months of the birth or adoption of a son or daughter.
	Human Rights Policy	The Human Rights Policy establishes the Group's responsibility in ensuring respect for human rights. The latter is an essential pillar for the Group, which, accordingly, carries out training activities for all its employees and implements audit activities (both internal and external, “care audits”).

08 / 03 Methodological note

The Sustainability Report of the Sanpellegrino Group (hereinafter, “the Group”), in its eighth edition, is drawn up on a voluntary basis in order to report with increasing accuracy on the Group's ESG performance (Environment, Social and Governance). The objective is to provide all stakeholders with a clear and comprehensive picture of the main goals, projects and results achieved in social and environmental matters, with the ultimate goal of generating value in the long term.

For the financial year 2023, the Sanpellegrino Group decided, on a voluntary basis, to adopt the ESRSs (European Sustainability Reporting Standards) "Sector Agnostic", included in the European CSRD (Corporate Sustainability Reporting Directive). Reporting will be progressively fine-tuned and detailed over the next few financial years with the aim of ensuring compliance with all qualitative and quantitative requirements of the standards.

The table on page 92 illustrates the relationship between the identified significant aspects ("material") and the related disclosure obligations, jointly with reference to the page of the Report or other corporate documents where the corresponding content is to be found.

In line with the requirements of the CSRD directive and with the ESRS standards, in order to identify the material topics the Sanpellegrino Group carried out a materiality analysis, with a view to impact materiality. The Group reserves the right to broaden the analysis to the financial materiality perspective in the coming financial years.

The reported data and information refer to the financial year 1 January - 31 December 2023, unless otherwise indicated. Additional data and information referring to the previous years, where available, were included, with the aim of presenting the trends in the Group's performance over a longer time horizon

(2021-2023) and of highlighting the projects that were implemented over the last few years. Furthermore, in order to provide an accurate representation of the performance, the inclusion of directly detectable and measurable qualitative and quantitative indicators was preferred and only in some cases, duly reported, were estimates used.

The scope of the information included in the Sustainability Report refers to the Company Sanpellegrino S.p.A.. The information on the topics of Health, Safety and Environment refer to the Group's production plants, the scope of which was extended in 2021 to also include the environmental data of the Madone plant (Flavorint) and the Assago headquarters (for data that can be separated, reference is made otherwise to the Nestlé Italiana sustainability report). Any scope limitations are indicated in the correlation table “ESRS Content Index” and the rare cases of re-statement, i.e. corrections or amendments with respect to what was published in the previous version of the Report, mainly refer to the data relating to "non employee workers” included in the table “Workers covered by an occupational health and safety management system” (page 78) and the data relating to “energy consumption” (pages 46 and 81) which, in line with the requirements of the new ESRS reporting standards, starting from this version of the Sustainability Report of Sanpellegrino, will be presented in the unit of measure “MWh”.

The reporting process was coordinated by the cross-functional Team, dedicated to the creation of shared value of the Sanpellegrino Group, with the technical and methodological assistance of KPMG Advisory S.p.A. and is not subject to third party verification.

To request any further information about the Document herein or to share any comments and observations, please write to: sustainabilityNWI@waters.nestle.com

08 / 04 ESRS Content Index

Scope	Disclosure obligation	Reference within the document	Notes
ESRS 2 – GENERAL INFORMATION			
Drafting criteria	BP-1 – General basis for preparation of sustainability statements	Annex (pg. 91)	
	BP-2 – Disclosures in relation to specific circumstances	Annex (pg. 91)	
Governance	GOV-1 – The role of the administrative, management and supervisory bodies	The Sanpellegrino Group (pg. 12); Governance, ethics and integrity (pg. 65)	
	GOV 2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	The Sanpellegrino Group (pg. 12); Governance, ethics and integrity (pg. 65)	
	GOV-3 – Integration of sustainability-related performance in incentive schemes	The Sanpellegrino Group (pg. 12); People (pg. 27)	
	GOV-4 – Statement on due diligence	The Sanpellegrino Group (pg. 15-18)	
	GOV-5 – Risk management and internal controls over sustainability reporting	Annex (pg. 91)	
Strategy	SBM-1 – Strategy, business model and value chain	The Sanpellegrino Group (pg. 12-14)	
	SBM-2 – Interests and views of stakeholders	The Sanpellegrino Group (pg. 15)	
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	The Sanpellegrino Group (pg. 15-18)	
Management of impacts, risks, and opportunities	IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	The Sanpellegrino Group (pg. 15-18)	
	IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	ESRS content index (pg. 92)	
MATERIAL TOPIC: CLIMATE CHANGE			
	Minimum disclosure requirement MDR – P - Policies adopted to manage material sustainability matters	Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18)	
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	Ourenvironmentalimpacts(pg.45-48);Annex (pg. 81)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets		No targets related to climate change mitigation and adaptation have been defined to date
	GOV-3 – Integration of sustainability-related performance in incentive schemes	The Sanpellegrino Group (pg. 12); People (pg. 27)	
	E1-1 – Transition plan for climate change mitigation		To date there is no transition plan for climate change mitigation

Scope	Disclosure obligation	Reference within the document	Notes
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	The Sanpellegrino Group (pg. 15-18)	
	IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	The Sanpellegrino Group (pg. 15-18)	
	E1-2 – Policies related to climate change mitigation and adaptation	Annex (pg. 89)	
	E1-3 – Actions and resources in relation to climate change policies	Annex (pg. 89)	
	E1-4 – Targets related to climate change mitigation and adaptation		No targets related to climate change mitigation and adaptation have been defined to date
	E1-5 – Energy consumption and mix	Our environmental impacts (pg. 45-48); Annex (pg. 81)	
	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Our environmental impacts (pg. 45-48); Annex (pg. 81)	
	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits		Currently the Group has no GHG emissions mitigation projects financed through carbon credits
	E1-8 – Internal carbon pricing		There is no mechanism for internal carbon pricing
	E1-9 – Potential financial effects from material physical and transition risks and potential climate-related opportunities		To date, the Group has not calculated the financial effects from climate-related impacts, risks, and opportunities
MATERIAL TOPIC: POLLUTION			
ESRS E2	MDR – P - Policies adopted to manage material sustainability matters	Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18)	
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	Annex (pg. 86)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets		To date, no targets related to pollution have been defined
	IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	The Sanpellegrino Group (pg. 15-18)	
	E2-1 – Policies related to pollution	Annex (pg. 89)	
	E2-2 – Actions and resources related to pollution	Annex (pg. 89)	
	E2-3 – Targets related to pollution		To date, no targets related to pollution have been defined

Scope	Disclosure obligation	Reference within the document	Notes
ESRS E2	E2-4 – Pollution of air, water and soil	Annex (pg. 86)	
	E2-5 – Substances of concern and substances of very high concern		The Group does not currently provide disclosures on substances of concern and substances of very high concern used. It undertakes to gather this information for the coming financial years
	E2-6 – Potential financial effects from pollution-related impacts, risks and opportunities		To date, the Group has not calculated the financial effects from pollution-related impacts, risks, and opportunities
MATERIAL TOPIC: WATER MANAGEMENT			
	MinimumdisclosurerequirementMDR – P - Policiesadoptedto manage material sustainability matters	Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18)	
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	Our environmental impacts (pg. 49); Annex (pg. 84 and 85)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets	The Sanpellegrino Group (pg. 18)	
	IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	The Sanpellegrino Group (pg. 15-18)	
	E3-1 – Policies related to water and marine resources	Annex (pg. 89)	
	E3-2 – Actions and resources related to water and marine resources	The Sanpellegrino Group (pg. 15-18)	
	E3-3 – Targets related to water and marine resources	The Sanpellegrino Group (pg. 18)	
	E3-4 – Water consumption	Our environmental impacts (pg. 49); Annex (pg. 84 and 85)	
	E3-5 – Potential financial effects from water and marine resources-related impacts, risks and opportunities		To date, the Group has not calculated the financial effects from water and marine resources-related impacts, risks and opportunities
MATERIAL TOPIC: BIODIVERSITY AND DEFORESTATION			
ESRS E4	E4-1 – Transition plan on biodiversity and ecosystems in the corporate strategy and model		There currently is no transition plan on biodiversityandecosystems
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	The Sanpellegrino Group (pg. 15-18)	
	IRO-1 – Description of the processes to identify and assess materialbiodiversityandecosystems-relatedimpacts,risksand opportunities	The Sanpellegrino Group (pg. 15-18)	

Scope	Disclosure obligation	Reference within the document	Notes
ESRS E4	E4-2 – Policies related to biodiversity and ecosystems	Annex (pg. 89-90)	
	E4-3 – Actions and resources related to biodiversity and ecosystems	The Sanpellegrino Group (pg. 15-18)	
	E4-4 – Targets related to biodiversity and ecosystems		To date, no targets related to biodiversity and ecosystems have been defined
	E4-5 – Impact metrics related to biodiversity and ecosystems change	Communities and territories (pp. 38 and 39)	
	E4-6 – Potential financial effects from biodiversity and ecosystem-related impacts, risks and opportunities		To date, the Group has not calculated the financial effects from biodiversity-related impacts, risks, and opportunities
MATERIAL TOPICS: SUSTAINABLE PACKAGING AND THE CIRCULAR ECONOMY - WASTE MANAGEMENT			
	Minimum disclosure requirement MDR – P - Policies adopted to manage material sustainability matters	Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18)	
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	Our environmental impacts (pg. 49-51); Annex (pg. 85)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets	The Sanpellegrino Group (pg. 18); Our environmental impacts (pg. 50 and 51)	
ESRS E5	IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	The Sanpellegrino Group (pg. 15-18)	
	E5-1 – Policies related to resource use and circular economy	Annex (pg. 89-90)	
	E5-2 – Actions and resources related to resource use and circular economy	The Sanpellegrino Group (pg. 15-18)	
	E5-3 – Targets related to resource use and circular economy	The Sanpellegrino Group (pg. 18); Our environmental impacts (pg. 50 and 51)	
	E5-4 – Resource inflows	Our environmental impacts (pg. 50 and 51)	
	E5-5 – Resource outflows	Our environmental impacts (pg. 49); Annex (pg. 85)	
	E5-6 – Potential financial effects from resource use and circular economy-related impacts, risks and opportunities		To date, the Group has not calculatedthefinanciaffects from resources and circular economy-related impacts, risks, and opportunities
MATERIAL TOPICS: WORKING CONDITIONS AND INDUSTRIAL RELATIONS - CARING FOR PEOPLE DIVERSITY AND INCLUSION - HUMAN RIGHTS			
	Minimum disclosure requirement MDR – P - Policies adopted to manage material sustainability matters	Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18); People (pg. 31-33)	

Scope	Disclosure obligation	Reference within the document	Notes
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	People (pg. 20- 22); Annex (pg. 71-80)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets		To date, no targets have been defined in this connection
ESRS S1	SBM-2 – Interests and views of stakeholders	The Sanpellegrino Group (pg. 15-18)	
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	The Sanpellegrino Group (pg. 15-18)	
	S1-1 – Policies related to own workforce	People (pg. 27 and 29-31); Annex (pg. 89-90)	
	S1-2 – Processes for engaging with own workers and workers' representatives about impacts	The Sanpellegrino Group (pg. 15-18); People (pg. 26-27)	
	S1-3 – Channels for own workers and workers' representatives to raise concerns	The Sanpellegrino Group (pg. 15-18); People (pg. 26-27); Governance, ethics and integrity (pg. 67 and 68)	
	S1-4 – Taking action on material impacts on own workforce and effectiveness of those actions	The Sanpellegrino Group (pg. 15-18); People (pg. 31-33)	
	S1-5 – Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities		To date, no targets have been defined in this connection
	S1-6 – Characteristics of the Undertaking's Employees	People (pg. 20- 22); Annex (pg. 71-77)	
	S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	People (pg. 20-22); Annex (pg. 71-77)	
	S1-8 – Collective bargaining coverage and social dialogue	People (pg. 22); Annex (pg. 77)	
	S1-9 – Indicators of diversity	People (pg. 20-22 and 27-29); Annex (pg. 71-77)	
	S1-10 – Fair remuneration	Annex (pg. 80)	
	S1-11 – Social protection	People (pg. 20)	
	S1-12 – Persons with disabilities	People (pg. 27-29); Annex (pg. 75)	
	S1-13 – Training and Skills Development indicators	People (pg. 22-25); Annex (pg. 79 and 80)	
	S1-14 – Health and safety indicators	People (pg. 30-31); Annex (pg. 78 and 79)	
	S1-15 – Work-Life Balance indicators	People (pg. 29-30) Annex (pg. 75)	
	S1-16 – Remuneration metrics (pay gap and total remuneration)	Annex (pg. 80)	
	S1-17 – Incidents, complaints and severe human rights impacts	People (pg. 27)	

Scope	Disclosure obligation	Reference within the document	Notes
MATERIAL TOPIC: WORKERS IN THE VALUE CHAIN			
	Minimum disclosure requirement MDR – P - Policies adopted to manage material sustainability matters	Supply chain and logistics (pg. 55-57); Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18)	
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	Supply chain and logistics (pg. 55-57)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets		To date, no targets related to workers in the value chain have been defined
ESRS S2	SBM-2 – Interests and views of stakeholders	The Sanpellegrino Group (pg. 15-18)	
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	The Sanpellegrino Group (pg. 15-18)	
	S2-1 – Policies related to workers in the value chain	Supply chain and logistics (pg. 55-57); Annex (pg. 89-90)	
	S2-2 – Processes for engaging with workers in the value chain about impacts	The Sanpellegrino Group (pg. 15-18)	
	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	The Sanpellegrino Group (pg. 15-18)	
	S2-4 – Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	The Sanpellegrino Group (pg. 15-18); Supply chain and logistics (pg. 55-57);	
	S2-5 – Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities		To date, no targets related to workers in the value chain have been defined
MATERIAL TOPIC: COMMUNITY SUPPORT AND INVOLVEMENT			
	Minimum disclosure requirement MDR – P - Policies adopted to manage material sustainability matters	Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18)	
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	Communities and territories (pp. 35-43)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets	The Sanpellegrino Group (pg. 18)	
ESRS S3	SBM-2 – Interests and views of stakeholders	The Sanpellegrino Group (pg. 15-18)	
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	The Sanpellegrino Group (pg. 15-18); Communities and territories (pp. 35-43)	
	S3-1 – Policies related to affected communities	Annex (pg. 89-90)	
	S3-2 – Processes for engaging with affected communities about impacts	The Sanpellegrino Group (pg. 15-18); Communities and territories (Pg. 35)	
	S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	Communities and territories (pp. 35-43)	

Scope	Disclosure obligation	Reference within the document	Notes
ESRS S3	S3-4 – Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches	The Sanpellegrino Group (pg. 15-18); Communities and territories (pp. 35-43)	
	S3-5 – Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities	The Sanpellegrino Group (pg. 18)	
MATERIAL TOPICS: PRODUCT TRACEABILITY/TRANSPARENT LABELLING PROMOTING HEALTHY LIFESTYLES AND NUTRITION EDUCATION			
	Minimum disclosure requirement MDR – P - Policies adopted to manage material sustainability matters	Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18)	
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	Customers and consumers (pg. 61-63)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets		To date, no targets related to consumers and end users have been defined
ESRS S4	SBM-2 – Interests and views of stakeholders	The Sanpellegrino Group (pg. 15-18)	
	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	The Sanpellegrino Group (pg. 15-18)	
	S4-1 – Policies related to consumers and end-users	Annex (pg. 89-90)	
	S4-2 – Processes for engaging with consumers and end-users about impacts	Customers and consumers (pg. 61-63)	
	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Customers and consumers (pg. 61-63)	
	S4-4 – Actions on material impacts to consumers and end-users and approaches for mitigating material risks and achieving material opportunities in relation to consumers and end-users, as well as the effectiveness of those actions	The Sanpellegrino Group (pg. 15-18); Customers and consumers (pg. 61-63)	
	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities		To date, no targets related to consumers and end users have been defined
MATERIAL TOPICS: INTEGRITY AND TRANSPARENCY - SUSTAINABLE SUPPLY CHAIN MANAGEMENT			
	Minimum disclosure requirement MDR – P - Policies adopted to manage material sustainability matters	Annex (pg. 89-90)	
	Minimum disclosure requirement MDR – A - Actions and resources in relation to material sustainability matters	The Sanpellegrino Group (pg. 15-18)	
	Minimum disclosure requirement MDR – M - Metrics in relation to material sustainability matters	Supply chain and logistics (pg. 54-57); Governance, ethics and integrity (pg. 65-68)	
	Minimum disclosure requirement – MDR-T – Tracking effectiveness of policies and actions through targets		To date, no targets related to business conduct have been defined

Scope	Disclosure obligation	Reference within the document	Notes
ESRS E4	GOV-1 – The role of the administrative, management and supervisory bodies	Governance, ethics and integrity (pg. 65-67); Annex (pg. 87)	
	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	The Sanpellegrino Group (pg. 15-18)	
	G1-1 – Corporate culture and business conduct policies	Annex (pg. 89-90)	
	G1-2 – Management of relationships with suppliers	Supply chain and logistics (pg. 54-57)	
	G1-3 – Prevention and detection of corruption and bribery	Governance, ethics and integrity (pg. 65-68)	
	G1-4 – Confirmed incidents of corruption or bribery	Governance, ethics and integrity (pg. 68)	
	G1-6 – Payment practices		The Group has activated tools to support suppliers undergoing difficulties, such as Reverse Factoring and the "On Time Payment" monitoring process.

