

Capitelli

(80% INTEREST)



Highlights



Strategic Objectives

-  To enhance and promote the uniqueness, taste and quality of San Giovanni, for years the "best cooked ham in Italy".
-  To offer Capitelli culinary excellence to enthusiasts and restaurateurs through a cross-distribution, from haute cuisine to the large-scale retail trade.
-  To build a Capitelli supply chain model in Italy that is sustainable and capable of guaranteeing the best selection of ingredients.

Profile

THE COMPANY

Founded in 1976 in Borgonovo Val Tidone in the province of Piacenza, Capitelli is renowned for the production and sale of cooked and smoked cured meats. Its products stand out for the careful selection of the various types of meat used and an artisanal and original manufacturing process, which makes them sought-after and niche, positioning them as one of Italy's food excellences. Recognised and appreciated by consumers, who are looking more and more for products of authentic quality, Capitelli cured meats are distributed throughout Italy both in the "Ho.Re.Ca." sector and through traditional retailers and a growing number of large-scale retail outlets. More and more frequently, they are also appearing among the ingredients of refined recipes in gourmet restaurants and gourmand venues, gaining the favour of both traditional restaurateurs and Michelin-starred chefs.

The flagship of the company's production is the San Giovanni cooked ham, created in 1994 by Capitelli and today unanimously recognised as the precursor of the so-called "cooked out-of-mould" production line. San Giovanni is the only cooked ham to have obtained the highest recognition ("5 pins") in all six editions of the Guida Salumi d'Italia, the first sector guide created with the aim of cataloguing and describing Italian high-quality cured meats, which voted it the "Best cooked ham in Italy" in 2025 as well. In 2024 it also obtained, for the third consecutive year, the prestigious "Top Italian Food 2024" award from Gambero Rosso, a point of reference for the evaluation of culinary excellence in Italy.

RECENT DEVELOPMENTS

Italmobiliare acquired a majority stake in Capitelli in December 2019. When Capitelli joined the Group, it could already vaunt a high-quality, artisanal and innovative product, but its production capacity was almost saturated. In five years, approximately 4 million euro has been invested to expand the plant and adapt it to the most advanced production and safety standards, obtaining the most important certifications in the field. Production has been optimised by outsourcing the production of "in-mould products", which have a lower added value, to allocate the plant's production capacity to "out-of-mould" products, produced and packaged by hand, which represent the company's strong point.

New products have been launched, such as mortadella, raw ham and shank, and some excellent products have been further enhanced, such as Giovanna pancetta and Proibita shoulder, obviously in addition to the flagship product, San Giovanni cooked ham. A huge amount of work has been done on the supply chain, selecting the best Italian suppliers who respect the highest genetic and feeding standards. The entire organisational structure of the company has been revised with the aim of enhancing the staff's work-related skills, structuring the company so that it can handle growth more effectively. Sales and marketing was reorganised and in 2023 the first television commercial in the company's history was produced and broadcast on the main channels to further strengthen brand recognition.

The combined effect of these actions made it possible to increase production capacity without affecting quality, which has actually improved thanks to work on the supply chain, investment in the plant and improvements in production processes. Today, the Borgonovo Val Tidone plant has spare production capacity of 40% and, since joining the Italmobiliare Group, Capitelli has seen its turnover grow by over 60%.

In line with the Group's sustainability objectives, Capitelli, in partnership with Italgen, has launched a project for the construction of a photovoltaic system linked to the Borgonovo Val Tidone plant able to satisfy the company's entire energy needs.

Financial information

KEY FIGURES

(in millions of euro)	2024	2023	Change %
Revenue and income	23.2	22.4	3.7
Gross operating profit (EBITDA)	4.0	3.5	15.1
% of revenue	17.1	15.4	
Amortisation and depreciation	(1.2)	(1.1)	
Operating profit (EBIT)	2.8	2.4	19.5
% of revenue	12.0	10.6	
Net finance income (costs)	0.0	(0.1)	n.s.
Profit/(loss) before tax	2.8	2.3	20.6
% of revenue	12.2	10.5	
Income tax	(0.8)	(0.6)	n.s.
Profit/(loss) for the period	2.0	1.7	16.6

n.s. not significant

(in millions of euro)	December 31, 2024	December 31, 2023
Cash flows from investing activities	0.1	1.3
Free Cash Flow	2.8	3.1
Net financial position	0.4	0.0
Total equity	16.9	17.4
Employees (headcount) at the end of the year	37	42

During 2024, the company consolidated its growth path. Specifically:

- San Giovanni cooked ham, the company's flagship product, has been awarded the Gambero Rosso Top Italian Food 2025 seal for the fourth consecutive year. Furthermore, for the seventh consecutive time, it has obtained the maximum rating of "5 pins" from the prestigious Guida Salumi d'Italia, a point of reference for enthusiasts, operators and producers who want to orient themselves among the best food excellences in the sector.
- At the beginning of 2024 the company won an important award with its Mortadella Capitelli, which was considered the best craft mortadella in the special ranking drawn up by Gambero Rosso. This recognition is further confirmation of the excellence of Capitelli brand products.
- During the year, the company has launched an energy project together with Italgen (Italmobiliare Group), which involves building a photovoltaic system of approximately 5 MW of installed power on the land next to the production plant in Borgonovo Val Tidone, which will satisfy most of the company's electricity and heat requirements. The authorisation process has been completed, work has begun, and the plant is expected to come into operation in 2025.

In 2024, the sector's performance was negatively affected by the persistence in Italy of the African Swine Fever virus, a serious disease that, after having affected wild boars, has spread to many pig farms. This phenomenon has led on the one hand to an increase in the price of pork meat, which was already very high at the beginning of the year and which further increased in the second half of the year, and on the other to growing difficulties in the process of obtaining raw materials. The emergency has negatively affected exports, following the bans on cross-border sales imposed on companies operating in areas affected by the virus.

Despite operating in this difficult market context, Capitelli recorded excellent performances during the year, with revenue of 23.2 million euro, up by 3.7% compared with 2023. The figure is even more positive if we consider that the Normal Trade channel recorded a general decline, whereas all of the company's core products (above all San Giovanni cooked ham) grew by 8.23%.

The gross operating profit came to 4.0 million euro, up 15.1% on last year. The profit margin on revenue has grown by approximately 2 percentage points, an excellent result despite an all-time high average cost (6.09 euro/kilo).

After amortisation and depreciation, which were more or less constant, the operating profit (EBIT) came to 2.8 million euro.

After the payment of taxes amounting to 0.8 million euro, up 16.6% compared to the previous year, Capitelli's net profit increased to 2.0 million euro.

Net divestments amounted to 0.1 million euro, driven by the sale of the previously mentioned photovoltaic plant to Italgas.

The net financial position at December 31, 2024 is positive for 0.4 million euro. Net of the payment of dividends of 2.5 million euro, cash generation is positive, equal to 2.8 million euro, also thanks to careful management of working capital.

LITIGATION AND DISPUTES PENDING

The company is not involved in any disputes that are of such importance that they would have to be mentioned in this report.

RISKS AND UNCERTAINTIES

As for the risks identified by the company and the related mitigation actions, please refer to the Materiality section.

OUTLOOK

In the first few months of 2025, the African Swine Fever problem appears to be under control, with infections decreasing and meat prices falling, to the benefit of profit margins. Encouraging signs come from the results of the first few weeks of 2025, which show rising volumes.

General and governance information

REPORTING

ESRS 2 - General Information - Basis for preparation

The reporting includes performance, data and information on Capitelli with the same scope of consolidation of the economic and financial section. Data and information were collected according to the requirements of the new European CSRD/ESRS standards and consolidated in the sustainability report of the ultimate parent company Italmobiliare, which was subject to third-party verification. For a better understanding of the contents, even if not strictly aligned with the required disclosure details, each paragraph gives cross-references to the corresponding transparency requirements.

GOVERNANCE AND INTEGRITY

ESRS 2 - General information - Governance

ESRS G1 - Business conduct

The composition and management of the governance bodies, starting with the **Board of Directors**, ensure representativeness, competence and the absence of conflicts of interest, aiming at maximum operational efficiency and integrity.

Position	Name and Surname	Gender
Chairman	Angelo Capitelli	M
CEO	Marcello Balzarini	M
Director	Alberto Riboni	M

The Sole Auditor, who is independent, is male.

The Board of Directors, which also benefits from the presence of independent directors and directors representing the Holding, defines the strategic guidelines of the company and is responsible for its management with a view to sustainable success. It is vested with all powers of ordinary and extraordinary administration of the company, as all matters deriving from the law, the By-laws and the instructions received from the parent company fall under its remit.

Each Board of Directors meeting includes on its agenda an update on the progress of ESG action plans, which are defined and refined annually based on identified impacts, risks, and opportunities, as well as any other relevant considerations to implement a business strategy that is consistent with the company's Vision and Mission and aligned with the Italmobiliare Group's expectations, ensuring full integration of economic, governance, social, and environmental components. The annual ESG plans are monitored continuously by management and consolidated in monthly meetings coordinated by the Sustainability function. Moreover, the objectives of the ESG action plans are included in the variable remuneration of the CEO and of top and middle managers.

In line with the approach of the Italmobiliare Group, Capitelli has formalised a series of sustainability commitments. In particular, by joining the **UN Global Compact**, the world's largest corporate responsibility platform, the company commits to upholding and promoting the Ten Principles on human rights, labour, the environment, and business integrity, while actively contributing to the achievement of the Sustainable Development Goals (SDGs). Furthermore, the company has formalised its commitment to gender equality by signing the **Women's Empowerment Principles (WEPs)**. Finally, by adhering to the **Science Based Targets initiative (SBTi)**, it pursues decarbonisation targets aligned with the Paris Agreement.

All of these commitments shape the company's approach to **duty of care** and are explicitly reflected in the governance documents adopted to support its sustainability strategy, particularly the Code of Ethics, Sustainability Policies, and Partnership Charter. These apply to corporate bodies, all employees, collaborators, and third parties, including those engaged in business relationships with the company, such as suppliers, distributors, customers, partners, investors, and beneficiaries of social initiatives, donations, and sponsorships.

Compliance with the principles and provisions of the **Code of Ethics** is the fundamental behaviour that binds the directors, employees, collaborators and all those who operate in any capacity with Capitelli in all internal and external relationships with the company. In particular, the members of the Board of Directors have to be inspired by the principles of the Code when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies that they manage; likewise, when performing their duties, managers have to be inspired by the same principles, both internally, to strengthen a sense of cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the company.

The **Sustainability Policies** extend and integrate the Code of Ethics: the “Guiding Principles” are the cornerstone, further detailed in six dedicated policies: Health and Safety, Diversity and Inclusion, Environment and Resources, Energy and Climate, Rights and Society, Quality and Responsibility.

The **Partnership Charter** aims to build relationships with Third Parties that, in addition to current legislation, take into account the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property.

Capitelli adopts an **Organisation, Management and Control Model (Model 231)** which is envisaged by law but not mandatory; it is designed to prevent the risk of committing certain types of crimes. The Model includes the whistleblowing platform, which provides employees and third parties with confidential channels, without risk of retaliation, discrimination or disciplinary action, to report violations or concerns regarding the principles and provisions of the governance documents. The Supervisory Body, appointed with criteria of autonomy and independence, has been identified as the body for control activities, including the reception of whistleblowing reports.

The Code of Ethics, the Sustainability Policies, the Partnership Charter and the general part of the Model 231 are published on the Company's website.

More generally, Capitelli implements and strengthens the **Enterprise Risk Management** system over time, according to the management framework and the risk catalogue defined at Group level, which integrate ESG issues. The process adopted allows for the identification, measurement, monitoring and management of risks. This approach also gives rise to the procedures and internal controls on integrated financial and sustainability reporting.

At an operational level, the **food safety management system (International Food Standard-IFS)** is another tool to ensure that activities are fully aligned with the Company's strategy, in a logic of continuous improvement. Integration with business processes helps to consolidate the organisational, technological and behavioural methods.

Confirming the overall effectiveness of the integrity and compliance measures adopted, in 2024 there were no cases of corruption, anti-competitive behaviour or non-compliance with socio-economic and environmental regulations. The Supervisory Body has not received any reports of alleged illicit or anti-governance behaviour.

PROCUREMENT AND SUPPLY CHAIN

ESRS 2 - General information - Governance
ESRS S2 - Workers in the value chain
ESRS G1 - Business conduct

With the Partnership Charter, an evolution of the previous Supplier Charter, Capitelli aims to establish business partnerships based on a high level of integrity and sustainability. Suppliers of goods and services, contractors, distributors and any other business partners, such as co-investors in other business ventures, beneficiaries of social initiatives, donations or sponsorships must align themselves effectively and demonstrably with the principles on human and labour rights, health and safety, environment, integrity, compliance and transparency.

This requirement concerns not only the partner itself and the activity carried out directly, but also the contractual relationships with third parties that are part of its value chain, including, as the case may be, sub-suppliers, subcontractors, agents, representatives or other delegated third parties.

The Partnership Charter takes account of the values expressed by the Code of Ethics, the guidelines provided by the Sustainability Policies and, in general, all aspects needed to create relationships based on integrity and sustainability, such as human and labour rights, health and safety, environment, animal welfare, safety and quality of products and services, business integrity and the protection of privacy and intellectual property. The Partnership Charter is applied in pre-qualification processes, supported by self-assessment questionnaires, in the definition of general conditions and ESG clauses in contracts and, when necessary, in field audits.

Implementation requires additional steps to those already adopted on the basis of the previous charter according to a matrix approach, which provides differentiated methods based on the supplier's characteristics, including amount of spending, type of supply, geographical risk.

Section 5 | PORTFOLIO COMPANIES

Suppliers	unit	2022	2023	2024
Number of active suppliers	#	396	353	275
Purchase of products and services		15.9	17.2	17.44
national suppliers	M€	15.7	17.1	17.43
foreign suppliers		0.2	0.1	0.01
Spending on local suppliers (headquarters on national territory)	%	99%	99%	99.95%

		2022	2023	2024
Environmental and social qualification	#	%	#	%
Suppliers assessed during the year according to environmental and social criteria	--	--	68 65%	48 67%

The procurement of quality pork constitutes over 60% of Capitelli's total spending, buying largely from national suppliers, chosen on the basis of quality and certified food safety standards.

Starting from 2020 the "Filiera Capitelli" project was launched in. In 2022, the **"Filiera Capitelli" Policy** was defined, with which Capitelli shares the highest ethical, social, environmental and animal welfare standards with all partners along the value chain, guaranteeing qualitative excellence and respect for the most advanced food safety standards. To this end, Capitelli intends to guide the active commitment of each partner with training, managerial and economic support, all essential conditions for obtaining a raw material that meets the quality standards sought for premium-range products. Thanks to this approach, Capitelli also intends to mitigate the dependence of farmers on consolidated market logics which require the adaptation of the offer to the trend in price lists, in favour of direct negotiation between the processing company, the farmers and the slaughterhouses. At the end of 2023 the **Supply Chain Disciplinary** has been defined, on the basis of which partners will increasingly be engaged.

OBJECTIVES

ESRS 2 - General information - Strategy

The table below outlines the key pillars of Capitelli's sustainability strategy and the corresponding medium-term objectives.

Medium-term objectives		Objective	Year	2022	2023	2024
Governance and value chain	Percentage of spending with suppliers with ESG pre-qualification, qualification and contractual clauses	75%	2027	--	--	--
Climate strategy	Validation of carbon footprint reduction targets according to Science Based Targets initiative (SBTi) requirements	✓	2025	--	--	✓ *
Health, safety and well-being	Zero accidents with absence from work of at least 24 hours per million hours worked	0	2025	16.5	33.9	52.2
Gender and human capital development	Training hours per employee	20	2027	20	8	8

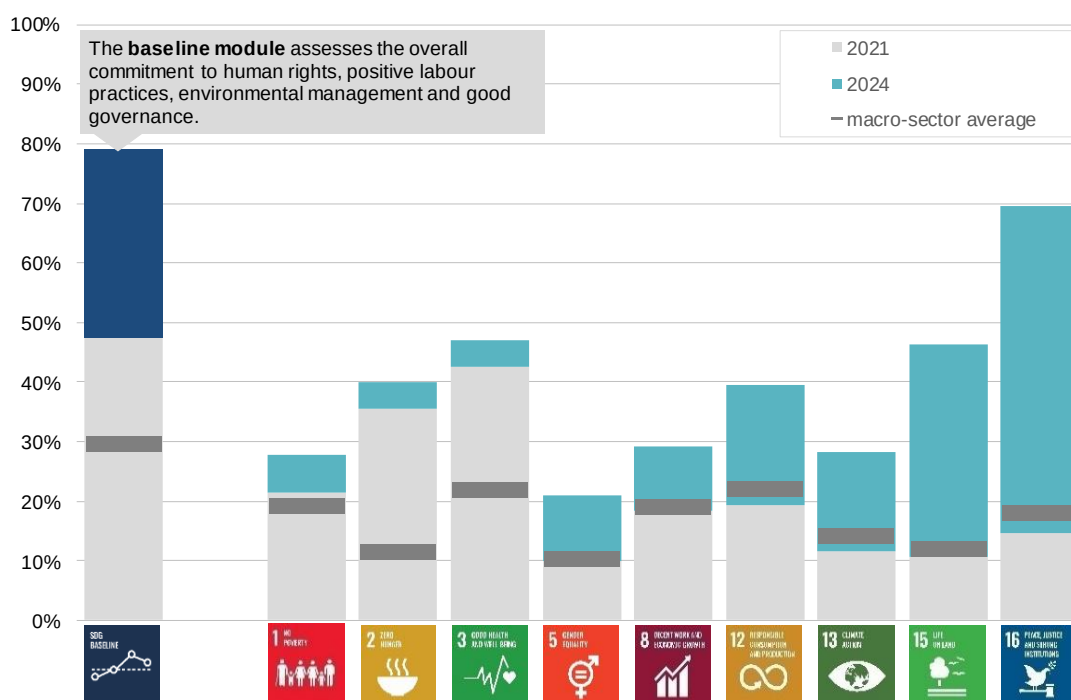
* Objectives validated by SBTi in March 2025. Details can be found in the "Low-Carbon Transition" section.

Furthermore, Capitelli integrates the Italmobiliare Group's sustainability strategy by adhering to the UN Global Compact, supporting its Ten Principles on human and labour rights, the environment, and anti-corruption, while promoting their adoption across all activities. Additionally, it actively contributes to achieving the Sustainable Development Goals through a sustainability strategy aimed at creating shared value.

Capitelli: Commitment to the SDGs

Environment		Ensure sustainable production and consumption models..
		Promote actions at all levels to combat climate change
		Protect, restore and promote sustainable use of the earth's ecosystem.
Society		End hunger, achieve food security, improve nutrition, and promote sustainable agriculture.
		Ensure health and well-being for all at all ages.
		Achieve gender equality and empower all women and girls.
		Foster sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Governance		Peace, justice, and strong institutions.
		Strengthen implementation means and revitalise the global partnership for sustainable development.

The **SDG Action Manager** integrates B Lab's **B Impact Assessment**, the **Ten Principles** of the UN Global Compact and the SDGs, allowing effective self-assessment of the progress achieved. The following graph represents the improvement since the first year the assessment was conducted. The same tool provides the average performance of all companies in the macro-sector that have conducted the assessment.



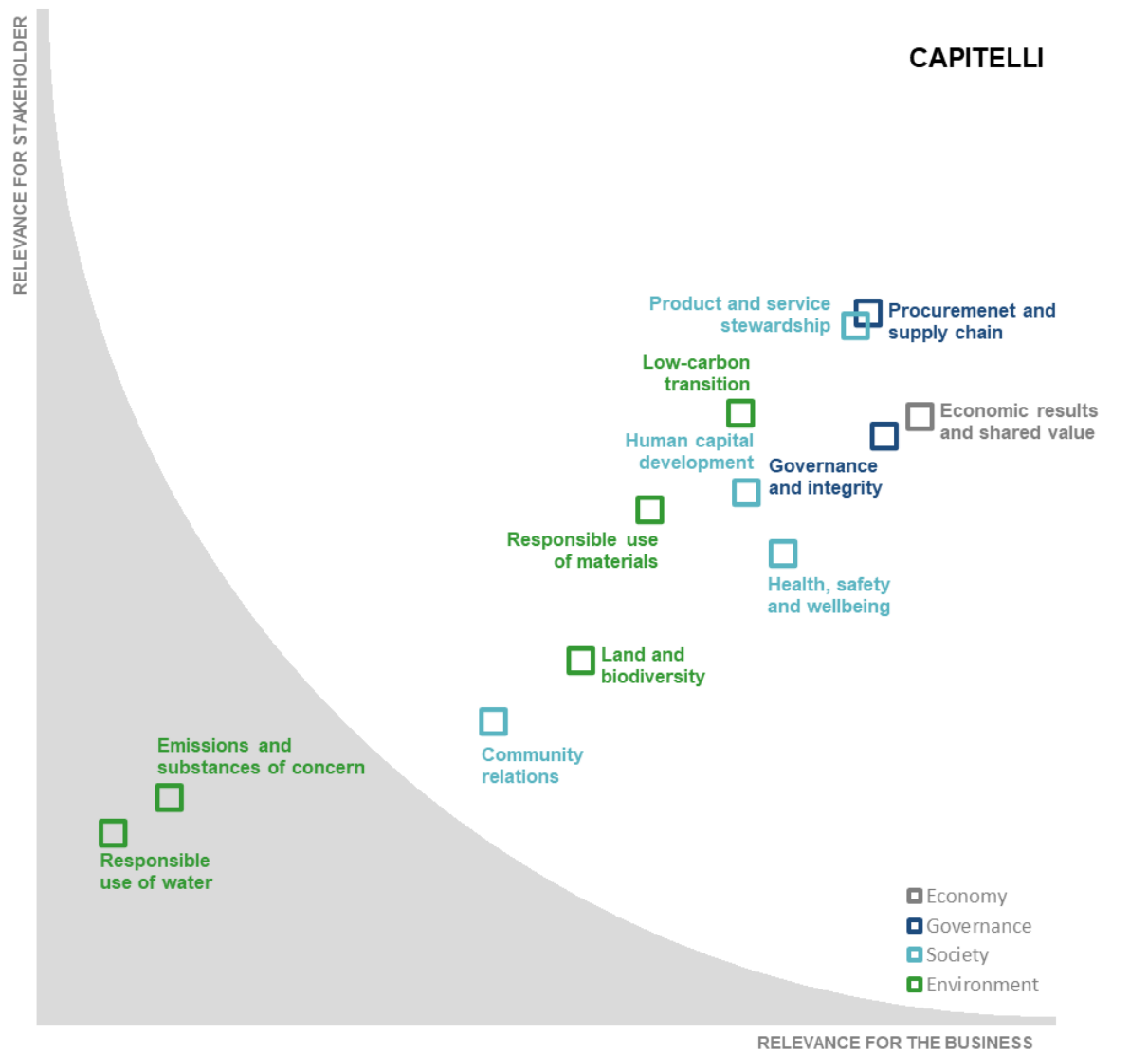
MATERIALITY

ESRS 2 - Impact, risk and opportunity management

Materiality analysis is a fundamental tool for identifying the elements that help to confirm or refine the business model and the resulting strategy, through an evaluation of impacts, risks and opportunities. The results of the analysis are approved by the Board of Directors and made operational by management through annual and multi-year action plans.

In the first stage, the macro areas of interest are identified, seeing where relevance for the business matches relevance for the stakeholders, making an assessment that weighs up the positions expressed by the first line of management with those of the majority shareholder and, thanks to targeted questionnaires, the other stakeholders that are considered relevant, namely the employees and a selection of significant suppliers and customers. The exercise is periodically updated or repeated to take into account changes in strategy and performance, as well as in the sensitivity and perception of stakeholders.

Material macro-areas



In the second stage, all impacts, risks and opportunities relating to the individual macro-areas are systematically assessed according to the methodology defined at Italmobiliare Group level, considering short-term (1 year), medium-term (up to 5 years) and long-term (up to 10 years) time horizons. Actions already underway or planned for the near future counteract potential negative impacts, promote positive impacts, mitigate risks and enable opportunities to be seized.

	Negative ▼ and Positive ▲ Impacts	Initiatives adopted
Economic results and shared value	▲ Generating shared value for stakeholders.	M • Redistribution of the value generated, in particular to suppliers, employees and communities.
Governance and integrity	▲ Relationships with partners and stakeholders based on codes and policies aimed at sustainability.	M • Adoption of a Code of Ethics, Sustainability Policies, Model 231 and a Partnership Charter aligned with the commitments made with the UN Global Compact, WEPs and SBTi.
Procurement and supply chain	▼ Possibility of non-compliance with human rights, labour rights and equal opportunities along the raw material supply chain, particularly the one for pork meat.	S • Sharing governance documents with all partners and stakeholders. • ESG pre-qualification and qualification of business partners. • Activation of a protected system of whistleblowing that is open to all stakeholders.
	▲ Sharing the highest operational standards, including animal welfare, with partners along the value chain.	S • Promotion of the Capitelli Supply Chain based on the supply chain protocol defined by Capitelli and aimed at innovation, sustainability and fair redistribution of economic value along the value chain.
Human capital development	▲ Creating an attractive, motivating and rewarding work environment.	S • Continuous and differentiated training for the various professional roles. • Short- and medium-term incentive plans. • Corporate welfare.
Health, safety and well-being	▼ Possibility of accidents at work that could cause injury.	S • Continuous promotion of a safety culture. • Safety audit
	▲ Duty of care towards employees, collaborators, visitors and any other person who accesses production sites and shops.	S
Product and service stewardship	▲ Safe products that can support sustainable choices for customers, consumers and users. ▲ Production and packaging based on the selection and responsible use of raw materials, ingredients and packaging, minimising food waste, promoting correct disposal and reducing the impact on the environment	S • Excellent food standards and production rule books • IFS certification • ESG pre-qualification and qualification of suppliers, with the inclusion of ESG clauses in contracts. • Eco-design of the packaging.
Low-carbon transition	▼ Greenhouse gas emissions along the entire value chain.	L • Systematic assessment of exposure to physical and transition climate risks and their short-, medium- and long-term financial impacts. • Adherence to the Science Based Targets initiative and definition of validated medium-term (2030) and net-zero (2050) reduction targets.
	▲ Business model resilience through a decarbonisation strategy aligned with the objectives of the Paris Agreement	M • Within the Capitelli Supply Chain, contracts with breeders to promote the concept of reducing their carbon footprint.

S = Short term M = Medium term L = Long term

	Risks ▼ and Opportunities ▲	Mitigations and initiatives adopted
Economic results and shared value	▼ The spread of swine fever in Italy may have repercussions on the price and availability of raw materials, as well as on consumption.	• Geographical diversification of pork supplies. • Increased storage capacity
	▲ Rising volumes thanks to the premium sector and an ESG strategy that meets the growing sensitivity of consumers to product sustainability, with a possible boost to volumes.	• Investment in human resources and in-house training. • Request to share objectives for strategic suppliers by supporting and stimulating activities.
Governance and integrity	▼ Partial implementation of the ESG strategy, also because of dependence on third parties	• Adhesion to SBTi (2024), target validation (2025) and ESG plans.
Procurement and supply chain	▼ Increased supply costs due to more stringent regulations, with a focus on decarbonisation: • Regulations relating to the protection of biodiversity/deforestation (EUDR for the origin of feed ingredients) • Packaging Regulations (PPWR) • Regulations relating to the value chain (CSDDD)	• Promotion and consolidation of the Capitelli Supply Chain. • ESG qualification of suppliers • SBTi implementation: decarbonised supply chain
Health, safety and well-being	▼ Failure to achieve the zero accidents target, with negative consequences for people and operational discontinuity.	• Continuous promotion of a safety culture starting from visible and perceived leadership on the part of management. • Continuous safety training at all levels of the company. • Safety audit
Low-carbon transition	▼ Reduction in the availability of raw materials and increase in prices due to higher average temperatures and/or droughts caused by climate change.	• Geographical diversification of pork supplies. • Increased storage capacity
	▼ Growing sensitivity of distributors and consumers to the sustainability and carbon footprint of the product (pork meat) with possible effects on the volumes sold.	• SBTi implementation: decarbonised supply chain with focus on animal feed • Promotion and consolidation of the Capitelli Supply Chain. • Possibility of a gradual switch to single-material packaging, removing aluminium also for outsourcers.
	▲ Decarbonisation of production by maximising the use of renewable energy sources.	• Effective communication of the decarbonisation strategy and SBTi commitments. • New photovoltaic park (SUN Giovanni project), built by Italgas on adjacent land, with installed power capable of satisfying most of the plant's energy needs. The activity is coupled with the launch of a study to improve the efficiency of steam production and replace gas boilers with electric boilers.

 = positive outlook in the medium to long term.

Environmental information

LOW-CARBON TRANSITION

ESRS E1 - Climate change

The ultimate responsibility for ESG governance, particularly for climate-related risks and opportunities, lies with the Board of Directors. The annual and multi-year ESG plans include actions and objectives for decarbonisation of the entire value chain included in the variable remuneration of the CEO and managers.

In support of Italmobiliare's decarbonisation strategy, in 2024 Capitelli also joined the Science Based Targets initiative (SBTi). The identified objectives have been validated by the SBTi expert team. Capitelli has taken a commitment to mitigate the climate-altering effects of its activities along the entire value chain. selection and involvement of suppliers, streamlining of production processes and optimisation of logistics are key focus areas.

Since 2022, Capitelli has only been using renewable electricity, partially self-produced. In addition, an agreement has been reached with Italgas for the construction of a photovoltaic park adjacent to the Capitelli plant with a power of approximately 4 MW, capable of satisfying most of the company's electrical and thermal needs.

The following table shows details of the decarbonisation objectives validated by SBTi.

Objectives validated by SBTi

Scope	Objective	Status 2024
Scope 1+2 fuels and electricity	To reduce absolute Scope 1 and 2 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	-44%
	To continue buying 100% renewable electricity every year until 2030	100%
Scope 3 Forest, Land and Agriculture (FLAG) emissions	To reduce absolute FLAG emissions by 30.3% before the end of 2030 and by 72% before the end of 2050 compared with the base year 2023.	-6%
Scope 3 non-FLAG emissions	To reduce absolute Scope 3 emissions by 42% before the end of 2030 and by 90% before the end of 2050 compared with the base year 2023.	-4%
Scope 1+2+3	To reach Net Zero emissions along the entire value chain by the end of 2050 .	-7%

The energy consumption and energy mix of Capitelli are shown in detail in the following table.

	unit	2022	2023	2024
Thermal energy consumption from fossil fuels		1,561	1,509	1,526
Natural gas		1,406	455	560
Diesel and LPG, for process		0	980	940
Automotive fuels		155	74	26
Thermal energy consumption from renewable sources		0	0	0
Biodiesel		0	0	0
Energy consumption from renewable sources		1,128	1,093	1,030
Hydroelectric	MWh	926	902	885
Solar		202	190	145
Wind		0	0	0
Other/Mix		0	0	0
Consumption of purchased renewable electricity		926	902	898
Consumption of self-produced renewable electricity		202	190	132
Total energy consumption		2,688	2,602	2,557
% of fossil fuels on total energy consumption		58%	58%	60%
% of renewable sources on total energy consumption		42%	42%	40%
Energy intensity	MWh / M€ Revenue	140	116	110
Electricity self-produced from renewable sources		204	192	134
Solar	MWh	204	192	134
Renewable electricity self-produced and fed into the grid		2	2	2

Greenhouse gas emissions (Scope 1, 2 and 3) are detailed in the table below. Capitelli adopts the “financial control” approach and the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Carbon footprint	unit	2022	2023	2024
Market Based		25,593	28,863	26,958
Location based	t CO2e	25,899	29,162	27,345
Carbon Intensity - Market based		1,333	1,288	1,160
Carbon Intensity - Location based		1,349	1,301	1,177
Scope 1	t CO2e / M€ Revenue	19	27	15
Scope 2 - Location Based		16	13	17
Scope 2 - Market Based		0	0	0
Scope 3		1,314	1,261	1,146

Avoided emissions (location based)	unit	2022	2023	2024
Avoided emissions		1	1	1
From photovoltaic production fed into the grid	t CO2e	0.70	0.59	0.72

Carbon footprint Details*	unit	2022	2023	2024	2024
Carbon footprint - Market based	t CO2e	25,593	28,863	26,958	
Scope 3 - Upstream		25,226	27,969	26,273	97.5%
1 Purchased products and services		24,960	27,147	25,645	95.1%
of which FLAG		--	23,772	22,429	83.2%
2 Capital goods		--	197	42	
3 Fuel-and energy-related activities		74	63	63	0.2%
4 Upstream transportation and distribution		26	407	432	1.6%
5 Waste generated by the sites		165	121	50	0.2%
6 Business travel		0	7	3	0.0%
7 Employee commuting		0	28	38	0.1%
8 Upstream leased assets		--	--	--	
Scope 1	t CO2e	365	601	339	1.3%
Scope 2- Market Based		0	0	0	0.0%
Scope 2 - Location Based		306	299	387	
Scope 3 - Downstream		2	293	346	1.3%
9 Downstream transportation and distribution		--	165	225	
10 Processing of sold products		--	125	121	
11 Use of sold products		--	--	--	
12 End-of-life treatment of sold products		2	3	1	0.0%
13 Downstream leased assets		--	--	--	
14 Franchises		--	--	--	
15 Investments		--	--	--	

* The carbon footprints for 2022 and 2023 were refined during SBTi's validation process of decarbonisation targets.

In line with the Italmobiliare Group, Capitelli applies a shadow price as an effective decision-making tool that integrates financial variables with ESG ones. The main applications are related to the quantification of the financial impacts of budgetary or strategic planning, such as supply chain or logistics optimisation, and informed decision-making processes regarding the most important investments. The unit value is taken from the curves of the "Net Zero 2050" scenario defined by the Network for Greening the Financial System (NGFS), which is consistent with the SBTi commitment and used for the assessment of transition climate risks. Physical climate risks are identified with respect to the “Current Policies” scenario, again as defined by the NGFS (Network for Greening the Financial System).

Section 5 | PORTFOLIO COMPANIES

RESPONSIBLE USE OF WATER

ESRS E3 - Water and marine resources

The water from internal wells is used mainly for the daily sanitisation of the factory. Capitelli is also well aware that its supply chain has a significant water footprint.

Water balance	unit	2022	2023	2024
Withdrawals		14,365	14,335	13,928
Surface water		0	0	0
Groundwater		14,365	14,335	13,928
Aqueduct		0	0	0
of which in water stressed areas		0	0	0
Surface water		0	0	0
Groundwater		0	0	0
Aqueduct		0	0	0
Water discharge	m³	13,842	13,813	12,844
Surface water		13,398	13,370	12,403
Groundwater		0	0	0
Sewage		444	443	441
of which in water stressed areas		0	0	0
Surface water		0	0	0
Groundwater		0	0	0
Sewage		0	0	0
Water consumption		523	522	1,084
of which in water stressed areas		0	0	0
Intensity	m³ / M€ Revenue	27	23	47

RESPONSIBLE USE OF MATERIALS

ESRS E5 - Resource use and circular economy

In addition to pork legs, Capitelli consumes packaging materials, during cooking and pasteurisation, as well as during moulding and packing. Trimmings, bones, fat and gelatine are entrusted to specialist operators for direct commercial use or for transformation into animal feed, for the chemical industry, for the production of biofuels and for the production of fertilizers.

For the “out of mould” cooking and pasteurisation of the legs, bags made of temperature-resistant polymeric materials are required, currently available only in virgin material and not recyclable except as energy recovery.

Capitelli's finished products are packaged in bags made of poly laminates in virgin materials, which can be sent for material recovery after differentiation or for energy recovery. The packaged products are delivered to the carrier in FSC MIX certified cardboard packaging, which is partially recycled and fully recyclable.

Main Resource Inflows

Biological origin	unit	2022	2023	2024
Process materials				
Pork meat	t	1,951	2,017	1,999
Other ingredients		93	97	115
Packaging materials				
Paper and cardboard *	t	78	84	83
Extractive or fossil origin				
Process materials				
Plastic for production	t	0	4	6
Packaging materials				
Aluminium	t	1	1	1
Plastic		16	16	17

* May contain fractions originating from by-products or waste streams.

Resource Inflows	2022		2023		2024	
	t	%	t	%	t	%
Production materials, semifinished goods and ancillaries	2,044		2,119		2,120	
of which recycled	0	0%	0	0%	0	0%
Renewable or organic	1,951	95%	2,115	100%	2,114	100%
of which recycled	0	0%	0	0%	0	0%
Non-renewable or technical	93	5%	4	0%	6	0%
of which recycled	0	0%	0	0%	0	0%
Packaging materials	95		101		101	
of which recycled	56	58%	0	0%	68	67%
Renewable or organic	78	82%	84	83%	83	82%
of which recycled	55	70%	0	0%	67	81%
Non-renewable or technical	17	18%	17	17%	19	18%
of which recycled	1	6%	0	0%	1	4%
Total materials	2,140		2,220		2,221	
of which recycled	56	3%	0	0%	68	3%
Renewable or organic	2,029	95%	2,198	99%	2,197	99%
of which recycled	55	3%	0	0%	67	3%
of which from sustainable supply chain	78	4%	84	4%	83	4%
Non-renewable or technical	110	5%	21	1%	24	1%
of which recycled	1	1%	0	0%	1	3%

Capitelli does not generate hazardous waste.

Resource Outflows	2022		2023		2024	
	t	%	t	%	t	%
Total waste	264		847		715	
Recycled	--	--	83	9.8%	0	0.0%
Non-recycled	--	--	764	90.2%	715	100.0%
Non-hazardous waste	264	100%	847	100%	715	100%
Recycled	--	--	83	9.8%	0	0.0%
Non-recycled	--	--	764	90.2%	715	100.0%

Resource Outflows	unit	2022	2023	2024
Non-hazardous		-	847	715
Material recovery		-	773	618
Recycling (R3; R4; R5)		-	83	0
of which composting (R3)		-	83	0
of which other forms of recycling (R4; R5)		-	0	0
Preparation for re-use (R2; R6; R9)	t	-	0	0
Other recovery operations (R1, R7, R8, R10, R11, R12, R13)		-	607	618
Disposal		-	157	97
Landfill (D1)		-	0	0
Incineration (D10; D11)		-	4	9
Other disposal operations (D2-D9; D12-D15)		-	153	88

Social information

HUMAN CAPITAL DEVELOPMENT

ESRS S1 - Own workforce

Capitelli benefits from the value of 37 specialised and motivated people, by choice mainly from the local area, including a fair number of non-EU citizens. A significant use of non-employee workers was made. In 2023, they were 64, mostly agents.

An incentive system is active, anchored to an assessment of performance at company, function/area and individual level. The results obtained by the figures with organisational responsibilities include qualitative parameters regarding food safety and sustainability, based on a model which is currently under development.

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Personnel	11	34	45	9	33	42	9	28	37
Managers	0	1	1	0	1	1	0	1	1
Middle managers	0	0	0	0	1	1	0	1	1
Office workers	8	3	11	9	3	12	9	3	12
Production workers	3	30	33	0	28	28	0	23	23
Turnover	--	--	-2	--	--	-3	--	--	-5
+ Hirings	--	--	8	--	--	6	--	--	4
+ Acquisitions	--	--	0	--	--	0	--	--	0
- Voluntary exits	--	--	1	--	--	2	--	--	5
- Non-voluntary exits	--	--	9	--	--	7	--	--	4
- Divestments	--	--	0	--	--	0	--	--	0
% contract: permanent	73%	74%	73%	100%	79%	83%	100%	96%	97%
% contract: full time	45%	79%	71%	67%	85%	81%	67%	93%	86%
Training									
Hours per capita	17	21	20	11	7	8	16	6	8
Managers	--	13	13	--	17	17	--	17	17
Middle managers	--	--	--	--	22	22	--	22	22
Office workers	23	54	31	11	5	10	16	9	14
Production workers	--	18	17	--	7	7	--	4	4
% hours of voluntary training	--	--	--	75%	29%	42%	63%	30%	46%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	70%	70%	--	91%	91%
Office workers	--	--	--	75%	86%	76%	63%	33%	59%
Production workers	--	--	--	--	13%	13%	--	2%	2%
% with at least one training session	--	--	--	75%	79%	78%	70%	75%	74%
Managers	--	--	--	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	100%	100%	--	100%	100%
Office workers	--	--	--	100%	100%	100%	78%	67%	75%
Production workers	--	--	--	0%	76%	69%	--	74%	72%
% with performance appraisal	73%	82%	80%	100%	85%	88%	100%	100%	100%
Managers	--	100%	100%	--	100%	100%	--	100%	100%
Middle managers	--	--	--	--	100%	100%	--	100%	100%
Office workers	100%	100%	100%	100%	100%	100%	100%	100%	100%
Production workers	--	80%	73%	--	82%	82%	--	100%	100%

Also thanks to the methodological support of the WEPs Gender Gap Analysis Tool, various initiatives enhancing gender equality have been identified, well beyond women participation in the company organisation, which will be included in forthcoming development plans.

	2022	2023	2024
Gender pay gap			
<i>Difference between women's and men's average pay compared with men's average pay</i>	10%	28%	8%
Managers	--	--	--
Middle managers	--	--	--
Office workers	18%	-5%	-16%
Production workers	--	--	--

HEALTH, SAFETY AND WELL-BEING

ESRS S1 - Own workforce

Capitelli promotes the health, safety and wellbeing of all employees, including companies, suppliers, visitors, customers and the local community in the approach.

The approach adopted is aligned with the applicable national regulations, starting with a solid risk assessment, updated periodically with the support of qualified third parties. The use of cutting tools, potentially slippery surfaces, interaction between people and moving vehicles and process machines with moving mechanical parts are the prevailing risk conditions identified. A dedicated internal structure, the presence of the company doctor and the formal involvement of the social partners constitute the reference organisation. Preventive reporting of anomalous or risk conditions by everyone, an accurate analysis of accidental events, even if not serious, and adequate training activities ensure continuous improvement. The entire workforce is covered by an occupational health and safety management system.

In line with the Sustainability Policies adopted, Capitelli intends to develop the management method, finding a foundation in the managerial leadership that supports the motivational elements, the organisational structures and the necessary operational tools, such as risk assessment and the analysis of accidental events. Far beyond simple legislative compliance, this approach aims to build a true culture of safety, protecting the safety of anyone involved in operational activities and, at the same time, improving managerial skills and motivations for achieving broader results objectives.

	2022			2023			2024		
Injuries	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	--	--	1	0	2	2	0	3	3
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	1	0	2	2	0	3	3
Lost days	--	--	8	0	62	62	0	40	40
Frequency rate	--	--	16.5	0.0	42.3	33.9	0.0	66.8	52.2
Severity rate	--	--	0.1	--	--	1.1	--	--	0.7
Non-Employees	--	--	0	0	0	0	0	0	0
Fatalities	--	--	0	0	0	0	0	0	0
Injuries	--	--	0	0	0	0	0	0	0
Lost days	--	--	--	0	0	0	0	0	0
Frequency rate	--	--	--	--	0	0	--	0	0

In order to improve well-being, a reorganization of the office spaces has begun, and construction work is scheduled for the expansion of the changing rooms.

PRODUCT STEWARDSHIP

ESRS S4 - Consumers and end-users

The ultimate goal of Capitelli's entire business is quality excellence, repeatedly appreciated by the market. Also in 2024, the "San Giovanni" cooked ham was confirmed with the assignment of five pins by the Guide to Salumi d'Italia de L'Espresso, the only cooked ham in Italy to obtain this result since the first edition. These awards are the result of careful research conducted in the field since the foundation of the company by Angelo Capitelli, starting from the rediscovery of traditional processing methods to pursue a progressive refinement of the individual phases.

The sustainable value of the products arises from the supply chain, with responsible choices for procurement that will be further consolidated with the full implementation of the "Capitelli Supply Chain". It continues with initiatives aimed at reducing the environmental footprint of production, from renewable energy to the search for business partners for the enhancement of processing waste. In addition, thanks to the close relationship with suppliers, Capitelli monitors the technological opportunities for the introduction of recycled and recyclable packaging and subsidiary materials.

For Capitelli, the pursuit of qualitative excellence is inextricably combined with compliance with the highest food safety standards.

The main suppliers of pork used by the company have certifications in the field of food safety (BRC / IFS). Capitelli obtained in 2023 certification in accordance with the IFS standard – International Food Standard and planned the necessary adjustments. Compliance with the HACCP system of the individual processing stages carried out in the plant is ensured by analytical plans for controlling the physical, chemical and biological characteristics of the meat and by the bimonthly carrying out of sample analyses on the finished product by an external analysis laboratory. Furthermore, every two months, analyses are carried out on incoming meat samples and swabs on processing surfaces, cold rooms and technical equipment. For the "San Giovanni" terracotta line, an additional analysis of sample unit for the search for bacteria and pathogens is also provided on a six-monthly basis, as well as checks for determining the nitrite and nitrate content. The pork legs are subjected to pasteurization, ensuring a better shelf life.

In addition to direct production, for a marginal portion of its business volume, Capitelli distributes national cured meats made by selected producers and with the highest guarantees of quality and food safety.

The company actively participates in the audits carried out periodically by large-scale distribution chains, whose specific evaluation parameters are integrated from time to time into the HACCP self-control protocol. In order to ensure greater control of the distribution phase, the company has introduced a digital system that allows timely tracking of batches.