

Sustainability Report 2023





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The company in figures



Producers of juices and
essential oils of citrus
fruits since
1926



**Italian citrus
fruits**
exclusively from Sicily
and Calabria



17
cultivars



€ 28.5 million
turnover



Family-run company
in its
IV generation



68
people



100%
pure, natural products



150
products served

Letter to stakeholders

[GRI 2-22; ESRS 2 SBM-1]

Simone Gatto was founded by Salvatore Gatto in 1926. A true creative genius, Salvatore was fascinated by perfumes and the emotions that they stirred. Following tradition, he named the company after his father, Simone Gatto, a coal and hazelnut merchant who was present at the company's founding.

Salvatore Gatto transmitted his passion and enthusiasm for the world of fragrances to his daughter Maria and her husband Sandro Raymo.

Together, they set out on the journey that became our history and brought us to where we are today: now with the fourth generation, more united than ever, and still guided by fundamental principles like quality, legality, occupational safety, food safety and food defence. We respect human rights and promote gender equality, we protect the environment and care for biodiversity. Our business is firmly rooted in sustainability, customer care and attention to the supply chain in all its complexity.

We have based all our ideas and activities on compliance with applicable standards and the production of safe, natural products of the highest quality, obtaining great results and appreciation from all stakeholders: our suppliers and customers, our staff, and the local community.

We keep our roots and our history alive, we have evolved and emancipated our corporate vision that now goes beyond just economic growth to embrace a commitment that seeks to pair profitability with a positive impact on the community and its future. We will pursue sustainable development, guiding our business towards safeguarding the ecosystem, respecting people and creating collective wellbeing.

For us, the goals of the 2030 Agenda represent a fundamental pillar that guides every aspect of our work and related activities. We are committed to incorporating these objectives in everything we do, creating a harmonious synergy, fully aware of the active and responsible role we play.

We decided for products that are exclusively 'made in Italy', sourcing our raw materials exclusively locally, from Sicily and Calabria, thus creating a reliable, sustainable and environmentally friendly supply chain.

The entire food supply chain is central to the development of sustainability and plays a proactive part, encompassing sectors that have a significant bearing on the three pillars: people, planet, profit.

Today, we reuse or recycle 98% of the waste we generate, enabling us to create a circular economy of extremely high value. And, by recycling our process water, we can significantly reduce our impact on groundwater, so we can actively work to preserve this precious asset. We use only energy from renewable sources, and we have further strengthened our commitment to environmental sustainability by installing solar panels that will meet 30% of our energy needs starting next year.

Simone Gatto is fully committed to this process, and we aim to attract more and more stakeholders to join us. We can achieve this by serving as a model of commitment and transparency, and by promoting a culture of sustainable development, inviting anyone who is interested to join us on this march to a sustainable future. As we follow this virtuous vision, we are committed to “meeting the needs of the current generation without compromising those of future generations”.

This third Sustainability Report includes targets and objectives to publicly highlight the efforts and actions that have driven our progress in the direction we have set, with results already visible!

Thank you for your participation and for reading this report.

”

The Raymo-Gatto family



Notes on the methods used

We believe that it is essential for us to take responsibility for the consequences of our activities and relationships, because we are keenly aware that every action we take can impact our sustainable development path.

In our constant commitment, we know that we must continue monitoring and working to minimise the impacts we generate, consolidating our goals for the third year running.

With this **third sustainability report**, we reiterate our commitment to our sustainable development plan, and to clear and transparent information to all our stakeholders.

The report has been prepared in line with the reporting standards published by the **GRI - Global Reporting Initiative**, using the “with reference to” option, and with the **European Sustainability Reporting Standard (ESRS)** that specifies the methods to be used to comply with the requirements of the **Corporate Sustainability Reporting Directive (CSRD)**.

We are also guided by the action plan of the 17 **Sustainable Development Goals, SDGs**, signed in 2015 by the governments of the 193 UN member countries.

This enables us to identify our most significant impacts in terms of economy, environment and society, and to **disclose** information to our **stakeholders** in accordance with globally recognised standards.

Once again this year, we analysed our carbon footprint by calculating the indirect

emissions of our value chain (Carbon Footprint - Scope 3).

We have received UEBT certification and follow and apply Good Manufacturing Practices (GMP) in our operations. We have also expanded the percentage of our fruit suppliers that are FSA/SAI certified, thus guaranteeing our commitment to sustainability and ethics. We continue to hold grade AA for BRC certification, demonstrating our commitment to the quality and safety of our products [**GRI 2-4; ESRS 2 BP-2**].

The report refers to the year **2023**. We will continue to update the Sustainability Report annually [**GRI 2-3; ESRS 1**] to provide accurate, complete and transparent information on the company’s sustainability performance. The document will not be subject to assessment by third parties [**GRI 2-5**].

The data presented for sustainability reporting purposes refer to our company, which is based solely in Italy, at **Contrada S. Biagio a San Pier Niceto (ME), Italy**. The entity considered for sustainability reporting is the same as that for financial reporting [**GRI 2-2; ESRS 1 5.1; ESRS 2 BP-1**].

For further details on targets, indicators and results, or to comment on this document, please send a request to: **info@simonegatto.com** [**GRI 2-3; ESRS 1 5.1**].

This document was published on: 15/10/2024 [**GRI 2-3; ESRS 1 5.1**].



Company profile



The company

We are an **Italian company founded in 1926**, when **Salvatore Gatto** set up “Simone Gatto” **[GRI 2-1]**, (referred to in this report as Simone Gatto Srl) for the production and sale of citrus fruit products. Since then, we have remained a family-run company, with a strong tradition.

In the 1960s, the opening of the Galati Marina plant marked the start of our industrialisation process, transforming us from a small factory in Barcellona Pozzo di Gotto, with manual essence extraction, into a leader in the **essential oils** and **citrus juice** sector. Today, we have modern and competitive structures.

Since 1988, our factory has been located in San Pier Niceto in the province of Messina **[GRI 2-1]**, where our specialised personnel and state-of-the-art production equipment produce high quality, all-natural products from citrus fruits grown in Sicily and Calabria.

We are proud to produce and sell over **150 products in 27 countries** around the world, maintaining an honest and solid dialogue with our customers to achieve increasingly ambitious goals.

In addition to our family tradition, Simone Gatto stands out for our commitment to research and development, and to the production and packaging of pure and natural citrus derivatives. The main varieties we process include lemons, mandarin oranges, blood oranges, blond oranges, grapefruits and bergamots, with a strong connection to their regions of origin: Sicily and Calabria.

The exceptional quality of our products is certified by labels such as **PGI** (Protected geographical indication) and **NOP** (National Organic Program), in both conventional and organic versions. These certifications are our customers’ guarantee of the authenticity of our raw materials and the excellence of every finished product.



Our mission



History has taught us the importance of evolving and embracing new values and challenges.

We see sustainability as a tangible commitment to shape a better future for the next generations. This is our investment for the future, demonstrating our deep commitment to building a responsible and sustainable present.

“

The present defines the future for us all.

”

Over the years, we have developed an ever-increasing awareness of the importance of cooperation between the various parties involved, the relevance of the efforts of farmers, who should be heard and guided, and the crucial role of human resources.

Our mission is to guide our customers in the development of successful products, providing them with outstanding Sicilian and Calabrian produce without compromising on quality: **the quality of sustainability.**

We have broadened our horizons, understanding that our mission presents us with a great and noble challenge: the engagement of Simone Gatto in a process of continuous improvement, with the aim of contributing to achievement of the 2030 Agenda and working with determination towards the ambitious 2050 net-zero emissions target.

The importance of collaboration throughout the value chain, building a path towards sustainability together with our partners, is essential for growth.

We have decided to adopt the principles of an organisation dedicated to ethical procurement of raw materials, in order to operate with respect for a world in which all people and biodiversity can prosper.

Our products are divided into **natural citrus juices** and **essential oils** [GRI 2-6; ESRS 2 SBM-1]. Our juices account for 41% of total turnover and are divided up into: bergamot, lemon, mandarin, pink grapefruit, blood orange and blond orange. Our essential oils, which account for 59% of turnover, are used in the cosmetics, pharmaceutical, aromatherapy and food sectors. In addition, we recover by-products from the production process, such as peelings and biowaste, for use in biogas, biomass, animal feed and pectin production.

Sales by macro-sector

MACRO-SECTOR	% OF SALES
Essential oils	59%
Citrus fruit juices	41%

The pure, 100% natural juices, thanks to the absence of added sugar, preservatives, colouring and flavours, and considering their beneficial health properties—with high biological value derived from the intrinsic quality and natural active ingredients of citrus fruits—are widely used in multiple B2B and B2C sectors:

- the **food sector** is served through our lines of natural or concentrated juices, pasteurised or non-pasteurised, clear or cloudy, preserved or frozen;
- for the **ho.re.ca.** sector, on the other hand, we supply frozen unpasteurised natural juices in small packs (Tetra Rex or pouches). These juices are ideal for the preparation of ice cream, sorbets, slushies and cocktails;
- for **home consumption**, we have developed a line of completely natural juices containing zero preservatives or colourings, which are very popular with end consumers in our country, and are supplied in handy packaging for immediate consumption.
- our essential oils are 100% pure and natural and are used primarily in the **cosmetics industry** particularly the perfume sector, where they are employed in the formulation of fragrances. They are also used in the **food sector**, being suitable as ingredients in a wide range of products, such as ice creams, creams, sweet baked goods and drinks.

Six fruit juices for six flavours

Consumption at home

Sicilian Blond Orange, Blood Orange, Sicilian Lemon, Sicilian Mandarin, Pink Grapefruit, Calabrian Bergamot: six fragrant and delicious citrus fruits for six fresh, thirst-quenching juices **rich in first-class nutrients**, making them ideal for any age and at any time of day.





Confectionery industry and catering



Lemon



Siracusa lemon



Pink grapefruit

Essential oils Cosmetics industry



The sectors we serve

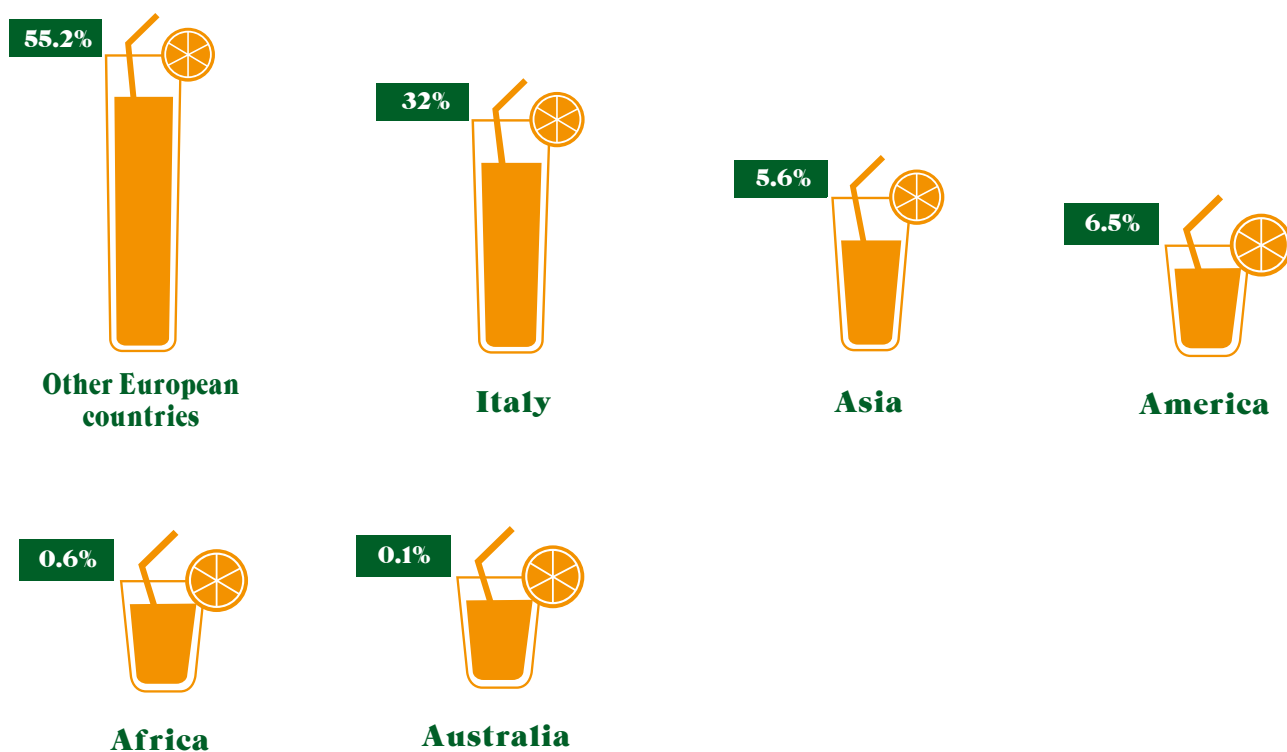
- Perfume industry
- Aromatherapy
- Cosmetics, pharmaceuticals
- Flavourings
- Ice cream and confectionery
- Food industry
- Large-scale distribution and retail



The markets reached

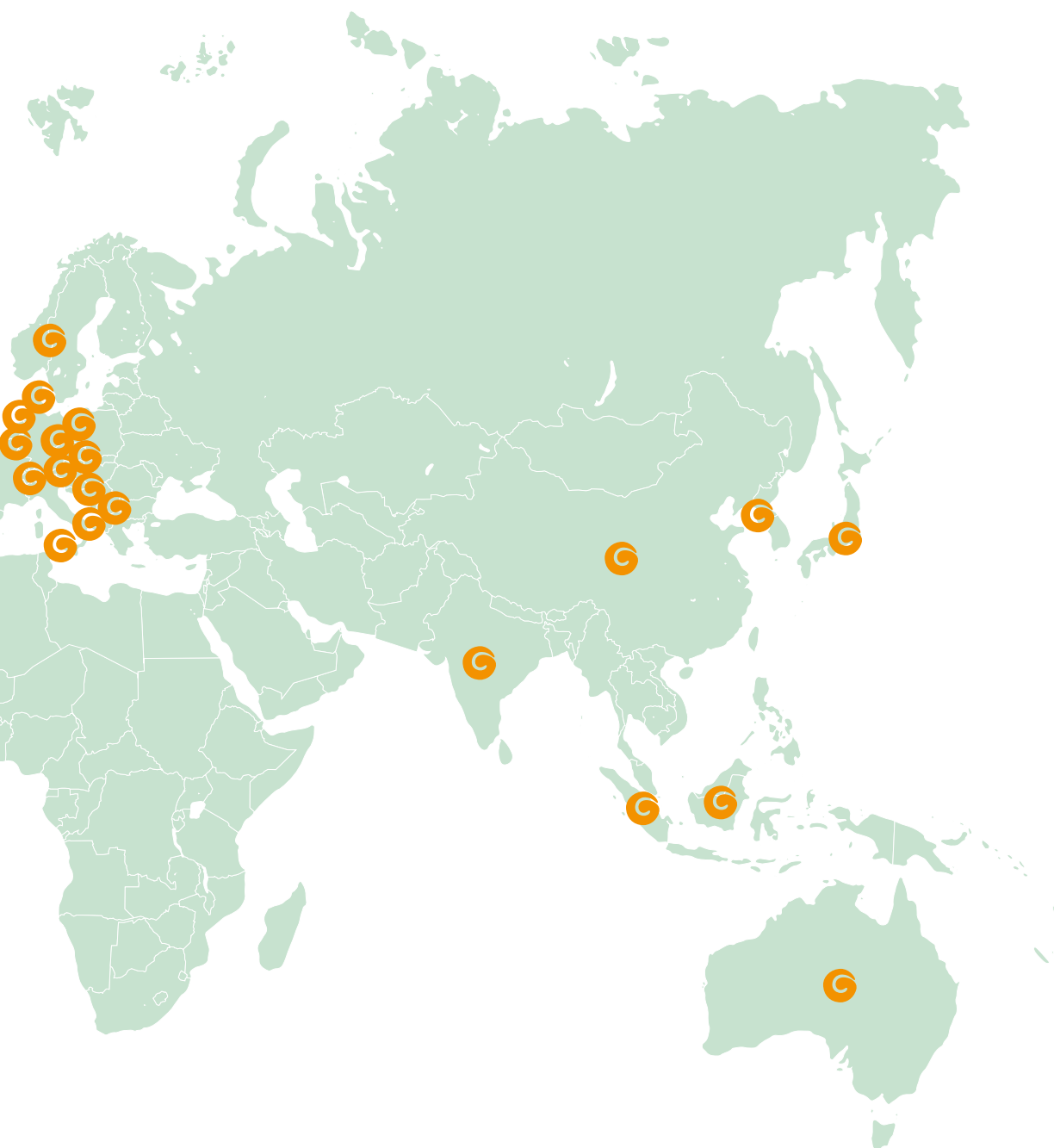
[GRI 2-6; ESRS 2 SBM-1]

GEOGRAPHICAL AREA	% OF SALES
Italy	32%
Rest of Europe	55.2%
Americas	6.5%
Asia	5.6%
Africa	0.6%
Australia	0.1%



The markets reached





Focus on sustainability



Our ten basic principles

1

Protecting the company's reputation



6

Respect for our consumers



2

Establishing relationships of trust with customers and suppliers



7

Guaranteed product traceability



3

Observance of Italian, European and international regulations for all countries we export to



8

Cooperation with suppliers selected for sustainable agriculture management



4

Respect for the people who work with us



9

Fair and guaranteed prices for fruit suppliers



5

Use of renewable energy sources and protection of the environment



10

Improvement of services for customers





Our path to sustainability

In the essential oils and citrus juice sector, Simone Gatto stands as a leader, guaranteeing full compliance with national and European regulations on hygiene, food safety and workers' rights. Every day, we strive to establish stable and lasting relationships with our customers and suppliers, building a solid foundation for our future.

In this way, we not only maintain our high production standards, but also contribute actively to creating a virtuous heritage that can be passed on to future generations, to ensure they continue to prosper while respecting the principles of People, Planet and Profit.

We continue to follow our path to sustainability, which we undertook in 2019, with determination and commitment, characterised by what we call “public” transparency: our determination to make our sustainability report accessible as a tool to introduce ourselves to society in a transparent manner. At the same time, we are working hard to make the entire supply chain sustainable, pursuing the objectives of the 2030 Agenda¹ and reducing our carbon footprint **[GRI 2-23; ESRS 2 GOV-4; ESRS S1 S1-1; ESRS S2 S2-1; ESRS S3 S3-1; ESRS S4 S4-1; ESRS G1 G1-1]**.

¹https://international-partnerships.ec.europa.eu/policies/sustainable-development-goals_en



2019

We began our path to sustainability in 2019 when we were awarded Ecovadis² certification at the bronze medal level. The following year, we were awarded the silver medal, reflecting our constant engagement in improving our company practices.

2021

Since 2021, we have adhered to the United Nations Global Compact to respect the ten fundamental principles. That same year, we published our first Communication on Progress along with our Sustainability Report. In 2021, we were awarded a gold medal by Ecovadis.

2022

In 2022, we maintained our Ecovadis gold level, further improving our score, and began applying Union for Ethical BioTrade (UEBT) in our supply chain to guarantee procurement that supports people and biodiversity. In the same vein, we began measuring our Carbon Footprint to identify targeted actions to reduce emissions; one of these actions is our photovoltaic system project.

2023

This year marked an important milestone for Simone Gatto, since he was awarded us the Platinum medal, its highest level. We also officially adopted UEBT to actively involve our suppliers in the UEBT philosophy, respecting the standard's requirements. Our goal for 2024 is to maintain this result and aim for an even higher score.



Over the years, our ISO 9001:2015 and BRC certifications have contributed to improving our processes, while helping every person understand the importance of the actions they have on the company's success. We also obtained certification for our agricultural supply chain under FAS/SAI³ standards, which laid the foundation for a conscious and responsible approach to our production process.

² <https://ecovadis.com/it/>

³ <https://www.controlunionitalia.com/certificazione-fsa-farm-sustainability-assessment/>
<https://saipatform.org/>

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In order to succeed in the pressing challenge to meet 2030 Agenda and 2050 net zero goals, the entire world must focus on its social, environmental and economic responsibility. The big players—multinationals—are the drivers of this effort, prompting smaller businesses to join them on the same path, generating a domino effect, with the aim of avoiding the collapse of Earth's ecosystems.

Looking ahead to the implementation of the **Corporate Sustainability Reporting Directive** (CSRD) in 2026, we are already working to ensure compliance with new transparency and reporting regulations, with a special focus on our supply chain and respect for human rights. This requires that we constantly monitor our operations and our partners along the entire value chain to minimise adverse effects and guarantee responsible and sustainable management.

These everyday micro-objectives aim to guarantee transparency, compliance and respect for human rights, and all converge on a single major goal: sustainable and responsible progress that is driven by our ethical principles.

Materiality assessment

DIALOGUE WITH STAKEHOLDERS

Simone Gatto places great importance on continuous evolution of supplier relationships.

We firmly believe that our commitment and constant communication are essential to build positive and mutually advantageous relationships, with the shared goal of continuous improvement and growth. This approach represents a virtuous example of cultural transmission and collective participation, a form of acceleration that serves as an impetus for all stakeholders to become active and proactive in our evolution.

We are committed to identifying and applying measures aimed at improving our ESG performance in order to contribute to social and environmental progress. One tangible example of this commitment is our transition to regenerative agriculture.

As we pursue this goal, we regularly organise meetings with our suppliers to share knowledge and implement sustainable farming practices that aim to restore the region's well-being and resilience in line with Article 9 of the Italian Constitution⁴, which protects the environment, biodiversity and ecosystems, including for future generations [GRI 2-29; ESRS 2 SMB-2; ESRS S1 S1-1; S1-2; ESRS S2 S2-1; S2-2; ESRS S3 S3-1; S3-2; ESRS S4 S4-1].

When grown in healthy soil, crops are better able to resist climate change and disease, they become less dependent on pesticides and the ecosystem's natural balance is restored. This also contributes to the region's natural circular economy.

This is why we conduct training sessions and hold meetings between experts in regenerative agriculture and the Simone Gatto team.

It is essential that we create solid and lasting partnerships through open dialogue, rooted in the principles of transparency and cooperation with all our stakeholders who represent a fundamental segment of our company.

⁴ <https://www.governo.it/it/costituzione-italiana/principi-fondamentali/2839#:~:text=9,nell'interesse%20delle%20future%20generazioni>.

WE CREATE VALUE WITH THE FOLLOWING STAKEHOLDERS:

Suppliers: we create a strong bond of mutual trust, since their raw materials represent one of the factors of our products' success.

Employees: we guarantee the personal and professional development of every member of our team, offering them opportunities for continuous growth.

Shareholders: we have been a family-owned business for four generations.

Customers: our customers can count on the quality of our products, establishing with us a relationship based on trust, integrity and confidentiality.

Competitors: we encourage fair competition that stimulates innovation and continuous improvement.

Local community: we strive to build an open dialogue, listening to the needs and demands of the community.

Our local territory: we promote our local resources and contribute to their protection.

Consulting and design firms: we work together to find effective and sustainable solutions.

End consumers: consumers appreciate our products for their authenticity, freshness and 100% natural flavour.





We put **people** at the heart of everything we do, because we believe that true value is created through constant interaction between those who live and work in a region and the natural resources that support it. We put people, our local community, resources and water all at the same level of importance: this harmonious and unbreakable coexistence guides every choice we make, in a balance that preserves and promotes both the community and the environment.



The process of identifying and prioritising impacts

In 2022, we established the double-materiality assessment process, which we incorporated in 2023, improving its alignment with the requirements of the European Sustainability Reporting Standards (ESRS).

We revised our mapping process of our business's impacts, starting from the material topics that had been previously identified as crucial areas. After adding and incorporating these impacts, we analysed their significance in terms of impact materiality and financial materiality, to gain a detailed understanding of the possible consequences in terms of economic and financial performance.

The most significant impacts, both positive and negative and both current and potential, have been summarised in a table and grouped according to Simone Gatto's value chain. We linked each of these to the corresponding ESG megatrend, providing a brief contextualised description of the company, specifying the relevant material topic and indicating the level of impact in terms of double materiality according to the following scale: negligible, moderate, significant and high.

This process provided a robust basis for informed decision-making that was guided by an awareness of the possible impacts of our actions, in terms of sustainability and financial performance.

A detailed table of our impacts in various aspects of sustainable development is provided in the Appendix.



The results made it possible to establish the strategic priorities in social and environmental areas, which serve to guide our future initiatives.

The Board of Directors and CEO are closely engaged in management of economic, environmental and social impacts and due diligence.

The results of impact analysis are shared annually with members of the BoD, with the exception of any amendments or changes that require immediate disclosure **[GRI 2-13; ESRS 2 GOV-1; GOV-2; ESRS G1 G1-3]**.

This process enables identification and application of measures aimed at improving ESG performance and contributes to social and environmental progress **[GRI 2-12; ESRS 2 GOV-1; GOV-2; SBM-2; ESRS G1] [GRI 2-14; ESRS 2 GOV-5; IRO-1]**.

Our goal is to become a responsible company that generates value not only for our stakeholders but for society as a whole. We consider our business as part of a wider ecosystem and we recognise our responsibility to the environment and the communities we operate in.



Double materiality

The European Sustainability Reporting Standards (ESRS) require that the double materiality analysis be conducted using a method that guarantees compliance with regulations and with the involvement of relevant stakeholders.

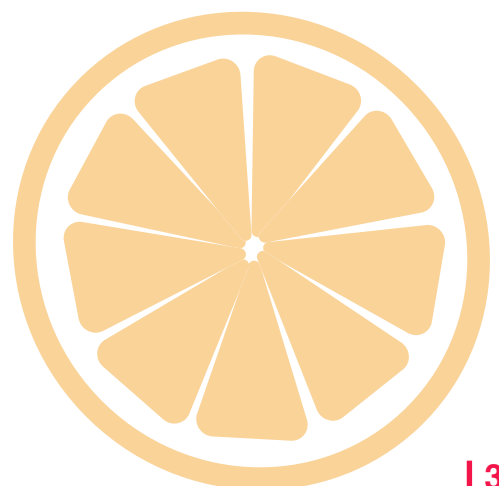
The process begins by identifying material topics, starting with an analysis of the risks and opportunities derived from company operations and the external context. This phase includes an examination of environmental, social and governance impacts (ESG) that the company generates or is subject to, examined through two lenses:

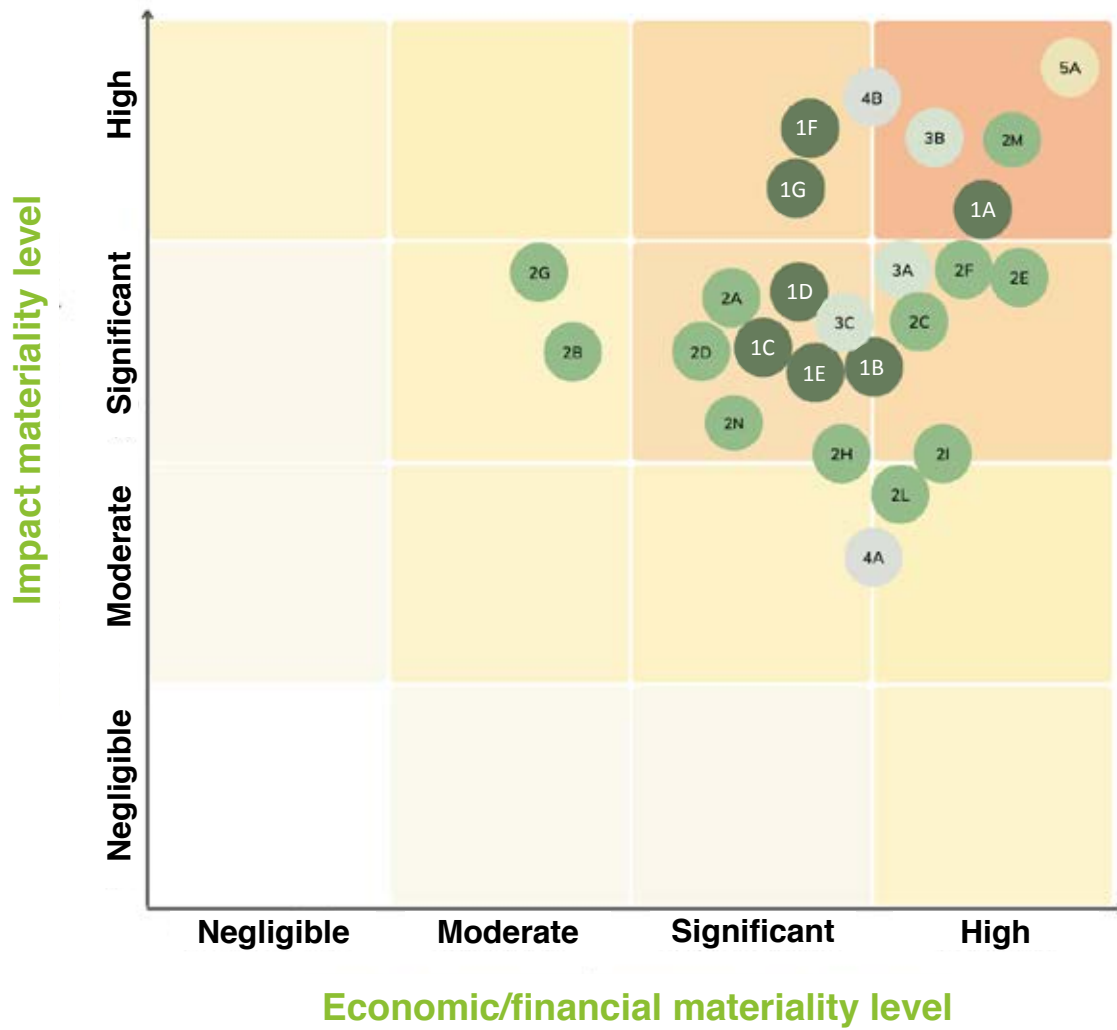
1. **Impact materiality**: we assess how company operations influence the environment and society, including human rights, biodiversity and local communities. This phase requires a detailed analysis of company processes, the supply chain and the geographic areas in which the company operates.
2. **Financial materiality**: we assess how the risks and opportunities related to sustainability influence the company's financial performance, in terms of increased revenue, reduced costs, and increased or reduced brand reputation. This second stage includes an analysis of the financial implications of ESG issues.

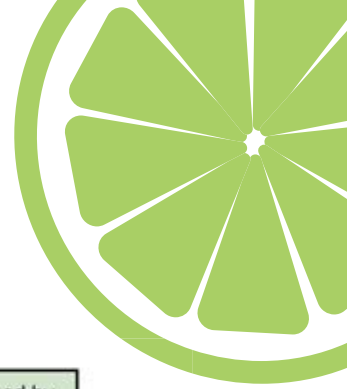
Then, we create a double materiality matrix that combines the relevance of each topic from both an impact and a financial viewpoint. This matrix is used to define the company's strategic priorities and to draft the sustainability report in line with ESRS guidelines, thereby guaranteeing full transparency and legal compliance.

Simone Gatto's materiality process is structured as follows **[GRI 3-1; ESRS 2 BP-1; IRO-1]**:

1. Context analysis
2. Impact classification and prioritisation
3. Identification of material topics
4. Definition of the double materiality matrix







A - Farming and transport of raw materials by suppliers	
1A	Biodiversity
1B	Land use
1C	GHG Emissions
1D	Water consumption in water stress areas
1E	Working standards and human rights
1F	Support to the local community
1G	Supply-chain transparency and traceability

B - Processing of raw materials at our site	
2A	Pollution of water resources
2B	Water use
2C	Use of energy resources
2D	Waste management
2E	GHG Emissions
2F	Occupational Health and Safety
2G	Innovation and development
2H	Customer health and safety
2I	Development of employees and creation of a suitable working environment
2L	Process quality and efficiency
2M	Quality and customer satisfaction
2N	Development of the local community

C - Transport commissioned by the company and sales	
3A	GHG Emissions
3B	Impact on ecosystems
3C	Punctuality of deliveries

D - End consumers	
4A	Promoting circular economy practices
4B	Promoting a culture of sustainability

E - Cross-cutting topic	
5A	Compliance and legality



Topics identified

The results of this materiality assessment represent an essential guide for the company's strategic decision-making with regard to sustainability, focusing closely on the areas of greatest importance. The materiality assessment was conducted using the Enterprise Risk Management method, which equipped us with a full picture of the most significant issues for Simone Gatto. Here is a list of the main topics identified as important:



Biodiversity



Land use



GHG emissions



**Water consumption
in areas of high water
stress**



**Working
standards and
human rights**



**Support to the
local community**



Supply-chain transparency and traceability



Spills that could pollute groundwater



Water use



Use of energy resources



Waste management



Occupational health and safety



Innovation and development



Customer and end consumer health and safety



Employee development and creation of a suitable working environment



**Process quality
and efficiency**



**Quality and customer
satisfaction**



**Development of the local
community**



Impact on ecosystems



Punctuality of deliveries



**Promotion of circular-
economy practices**



**Promoting a culture of
sustainability**



Compliance and legality



The material topics identified are closely tied to our commitment to generate shared value, which involves both people and the surrounding environment. We recognise that sustainability is a constantly evolving path, and we are committed to maintaining a proactive approach to identify new opportunities to reduce environmental impacts and promote social well-being [**GRI 2-25; ESRS S1 S1-1; S1-3; ESRS S2 S2-1; S2-3; S2-4; ESRS S3 S3-1; S3-3; S3-4; ESRS S4 S4-1**].



Our commitment for the coming years

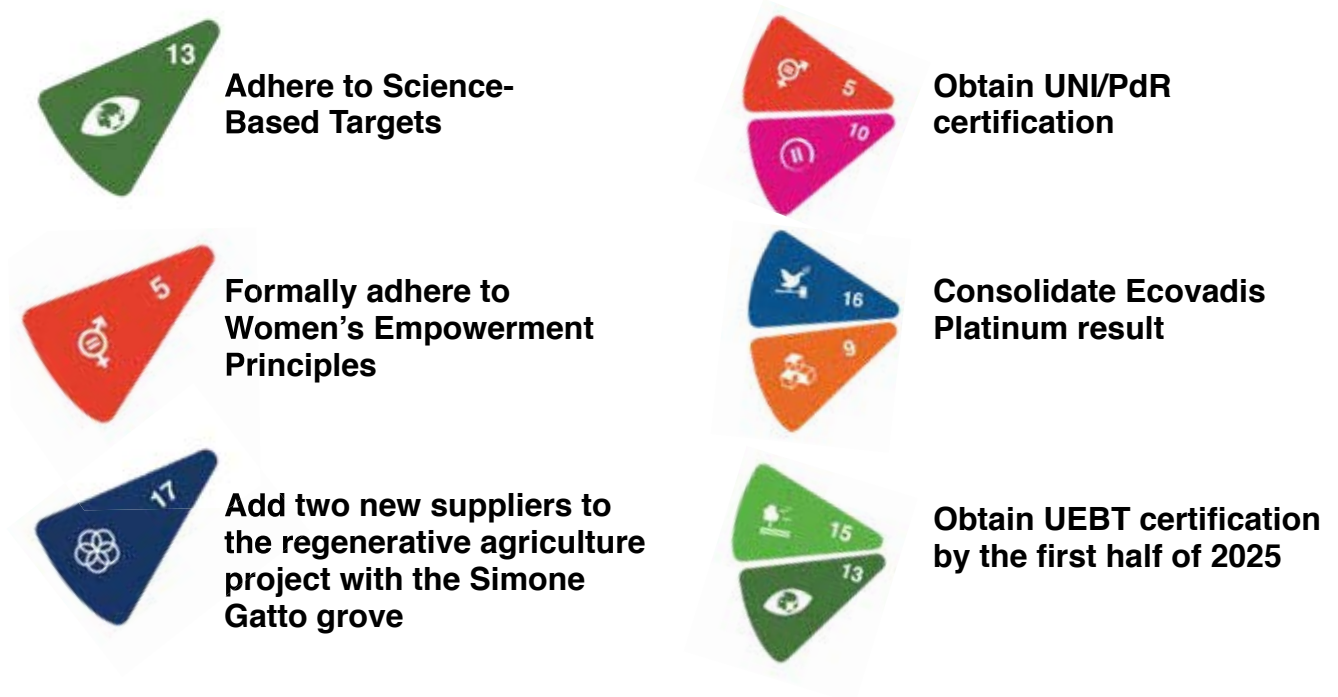
One of our main goals for the near future is to adopt the **Science-Based Targets** by 2024, aligning our climate strategies with international scientific standards.

We also aim to obtain **UNI/PdR 125 certification** in 2024, and to formally adhere to **Women's Empowerment Principles**, including reporting.

We aim to consolidate our **Ecovadis Platinum** standing, further improving our score in 2024.

In 2023, we launched a regenerative agriculture project with three suppliers and the Simone Gatto grove. In 2024, we aim to add **two more suppliers** and begin monitoring the pilot plots, thereby strengthening our commitment to an increasingly sustainable supply chain.

Last, after becoming a UEBT⁵ member in 2023, we plan to obtain **UEBT certification** by the first half of 2025 to further strengthen our commitment to a supply chain that is sustainable and respects biodiversity.



⁵ <https://uebt.org/>



The background is a solid light green. Scattered around the central text are several orange slices and two green leaves. One large orange slice is at the top right, a smaller one is below it to the right, another large one is at the bottom center, and a medium one is at the bottom left. Two green leaves are positioned on the left side, one above and one below the text.

Governance for a responsible company

How we are structured

Simone Gatto's founding family has always retained full ownership of the company, demonstrating a deep-rooted passion and unwavering determination to continue doing what they love. The committee of the highest governing body is composed as follows **[GRI 2-9; ESRS 2 GOV-1; ESRS G1]**:



Senior management.

Senior management is composed of company shareholders, owner family members who are responsible for all economic, environmental and social issues. The governance body seeks the advice of specialist external consultants wherever necessary.



Board of Statutory Auditors.

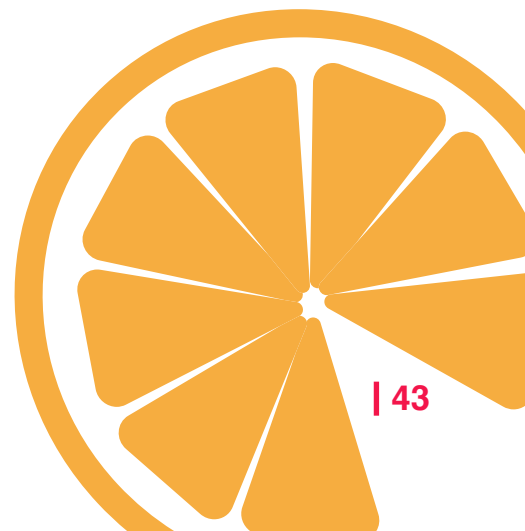
This board oversees the activity of the directors and ensures that management and administrative activity is performed in accordance with laws and the company bylaws.



The shareholders' meeting.

Appoints the Board of Directors **[GRI 2-10]**.

In addition, the chair of the highest governance body does not simultaneously cover the role of top executive in the organisation, thus guaranteeing separation of the two positions **[GRI 2-11]**.

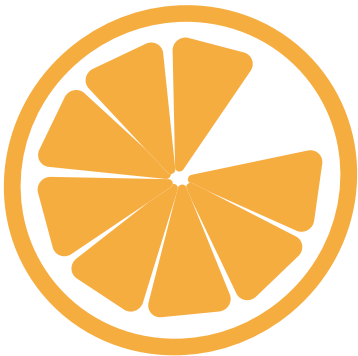


Components of the governing bodies by gender **[GRI 405-1; ESRS 2 GOV-1; ESRS S1 S1-6; S1-9; S1-12]**

GOVERNING BODIES	MEN	WOMEN
BoD/Sole director		
Board of statutory auditors		
The shareholders' meeting		

Components of the governing bodies by age group **[GRI 405-1; ESRS 2 GOV-1; ESRS S1 S1-6; S1-9; S1-12]**

GOVERNING BODIES	30-50	OVER 50
BoD/Sole director		
Board of statutory auditors		
The shareholders' meeting		



Remuneration of the highest governance body is set and confirmed annually during meetings of the Board of Directors and the Board of Statutory Auditors. Other senior managers receive monthly remuneration defined contractually, including personalised bonuses, benefits and welfare programmes, in addition to a pension contribution **[GRI 2-19; ESRS 2 GOV-3; ESRS E1]**. The procedure to establish these amounts, in addition to complying with applicable labour laws, takes into consideration the previously mentioned elements. Any change or update to remuneration is carefully evaluated, always considering company requirements and evolution of the business **[GRI 2-20; ESRS 2 GOV-3]**. In 2023, the annual total remuneration ratio was 3.96 **[GRI 2-21; ESRS S1 S1-16]**.

The organisation has adopted measures to develop the sustainable development knowledge, skills and experience of the highest governance body **[GRI 2-17; ESRS 2 GOV-1]**. These measures include continuing training on sustainability for at least one representative of the highest governance body on a variety of topics, such as biodiversity, workplace safety and sustainable diet, and sharing this experience with the Board of Directors to develop common knowledge and awareness of the issue.

Board members bear full responsibility for economic, social and environmental performance. There is currently no procedure in place to assess management of impacts. Nevertheless, our strategy and sustainability goals are accessible to all parties involved, helping to guarantee greater transparency in assessment of company performance in relation to the various impacts **[GRI 2-18]**.





Organisational, Management and Control model

Simone Gatto has adopted an **Organisational, Management and Control Model in accordance with Italian Legislative Decree 231/2001**. The goal is to formally establish a structured and organic system of procedures and controls to prevent and manage the risk of crimes being committed, by identifying sensitive activities and mitigating risks.

The model was revised in 2023 to adapt it further to the company's context, and includes new crimes to make Simone Gatto better able to prevent and manage these risks.

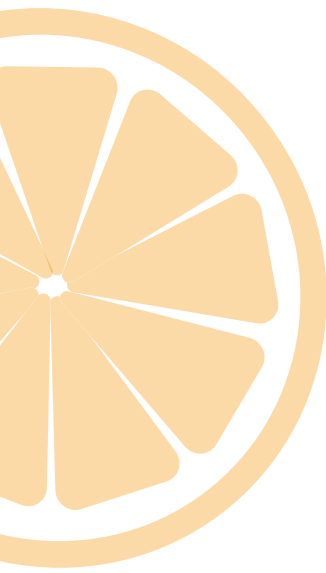
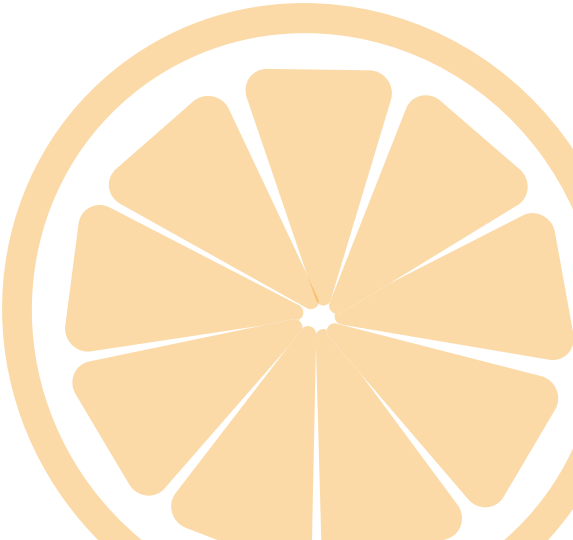
Through adoption of this model, the company intends to:

- ▶ wholly fulfil legal requirements through the formalisation of a structured and organic system—already in place at the company—of procedures and controls aimed at preventing and managing the risk of crimes being committed, through identification of sensitive activities;
 - ▶ establish an effective company management tool, also assigning the model with functions for generation and protection of the value of the company itself;
 - ▶ develop a process for prevention and mitigation of potential conflicts of interest, shared with all company stakeholders **[GRI 2-15]**.
- 
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During 2023, Simone Gatto has not identified cases of non-compliance with laws and regulations **[GRI 2-27; ESRS 2 SMB-3; ESRS E2 E2-4; ESRS S1 S1-17; ESRS G1 G1-4]**.

Through adoption of this model, Simone Gatto aims to **[GRI 2-23; ESRS 2 GOV-4; ESRS S1 S1-1; ESRS S2 S2-1; ESRS S3 S3-1; ESRS S4 S4-1; ESRS G1 G1-1]**:

- ▶ Consolidate a culture of risk prevention and control, in the context of pursuing company goals;
 - ▶ Establish a system to constantly monitor operations, aimed at enabling the company to prevent or hinder crimes;
 - ▶ Provide adequate information to employees regarding activities associated with the risk of crimes in the event of conduct that is not compliant with rules of conduct and company procedures;
 - ▶ Disseminate and affirm a corporate culture rooted in legality, with express disapproval from the company of any conduct that is against the law or internal provisions.
- 
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Code of ethics

The **code of ethics** stipulates how Simone Gatto shapes the day-to-day management of its activities. The document aims to consolidate sustainable growth and protect the company's reputation, representing **a compass for all stakeholders** involved in Simone Gatto.

Starting in 2023 and during 2024, we will apply our code of ethics more strictly, adding specific requirements for our suppliers. Our code of ethics will become more operational and easier to apply to guarantee more concrete and coherent compliance by our main companies.

Through the code, the company clarifies its **ethical and social responsibilities towards stakeholders**, both internal: shareholders and employees, and external: collaborators, suppliers, public bodies, customers, in order to strike a balance between the interests and expectations of the parties involved.

Respect for the code of ethics is achieved by developing and promoting a high level of professionalism, by giving its employees opportunities for growth and by prohibiting all behaviour that might conflict with current regulations or the company's own principles. On the other hand, employees must also adhere to the same conduct, combining compliance with internal policies with the full realisation of their operational obligations. All aimed at a single **goal: the improvement** of Simone Gatto.

In our company, everyone is expected to be familiar with the code of ethics and to share its implementation. In order to present the anyone at Simone Gatto to report behaviour that is not in line with the code of ethics and policies in force, there is a digital whistleblowing platform [**GRI 2-26; ESRS S1 S1-3; ESRS S2 S2-3; ESRS S3 S3-3; ESRS S4 S4-3; ESRS G1 G1-1; G1-3**]. The system makes it possible to report any violation of human rights - including workplace safety and food safety non-compliances - and guarantees the anonymity of those who use it, to protect anyone making a complaint [**GRI 2-16; ESRS 2 GOV-2; ESRS G1 G1-1; G1-3**].

The code of ethics thus represents a commitment to moral integrity, economic and social responsibility, which constitutes our primary and fundamental value.

Simone Gatto undertakes to respect the internal code of ethics and the code of ethics of customers.

Our business model

Simone Gatto stands out for its well-structured value chain, reflecting the company's ability to incorporate tradition, innovation and sustainability in all its operations. Below, we describe how our value chain functions, referring specifically to the activities, products and services we offer, and to the markets we serve.



CORE BUSINESS

Production: the company has a daily processing capacity of 300 tonnes of fruit, 1.5 tonnes of essential oils and 90 tonnes of fruit juice. This volume is backed by three supply lines and seven processing lines to optimise production efficiency. A biological treatment plant using activated sludge reflects our commitment to sustainability.

Research and Development: Simone Gatto invests constantly in innovation to improve the citrus fruit derivatives produced for the fragrance, cosmetics, pharmaceuticals, nutraceuticals and food sectors.

Distribution: the company operates globally, serving markets in a variety of sectors, including fragrances, aromatherapy, cosmetics, pharmaceuticals and food, distributing its products through large and small retailers.



PROCUREMENT

Local raw materials: Simone Gatto purchases its raw materials exclusively from local producers in Sicily and Calabria, selected according to rigorous sustainable certification standards. These enduring relationships guarantee strong ties with the region and the quality of the raw materials.



OPERATIONAL SIZE AND CAPACITY

Corporate structure: Simone Gatto is a family-run medium-sized enterprise with approximately 70 employees. The operating site measures 126,174.7 m², of which 11,500 m² indoors, including offices, processing laboratory and other essential facilities.



PRODUCTS AND SERVICES

The company produces primarily pure and natural citrus derivatives, such as essential oils and fruit juices. It offers both conventional and organic versions certified by labels such as PGI (Protected Geographical Indication) and NOP (National Organic Program) as consumers' guarantee of quality and authenticity. The main sectors served include fragrances, cosmetics, pharmaceuticals, nutraceuticals and food, with a focus on flavouring for ice cream and pastries.



MARKETS SERVED

Simone Gatto operates globally, exporting its products to 27 countries. The company is known for its know-how in the citrus fruit sector, meeting the needs of international markets in the fragrance, aromatherapy, cosmetics, pharmaceuticals and food sectors.

Technological innovation, respect for the environment and solid relationships with local producers have allowed the company to maintain its leadership role on the citrus and citrus derivatives market.

Opportunities and risks

At Simone Gatto, the risk monitoring phase is essential to prevent any form of uncertainty that deviates from our expectations.

This is why we adopt a **Risk Management process**: a set of coordinated activities to **manage the risks of our organisation**. This includes a **Crisis Management** section, i.e. a systematic and predetermined approach to **damage limitation**.

What is the objective of this process? To protect our company and our daily activities from adverse events and their effects, following a **PDCA: Plan, Do, Check, Act**.





The first phase of Risk Management is the analysis-mapping of the actual and potential risks that may cause damage to the company, in order to define the choice of action to optimally manage the risk.



Risks of **natural** origin: earthquakes, volcanic eruptions, floods, storms, landslides, hail, frost, tornadoes, water bombs;



Technical or **technological** risks: fires, explosions, faults and defective products;



Personal risks: illnesses, accidents, occupational diseases, kidnappings;



Risks of **social** origin: business interruptions, fraud, strikes, sabotage, negligence, theft, vandalism and malicious acts;



Health risks: pandemics and epidemics;



Environmental risks with health consequences: environmental pollution and environmental disasters;



Risks of **political** origin: wars, expropriations, nationalisations, terrorism, tax pressure;



Economic and **financial** risks: supply risks, pecuniary losses, exchange losses, customer insolvency, loss of market shares, competition and unfair competition.



The actions necessary to contain and abate the risk are calculated based on the magnitude of the event and the probability of its occurrence.

Secondly, we have established which risks are most likely to occur and defined a plan to manage them, within which we outline the possible repercussions on our organisation and the actions planned to mitigate or eliminate the risk.

We have defined a contingency plan to ensure the supply of products, the resumption of production and business downtime in the shortest possible time. This guide is useful to leave no room for improvisation in case of need and to limit damage and inconvenience as much as possible in the event of exceptional events.

At Simone Gatto, risk management goes hand in hand with **employee training**: we have established intervention procedures at every level of company organisation, from personnel to equipment use.

In order to plan for emergency management, we have set up a coordination team, whose task is to plan and direct all the organisation's activities, and to declare a state of emergency when necessary, alerting and summoning the necessary personnel. In case of danger, the crisis unit is activated, which, with the support of the company's on-call system, will continue to operate until the state of emergency is over. Every year, we review the crisis team and evaluate its appointment. In the event of modifications, crises or changes, it may be subject to further reassessment.

The system is annual tested and its efficacy evaluated with a company crisis simulation.



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The quality of our processing chain

[GRI 2-6; ESRS 2 SBM-1]



The raw materials

Our fruit juices and oils are made with the finest local ingredients, allowing us to maintain a delicate balance between **protecting our environment** and **satisfying** everyone who consumes our products.

The raw materials we use come exclusively from local suppliers, i.e. suppliers located in the region or in Calabria. In particular:

- Oranges and mandarins come from both Sicily and Calabria;
- Lemons come from Sicily;
- Bergamots and pink grapefruits come from Calabria and Sicily.

In line with our **selection procedure**, we source exclusively from **approved producers** who adopt sustainable growing techniques and harvest the fruit by hand, constantly verifying the minimal use exclusively of pesticides permitted by the EU.

Procurement from local suppliers represents 72.06% of total company costs **[GRI 204-1]**

We have always cultivated our **relationships** with our citrus fruit producers and suppliers, establishing an ongoing dialogue to ensure the sustainability of our supply chain, low environmental impacts, variety conformity, controlled use of pesticides and phytochemicals, and a fair price.

Continuous dialogue with stakeholders in the supply chain is essential for us, particularly for a raw material like fruit, which is subject to periodic fluctuations related to production and costs.

Climate change is a key concern today, which is why we are working hard to prepare for related challenges, investing a great deal of energy and promoting the sharing of information to improve operations with suppliers and reduce potential risks in the supply chain.

Simone Gatto has established and maintains constant relationships with various categories of stakeholders to ensure the continuity of commercial operations. In addition, by adopting principles such as biodiversity and soil improvement through regenerative agriculture, we support suppliers from both an economic and cultural perspective, promoting a transition towards more resilient cultivated fields to guarantee sustainable productivity [GRI 3-3; ESRS E5 E5-1; E5-2; E5-3].

The characteristics of our citrus fruits



High juice
and oil yield



High content of
citric acid



Tasty
Juice



High Vitamin C
content



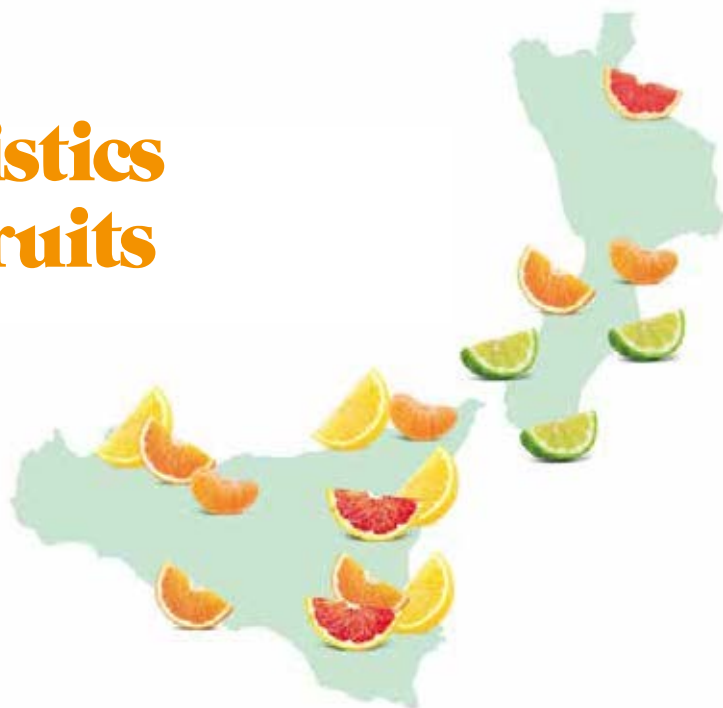
Unique oil for
perfume



Greater quantity of
nutrients in the oil



The characteristics of our citrus fruits



Blond Oranges



May



Mainly Valencia and
Ovale



Sicily (Ribera, Palermo,
Syracuse)

Red Oranges



January – May



Moro, Tarocco,
Sanguinello



Sicily (Piana di Catania,
Palagonia, Francofonte,
Scordia)

Mandarins



December – March



Avana, Tardivo di
Ciaculli (Marzolo)



Sicily (Palermo, Aci-
reale)

Lemons



September – July



Femminello,
Monachello, Zagara
Bianca



Sicily (Syracuse,
Avola and Acireale)

Bergamots



November – March



Femminello,
Castagnaro,
Fantastico



Calabria (province of
Reggio Calabria: Melito,
Bova Marina, Condofuri,
Brancaleone)

Pink grapefruit



February – March



Star Ruby



Calabria

Our supply chain

Our value chain begins with **raw material cultivation and transport** by selected suppliers, who represent key partners for the company. Together, we share the same ethical values of social and environmental responsibility.

We recognise that Simone Gatto is indirectly involved in the potential adverse effects of the entire production chain, which arise due to a failure to observe human rights, ethical [GRI 308-2; ESRS 2 SBM-3], environmental, or occupational health and safety standards [GRI 414-2; ESRS 2 SBM-3]. On this basis, we ask all our suppliers to comply with our internal directives and, every year, we ask them to provide all pertinent certifications for the products supplied, including those of an environmental nature [GRI 3-3; ESRS G1 G1-2].

This focus on our suppliers is reflected in our internal procedure PR 11 “Qualification and monitoring of suppliers of raw materials/products/services/processes”, which applies to all purchasing categories and related division managers. This procedure includes the necessary information for external suppliers to align with the company’s supply requirements and adherence to the code of conduct, which is reviewed annually [GRI 308-1; ESRS G1 G1-2] [GRI 414-1; ESRS G1 G1-2].

We are committed to upholding ESG (environmental, social and governance) values throughout the supply chain, implementing actions and policies enabling us to work with suppliers to establish sustainable procurement. In particular, we have established improvement agreements with two of them so that they can reach higher standards of sustainability.



ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN

Adopting practices such as regenerative, certified organic and sustainable agriculture in collaboration with our suppliers is an essential step toward mitigating our adverse impacts on the environment, such as excessive water use for irrigation and the use of phytopharmaceuticals and pesticides. Simone Gatto’s continuing support for our supply chain partners demonstrates our proactive commitment to more responsible natural resource management. Regenerative agriculture, in particular, helps improve soil health, thereby reducing the need for irrigation and pesticide use, while also promoting the use of biodiversity. This approach not only reduces environmental risks, but also improves the farming supply chain’s long-term resilience. Over the past year, we added no suppliers with significant negative environmental impacts, nor have we broken off relations with any suppliers.

SOCIAL IMPACTS IN THE SUPPLY CHAIN

We also assess our suppliers based on their social impacts, applying corrective actions whenever we discover negative events to guarantee conformity with standards. Negative social impacts, particularly those related to workers' rights, are especially crucial issues in the management of the production supply chain. Adherence to sustainability certification standards is an effective way of monitoring and addressing any critical issues, ensuring our suppliers respect both labour laws and employees' fundamental rights. Such standards ensure that any instances of non-conformity can be addressed in a timely manner to guarantee safe and decent working conditions. They also encourage greater transparency and social responsibility all along the supply chain.

Some 60% of our suppliers are also assessed based on the social impact they generate through an annual evaluation, to guarantee they respect our ethical and social standards. And, we also monitor about 60 suppliers through second- and third-party audits under the supply chain's sustainability certification programme. A system of constant monitoring and regular assessments through external audits help maintain oversight to prevent the risk of exploitation or insufficient working conditions.

MONITORING AND CORRECTIVE ACTIONS FOR SUSTAINABLE PROCUREMENTS

During the Senior Management Review, our goals and indicators subject to quarterly monitoring and annual review are analysed to assess the results and implement the improvement plan. We also assess the efficacy of corrective actions and achievement of targets, and we ensure all parties involved are informed through adequate communication procedures. Company policy and associated procedures are constantly updated, reviewed, formalised and shared based on results and experience.

We guarantee sustainable procurement of our raw materials through UEBT (Union for Ethical BioTrade) certification, and we have increased the FSA/SAI supply chain sustainability certification percentage to 46% of our lemon and mandarin suppliers. Blond oranges and bergamots are sourced from FSA/SAI-certified suppliers. These certifications attest to the traceability of the product throughout the supply chain and guarantee the wholesomeness of products, as well as respect for the environment, code of ethics and biodiversity.

Again this year, audits carried out on suppliers did not identify any non-compliance in relation to environmental criteria. At the same time, during audit phases that assess social criteria, Simone Gatto worked hard to prevent unethical labour practices, performing detailed checks, including second-party audits by customers and third-party audits by independent organisations **[GRI 308-2; ESRS 2 SBM-3] [GRI 414-2; ESRS 2 SBM-3]**.

Quality as the primary objective

At Simone Gatto, sustainability also means a safe and healthy product, free of unnecessary harmful chemical substances, pesticides or phytochemicals.

One aspect of fundamental importance is product conformity, because any physical, chemical or biological contamination of our products, especially our organic products, could have a negative impact on human health, as well as on our business continuity.

Although microbiological risk is low thanks to citrus fruits' naturally low pH, we carefully monitor the potential risk of microbiological and chemical contamination as well as contamination by foreign bodies. We have implemented a series of strict procedures and provide continuing training to all our employees to prevent such contamination.

We adopt food defence measures, in conformity with international FDA, BRC and HACCP standards to prevent any intentional adulteration of foods. We implement a site safety plan that analyses risks and identifies processing phases posing the highest risk of contamination, and then adopt appropriate mitigation strategies. This plan includes employee training, internal food defence tests and constant physical checks to guarantee food safety **[GRI 3-3; ESRS S4; S4-1; S4-2; S4-5]**.

Furthermore, we strive to constantly assess the health and safety impacts of all our products, even though we have a low hazard level **[GRI 416-1; ESRS 1]**.

Our non-conformity management system is well structured, and tested and reviewed regularly. It includes fundamental tools such as analysis of in-depth causes using the "Five Whys" method to address instances of non-conformity and implement corrective actions. The fact that not a single non-conformity was recorded during the reporting year, even following third-party audits and official inspections, is a very positive indicator of our management system's effectiveness. This proves the effectiveness of our preventive measures and internal checks in maintaining conformity at legally required levels and to internal standards.

We conduct regular reviews to identify areas for improvement or potential risks that have not yet been observed, even when no instances of non-conformity have been recorded. At Simone Gatto, product quality also means rigorously selecting suppliers and checking raw materials through analyses conducted in house and at accredited laboratories, as well as during processing of the finished product.

Again this year, no instances of non-conformity were identified that led to penalties, withdrawals or product recalls [GRI 416-2; ESRS S4 S4-4].

Zero/0 incidents of non-compliance

CERTIFICATION



WE ARE MEMBERS OF THE FOLLOWING ASSOCIATIONS [GRI 2-28]

U.N. GLOBAL COMPACT



IFEAT



UEBT MEMBER



STAZIONE SPERIMENTALE PER L'INDUSTRIA
DELLE CONSERVE ALIMENTARI



UNIONALIMENTARI CONFAPI



CONSORZIO TUTELA
ARANCIA ROSSA DI
SICILIA IGP



SOCIÉTÉ FRANÇAISE
DE PARFUMEURS



CONSORZIO TUTELA
LIMONE SIRACUSA IGP



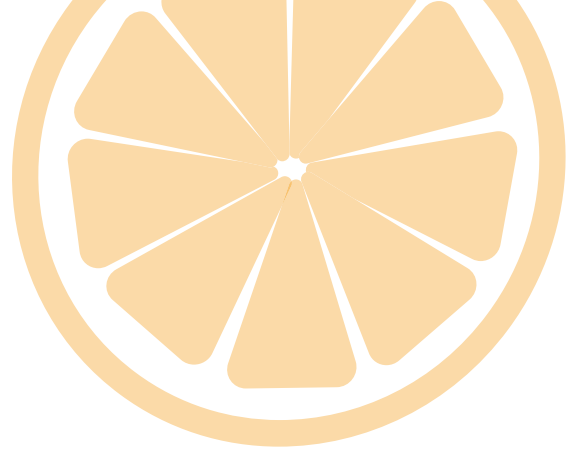
EFEU





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Our commitment to protecting the environment and biodiversity



For Simone Gatto, the environment is a shared resource of immeasurable value and its wellbeing is essential for the benefit of the entire community and future generations. This awareness is now enshrined in the **Italian Constitution**, and it motivates us to commit to preserving our environment through transparent management of our business operations and by adopting appropriate sustainable technologies to reduce our environmental impact. Article 9 of the Constitution has been updated to include protection of the environment, biodiversity and ecosystems as fundamental values.

With this in mind, we actively encourage all of our partners to adopt practices that respect and protect the environment, promoting a responsible approach along our entire value chain. We ask our employees to pay particular attention to rigorously implementing company procedures in accordance with environmental laws and regulations, and to maintain **ethical and respectful conduct at all times**. Our environmental management reflects these values, as we incorporate sustainable practices in our daily activities and support a healthier and more prosperous future for us all.

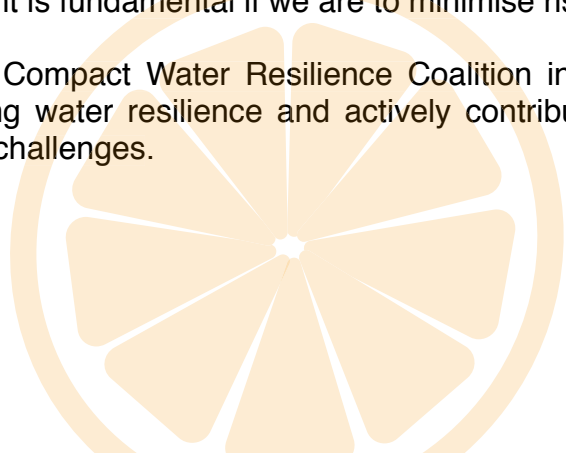
A precious asset: water

Simone Gatto operates in a supply chain for which water is an essential resource. The company's core business depends on water, since it is needed to irrigate citrus groves. From washing tanks, equipment and fruit to hygiene within the company, our entire value chain depends on its use.

The company doesn't only acknowledge the importance of water as a key resource in the production process, it goes further. Simone Gatto is located in the catchment area of the Torrente Mela, on the Tyrrhenian side of the north-eastern part of the island, an area subject to particularly high water stress. This means that all of the company's stakeholders acknowledge the importance of water as a resource, especially the farmers who depend on water to produce the raw materials that constitute the company's entire core business.

So, it is clear that careful water management is fundamental if we are to minimise risks that can affect the entire supply chain.

Simone Gatto adheres to the UN Global Compact Water Resilience Coalition initiative, demonstrating its commitment to promoting water resilience and actively contributing to water stewardship to address global water challenges.



SUSTAINABLE MANAGEMENT ALONG THE SUPPLY CHAIN AND WITHIN THE COMPANY

Our awareness that water is a fundamental resource has led us to create our management policy for this resource, including the adoption of specific tools, such as FSA/SAI sustainable supply chain certification and the UEBT testing process (we expect to receive UEBT certification by 2025). These certifications and tests not only guarantee that we carefully monitor and optimise water resource management, but also ensure that we apply systems to reduce water consumption.

We also implement this policy through measures that affect the entire production cycle.

The first phase of the supply chain also requires the application of regenerative agriculture, both in our own groves and with a certain number of our suppliers, with a special focus on soil management, grassing, increasing biodiversity, and assessing irrigation systems to guarantee the greatest possible water savings. These measures aim to maintain a high level of moisture to reduce dependence on irrigation and limit our impact on groundwater and waterways.

This approach not only improves the sustainability of agricultural production, but also contributes to crop resilience as we confront climate changes, protecting the entire ecosystem on which our business is based **[GRI 303-1; ESRS 2 SBM-3; MDR-T; ESRS E3]**.

This is an essential point that is verified periodically, as well as being a requirement in order to maintain FSA/SAI sustainability certification of the supply chain and membership of the organisation UEBT. Auditors verify methods and equipment connected with water use, and Simone Gatto takes this as a starting point for improvements and corrective actions.

We continue applying the measures to improve the efficiency of water resource management within the company during processing and production. We recycle the water used for plant cooling, then reuse it for various purposes within the company after appropriate purification processes:

- Cleaning of machinery and systems and washing of raw materials. For this purpose, it is filtered and made suitable for drinking by means of a UV lamp;
- Steam production. For this purpose, the water is decanted and softened or demineralised;
- Washing fruit arriving for processing.
- Irrigation of our groves. We use a modern dripline system that is divided into sectors to reduce waste. We have examined the possibility of recovering process water that has so far been sent to the cooperative purification plant. Specific laboratory analyses show that it could be reused for grove irrigation if necessary, after reverse osmosis treatment. These measures represent not only a sustainable resource management practice, but could become an important resilience tool in situations of scarcity able to help the farm meet its own water needs.

At the end of the production cycle, the water used in the company's processes is stored in a special collection tank and then sent to the company's water purifier, as it is rich in organic materials. Once treated to guarantee full compliance with legal parameters and limits, it is fed into the consortium's sewage system **[GRI 303-4]**.

RISK MONITORING AND MANAGEMENT

We are also developing an improvement plan for water resources, which includes the installation of a flow meter to improve accuracy in determining our actual consumption. This will be used to continually share data and knowledge, which is fundamental if we are to construct a cohesive and resilient supply chain. This collaborative approach not only promotes better resource management, but also reinforces collective responsibility in environmental protection, having a positive impact on the entire community involved. To protect ourselves against risks related to water shortages, we also analyse the minimum risk in order to ensure we implement actions that can reduce these risks (which are significant given our geographic location) to a negligible level. We consult external consultants, when necessary.

The total annual withdrawal estimated at the AUA is approximately 136,632,000 litres. **[GRI 303-3]**. At the AUA, it was indicated that, of the total water obtained from drilling, approximately 54% is used in the company processes indicated above, while the remaining 46% is used for cooling **[GRI 303-5; ESRS E3 E3-4]**. The excess cooling water is discharged indirectly into the sea through a drainage canal, adjacent to the plant, in accordance with authorisation no. 01 of 09/05/2019 issued by the Municipality of S. P. Niceto. This is subject to half-yearly sampling for chemical-bacterial analyses.

For the definition of the standard methods of water sampling and discharge, we relied on a specialised **external consultant** who supported us in the activities to obtain the single environmental authorisation.

WATER MONITORING AND CHECKS

We perform water analyses every three or six months, in accordance with the laws in force. After treatment at the in-house activated sludge treatment plant, effluents are fed into the IRSAP consortium collector.

We have developed an internal monitoring plan for water used in company processes. The plan requires microbiological analyses on the water at both the inlet and outlet of the drinking water treatment system, as well as a complete chemical analysis performed annually, in accordance with Italian Legislative Decree 31/2001. Chemical analyses are performed every six months on the treated water exiting the treatment plant before it is released into the consortium's sewage system. The results are then filed in a specific log and signed off by the Head of Production **[GRI 303-2; ESRS E2 E2-3]**.

REUSE AND RECYCLING

Making responsible choices to preserve water resources is fundamental because it can mitigate the adverse impacts, although limited, that a company like ours can generate. This is why we seek to use systems that enable us to recycle and reuse water within our production processes.

Our approach involves recycling cooling water by collecting it and sending it to a cooling tower. We then use it in company processes where it does not come into contact with the product. This system reduces the amount of water that has to be taken from wells and allows us to reuse some 40,000 cubic metres of water annually.

We also plan to install a confluence tank for all the pipes from our drilling, which will contain a magnetic flow meter to monitor our actual consumption. We have also defined actions to reduce consumption.

Safeguarding biodiversity is a key issue that Simone Gatto takes to heart. Like all human activity, our production certainly has direct and indirect impacts on biodiversity, due to atmospheric emissions (which are in any case constantly monitored and within legal limits), noise pollution, emissions of effluents and the transport and movement of products and raw materials. This is why, with support from Biospheres, we are implementing regenerative agriculture along our entire supply chain. Regenerative agriculture techniques have biodiversity at their very heart, since without it, the food we grow cannot be considered healthy or sustainable.



Biodiversity

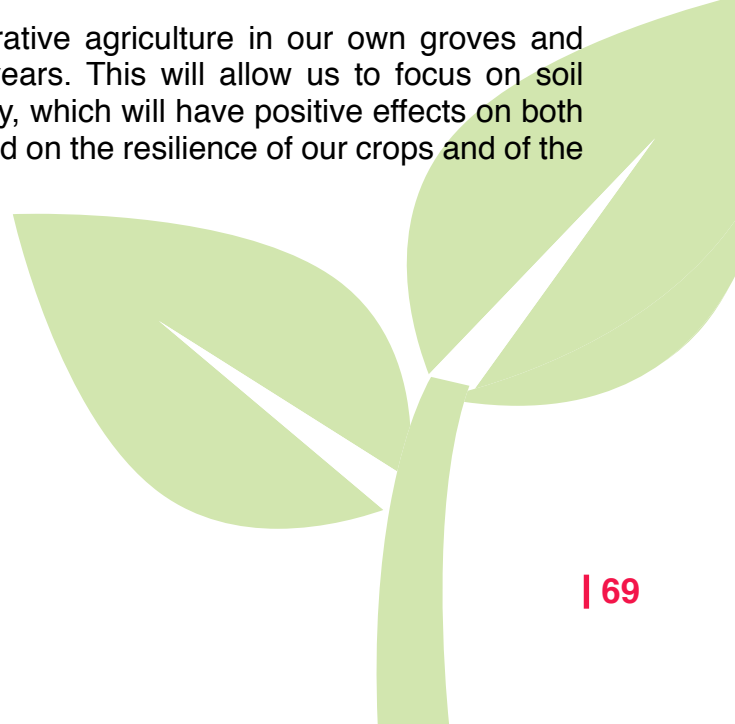
The affected areas are located in the areas farmed by some of our suppliers, our own groves and the production site in Sicily and Calabria. The plant and animal life in these areas could be impacted, with a clear reduction and worsening of crop resilience and yields. Using specific tools, such as the Biodiversity Action Plan Monitoring Tool (BAP-Monitor), detailed analysis of sites and their biodiversity, together with recommendations resulting from audits, we can guarantee a swift and decisive response in terms of corrective actions.

With regard to the preservation of biodiversity, we have introduced various measures and initiatives:

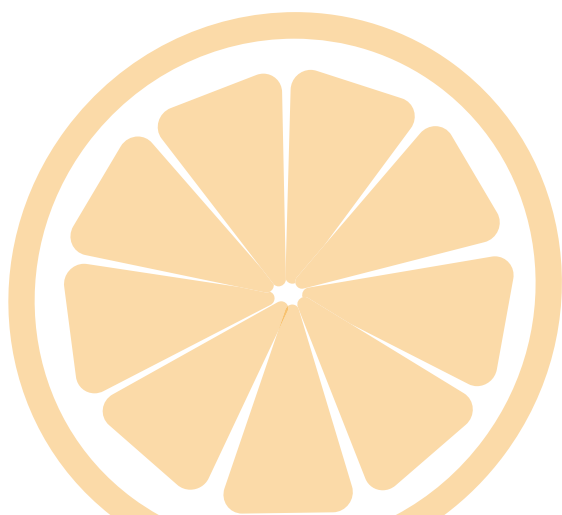
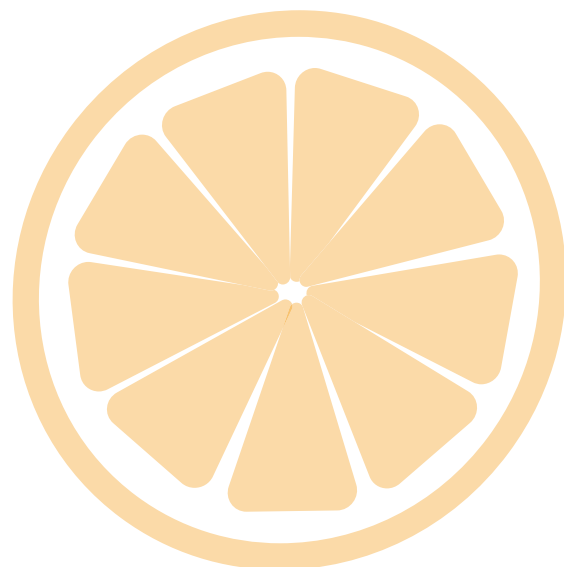
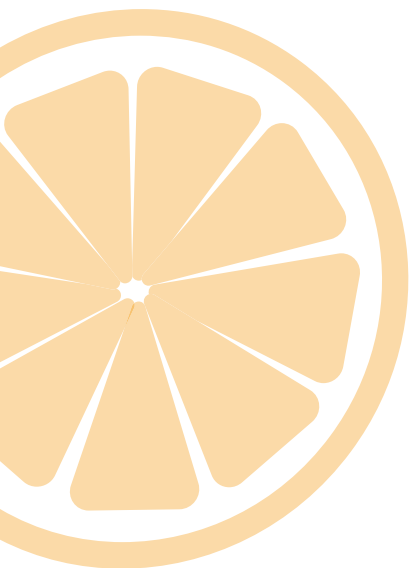
-  Systematic dialogue with customers for coordinated and effective action to safeguard biodiversity, through research into valid and tangible initiatives for implementation.
-  UEBT membership and consequent engagement with the citrus-fruit supply chain for compliance with the standard for citrus-fruit suppliers. This standard sets out 81 requirements (principles) on:
 1. Conservation of biodiversity
 2. Sustainable use of biodiversity
 3. Correct and fair sharing of benefits deriving from the use of biodiversity.
-  FSA/SAI certification for supply chain sustainability, earned in 2021 and maintained by Simone Gatto for 46 suppliers adhering to the standard. This standard includes nine biodiversity requirements.

In 2023, we introduced goals and indicators for the conversion of Simone Gatto groves and those of certain suppliers to regenerative agriculture. This approach involves protecting and monitoring biodiversity through analysis of the state of the plant and animal life and resulting actions to introduce native plant species, increase the presence of animal life and protect the soil. On top of this, initiatives will be added regarding protection of the seas.

We will be amplifying the application of regenerative agriculture in our own groves and with a specific number of suppliers in coming years. This will allow us to focus on soil management, grassing and increasing biodiversity, which will have positive effects on both the sustainability of our agricultural production, and on the resilience of our crops and of the ecosystem in which we operate.



Using an annual risk analysis, we also assess the significant impacts of activities, products and services on biodiversity. Despite the initial impacts considered, for which Simone Gatto could be responsible if we were to fail to follow existing procedures (spills, harmful emissions, improper waste management, etc.), the actions we are undertaking – such as regenerative agriculture and proper waste management – are demonstrating their effectiveness. The initiatives we have adopted can serve as a model for other areas, improving the resilience of local ecosystems and the sustainability of farming practices. The results of the audits conducted for UEBT, FSA/SAI checks and tests regarding regenerative agriculture, demonstrate that the impacts are not serious and have no irreversible consequences. A need has been identified to focus on native plant and animal species, supporting their numbers and health, including by creating hedges that can host a range of insect species, specific plants, and converting the habitat for greater sustainability and independence that will enable us to reduce our use of phytochemicals and irrigation **[GRI 304-2; ESRS E4 E4-5]**.



Emissions

Simone Gatto is keenly aware that climate change is one of the most pressing and significant challenges for the future of humanity, and that it represents a concrete and immediate threat to our present. Climate change is caused primarily by increased greenhouse-gas emissions due to human activities, and brings with it climate risks that affect both people's lives and business.

In the specific context of our business, the consequences of climate change include potential instability of weather conditions, which can adversely impact the growth and quality of our citrus fruits, as well as a possible increase in operating costs. These changes can require more advanced farming practices to deal with climate challenges, creating a need for more complex resource management.

To mitigate these risks and guarantee the continuity of our operations, we are working to identify and implement solutions that reduce our operations' environmental impact. This approach ensures we not only contribute to the fight against climate change, but also protect our local ecosystem and promote more sustainable management of our resources **[GRI 3-3; ESRS E5; E5-1; E5-2; E5-3]**.

EMISSIONS MITIGATION AND REDUCTION STRATEGIES

We are aware of the impact of emissions, so we are adopting concrete measures to limit our company's carbon footprint. These include optimising energy efficiency, using energy sources with a lower environmental impact and implementing innovative technologies to reduce our emissions at every stage of our production process. We have adopted LPG steam generators and are investing in advanced emissions monitoring and treatment systems that will help us minimise our overall environmental footprint.

MONITORING AND REPORTING

Our commitment to responsible emissions management includes constant monitoring of our progress, with regular reports that guarantee transparency and compliance with legal requirements and international standards. Thanks to these initiatives, we base our mitigation strategies on actual data we collect, which ensures we can take concrete and ongoing actions to protect the environment and contribute to a more sustainable future.

OUR COMMITMENT TO THE OBJECTIVES OF THE PARIS AGREEMENT

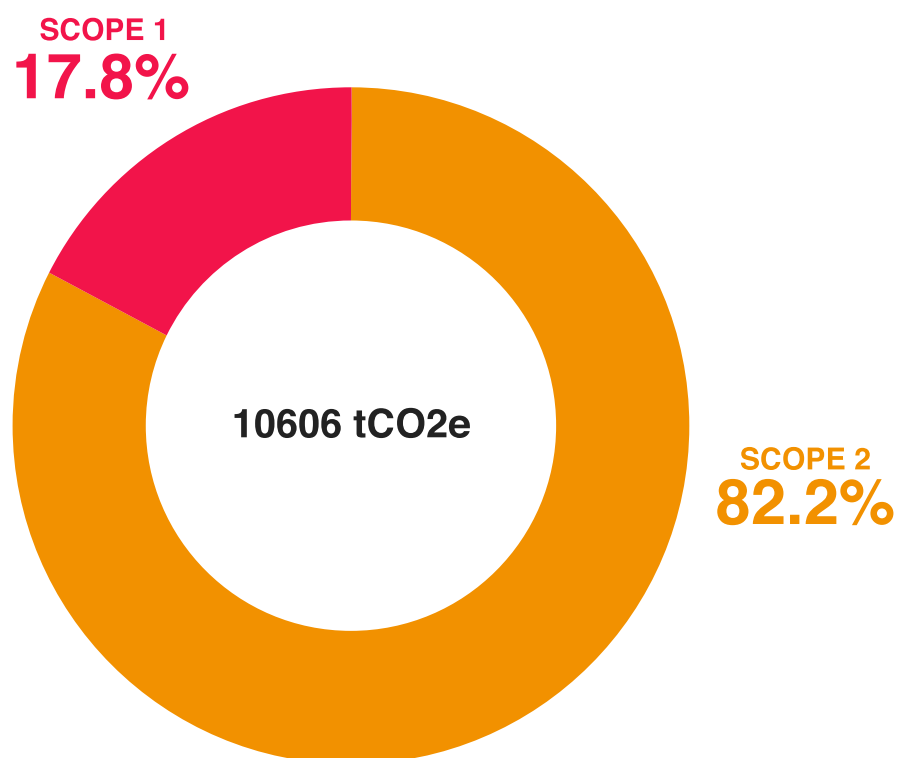
Again this year, Simone Gatto continued to pursue the objectives of the Paris Agreement, working to reduce its emissions in line with the goal of limiting the global temperature increase to 1.5°C. We renewed our in-depth analysis of our carbon footprint for 2023 for Scopes 1, 2 and 3. We performed these analyses in accordance with international standards, including the Greenhouse Gas Protocol (GHG), PAS 2050 and ISO 14064, to monitor and accurately calculate the emissions generated by our operations.

For the past three years, Simone Gatto has been participating in the Carbon Disclosure Project (CDP), demonstrating its continuing commitment to mitigating climate change and to transparency to stakeholders and investors. We were assigned a CDP score of D in 2021, a C in 2022, and are currently awaiting our score for 2023.

Emissions for all Scopes [GRI 305-1; ESRS E1 E1-4; E1-6] [GRI 305-2; ESRS 2 E1 E1-4; E1-6] [GRI 305-3; ESRS E1 E1-4; E1-6]

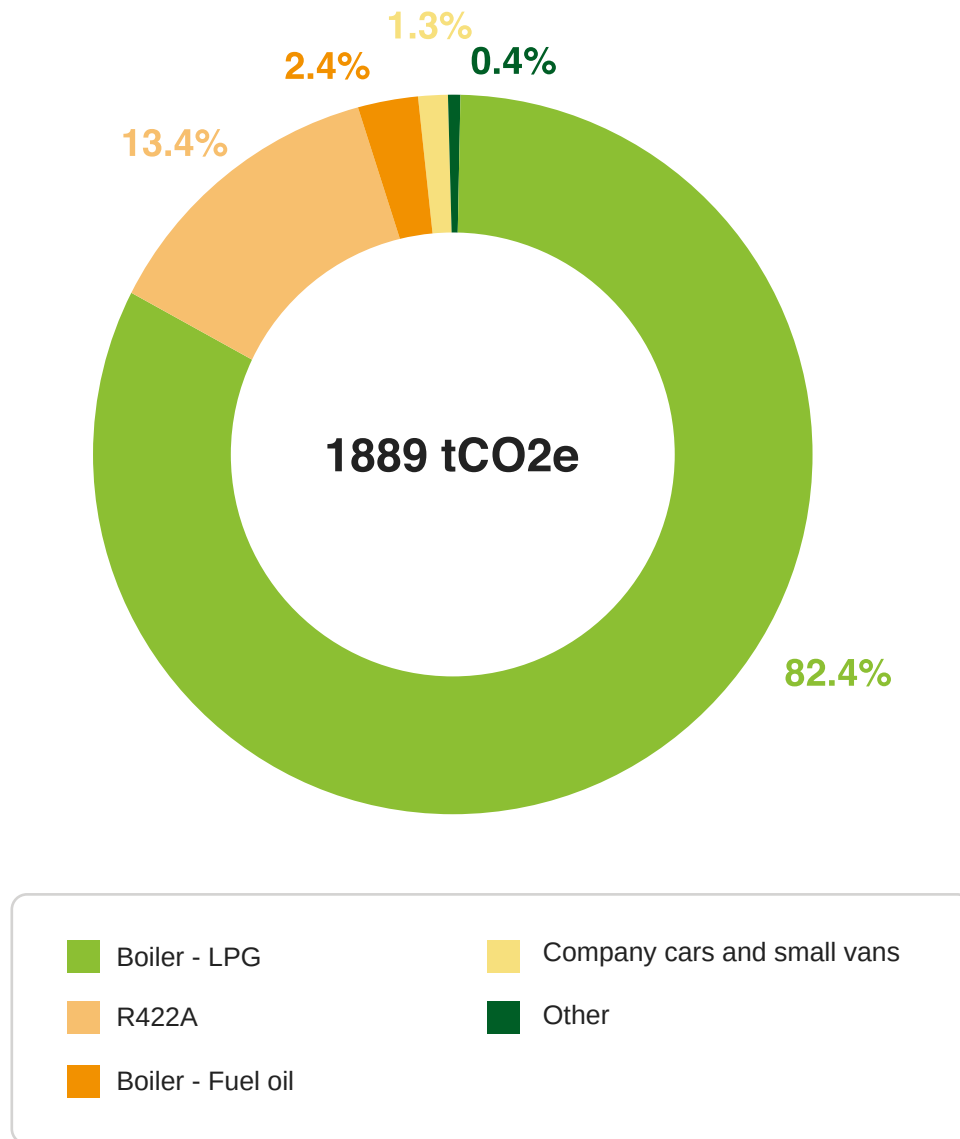
All Scopes	tCO2e
Scope1	1889.38
Scope2	0
Scope3	8717.0
Total	10606.38





Scope 1 and 2 emissions

Scope 1& 2* breakdown	tCO2e
Boiler - LPG	1557.4
R422A	253.61
Boiler - Fuel oil	45.43
Company cars and small vans	25.0
R404A	6.31
Tractors	1.08
Company cars	0.47
Agricultural equipment	0.08
Total	1889.38



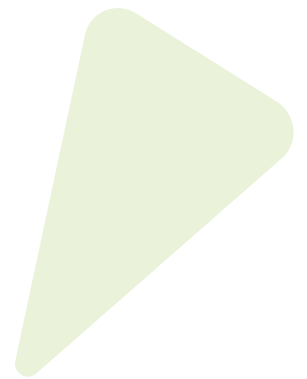
The analysis shows that Simone Gatto’s main sources of Scope 1 and Scope 2 emissions are:

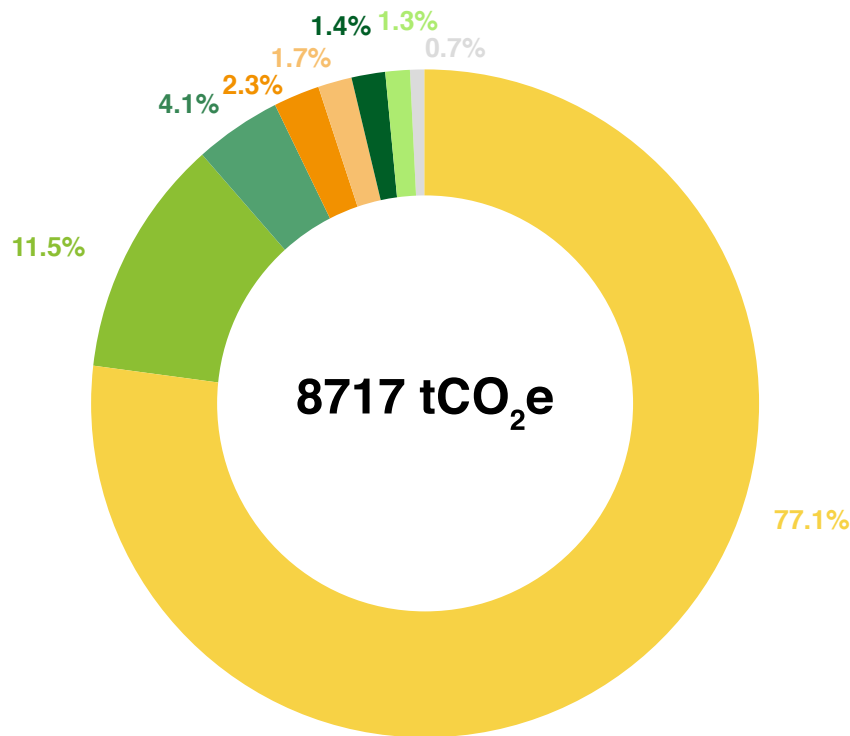
- **LPG boiler** represents our main source of emissions, contributing 1,557.4 tCO₂e, equal to 82.4% of our total. This significant impact makes it clear how important it is to focus on this area in our emissions reduction strategies.
- **R422A**, a refrigerant, is the second greatest contributor, with 253.61 tCO₂e, and representing 13.4% of our emissions. This suggests that interventions to reduce or replace the use of R422A could have a significant impact.

It is important to note that **Scope 2 uses 100% GSE-certified renewable energy and does not generate emissions**, indicating a significant effort by the company to use clean energy for its own indirect operations.

Scope 3 emissions

Scope 3	tCO2e
1. Purchased goods & services	6717.9
4. Upstream transportation in operations	1000.74
2. Capital goods	358.86
3. Fuel-and energy-related activities (FERA)	201.53
7. Employee commuting	144.09
5. Waste generated in operations	120.49
9. Downstream transportation and distribution	113.54
12. End-of-life treatment of sold products	39.4
6. Business travel	20.44
Total	8716.99





The diagram provides a breakdown of Simone Gatto's **Scope 3** emissions, which total **8,716.99 tCO₂e**. The analysis highlights several sources of emissions related to company operations, including:

- **Purchased goods and services**, which represent our main source of emissions, contributing **6,717.9 tCO₂e**, or **77.1%** of our total. This shows that most of our Scope 3 emissions are generated by the goods and services the company purchases, suggesting a potential area we could work on to reduce our environmental impact through more sustainable suppliers or goods having a lower carbon footprint.
- **Upstream transportation in operations** is the second highest source of emissions, with **1,000.74 tCO₂e**, or **11.5%** of emissions. This category includes emissions from the transport of goods and materials from suppliers to the company, highlighting the importance of logistics in managing our carbon footprint.

Our total Scope 3 emissions show that **purchased goods and services** represent the most significant component, followed by **upstream transport** and **capital goods**. These categories offer greater margins for interventions to reduce our carbon footprint. A strategic approach could include collaboration with sustainable suppliers, more efficient logistics and optimised use of materials.

The overall view of these data provides Simone Gatto with a detailed snapshot of areas for improvement and a starting point to develop targeted sustainability initiatives that will contribute to reducing emissions and promoting an even more responsible business model.

Summary

Category	Scope	tCO2eq	% tot	% S1	% S2	% S3
Stationary combustion	Scope 1	1603	15.1%	85%		
Mobile combustion	Scope 1	27	0.3%	1%		
Process emissions	Scope 1	n/a	n/a	0%		
Fugitive emissions	Scope 1	260	2.5%	14%		
Purchased electricity - Market based	Scope 2	n/a	n/a		0.0%	
Purchased heat	Scope 2	n/a	n/a		0.0%	
Purchased steam	Scope 2	n/a	n/a		0.0%	
1. Purchased goods & services	Scope 3	6717.9	63.3%			77.1%
2. Capital goods	Scope 3	358.9	3.4%			4.1%
3. Fuel- and energy-related activities (FERA)	Scope 3	201.5	1.9%			2.3%
4. Upstream transportation in operations	Scope 3	1000.7	9.4%			11.5%
5. Waste generated in operations	Scope 3	120.5	1.1%			1.4%
6. Business travel	Scope 3	20.4	0.2%			0.2%
7. Employee commuting	Scope 3	144.1	1.4%			1.7%
8. Upstream leased assets	Scope 3	n/a	n/a			0.0%
9. Downstream transportation and distribution	Scope 3	113.5	1.1%			1.3%
10. Processing of sold products	Scope 3	n/a	n/a			0.0%
11. Use of sold products (including indirect use)	Scope 3	n/a	n/a			0.0%
12. End-of-life treatment of sold products	Scope 3	39.4	0.4%			0.5%
13. Downstream leased assets	Scope 3	n/a	n/a			0.0%
14. Franchises	Scope 3	n/a	n/a			0.0%
15. Investments	Scope 3	n/a	n/a			0.0%
Total		10606	100%			
Purchased electricity - Location based	Scope 2	1415				
Total		12021				

Sustainable energy management is one of the key areas Simone Gatto is committed to in protecting the environment. This is why we have decided to purchase only **100% renewable energy** from Enel Energia. By doing this, we contribute actively to the energy transition, supporting the construction of a future with lower carbon dioxide emissions. This is particularly important for us because our region is subject to **water stress**, and climate change represents a direct threat to our business's sustainability.

Energy

We have conducted an in-depth analysis of our operations' **energy impacts** and have identified areas for improvement and now better understand our overall environmental impact. Still, we know that there are more challenges to tackle, such as refrigerant gas management. We are working actively to reduce our carbon emissions, assessing the possible use of refrigerants with a low environmental impact and exploring alternatives to fossil fuels, such as biogas.

In our approach to energy management, **we constantly involve our stakeholders**. We maintain a transparent dialogue through our company policies, our sustainability reports and active collaboration with specialised consultants **[GRI 3-3; ESRS 2 SBM-1; SBM-3; MDR-P, MDR-A, MDR-M, MDR-T]**.

We have also installed a photovoltaic system that will cover 30% of our energy needs.

We also use petrol, diesel and LPG in the production process and for company cars **[GRI 302-1; ESRS E1 E1-5]**.

TYPES OF NON-RENEWABLE FUELS	CONSUMPTION
Petrol	8,325 MJ
Diesel	342,708 MJ
LPG	23,465,235 MJ
Fuel oil	756,107 MJ

Our total electricity consumption is 19,191,301.2 MJ.

Currently, we do not use any renewable fuels, but are looking at alternatives to fossil fuels and exploring solutions that will enable us to contribute to a more sustainable world by minimising our operations' impact on the environment.



**People
first**



We want to involve fully everyone who is constantly in contact with Simone Gatto, making them part of a company that is inclusive and safe for all and that supports our community.

Our workforce

People are a fundamental and irreplaceable value for our company. This is why we are investing significantly in training and motivation to boost decision-making abilities, skills and attention to our customers.

Our teams' safety and wellbeing are our highest priorities. We are dedicated to providing a working environmental that is safe and stimulating, where every person can grow in their job in an atmosphere that encourages active participation and inclusion.

We are dedicated to creating a workplace that respects human rights fully and promotes inclusion [GRI 3-3; ESRS 2 SBM-1; SBM-3; MDR-P, MDR-A, MDR-M, MDR-T].

Total number of employees for each employment contract, by gender
[GRI 2-7; ESRS 2 SBM-1; ESRS S1 S1-6]

Region	Women	Men
Italy	24	44

Gender	Permanent employment	Fixed-term employment	Full time	Part-time
	16	8	23	1
	30	14	44	0
Total	46	22	67	1

All Simone Gatto employees are covered fully by applicable Italian National Collective Labour Agreements [GRI 2-30; ESRS S1 S1-8], under the following contractual categories:

- Food industry
- Industrial managers
- Farm workers

In 2023, one non-salaried worker, whose work is strictly monitored by the company, promoted PET-bottled fruit juices with mass retailers and at special events [GRI 2-8; ESRS S1 S1-7].

To best support our employees, Simone Gatto offers a series of **company benefits**: pension contributions, company welfare for about ten employees, a company gym, FASI supplementary healthcare fund for managers, company car, and priority access and discounts at a local healthcare clinic for all employees and their families.

Benefits also include life insurance for two employees, health insurance for five employees and parental leave, thereby providing complete support for the wellbeing and safety of our employees and their families.



Pension contributions



Healthcare agreement



Company welfare programmes:
available to approx. ten employees



Life insurance:
for two employees



Company gym:
available to all employees



Health insurance:
for five employees



FASI
Supplementary healthcare fund for senior management



Parental leave



Company car

In 2023, we hired three people from the local area to bolster our processing department. The new employees completed an on-boarding path, with the assistance of a tutor who monitors their skills level. This year, we expanded this monitoring system to existing employees through a skills development system. We created a personal file for each employee to assess their skills, increase their knowledge, promote our food safety culture and ensure they understand the impact of their work on the business.

Total number of new hires by age group and gender
[GRI 401-1; ESRS S1 S1-6]

Gender	Under 30	30-50	Over 50
	3	0	0
	2	0	0
Total	5	0	0

Total employee turnover by age group and gender
[GRI 401-1; ESRS S1 S1-6]

Gender	Under 35	35-50	Over 50
	3	0	1
	2	1	
Total	5	1	1

Diversity and inclusion

We give great importance to **diversity and inclusion** as central elements of our **corporate culture**. We are working hard to create an environment in which every employee feels respected, valued and included, regardless of their gender, origin, ability or personal experiences.

EQUALITY IN ALL RESPECTS

To boost our commitment on these topics, we are working to obtain UNI/PdR 125 certification, attesting to our adoption of inclusive and equal practices. We are also working towards formally adhering to the Women's Empowerment Principles to promote gender equality and to support women's empowerment within our organisation. Once this is complete, we will publicly report on our progress, demonstrating our continuing commitment to creating an inclusive and responsible corporate culture.



Total number of employees by category, gender and age
[GRI 405-1; ESRS 2 GOV-1; ESRS S1 S1-6; S1-9; S1-12].

Category	Gender	Under 30	30 to 50	Over 50	Total
Blue-collar workers		0	9	3	12
Blue-collar workers		6	12	15	33
White-collar workers		2	4	5	11
White-collar workers		1	2	3	6
Management			1	1	2
Management		0	0	2	2
Senior management		0	0	0	0
Senior management		0	0	2	2
		9	28	31	

The basic wage ratio between men and women for each employee category is 1.1
[GRI 405-2; ESRS S1 S1-16].

Employees with disabilities represent 2.94% of company personnel **[GRI 405-1; ESRS 2 GOV-1; ESRS S1 S1-6; S1-9; S-12].**

Training

RESPECT FOR HUMAN RIGHTS

Human rights are a fundamental pillar of Simone Gatto's ethics, and **guaranteeing equal opportunities** is a key issue for us and our stakeholders. Ensuring everyone has the same starting point and access to benefits is an essential part of our corporate culture.

By adopting "Model 231" and drafting an internal Code of Ethics, we clearly establish our commitment to a proper and healthy working environment. Creating an atmosphere that reflects these values takes time, which is why we are offering training to all employees every year to promote constant improvement in skills and knowledge.

In the event of any discrimination incidents, Simone Gatto has a digital and anonymous **whistleblowing** platform that allows people to anonymously report events of non-compliant conduct or violations of the Code of Ethics, including discrimination or abuse. This system allows employees and stakeholders to report any irregularities in a safe and confidential way, and guarantees an investigation and resolution process by company management.

In 2023, no episodes of violations or reports were recorded **[GRI 406-1; ESRS S1 S1-17]**.

WORK-LIFE BALANCE

We believe it is essential that people be provided a good work-life balance, especially since this contributes to promoting gender equality. In compliance with applicable laws, we give all employees the right to take parental leave, regardless of their gender.

One male employee took advantage of parental leave in 2023. After the leave period, he returned to his position full time **[GRI 401-3; ESRS S1 S1-15]**.

THE VALUE OF CONTINUING TRAINING

Training is a fundamental pillar that must be accessible to everyone in our company, regardless of their position or level of experience. We believe that **continuous growth in skills and knowledge** is essential to guarantee not only our team's professionalism, but also the company's competitiveness. This is why we encourage our employees to follow a professional training path based on constant structured learning, which encourages them to improve and helps them feel valued in their role.

We know that training cannot be considered a one-off event, rather a continuous process that allows our staff to deepen and expand their abilities. Constant learning is fundamental to prevent significant risks, such as failure to adhere to workplace safety standards, which can compromise the physical safety of our employees and the quality of our products. For us, food safety is also a top responsibility, and we know that appropriate training helps maintain the highest levels of quality.

The training we provide teaches not only technical information, but also strengthens the feeling of belonging to a team and encourages our teams to work together. We believe that good quality training helps create a healthy and motivating workplace, where everyone understands their impact on the entire processes and can be fully aware of their responsibility. So, our approach to training focusses on continuous improvement, to stay one step ahead of the challenges and demands of a constantly evolving sector.

In 2023, the company dispensed **350 hours of training**.

Average number of training hours dispensed to our employees, by employee and gender [GRI 404-1; ESRS S1 S1-13]

Category	Women	Men
Blue-collar workers	17.16	19.7
White-collar workers	12.90	21.6
Management	60	25.5
Senior management	NA	5

DISPENSATION METHODS

Training can be provided either at specific moments in an employee's corporate life, such as after recruitment or in relation to occupational safety and risk prevention, or it can have a professional value, aimed at developing the value of the individual and the contribution they can make in terms of skills, flexibility, results and involvement.

Training courses and skills development can be mandatory or voluntary, but in either case they are subject to **verification and certification by qualified** third parties and issued on a continuous basis throughout the year.

TRAINING PLAN AND COURSE CLASSIFICATION

Each year, we draft a **training plan** that is presented to upper management in the review report. This document contains all of the training activities dispensed to employees, dividing them into three levels: mandatory, critical point and improvement. Employees receive a certificate upon completing mandatory courses. The training sessions are led by in-house or external instructors, and are recorded in both the training report and in each employee's personal file. Learning is assessed through a test or interviews immediately following the course, and then through on-the-job tests, practical trials and audits.

TRAINING MONITORING AND EFFICACY

Our goal is to ensure that training is effective and teaches our employees the skills they need to work safely and efficiently. To ensure we reach this goal, we **assess our training programmes constantly**, adapting them whenever necessary to meet the company's evolving needs. This process ensures our team is always ready and able to meet our operational needs and actively contribute to the company's success **[GRI 404-2; ESRS S1 S1-1]**.

PERFORMANCE EVALUATION

In addition to training, we conduct regular performance and career development reviews for each employee, regardless of their gender or position. This annual review is used to plan any refresher courses, identify **needs for specific training** and consider possible role changes. All employees are involved in the review process to guarantee a continuous growth path that is consistent with our company values.

Number of employees receiving performance and career development reviews
[GRI 404-3; ESRS S1 S1-13]

Gender	Blue-collar workers	White-collar workers
	13	7
	37	2
Total	50	9



Health and safety

“

Safety is paramount

”

Employee health and safety is an absolute priority at Simone Gatto. We invest constantly in improving our safety practices, with support from an external consulting company, and our prevention and protection department is headed by a qualified manager. This ensures we are able to guarantee the highest level of safety for our employees and for everyone interacting with our company, in full respect of applicable laws and regulations [GRI 3-3; ESRS S1 S1-1; S1-2; S1-4; S1-5; ESRS S2 S2-1; S2-2; S2-4; S2-5].

SAFETY AND RISK PREVENTION TRAINING

Safety training is a fundamental component of our occupational health and safety management system. We plan our training programmes carefully to ensure they meet the specific needs of each position and address the risks related to their duties. Each year, in partnership with our consultants, we prepare a training plan that includes regular refresher courses and specific courses for work in confined spaces, work at heights, fire prevention, and platform and forklift use. In particular, we train new hires to ensure they start their new job safely and with sufficient information [GRI 403-5].

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Simone Gatto has developed an **occupational health and safety management system** that, although currently not certified, is based on proven procedures and practices under ISO 45001 to guarantee a safe workplace [GRI 403-1; ESRS S1 S1-1].

Our QHSE (Quality, Health, Safety, Environment) policy guides us in our constant risk management and assessment. We perform first- and second-party internal audits each month and constantly monitor our legislative compliance through a near-miss reporting platform. This platform is accessible to all employees, with both internal and external access, to guarantee constant monitoring and effective communication.

STAKEHOLDER ENGAGEMENT AND EXTERNAL CHECKS

Our occupational health and safety management system concerns not only our employees, but anyone who interacts with Simone Gatto, including suppliers and visitors. Everyone having access to our company premises is informed of our **safety rules, which are published on our website** in both Italian and English, to make them as accessible as possible. We conduct audits along our entire supply chain, both upstream and downstream, through first-, second- and third-party assessments, to ensure our safety standards are respected at every stage of production **[GRI 403-4]**.

RISK MONITORING, INDICATORS AND REVIEWS

Our occupational health and safety monitoring is backed by **quarterly indicators and annual reviews**. These include risk analyses, non-conformity management, reviews of alerts and near-misses to constantly improve our system **[GRI 403-2; ESRS S1 S1-3]**. We hold regular meetings with the employer, the Worker's Health and Safety Representative, the Prevention and Protection Service Officer, and the company physician. During the meetings, attendees discuss the results of the risk assessments and define measures necessary to reduce risks to acceptable levels **[GRI 403-4] [GRI 403-7; ESRS S2 S2-4]**.

ACCESS TO HEALTH SERVICES AND PROMOTING HEALTH

Simone Gatto facilitates employee access to health services and external physicians through an agreement with a local clinic that offers reduced rates, priority access and discounts for all employees and their family members. The company also actively promotes employee health and wellness through **optional programmes** on healthy living and good health practices. We provide regular updates on food safety issues through the Rapid Alert System for Food and Feed (RASFF) system, using an internal chat. The company also shares articles and publications on health topics to promote healthy lifestyles and increase awareness of potential health risks **[GRI 403-6]**.

PROTECTING EMPLOYEE HEALTH

We protect the health of our employees through a programme of **regular medical check-ups** supervised by our company physician, who reports annually to upper management identifying any areas for improvement. We also offer all of our employees access to medical services at approved clinics, with reduced rates and priority access, extending these benefits to their family members, as well. In this way, we promote prevention and proactive healthcare for our employees **[GRI 403-3]**.

INCIDENT PREVENTION AND PPE MANAGEMENT

Our safety management system is based on a careful initial risk analysis. While we cannot eliminate risks altogether, we can minimise them through the use of specific Personal Protection Equipment (PPE) and continuing training on good safety practices. We monitor risks related to occupational diseases, such as hearing loss and musculoskeletal disorders. We also adopt ergonomical technologies and promote safe working practices [GRI 403-7; ESRS S2 S2-4].

VISITOR SAFETY AND COMMUNICATION ON SAFETY STANDARDS

The safety of our visitors is also very important to us. This is why we provide the safety standards to be respected on our company premises in digital format. All external persons are required to read them before entry. These measures guarantee that every visitor is aware of the rules to be followed and helps maintain a safe working environment for everyone.

RESULT: ZERO ACCIDENTS

Simone Gatto demonstrates its commitment to occupational health and safety through structured policies, continuous monitoring and the active involvement of employees and stakeholders. Through our robust management system, continuous training and an anonymous whistleblowing platform, we aim to create a safe and responsible working environment as we constantly improve our practices to protect the health of our employees. Thanks to this approach, in 2023, we once again recorded **zero accidents** [GRI 403-9; ESRS S1 S1-4; S1-14] and zero cases of occupational diseases [GRI 403-10; ESRS S1 S1-4; S1-14].

Human rights

Respect for human rights is a fundamental principle that guides our strategy and our operations along the entire value chain. We acknowledge the importance of working in accordance with the international human rights principles, inspired by the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. These standards form the foundation of our company policies, which are designed to protect and promote human rights in all our operations, with strong commitment to gender equality and inclusion.

Our due diligence approach enables us to **identify, prevent and mitigate adverse human rights impacts** arising from, or caused by, our operations, products and business relationships. Our Human Rights Policy establishes principles that we are committed to upholding and that we ask every person involved in our company to respect, including our employees, suppliers and commercial partners. A central element of our policy is our commitment to gender equality, which promotes full equality between men and women within our company and along our value chain.

We focus our efforts on certain key areas to identify and mitigate human rights risks, including:

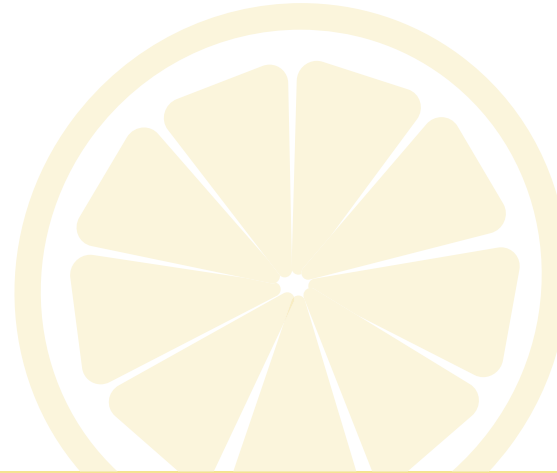
- Involving and listening to all stakeholders
- Celebrating diversity and promoting gender equality
- Freedom of association and collective bargaining
- Guarantee of a safe and healthy workplace
- Protection against forced labour and human trafficking
- Protection against child labour
- Compliance with regard to salaries, working hours and performance
- Promotion of a healthy life style

RAISING AWARENESS

To ensure human rights are respected and promoted, we offer all our employees continuing in-depth training on these issues, with a special focus on diversity and gender equality. Each year, we hold **specific training sessions to present our human rights policies and procedures**, which include respect for the principles of inclusion and equality. These times of learning involve all members of the organisation and help disseminate a corporate culture based on respect, understanding and commitment to protecting human rights.

The background is a solid, vibrant green. Scattered around the central text are several orange slices and green leaves. In the top right, there is a large orange slice and a smaller one below it. In the bottom left, there is a large orange slice and a smaller one above it. A single green leaf is in the top left, and another is in the bottom right. The text is centered and reads "Value creation for the community" in a white, bold, serif font.

Value creation for the community



Simone Gatto is solidly anchored in the region in which it operates and is deeply aware of the importance of maintaining a constant dialogue with its local community. We listen carefully to the needs expressed by our community and we work actively to have a positive impact, dedicated to meeting local needs through our business. We contribute to our region's wellbeing and growth, not just by creating jobs, but also by disseminating an industrial culture, strengthening the local economy and bolstering related industries **[GRI 3-3; ESRS S3 S3-1; S3-2; S3-4; S3-5]**.

Involving the local community

Simone Gatto actively involves the local community, both in the commercial sphere by selecting as many local product and service suppliers as possible, and in employment by prioritising people from neighbouring communities when hiring. In this way, we offer career opportunities, guarantee decent wages for families and strengthen ties with the community. We call on local clinics for employee and family healthcare and local laboratories for product quality analyses.

We also collaborate actively with the local university on ethical projects and experiments, improving undergraduate courses and creating employment opportunities. These projects help develop our local area, supporting local talented youth and promoting sustainable development. We disseminate our corporate culture through various channels to grow the community and grow with it, promoting a shared vision.



Supporting research and academic partnerships

Simone Gatto actively supports research and is a member of the teaching committee of the Agricultural Sciences and Technologies for the Ecological Transition undergraduate programme at the University of Messina. This programme is designed to address sustainability and agricultural innovation challenges, and represents an additional step in our commitment to fostering growth and promoting our region. Our membership on the committee provides an opportunity for us to contribute directly to the education of new professionals, helping to bridge the divide between the academic and corporate worlds.



Social inclusion and environmental impact

We promote social inclusion, hiring people from local communities first, a choice that not only supports the local economy, but also helps protect the ecosystem. Hiring local people reduces commuting distances, minimising our environmental impact and making it easier for employees to adapt to three work shifts. Our company is also committed to purchasing raw materials only from Sicily and surrounding areas, as proof of our commitment to our local resources and people **[GRI 413-1; ESRS S3 S3-2; S3-4]**.



Environmental commitment and reducing impacts

We also demonstrate our commitment to the community by reducing the environmental impact of our operations to guarantee a healthy environment for current and future generations. We use LPG steam generators and we plan to make upgrades to obtain the Single Environmental Authorisation (AUA). We have also implemented a water treatment system, built a rainwater collection plant and increased cooling water recirculation. We treat emissions from our production process using specific treatment systems to guarantee compliance with the regulations in force. **[GRI 413-1; ESRS S3 S3-2; S3-4]**.



Continuous dialogue

Our commitment to maintaining an open and active dialogue with the local community is laid out in our Quality, Health, Safety and Environment (QHSE) policy. This policy establishes concrete actions that favour dialogue with the local community and take into consideration the needs expressed by its representatives. We monitor all these actions in compliance with current regulations. Hiring initiatives are managed by upper management, while environmental impact indicators are monitored on a quarterly, semi-annual and annual basis to guarantee transparency and continuity.

Through these actions, Simone Gatto is committed to creating lasting value for the community, working in harmony with local communities and helping to build a sustainable future for generations to come.





GRI standards and their correlation with ESRS



Declaration of use	Simone Gatto srl has prepared the information cited in this GRI Content Index for the period from 01/01/2023 to 31/12/2023 with reference to the GRI Standards.
GRI 1	GRI 1 - Foundation 2021

GRI STANDARD	GRI DISCLOSURE	ESRS DISCLOSURE	LOCATION	NOTES	Page
THE ORGANISATION AND ITS REPORTING PRACTICES					
GRI 2: General disclosures 2021	2-1 Organisational details		The company		11
GRI 2: General disclosures 2021	2-2 Entities included in the organisation's sustainability reporting	ESRS 1 5.1 ESRS 2 BP-1	Notes on the methods used		8
GRI 2: General disclosures 2021	2-3 Reporting period, frequency and contact point	ESRS 1 ESRS 1 5.1	Notes on the methods used		8
GRI 2: General disclosures 2021	2-4 Restatements of information	ESRS 2 BP-2	Notes on the methods used		8
GRI 2: General disclosures 2021	2-5 External assurance		Notes on the methods used		8
ACTIVITIES AND WORKERS					
GRI 2: General disclosures 2021	2-6 Activities, value chain and other business relationships	ESRS 2 SBM-1	The sectors we serve The markets reached Our products		18 19 13
GRI 2: General disclosures 2021	2-7 Employees	ESRS S2 SBM-1 ESRS S1 S1-6	Our workforce		81

GRI 2: General disclosures 2021	2-8 Workers who are not employees	ESRS S1 S1-7	Our workforce		81
GOVERNANCE					
GRI 2: General disclosures 2021	2-9 Governance structure and composition	ESRS 2 GOV-1 ESRS G1	How we are structured		43
GRI 2: General disclosures 2021	2-10 Nomination and selection of the highest governance body		How we are structured		43
GRI 2: General disclosures 2021	2-11 Chair of the highest governance body		How we are structured		43
GRI 2: General disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS G1	The process of identifying and prioritising impacts		31
GRI 2: General disclosures 2021	2-13 Delegation of responsibility for managing impacts	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS G1 G1-3	The process of identifying and prioritising impacts		31
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GRI 2: General disclosures 2021	2-15 Conflicts of interest		Organisational, Management and Control model		46
GRI 2: General disclosures 2021	2-16 Communication of critical concerns		Code of ethics		48
GRI 2: General disclosures 2021	2-17 Collective knowledge of the highest governance body	ESRS 2 GOV-2 ESRS G1 G1-1 ESRS G1 G1-3	How we are structured		43
GRI 2: General disclosures 2021	2-18 Evaluation of the performance of the highest governance body	ESRS 2 GOV-1	How we are structured		43

GRI 2: General disclosures 2021	2-19 Remuneration policies	ESRS 2 GOV-3 ESRS E1	How we are structured		43
GRI 2: General disclosures 2021	2-20 Process to determine remuneration	ESRS 2 GOV-3	How we are structured		43
GRI 2: General disclosures 2021	2-21 Annual total compensation ratio	ESRS S1 S1-16	How we are structured		43
STRATEGY, POLICIES AND PRACTICES					
GRI 2: General disclosures 2021	2-22 Statement on sustainable development strategy	ESRS 2 SBM-1	Letter to stakeholders		6
GRI 2: General disclosures 2021	2-23 Policy commitments	ESRS 2 GOV-4 ESRS S1 S1-1 ESRS S2 S2-1 ESRS S3 S3-1 ESRS S4 S4-1 ESRS G1 G1-1	Our path to sustainability	The policies containing the commitments taken by Simone Gatto are available for consultation in the Sustainability section of the company website available here: https://www.simonegatto.com/sostenibilita/	25
			Organisational, Management and Control model		46
			Human rights		91
GRI 2: General disclosures 2021	2-25 Processes to remediate negative impacts	ESRS S1 S1-1 ESRS S1 S1-3 ESRS S2 S2-1 ESRS S2 S2-3 ESRS S2 S2-4 ESRS S3 S3-1 ESRS S3 S3-3 ESRS S3 S3-4 ESRS S4 S4-1	Topics identified		36
GRI 2: General disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 ESRS S2 S2-3 ESRS S3 S3-3 ESRS S4 S4-3 ESRS G1 G1-1 ESRS G1 G1-3	Code of ethics		48
GRI 2: General disclosures 2021	2-27 Compliance with laws and regulations	ESRS 2 SBM-3 ESRS E2 E2-4 ESRS S1 S1-17 ESRS G1 G1-4	Organisational, Management and Control model		46

GRI 2: General disclosures 2021	2-28 Membership associations		Quality as the primary objective		60
STAKEHOLDER ENGAGEMENT					
GRI 2: General disclosures 2021	2-29 Approach to stakeholder engagement	ESRS 2 SBM-2 ESRS S1 S1-1 ESRS S1 S1-2 ESRS S2 S2-1 ESRS S2 S2-2 ESRS S3 S3-1 ESRS S3 S3-2 ESRS S4 S4-1	Stakeholder engagement		28
GRI 2: General disclosures 2021	2-30 Collective bargaining agreements	ESRS S1 S1-8	Our workforce		81
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GRI 3 - Material topics 2021	3-3 Managing material topics	ESRS E5 E5-1 ESRS E5 E5-2 ESRS E5 E5-3	The raw materials		55
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GRI 3 - Material topics 2021	3-3 Managing material topics	ESRS 2 SBM-1 ESRS 2 SBM-3 ESRS 2 MDR-P ESRS 2 MDR-A ESRS 2 MDR-M ESRS 2 MDR-T	Energy		78
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	ESRS E1 E1-5	Energy		78
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GRI 3 – Material topics	3-3 Managing material topics		A precious asset: water		65

2021					
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	ESRS 2 SBM-3 ESRS 2 MDR-T ESRS E3	A precious asset: water		65
GRI 303: Water and effluents 2018	303-2 Management of water discharge-related impacts	ESRS E2 E2-3	A precious asset: water		66
GRI 303: Water and effluents 2018	303-3 Water withdrawal		A precious asset: water		67
GRI 303: Water and effluents 2018	303-4 Water discharge		A precious asset: water		68
GRI 303: Water and effluents 2018	303-5 Water consumption	ESRS E3 E3-4	A precious asset: water		67
BIODIVERSITY					
GRI 3 - Material topics 2021	3-3 Managing material topics		Biodiversity		69
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	ESRS E4 E4-5	Biodiversity		69
EMISSIONS					
GRI 3 - Material topics 2021	3-3 Managing material topics		Emissions		71
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESRS E1 E1-4 ESRS E1 E-6	Emissions		71
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1 E1-4 ESRS E1 E1-6	Emissions		71
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	ESRS E1 E1-4 ESRS E1 E1-6	Emissions		71

SUPPLY CHAIN					
GRI 3 - Material topics 2021	3-3 Managing material topics	ESRS G1 G1-2	Our supply chain		58
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers		The raw materials		55
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESRS G1 G1-2	Our supply chain		58
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	ESRS 2 SBM-3	Our supply chain		58
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	ESRS G1 G1-2	Our supply chain		59
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	ESRS 2 SBM-3	Our supply chain		59
EMPLOYMENT					
GRI 3 - Material topics 2021	3-3 Managing material topics	ESRS 2 SBM-1 ESRS 2 SBM-3 ESRS 2 MDR-P ESRS 2 MDR-A ESRS 2 MDR-M ESRS 2 MDR-T	Our workforce		81
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESRS S1 S1-6	Our workforce		83
GRI 401: Employment 2016	401-3 Parental leave	ESRS S1 S1-15	Diversity and inclusion		85

OCCUPATIONAL HEALTH AND SAFETY					
GRI 3 - Material topics 2021	3-3 Managing material topics	ESRS S1 S1-1 ESRS S1 S1-2 ESRS S1 S1-4 ESRS S1 S1-5 ESRS S2 S2-1 ESRS S1 S2-2 ESRS S1 S2-4 ESRS S1 S2-5	Health and safety		90
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	ESRS S1 S1-1	Health and safety		90
GRI 403: Occupational health and safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	ESRS S1 S1-3	Health and safety		90
GRI 403: Occupational health and safety 2018	403-3 Occupational health services		Health and safety		90
GRI 403: Occupational health and safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety		Health and safety		90
GRI 403: Occupational health and safety 2018	403-5 Worker training on occupational health and safety		Health and safety		90
GRI 403: Occupational health and safety 2018	403-6 Promotion of worker health		Health and safety		90
GRI 403: Occupational health and safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S2 S2-4	Health and safety		90

GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	ESRS S1 S1-4 ESRS S1 S1-14	Health and safety	No injuries of any type were recorded in the last two years.	90
GRI 403: Occupational health and safety 2018	403-10: Work-related ill health	ESRS S1 S1-4 ESRS S1 S1-14	Health and safety		90
TRAINING					
GRI 3 - Material topics 2021	3-3 Managing material topics		Training		86
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	ESRS S1 S1-13	Training		87
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	ESRS S1 S1-1	Training		87
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	ESRS S1 S1-13	Training		87
DIVERSITY AND INCLUSION					
GRI 3 - Material topics 2021	3-3 Managing material topics		Diversity and inclusion		84
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees and among employees	ESRS 2 GOV-1 ESRS S1 S1-6 ESRS S1 S1-9 ESRS S1 S1-12	Diversity and inclusion		85
GRI 406: Non-discrimination 2016	406-1 Episodes of discrimination and corrective measures adopted	ESRS S1 S1-17	Diversity and inclusion		85

LOCAL COMMUNITY					
GRI 3 - Material topics 2021	3-3 Managing material topics	ESRS S3 S3-1 ESRS S3 S3-2 ESRS S3 S3-4 ESRS S3 S3-5	Value creation for the commu- nity		94
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESRS S3 S3-2 ESRS S3 S3-4	Value creation for the commu- nity		94
CUSTOMER HEALTH AND SAFETY					
GRI 3 - Material topics 2021	3-3 Managing material topics	ESRS S4 S4-1 ESRS S4 S4-2 ESRS S4 S4-5	Quality as the primary objec- tive		60
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	ESRS 1	Quality as the primary objec- tive		61
GRI 416: Customer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	ESRS S4 S4-4	Quality as the primary objec- tive		60



Appendix

IMPACTS

MODERATE (0-25K)	1 increases revenue
SIGNIFICANT (25-100K)	2 reduces costs
HIGH > 100K	3 (+ or -) brand reputation + risk management

Supply-chain phase	Material topic	Main impact generated	Impact type	Impact materiality level	Economic/financial materiality level	Expected impacts on business
Farming and transport of raw materials by suppliers	Biodiversity	Contribution to preservation of local ecosystems through promotion of sustainable and responsible agricultural practices.	Positive	SIGNIFICANT	SIGNIFICANT	1 and 2 and 3 +
		Damage to local biodiversity caused by intensive and unsustainable agricultural practices, including indiscriminate use of phytochemicals, pesticides and chemical products.	Negative		HIGH	3 -
		Damage to the community, with possible criminal risks, as well as risk of sales channel and brand reputations losses			HIGH	3 -
	Land use	Contribution to preservation of natural resources and ecosystems through establishment or promotion of regenerative and sustainable agriculture	Positive	SIGNIFICANT	SIGNIFICANT	1 and 2 and 3 +
		Soil depletion due to aggressive agricultural techniques and intensive land use without sufficient rotation or fallow periods, leading not only to environmental damage but also compromising business, due to a reduction in availability of raw materials	Negative		HIGH	3 -

Farming and transport of raw materials by suppliers	GHG emissions	Contribution to climate change and resulting intensification of extreme weather phenomena caused by the generation of GHG emissions through inappropriate farming practices	Negative	SIGNIFICANT	HIGH	3 -
		commitment to combatting climate change through targeted solutions to reduce GHG emissions	Positive		HIGH	1 and 2 and 3 +
		Establishment and implementation of regenerative and sustainable farming practices			SIGNIFICANT	1 and 2 and 3 +
		Supply chain oversight for continuous improvement and compliance with standards (FSA-SAI, UEBT) through first-, second- and third-party audits			SIGNIFICANT	1 and 2 and 3 +
		Specific chemical analysis on soil, plants and water			MODERATE	1 and 2 and 3 +
	Water consumption in areas with high water stress	Generation of local water stress due to excessive consumption of water resources for agriculture	Negative	SIGNIFICANT	SIGNIFICANT	3 -
		Promotion of informed and conservative water use through participation in the development of innovative farming techniques and technologies	Positive		SIGNIFICANT	1 and 2 and 3 +
		Adoption and implementation of sustainable agriculture standards			SIGNIFICANT	1 and 2 and 3 +

Farming and transport of raw materials by suppliers	Working standards and human rights	Failure to uphold human rights in the supply chain due to unethical conduct in relation to workers in the context of agricultural activity	Negative	SIGNIFICANT	SIGNIFICANT	3 -
		Upholding human rights of workers and improving working conditions in procurement phases through the promotion of ethical labour practices	Positive			1 and 2 and 3 +
		Supply chain certification through the UEBT standard, MOG 231 and code of ethics signed by suppliers (the code contains both human rights and gender equality)				1 and 2 and 3+
	Support to the local community	Community development and support for the local economy through the company's presence in the area and relationships established with local players	Positive	HIGH	SIGNIFICANT	3 +
	Supply-chain transparency and traceability	Promotion of transparency and traceability in the supply chain with suppliers and commercial partners through ongoing collaboration, and clear communication of policies and standards for farming and transport of raw materials	Positive	HIGH	SIGNIFICANT	1 and 3 +

Processing of raw materials at our site	Spills that could pollute groundwater	Damage to water resources, ecosystems and health through soil and water pollution in the surrounding area caused by accidental spills of substances potentially hazardous for the environment	Negative	SIGNIFICANT	HIGH	3 -
		Application of very high environmental protection monitoring standards through first- and second-party safety audits	Positive		SIGNIFICANT	1 and 2 and 3 +
		Use of controlled substances authorised under product standards (Naturland, Demeter)			MODERATE	1 and 2 and 3 +
	Water use	Water for washing equipment. Study to identify solutions to increase the use of recycled water	Positive	MODERATE	MODERATE	1 and 2 and 3 +
	Use of energy resources	Because Simone Gatto is an energy-intensive company, environmental damage related to the use and overuse of non-renewable resources that lead to deterioration of environmental conditions	Negative	SIGNIFICANT	HIGH	3 -
		Mitigation of environmental impacts through increased energy efficiency of company machinery and the use of energy from GSE-certified renewable sources for over ten years	Positive		MODERATE	1 and 2 and 3 +
		Installation of a photovoltaic system that will cover 30% of our energy needs			HIGH	2 and 3 +

	Waste management	Environmental damage caused by incorrect management of waste and any failure to recover waste due to suspension of operations of companies managing by-products and waste	Negative	SIGNIFICANT	HIGH	3 -
		Promotion of circular-economy practices through reuse of by-products (secondary materials, biomass and biogas). 97% of waste is composed of fruit processing waste, which is entirely reused and recycled	Positive		MODERATE	1 and 2 and 3 +
	GHG emissions	Damage to ecosystems and failure to help combat climate change	Negative	SIGNIFICANT	HIGH	3 -
		Decreased environmental impact through reduced emissions from company operations and increased production-process efficiency	Positive		HIGH	2 and 3 +
	Occupational Health and Safety	Damage to worker health due to possible occupational injuries or stress due to the working environment and company climate	Negative	HIGH	HIGH	3 -
		Reduction in workplace risk through correct assessment of dangers in the company and communication to workers	Positive		MODERATE	1 and 2 and 3 +
		Actions to reduce dangers to an acceptable risk level: continuing training, involvement in safety risk assessments, attention to mental and physical wellbeing, whistleblowing system			SIGNIFICANT	1 and 2 and 3 +

	Innovation and development	Lack of innovation and development in products, processes, technologies, personnel and sustainability focus	Negative	MODERATE	HIGH	3 -
		Failure to reach objectives			HIGH	3 -
		Preserving business continuity through skills development within the company and transfer of know-how	Positive		SIGNIFICANT	3 -
		Research and development of new products derived from processing waste to implement the circular economy in collaboration with the University of Messina			MODERATE	2 and 3 +
	Customer and end consumer health and safety	Failure to guarantee product safety and protect customer health due to the presence of foreign bodies in the product and/or chemical contamination and/or non-conformity	Negative	MODERATE	HIGH	3 -
		Application of GCCP, FDA GMPs and BRC certification with annual third-party audit, non-conformity management with in-depth analysis of causes and actions to prevent a repeat of the episode, customer assistance	Positive		MODERATE	1 and 2 and 3 +
		Implementation of strategies aiming to protect production processes from intentional contamination or sabotage (Food Defence)			MODERATE	2 and 3 +

	Employee development and creation of a suitable working environment	Social and professional development of employees, creation of a collaborative working environment, development of strong employee-management relations	Positive	SIGNIFICANT	MODERATE	1 and 2 and 3 +
		Attention to gender equality and human rights			MODERATE	3 +
		Minimum annual training on the topics and whistleblowing platform			MODERATE	3 +
		Discontented employees can have an adverse impact on processes, products, relationships and interactions. They could contaminate the environment and the product, severely damaging the company's reputation.	Negative		HIGH	3 -
	Process quality and efficiency	Business continuity through constant presence of company management, improvement of processes and investment in equipment	Positive	MODERATE	HIGH	1 and 2 and 3 +
		Constant equipment and technology monitoring Study to innovate technologies			SIGNIFICANT	1 and 2 and 3 +
		Plan to install an energy consumption monitoring device to improve consumption			SIGNIFICANT	1 and 2 and 3 +
		Design new processes to improve the product and employee wellbeing through optimised and new machinery			HIGH	1 and 2 and 3 +
		The company stagnates, does not improve, is not competitive, risk of sales channel and brand reputation losses to competitors	Negative		HIGH	3 -

	Quality and customer satisfaction	High quality standards as a distinctive characteristic of the company, improve customer loyalty and trust, strengthen the company's reputation and contribute to sustainable growth	Positive	HIGH	HIGH	1 and 2 and 3 +
		Products of insufficient quality can damage the company's reputation, hurt customer loyalty and lead to additional costs due to non-conformities	Negative		HIGH	3 -
	Development of the local community	Contribution to economic development of the local community through initiatives supporting the region; hiring local people, sponsoring sports to encourage physical activity	Positive	SIGNIFICANT	MODERATE	3+
		Simone Gatto supports research and is a member of the teaching committee of the "agricultural sciences and technologies for the ecological transition" undergraduate programme at the University of Messina			MODERATE	1 and 2 and 3 +
		Failure to become part of the community damages reputation, especially when the social impact and local responsibility are essential for consumers	Negative		HIGH	3 -

Transport commissioned by the company and sales	GHG emissions	Greenhouse gas emissions and lack of a sustainable product procurement plan damage both the ecosystem and human health	Negative	SIGNIFICANT	HIGH	3 -
	Impact on ecosystems	Reduction in environmental pollution through actions to increase transport efficiency.	Positive	HIGH	HIGH	3 +
		Damage to ecosystems caused by transport methods used.	Negative		HIGH	3 -
	Punctuality of deliveries	Improvement of company reputation through punctual deliveries.	Positive	SIGNIFICANT	MODERATE	1 and 2 and 3 +
		Non-conformity and possible removal from the supply chain	Negative		HIGH	3 -
	End consumer (juice to mass retail in PET at +4°)	Promotion of circular-economy practices	Environmental damage linked to incorrect disposal of packaging by end consumers.	Negative	MODERATE	HIGH
Use of recyclable packaging (PET)			Positive	SIGNIFICANT		1 and 2 and 3 +
Promoting a culture of sustainability		Social development through education, raising awareness in the local community and transparent communication by the company around ESG sustainability areas.	Positive	HIGH	SIGNIFICANT	2 and 3 +
		Acquisition of specific and up-to-date skills, improving performance and increasing productivity			HIGH	1 and 2 and 3 +
		Exclusion from the market and failure to update stakeholders leads to loss of competitiveness and trust, compromising the company's reputation and reducing growth opportunities	Negative			3 -

Cross-cutting issue	Compliance and legality	Operating transparently along the entire supply chain makes the company more trustworthy, facilitating access to new opportunities and optimising process fluidity.	Positive	HIGH	HIGH	1 and 2 and 3 +
		Failure to comply with legal requirements can have serious consequences, such as loss of clientele, forced closure, high costs, human rights violations and discrimination, all of which compromise the company's reputation and sustainability	Negative		HIGH	3 -

BUSINESS MODEL

POSITIVE IMPACTS

The company is implementing various initiatives with positive impacts in different areas. From an environmental perspective, we are focussing significant efforts on **mitigating climate change**, especially in terms of energy. Currently, 10% of our consumption is covered by power from photovoltaic panels.

From a social perspective, we are intensifying our efforts to guarantee that **human rights** are guaranteed along the entire chain. This is supported by anonymous surveys aimed at improving employee well-being and gathering ideas for developing the company. We firmly believe that better communication and personal development of our employees will enable us to promote wider personal and cultural growth.

On top of this, we are working towards certification in various areas, which will enable us to exercise greater control over our operations. This approach extends to **suppliers**, who are **evaluated** based on certification criteria health and safety regulations.

KEY PARTNERS

Our relationships vary in nature, depending on the parties involved. We place a particular focus on our **employees** throughout the production chain, as well as our **suppliers** and **consultants**, who advise us on various matters for the overall improvement of the company. More generally, we value all partners that contribute to the success of our projects, including the meticulous efforts of the **authorities** responsible for controls in the food and agriculture sector. Our **customers** are extremely important to us, helping to spread awareness and often responsible for proposing and implementing important projects, such as those connected to regenerative agriculture.

KEY ACTIVITIES

Our activities can be grouped into internal and external. The **health and safety** of our employees is a top priority for us. Regarding the supply chain, it is essential to **carefully select suppliers**, to be certain of the origin of our citrus fruit. Subsequently, we conduct strict **analytical checks** to guarantee food safety from the moment raw materials arrive on site. Last, we process products originating exclusively from the local area, using **natural processes** and avoiding the use of chemicals, in order to preserve their organoleptic properties.

KEY RESOURCES

Simone Gatto's key resources include **farmed raw materials**, which are essential for the extraction of oils and production of juices. **Qualified personnel** have a key role in quality assurance. Local and international distribution networks enable the company to reach customers effectively. In addition, a **consolidated brand** and strong reputation in the sector help to build trust with customers and brand loyalty. **Certification and adherence to standards** demonstrate the quality and sustainability of products.

COST STRUCTURE

Within our company, we are facing increasing costs due to the rising price of **raw materials**, driven by the current global situation, including social, political and climate factors. This primarily impacts the cost of energy and oil, which has had a significant impact on our sector, placing our market share at risk. On top of this, we are facing rising **consulting** costs, given the need to hire experts to tackle issues such as those linked to sustainability.

VALUE PROPOSITION

Our guarantee of **material** chain. We offer a strong sustainable reflection. This **rights** dynamic at present. A protected spread supply local that effect.

NEGATIVE IMPACTS

Simone Gatto's business can have significant negative impacts on the environment and society. Intensive land use and deforestation can adversely affect **biodiversity** and soil quality. At the same time, unsustainable practices can lead to excessive consumption of water resources, placing water availability at risk. Inadequate working standards and **human rights violations** in production processes can cause social and ethical problems. Use of non-renewable energy and a lack of energy efficiency can contribute to the depletion of energy resources and increased **greenhouse gas emissions**. Inadequate management of production waste can lead to environmental pollution.

VALUE PROPOSAL

Our company is committed to guaranteeing the **quality of raw materials** along the entire production chain. We offer **100% natural products** with a strong focus on sustainability. For us, sustainability is a tangible commitment implemented in the entire supply chain. This translates into upholding **human rights** and correcting any unbalanced practices, in addition to actions aimed at preserving biodiversity. The location of our farms are located in protected areas, which has led us to build **greater awareness** amongst stakeholders regarding the value of our area. We work for resilient land management that contributes to mitigating the effects of climate change.

CUSTOMER RELATIONS

Simone Gatto's customer relations are **well established**, rooted in a strong bond founded on **loyalty** and **mutual trust**.

Over the years, Simone Gatto has demonstrated its expertise and reliability in the citrus-oils sector, earning the respect and loyalty of its customers. These long-standing relationships are proof of the quality of the company's operations and its ability to continuously and reliably **satisfy the demands of customers**.

DISTRIBUTION CHANNELS

To establish relationships with our customers, we prefer to focus on **advertising campaigns** that highlight the importance of health. Furthermore, we actively participate in **sponsorship initiatives**, such as the Nutrimi practical nutrition forum.

CUSTOMER GROUPS

Our customers include other **businesses** that we supply with **essential oils** and **fruit juices**, such as shops selling natural products, supermarkets and other commercial businesses (**B2B**). In addition, we also sell directly to the end consumer (**B2C**), adhering to strict cold-chain standards, e.g. for juices stored at temperatures above 4°C.

REVENUE STREAMS

Our customers can be divided into two main categories: those contributing to turnover through the purchase of **essential oils** and those contributing through purchase of **fruit juices**. Currently, **60% of our turnover** comes from the first category, while **40% derives from the sale of fruit juices** and this is increasing.



Simone Gatto srl

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