

 **Ferrarelle**spa

A NATURALLY SPARKLING  
ITALIAN COMPANY



Sustainability Report 2015



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Photo: Martino Lombezzi



# SOCIAL COMMITMENT

## An instinct that becomes a mission and a strategy

*In all its long history, only recently has Ferrarelle shown a decisive change in stride, managing to combine constant optimisation in industrial and management processes with much anticipated initiatives and projects to support social and environmental issues.*

*In terms of management, we have witnessed a true evolution - even maturation - which, over these first ten years have involved each one of us.*

*We have discovered what it means to manage brands - like our own - linked with the world of beverages. We have understood the value of being directly in contact with the consumer, of dialogue with the world of retail and widespread consumption, as well as with the ho.re.ca sector. But we have done so with the strength of a business culture - a way of interpreting the company - that is not only based on creating income, but also on fulfilling a task of providing value to the territory, especially in social and environmental terms.*

*Over time, the choices we have made and the projects we have worked on were - and continue to be - the expression of a wish: to develop a sort of mission. In the beginning, it developed almost instinctively - like planting a large olive grove in our Ferrarelle Sources Park, which until then had been kept wild. It then slowly became a mission that was aware of its importance in planning our company strategies.*

*Combining "raw" business with the need to create value and stability, not only in economic terms, but also socially - for our territory - with positive effects to the benefit of the image of our company and its brands, but above all for the dignity of the company and those it represents.*

*Thanks to this business approach, which has now been applied for some time, and in addition to the never-ending process of industrial and commercial optimisation, we have promoted important projects with UNICEF to bring water to parts of Africa, we are committed - with FAI - to increasing the perceived value of our Sources Park, and we support genetic research through the Telethon Foundation. These are just a few examples - the best known ones - but there are many occasions in which the company chooses to act justly in situations which - for various reasons - are difficult.*

*In short, we are attempting to provide adequate response to the needs of territories, people and situations that have not had out good fortune. Because it is necessary to understand that there is a report that must be made almost daily, which drives us to say that we cannot produce wealth while remaining poor in our relationships with the world around us.*

**CARLO PONTECORVO**  
President, Ferrarelle SpA



Photo: Martino Lombezzi



# A PERSONAL REPORT

## For a new dignity of consumption

*It has been just over 10 years since the acquisition of this company, and it is maybe the best time to draw up a report. 12 years of intense growth, in which we have learnt a lot about mass consumption.*

*My company experience started after having fed my passion for humanities, receiving a degree in Literature. I arrived at Ferrarelle through the door of communication - the most convenient, in my case. I started from there and moved on. I found that I was passionate about corporate social responsibility, and this became my creature within the company.*

*My very first experience was with UNICEF Italia, with a project entitled "L'acqua che fa del bene" - the first step in a series of initiatives with a common thread: being able to create a true partnership with non-profit organisations, allowing us to communicate not only a charitable action, but also added value for our consumers.*

*Today, at Ferrarelle we have participated in socially responsible initiatives including genetic research and environmental support. We have found that there is a deep cultural bond between such initiatives and the company's identity.*

*We support FAI - the Italian Fund for the Environment - the most important Italian organisation in Italy for the protection of environmental and architectural heritage, which has welcomed our Sources Park into its circuit of visitable heritage and places, thus bringing value to the Province of Caserta, the area where we work.*

*We support the Telethon Foundation, focusing our investment on Tigem - a genetic research laboratory in Pozzuoli, which has created significant satellite activity for the territory, in both professional and economic terms.*

*We support other social and cultural initiatives, which are smaller but no less noteworthy.*

*In this way, we feel that we are giving back something valuable. It is a part of our culture, at the core of our business: giving something back to the community, the territory, the stakeholders, through the creation of healthy and fair management systems. This, in my opinion, is part of the duties of companies like Ferrarelle, who have the fortune of being in a healthy financial position, with a flourishing commercial activity, a renowned brand and, therefore, the possibility of communicating with a huge "audience" of consumers.*

*And it is precisely these consumers - who choose us every day - who are my ideal commitment for the future. What I truly care about is the responsibility for their purchases: if I think about this company and the future generations, I like to imagine that we can really commit to a path that helps to rediscover a sustainable, balanced, healthy, and sensible style of nutrition. Because today, nutrition is a source of great confusion: much effort is dedicated to communication - particularly on television - and not much is done to help make responsible choices. This, I think, is the great limit to Italian consumption, in spite of record levels of quality and variety. This - when I think of the future - is where I would like to invest concrete commitment so that Ferrarelle can become a leader in promoting and spreading the idea of alternative dignity in consumption.*

**MICHELE PONTECORVO RICCIARDI**  
Director of Communication and CSR





# FERRARELLE PROFILE

## A transparent business

Ferrarelle SpA is a company that works in bottling and distributing mineral water both nationally and internationally. Today, it is the fourth Italian mineral water producer, in terms of market volume, with a quota of 7.9%<sup>1</sup>. In 2015, Ferrarelle sold 851 million litres of mineral water and recorded a net turnover of 130 million Euro and an EBITDA of 17 million Euro - a 13 million Euro increase compared to the previous business year.

Established in January 2005, when LGR Holding SpA purchased the Italaquae SpA company from the Danone Group. The company was then given the name Ferrarelle SpA, thus becoming the owner of the Ferrarelle, Natia, Santagata, and Boario brands, and exclusive distributors of the Evian brand in Italy, in addition to licensees for the water and beverage categories of the Vitasnella brand, purchased in 2012. In 2014, Ferrarelle further extended its portfolio by launching Fonte Essenziale.

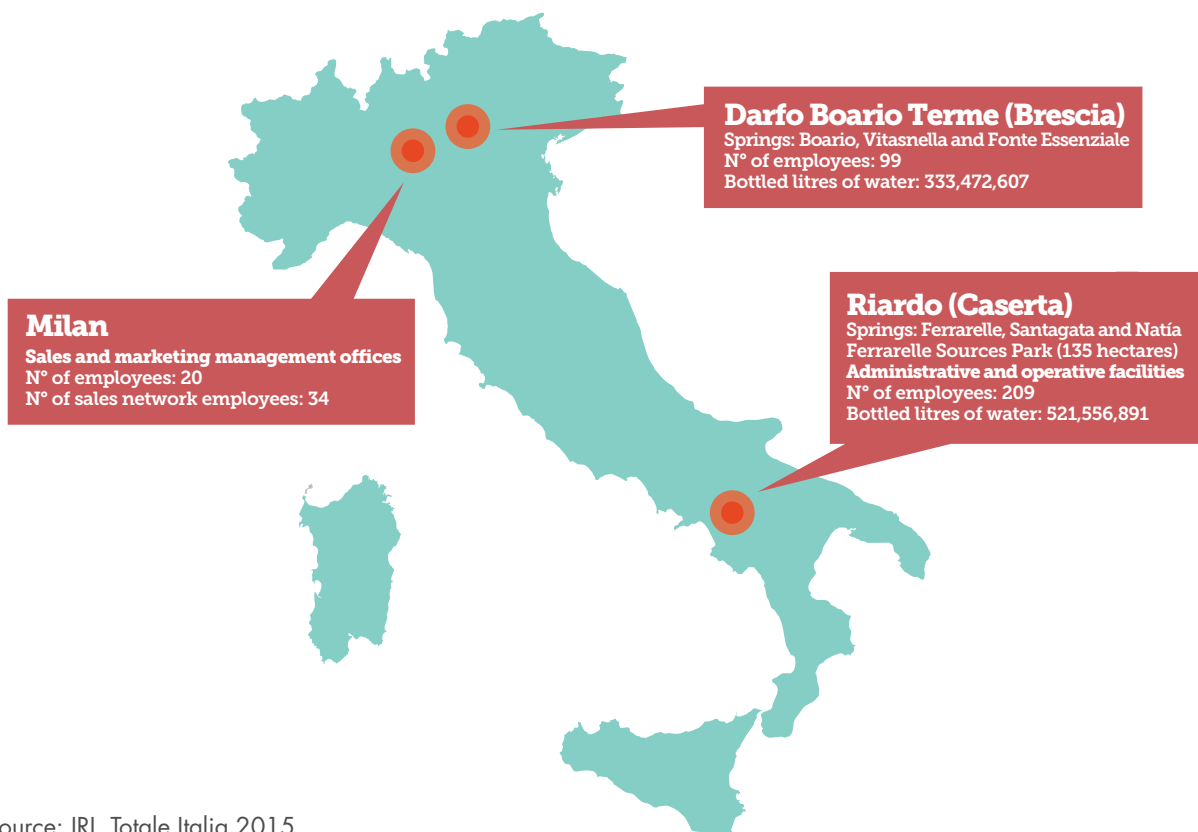
The choice of identifying the group with the historical Ferrarelle label reflects its will to emphasise and acknowledge the long-standing

tradition and its association with the concept of quality since 1893.

Ferrarelle SpA is a 100% Italian company - proudly against the flow compared to the current trend among historical Made in Italy brands ending up under foreign ownership.

The company has about 350 employees spread out over three strategic locations: Milan: the location of the sales, marketing and communication offices. Riardo (Caserta): the administrative and operative offices where the Ferrarelle Sources Park sponsored by FAI - Fondo Ambiente Italiano - is located, and home to the Ferrarelle, Santagata and Natia Springs. Darfo Boario Terme (Brescia): home to the Boario, Vitasnella and Fonte Essenziale springs.

On the international market, Ferrarelle operates in more than 40 different countries (focusing especially on UK and USA), exporting Ferrarelle - naturally effervescent - and Natia - still - placing its products in the away-from-home sector, and particularly in delicatessens, top hotels and restaurants.



<sup>1</sup> Source: IRI, Totale Italia 2015

# A BRAND THAT CONTINUES TO MAKE HISTORY

The history of the Ferrarelle brand is a long industrial story that starts at the end of the Nineteenth century.

In 1893 Antonio De Ponte - the owner of the farmland in the place called Ferrarelle - began industrial use of the local mineral water springs. But only in 1900 did Ferrarelle make its debut in high society. The opportunity came with the National Hygiene Exposition, where crowds literally stormed the company's kiosk. It was a mealtime water with miraculous health benefits, which the handbook from that time indicates as "slightly sour, alkaline, antiuric, digestive, bacteriologically pure and free of microbes".

The step from Riardo to Rome was a short one. It was 1904, and De Ponte embraced the idea of transferring his business to a more strate-

gic position. He notified the public of his intentions with an advertisement printed on an entire page in the "Guida Monaci" - the most authoritative information magazine at the time. In 1908, for unknown reasons, De Ponte mysteriously left the company, and there were no further developments until 1925, when the Violati family purchased the company, which became part of the Italaquae company in 1987, under the control of the Danone Group and Ifil.

In 2005, the Italian company LGR Holding SpA - owned by the Pontecorvo Ricciardi - purchased the company from the Danone Group, and three months later changed the name from Italaquae SpA to Ferrarelle SpA - and effectively taking ownership of the Ferrarelle, Natia, Santagata and Boario brands.





## **The Springs in Riardo**

and the beneficial effect of their waters have been well known since the times of the Roman Empire. They are mentioned by Vitruvius and Plinius the Elder, and in 1700 they are mentioned among the first and most important "effervescent and flavourful" waters.

## **1893 A gift of nature to be shared**

Perfect just the way it is, Ferrarelle water required only one important operation by man: the initiation of channelling work, ordered by Antonio De Ponte in order to make commercial operations possible.

## **1930 From healthy water to desirable water**

If, to this point, the company had only relied on the medical and therapeutic uses of mineral water, for the first time, Ferrarelle began to be mentioned as a choice of taste, mainly in the field of luxury restaurants.

## **1960 The Italian people water**

This is the decisive decade for the economic boom and when Italian industry really took off. This phase was accompanied by an equally quick democratisation of consumption. In this period of social and cultural transition, Ferrarelle quickly changed its position, laying the foundations to become the most commonly widely appreciated mineral water on Italian tables.

## **1980 Still, sparkling, or... Ferrarelle?**

The awareness of the need to communicate the unique spirit of Ferrarelle water inspired the legendary slogan "Still, sparkling, or... Ferrarelle?", that everyone remembers so well. No alteration - nothing added and nothing taken away - only the natural effervescence of a unique water: an icon is born.

## **1993 100 years to celebrate**

Celebrating our first hundred years allowed us to remember that after a whole century Ferrarelle is exactly the same: natural, effervescent, and unrivalled in being a natural masterpiece.

## **2005 Back to our roots**

This year was a turning point, in which the company returned to being truly Italian. A flag and a sense of belonging that we proudly display in the colours of our bottle.

## **2016 In the spirit of effervescence**

A company's value lies not only in what it does, but in the originality of its offer and in its ability to be regenerated over time. That is why, at Ferrarelle, we would like to do more as a company and as a renowned brand, and we combine our daily commitment to preserving the unique properties of Ferrarelle water with the will to become a resource capable of adding value to the natural vitality of all people.

## FERRARELLE'S MISSION

The people at Ferrarelle SpA work to create a business system that has water as a fulcrum, the territory as driving force, and excellence as a daily objective. In its simplicity, mineral water represents a means by which to appreciate a nutritional business culture that is increasingly recognised as a symbol of the Made in Italy label all over the world.

Ferrarelle works every day towards its objectives of development, through the search for:

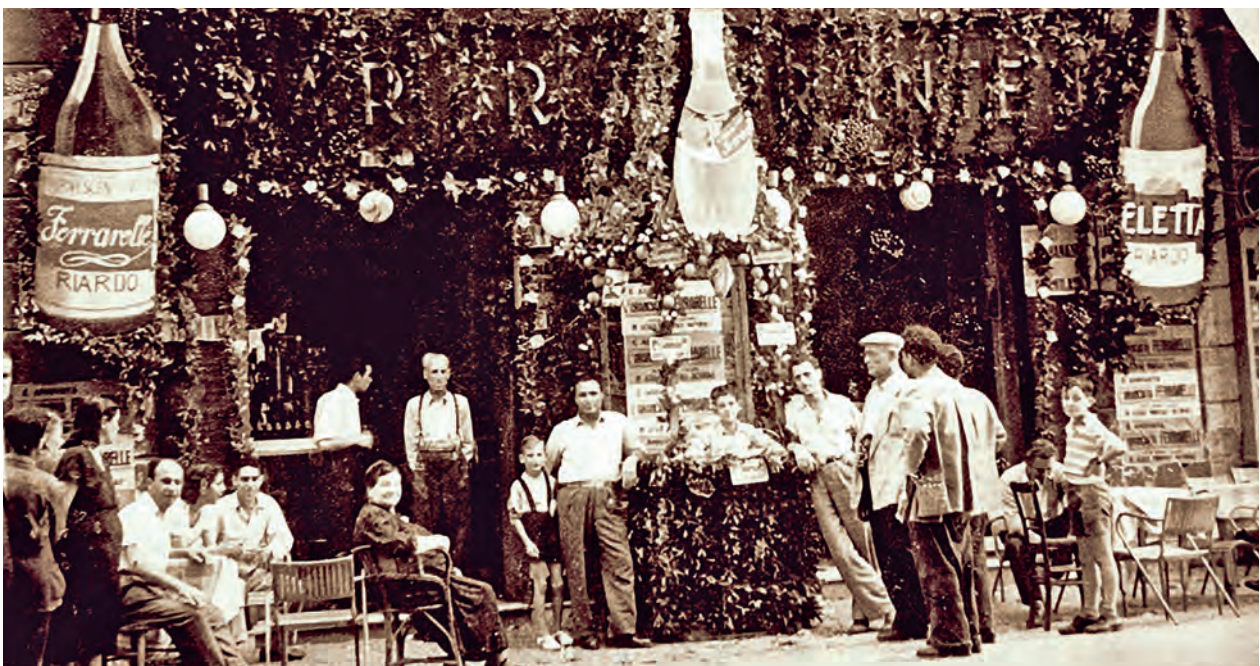
- *Harmonious relations with the territory where our plants/offices are located and with the surrounding environment.*
- *The utmost satisfaction of our customers' and consumers' needs, by maintaining very high quality and value in our products.*
- *A high level of involvement of all collaborators, favouring professional growth and personal gratification.*

## NATURAL VALUES

Today, Ferrarelle SpA manages, administrates and protects natural Italian heritage, full of traditions and biodiversity. That is why the values that guide our daily actions match our awareness of the importance of protecting such a unique gift as our water.

Key values for Ferrarelle are:

- *Attention to natural resources*
- *Appreciation of and care for the territory*
- *Transparency and love for simple things*
- *Italian character*
- *Innovation and the will to constantly reach new objectives*
- *Attention to others.*





## MANY COMMITMENTS FOR EVERYDAY

### Attentive towards our customers and consumers

*Customers and consumers are at the centre of our work: they allow us to develop our business and this is where our growth comes from. The constant thought of our customers and consumers must be the inspiring principle, the basic value behind all our activities within the company.*

*If customers and consumers do not choose us, we have no company and no work. And our customers and consumers must choose us based on clear, transparent and objective information, and in acknowledgement of our approach to work and to the finished product that always aims at excellence.*

### The continuous search for difference as a path to excellence

*We search for difference in order to offer innovative products and services and to obtain excellent results.*

*Only a company that thinks about its customers and consumers and invests in its own people, that strives for levels of excellence and quality, is capable of constantly finding new solutions.*

*In this way, the company may continue to increase its value, extending its range of influence which makes it a market leader, a desirable workplace and a symbol of a high level of professionalism.*

### Respect for each and every collaborator

*The central role of our customers and consumers also involves an adequate investment in the women and men who work with us and who we search for and award based on criteria of excellence.*

*Our work is based on deep respect for the women and men at Ferrarelle, their intelligence, and their unique natures, which we consider to be central values, regardless of their role within the company. This is the only way we can truly allow everyone to feel part of the company, so that everyone can constantly strive for excellence.*

### Sustainability from the spring to the table.

*Being aware of our work also means that we must respect the world around us: our actions must be based on the principle of sustainability. We are therefore committed to protecting the territories where our springs are located against any risk of contamination, as well as protecting the water and geological resources and natural habitats over time. We constantly monitor and check natural resources through daily analyses and studies on the impact of industrial production on the environment. This is just another way we assure our customers and consumers receive a qualitatively excellent final product, the naturalness and nutritional value of which are guaranteed.*



# MINERAL WATER AS MADE BY NATURE

Ferrarelle SpA owns the Ferrarelle, Natia, Santagata, Boario, Vitasnella and Fonte Essenziale brands, and distributes the Evian brand exclusively in Italy.



## FERRARELLE

Ferrarelle is the only mineral water with natural effervescence certified according to the SGS technical specification, which states that all its bubbles are 100% natural, thanks to the underground path that the water follows through volcanic rock under Roccamonfina and carbonate rock under Monte Maggiore (CE). One litre contains 40% of the recommended daily amount of calcium, an important element in maintaining bone health. Calcium, combined with bicarb and carbon dioxide, also has a positive effect on digestion. Ferrarelle also contains potassium, magnesium, silica and fluoride, useful elements in the everyday health of the entire body. It is distributed in a capillary manner in the modern channel and distribution in the ho.re.ca. sector is particularly accentuated in the Central and Southern regions.



## VITASNELLA

Bottled in Boario (BS), in Valle Camonica, it comes from the Vitas spring, after a slow and complicated underground path that starts at the top of Monte Altissimo. It is a low mineralisation water with a low sodium content and a good quantity of magnesium and calcium, associated with the presence of bicarb and sulphates. It is a leading brand among female consumers, and is distributed throughout Italy by both modern and traditional retail channels.



## FONTE ESSENZIALE

Fonte Essenziale is the Antica Fonte mineral water that flows from the springs in Terme di Boario (BS). Low in sodium and high in sulphates and magnesium, its properties have been acknowledged by the Ministry of Health with two designated decrees: the first certifies that Fonte Essenziale may have laxative and diuretic effects, with a favourable action on hepatobiliary functions. The second acknowledges that to receive the benefits of the product it is best to drink two glasses (about 400 ml) a day, at room temperature, preferably in the morning on an empty stomach, before breakfast. It is distributed throughout Italy in the modern retail channel, placed among the functional waters.



## BOARIO

This water has a medium mineral content, high in calcium, magnesium and sulphates. It is the water used for hydropinic treatments of the Terme di Boario springs, to which it owes its precious mineral properties that have made it a renowned water since the Eighteenth century. It is sold mainly through the mass retail channel, and its presence is also growing in the ho.re.ca. sector in the North of Italy.



## NATÍA

A still, low-mineralisation water, just like Ferrarelle it is born in the complex geological circuits of the inactive volcano in Roccamonfina (CE), following a long section through volcanic tuff, during which time it obtains its typical organoleptic properties. It contains interesting quantities of calcium and bicarb. It accompanies Ferrarelle in restaurants, even abroad.



## SANTAGATA

Naturally effervescent, it is originated in the Val d'Assano area, near the Municipality of Rocchetta e Croce (CE), near the Riardo plain. It is a mineral water classified as a calcium bicarbonate water, owing to its significant calcium content. A long-established brand in the Campania region, it is found mainly in the Centre-South of Italy, distributed through the modern and traditional retail channels.



## EVIAN

Evian is a low mineralisation water, that is originated in the pristine peaks of the Upper Savoy Alps. During its journey - which lasts 15 years - it is slowly filtered through a long layer of sand from the Ice Age between two impermeable layers of compact clay. It is distributed in a capillary manner in the modern retail channel, and is found in the top hotels and restaurants.







## THE ORIGIN OF FERRARELLE MINERAL WATER: A UNIQUE PHENOMENON

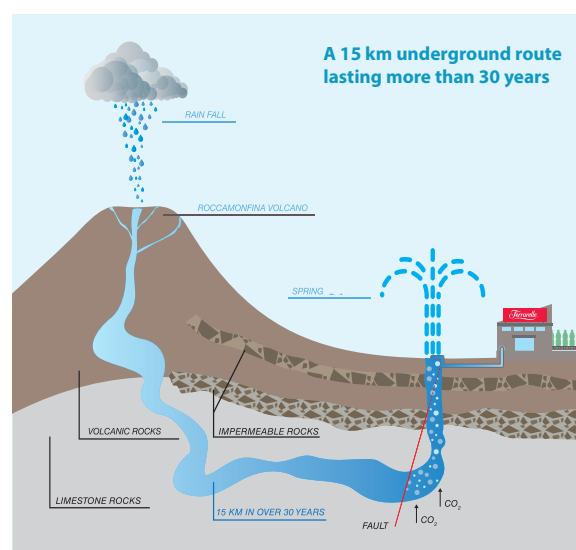
Ferrarelle comes from Riardo, in the province of Caserta, in the northern part of Campania, near the borders with Molise and Lazio, in a green and pristine area known as Valle di Assano, or Bagni.

The springs in the Riardo territory - renowned since ancient times (Plinius the Elder mentions them in his *Naturalis Historia*) - have been mentioned in historic sources that certify their existence and acknowledgement as a destination, in addition to the importance of significant hot spring complexes in the area between Riardo and Teano. The natural effervescence and precious mineral salts that make Ferrarelle an unrivalled water, are the result of the water's journey: a unique phenomenon, designed only by nature. When it rains, the drops of water that fall on the extinct volcano of Roccamonfina penetrate into the ground.

Thus begins a long journey that lasts more than 30 years, during which time the water, running inside the volcano, is purified in the pyroclastic layer, and acquires a series of minerals, including silica and potassium.

Crossing the underlying limestone of ancient shores, it is then enriched with other minerals, including magnesium, calcium, and bicarb, until it encounters the carbon dioxide that rises through the faults in the deepest areas, under the limestone base where it was generated, giving the water its natural effervescence.

It is also the CO<sub>2</sub> that regulates the natural drive of the water towards the surface, pushing it up through the fractures that cross the rocky layers underground.



## Masseria delle Sorgenti Ferrarelle



Masseria delle Sorgenti Ferrarelle Srl is the organic farm company belonging to the Ferrarelle group.

It was established in 2011 as part of a project to increase take advantage of and reclaim the entire Ferrarelle Sources Park in terms of agriculture and landscaping. This project was the result of collaboration between Ferrarelle SpA and FAI - Fondo Ambiente Italiano.

The fulcrum of this farm company is inside the sources park, where the Ferrarelle naturally effervescent water flows. It manages the organic cultivation of 88 hectares of this generous, mineral-rich earth, bringing life to excellent products and making sure that the entire area remains intact and pristine over time.

It is the expression of a family business culture that is clean, attentive towards the territory and its traditions, and whose pillars are respect for nature, attention to healthy nutrition, and love for simple things. In order to continue to guarantee the purity of the park and to avoid interfering with the aquifers below, Masseria delle Sorgenti has chosen only naturally very resistant crops, that mainly require a limited supply of water to survive. This includes olive trees - a very strong tree, that does not require particular treatments and with strong roots that help fight erosion - wheat, and hazels. As confirmation of the park's pristine condition, there are bees - extraordinary organic indicators of environmental health, with as many as 80 beehives.

# GOVERNANCE, ETHICS AND INTEGRITY

Corporate Governance at Ferrarelle SpA is characterised by high standards of transparency and fairness in company management. The governance system is aimed at maximising value, controlling business risks, maintaining and developing trust-based relationships with stakeholders, and protecting the environment.

At Ferrarelle SpA, governance is based on a traditional model, and includes:

- *The Shareholders' Assembly*
- *The Board of Administrators*
- *The Board of Statutory Auditors*
- *The Supervisory Body*
- *The Third Party Financial Auditing Company.*

The main governance instruments the Company uses are:

- *The Statute*
- *The Code of Ethics*
- *The Organisation, Management and Control Model in compliance with Legislative Decree n° 231/01*
- *The certified process management systems and product certifications.*





# The Board of Administrators

The company is currently run by a Board of Administrators invested with the highest powers in terms of ordinary and extraordinary management of the company, without exceptions of any kind. The Board of Administrators sees to everything that is not reserved - either by law or by statute - for the Assembly of Shareholders. The following table shows its composition, roles, executive powers, independence, and the percentages of participation in meetings.

BOARD OF ADMINISTRATORS							
Role	Name	In office since	In office until	Executive	Non-Executive	Independent	% of participation
President and Managing Director	DR. CARLO PONTECORVO	29/04/2014	Statements Approved 31/12/2016	X			100%
Director	PROF. ANGELO CREMONESE	29/04/2014	Statements Approved 31/12/2016		X	X	100%
Director	DR. ADRIANO DUMONTET	29/04/2014	Statements Approved 31/12/2016		X	X	100%
Director	DR. CARLO GIELLO	29/04/2014	Statements Approved 31/12/2016	X			100%
Director	DR. MICHELE PONTECORVO RICCIARDI	29/04/2014	Statements Approved 31/12/2016	X			100%

# The Organisation, Management and Control Model

The company has a Code of Ethics and an Organisation, Management and Control Model to prevent crimes as indicated in Legislative Decree 231/01.

The Model was initially approved by the Board of Administrators on 22 December 2008, and was subsequently modified to update it to new regulations as needed.

In order to guarantee effective and constant actuation of the Organisation, Management and Control Model, in compliance with article 6 of Legislative Decree 231/01, the **Supervisory**

**Body** was created. This is a structure dedicated entirely to its supervision, without any operative duties, currently made up of a single member, nominated by the Board of Administrators on 29 April 2014, a third party professional, qualified with expertise in control procedures.

The Body is characterised by autonomy, independence, professional ability and continuous action, and reports directly to the President.

According to the yearly report prepared by the Supervisory Body for 2015, no particularly critical elements were encountered.

# Management Systems and Certification

Thanks to the 615 quality controls carried out every day, and to the numerous quality and food safety certifications that are updated and renewed every year, mineral water from Ferrarelle SpA is checked and guaranteed to be safe, unique, and special.

## PRODUCT CERTIFICATION

### NATURAL EFFERVESCENCE PROCESS

The subject of certification is the system for control over production of bottled Ferrarelle mineral water, from extraction to retail on the market, in order to guarantee compliance with the standards required to provide the definition of "naturally effervescent". In particular, the control service has the purpose of guaranteeing that the natural effervescence of Ferrarelle bottled mineral water is actually:

- *Natural*
- *Coming from the hydro-mineral basin from which the mineral water flows*
- *In an amount that can be verified at the moment it flows from the spring.*

Ferrarelle is the only brand in the naturally effervescent water market that can boast this certification.

*Ferrarelle mineral water, since 2006. CERTIFICATE SUBJECT TO SEMIANNUAL SURVEILLANCE INSPECTION.*



### BRC - GLOBAL STANDARD FOR FOOD SAFETY

The BRC (British Retail Consortium) standard concerns hygienic/health safety of food products. The purpose of the standard is to guarantee that products distributed by Mass Retail are produced according to well defined hygiene and quality requirements. BRC certification is one of the most widespread international instruments through which operators in the food sector qualify their suppliers.

*Ferrarelle, Natia and Santagata mineral waters since 2008, Boario and Vitasnella since 2011. CERTIFICATES SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*

### IFS - INTERNATIONAL FOOD STANDARD

The IFS (International Food Standard) is an operative instrument to qualify suppliers according to requisites concerning quality, safety and compliance with regulations on food products. It is the BRC equivalent for countries in the central-European area (Austria, Switzerland, France and Germany). Its purpose is to favour effective selection of food suppliers in Mass Retail, based on their ability to provide safe products that comply with contractual specifications as well as legal requirements.

*Ferrarelle, Natia and Santagata mineral waters since 2008, Boario and Vitasnella since 2011. CERTIFICATES SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*



## EPD - ENVIRONMENTAL PRODUCT DECLARATION

The environmental product declaration is a voluntary certification model that makes it possible to communicate objective, comparable and credible information concerning the impact created by products and services on the environment, starting from the first phases of production, from the raw materials used, and all the way to disposal of the container after consumption.

*Ferrarelle mineral water, since 2011.  
CERTIFICATE SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*

## HALAL

The term Halal comes from the Koran, and means "lawful" and, specifically in reference to the food sector, this is the term by which the correct relationship between Muslims and their nutrition is approved. As far as food is concerned, therefore, anything that a Muslim can completely lawfully consume can be defined as Halal. This religious precept - given the growing number of European Muslims - has become an enormously successful point of reference.

*Ferrarelle and Natia mineral waters,  
since 2014.  
CERTIFICATE SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*

## KOSHER

Kosher products are, by definition, those products that, after long control processes, may be consumed by members of the Jewish communities. In addition to guaranteeing the fundamental requirements, they also offer a higher level of quality. It is not by chance that most food industries in the United States choose to achieve this mark for their products. The Union of Orthodox Jewish Congregations of America - known as the Orthodox Union or O.U. - is one of the oldest Jewish orthodox organisations in the USA. Circle U is known for its service supervising "pure foods", identified by the Circle U symbol, found in many advertisements and labels for food products.

*Ferrarelle and Natia mineral waters,  
since 2005.  
CERTIFICATE SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*

## EAC

The national certification system (EurAsian Certification) was introduced in Russia to protect public health and to ensure the safety and quality of imported food products. Certification is necessary for most types of products sold on the Russian market. Products guaranteed by the EAC mark comply with applicable standards.

*Ferrarelle and Natia mineral waters,  
since 2015.  
SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*

# PROCESS CERTIFICATION

## QUALITY MANAGEMENT SYSTEM - ISO 9001: 2008

This standard specifies the requisites in a quality management system, concerning an organisation that needs to prove its ability to regularly provide products that meet customer requirements, and that is required to increase satisfaction by effectively applying the system.

*Ferrarelle SpA, since 1995.  
SUBJECT TO SEMIANNUAL SURVEILLANCE INSPECTION.*

## ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001: 2004

This is the standard that defines the criteria for an environmental management system that the organisation must apply in order to contribute to protecting the environment and preventing pollution derived from their activities. Ferrarelle SpA was one of the first companies in Italy to be accredited.

*Ferrarelle SpA, since 1998.  
SUBJECT TO SEMIANNUAL SURVEILLANCE INSPECTION.*

## PRODUCTION CHAIN TRACEABILITY SYSTEM - ISO 22005: 2007

The search for excellence in products requires complete control of the entire production chain. The standard provides the principles required to fully comply with concepts and requisites in terms of:

- *"tracking" the path that the product follows, from the producer to the consumer.*
- *"traceability" makes it possible to follow the products entire path backwards, to trace its origin.*

*Ferrarelle SpA.  
CERTIFICATE SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*

## NSF

Certification of Ferrarelle and Natia mineral waters concerning food safety and hygiene in the productive process, in compliance with the U.S. FOOD & DRUG ADMINISTRATION standards.

*Ferrarelle and Natia, since 1998  
in compliance with U.S. FOOD & DRUG ADMINISTRATION.  
SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*

## H.A.C.C.P. CODEX ALIMENTARIUS SELF-CONTROL SYSTEM

The food industry supervisor must identify, within their activities, each phase that may be critical for food safety, and must guarantee that adequate safety procedures are applied, maintained and updated. This must be done according to the principles of the Hazard Analysis And Critical Control Point system.

*Riardo Site, since 2004.  
CERTIFICATE SUBJECT TO ANNUAL SURVEILLANCE INSPECTION.*



# A source of satisfaction for all stakeholders

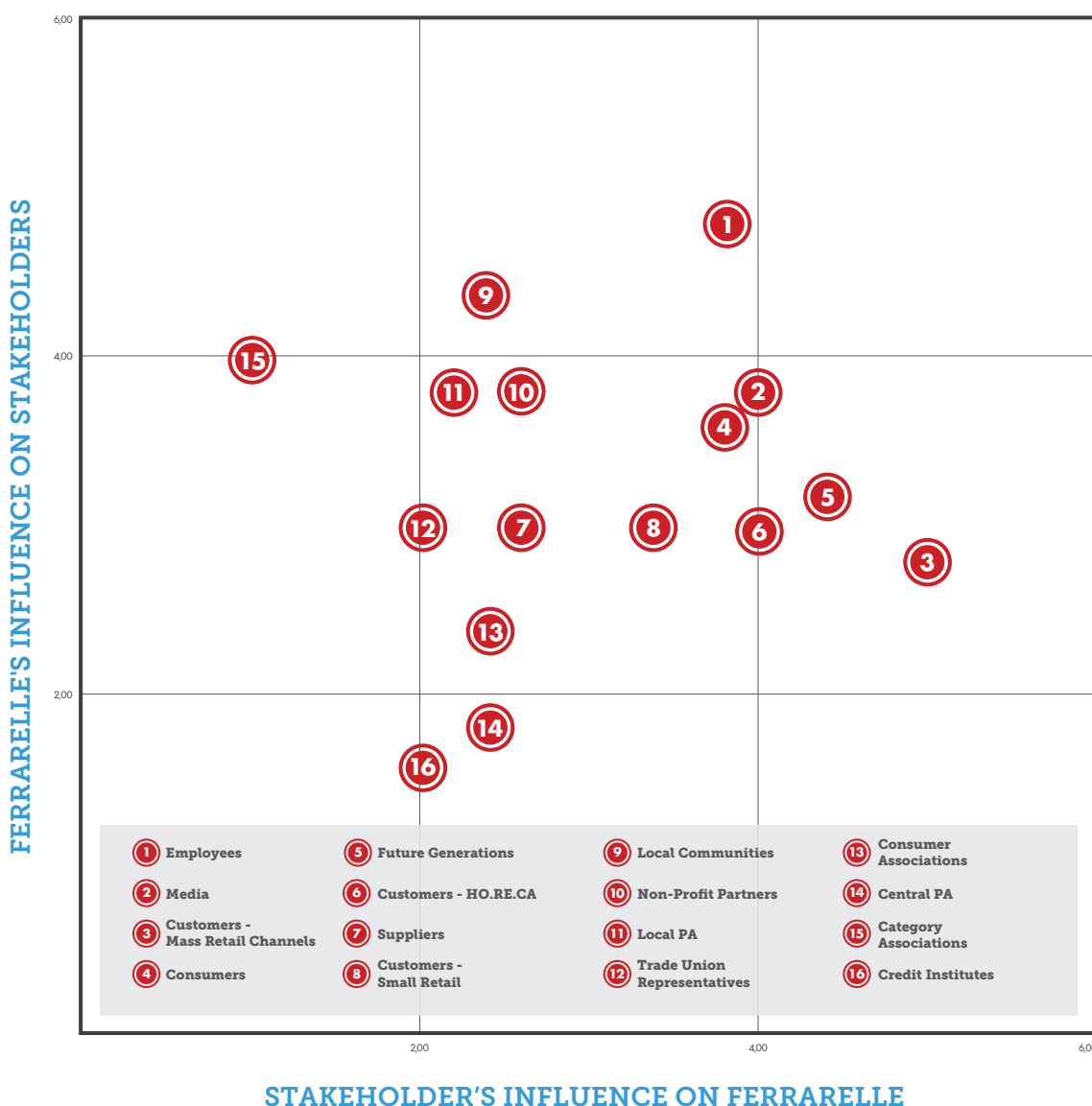
Ferrarelle aspires to maintain and develop positive ethical relations with our stakeholders - all those categories of individuals, groups or institutions with which the company is in contact in order to fulfil our mission.

Ferrarelle considered how each category of stakeholders can be influenced, either directly

or indirectly, by its business activities, and vice versa - to what extent the behaviour of stakeholders can affect the company's activities.

The purpose of this analysis was to better understand the needs and expectations of the various categories of stakeholders, to try and satisfy them in reaching shared objectives.

## MAP OF STAKEHOLDERS



# The Code of Ethics

The Code of Ethics represents the pronouncement of a series of rights, duties and responsibilities that Ferrarelle SpA has towards its stakeholders - everyone the company comes into contact with in achieving its business objectives: shareholders, customers, suppliers, employees, collaborators, consultants, institutions, and the community.

The Code of Ethics has the purpose of directing all Ferrarelle activities towards legal compliance, faithfulness, professional fairness and economic efficiency in internal and external relations, in order to favour uniform behaviour aimed at satisfying the needs of its stakeholders and consolidating a positive reputation. The Code of Ethics guides the interpretation of all standards that regulate the Company's actions.

The Code also establishes the guidelines to follow in enforcing Legislative Decree 231/01 on regulating administrative responsibilities in legal entities.

Each administrator, employee, collaborator or consultant is obliged, in performing their duties - and representing Ferrarelle - to comply with the standards contained in the Code.

Ferrarelle SpA is committed to spreading its Code of Ethics, to updating it regularly, to providing any possible instrument to favour complete application, to performing inspections in relation to any reported violations, to assessing the facts and subsequently taking - in the case of a confirmed violation - suitable disciplinary measures.

Pursuing the Company's interests or advantage can never justify behaviour that goes against the principles listed in the Code.







# SUSTAINABILITY AT FERRARELLE

Ferrarelle considers respect for the environment and reducing the impact of industrial activities an absolute priority. There are essentially two reasons for this: the mandatory ethical commitment towards the community, and the constant maintenance of the natural protection of the aquifers - and therefore the purity of our bottled water. These values start from an ideal of lasting and sustainable development, based on the will to always find the highest quality in all areas of activity and with

each spokesperson. Ferrarelle has always applied strict company criteria to maintain and protect the natural and intrinsic properties that characterise our mineral water, in order to maintain the quality and availability of this resource over time.

However, respect for the environment is not the only element that characterises sustainability here at Ferrarelle. In addition to protecting natural resources, the company is acutely aware of the economic and social effects of its activities.

## The Internal Committee on Sustainability

In order to deepen the analysis of economic, social and environmental aspects that characterise Ferrarelle's sustainable approach, has been created an Internal Committee on Sustainability, made up of:

- *The Director of Communication & CSR - Coordinator*
- *The Managing Director*
- *The Managing Director for Sales and Marketing Activities*
- *The Financial Administration & Supply Chain Manager*
- *The Human Resources Manager*
- *The Environment and Safety Manager*
- *The Quality Manager*
- *The Production Manager*

The Director of Communication & CSR - the Committee Coordinator - is part of the Board of Administrators. The Committee's purpose is to define strategic guidelines for the company, and how they must be followed, in terms of sustainable development, in addition to promoting social responsibility initiatives.

The Committee's responsibilities are:

- *Assessing social and environmental risks concerning company operations, and assessment of the corresponding performance levels.*
- *Defining and monitoring the sustainability program, made up of economic, social and environmental objectives.*
- *Implementing codes of conduct and behavioural principles that are relevant in social and environmental terms, defined by the company (such as the Code of Ethics, and the Quality, Environmental and Traceability Procedures), and by the applied international reporting standard (Global Reporting Initiative - G4).*
- *Defining and coordinating activities to listen to, discuss with and involve stakeholders, in addition to sharing results and actions to be taken.*
- *Creating Sustainability Reports and defining and actuating plans for internal and external communications on this issue.*

The Internal Committee's main activity for sustainability in this first reporting cycle was to create the **materiality analysis**.

## MATERIALITY ANALYSIS

All aspects linked with management of the company that have a direct or indirect impact on the ability to create, preserve, or affect the economic, environmental and social value of the organisation, its stakeholders and society in the broadest sense are to be considered "material".

Using the materiality analysis, Ferrarelle identified the most relevant Aspects, and shared them with its stakeholders. This has contributed - and will continue to contribute - to the development of a corporate social responsibility culture, both inside and outside the company.

### Identifying relevant aspects

The first step the company took through the work of the Internal Committee on Sustainability was to accurately select the most significant Aspects for sustainability at Ferrarelle, taking into consideration - in addition to the instructions contained in the Global Reporting Ini-

tive G4 Guidelines - a combination of factors concerning the organisation, such as: the mission, values, strategies, quality and environmental management systems, certifications obtained, studies on the product life cycle and process, and energy audits on the plant.

### Relevance for Ferrarelle

The next step was to attribute to each Aspect a level of priority or Relevance for Ferrarelle, based on the following criteria:

- *the probability and severity of the impact that may be derived from the considered Aspects.*
- *the influence of the Aspect on company performance.*
- *the possibility of acquiring a competitive advantage.*

### Relevance for stakeholders

The third phase in the materiality analysis involved the stakeholders, to establish how important they thought the considered Aspects were.

Ferrarelle involved 66 stakeholders belonging to the following categories: Distribution - Mass Retail/Retail (7), Consumers (16), Future Generations (1), Ho.Re.Ca. (Hotels, Restaurants and Cafés) (5), Suppliers (8), Small Retailers (4), Local Communities (4), Non-profit and re-

search Organisations (9), Local Public Administration (4), Central Public Administration (3) and Credit Institutes (5). Each stakeholder category received the same questionnaire used for the internal analysis.

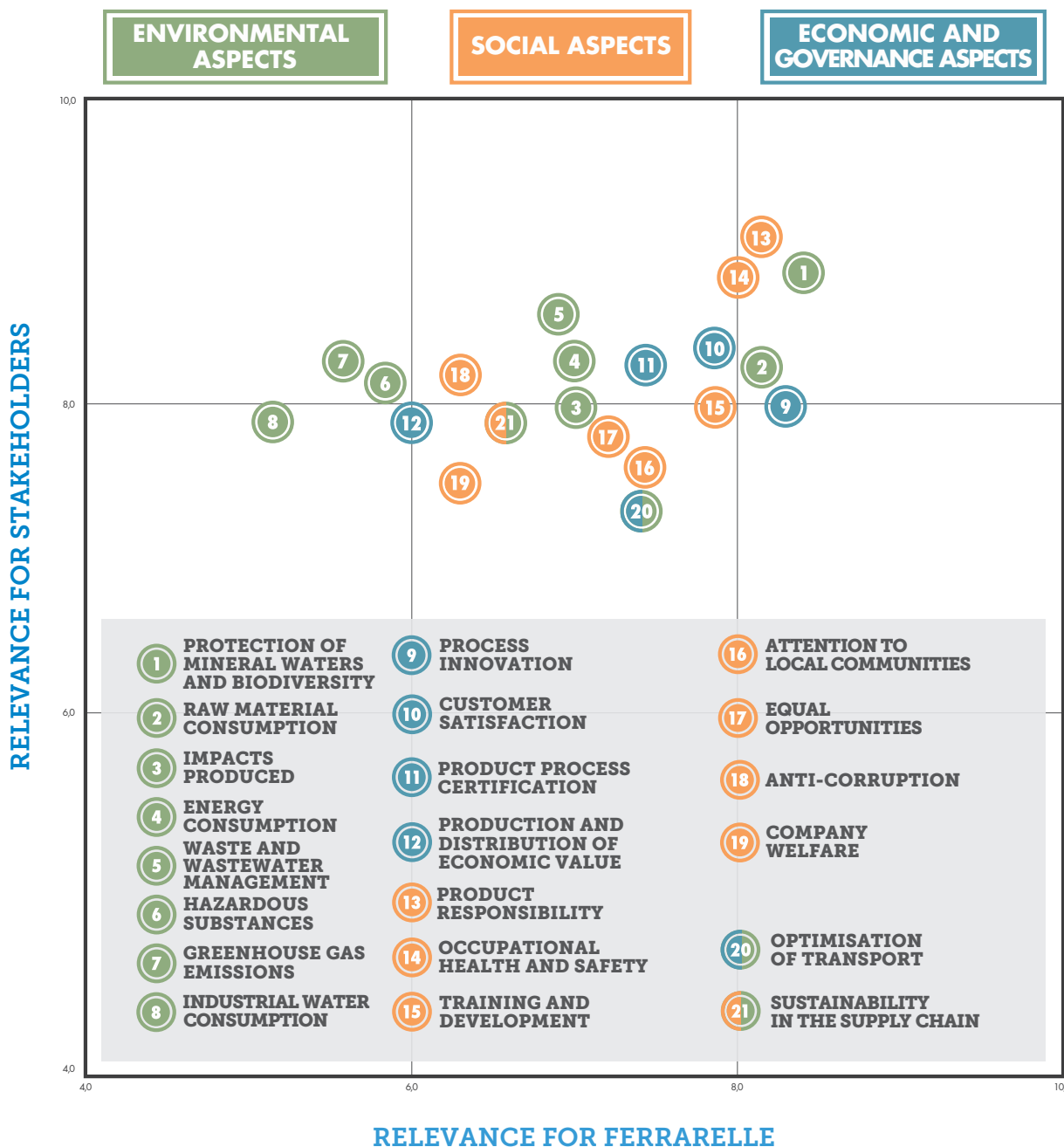
All stakeholders involved have contributed to the work, returning their completed questionnaires, proving the quality of relations and the collaborative atmosphere that Ferrarelle has been able to build over time.



## The materiality matrix

Combining the company's internal analysis with the external analysis involving the stakeholders, it has been obtained the following materiality matrix.

# MATERIALITY MATRIX



The first comment we can make is that the Aspects that are relevant for Ferrarelle are also considered relevant by the stakeholders. The external perception emphasises a generally higher level of relevance - but this is owed to the existence of a physiological informative asymmetry, especially for Aspects linked with the technical features of the productive activity.

## ENVIRONMENTAL ASPECTS

**Protection of mineral waters and biodiversity** is the most important Aspect both for Ferrarelle and for the stakeholders. There is also widespread awareness of how important it is to protect the purity of hydro-mineral resources, protecting them from the risk of entropic pollution. The **consumption of raw materials** is another environmental Aspect that obtained a high score in terms of relevance, both internally and externally: Ferrarelle is highly committed to activities that reduce these consumption levels - especially in relation to plastic (PET included in the pre-forms and HDPE in bottle caps) - as well as to activities for their reuse.

**Management of waste and waste water, energy consumption and the environmental impact of products** are all aspects that the stakeholders indicated as important. These environmental issues are strictly controlled at Ferrarelle: one example is the LCA (Life Cycle Assessment) carried out with actions aimed at promoting savings in non-renewable resources and at improving eco-efficiency in industrial processes, like the investments made in new generation productive lines that made it possible to achieve significant energy savings, in addition to the high percentage (more than 90%) of waste sent for recycling.

The **optimisation of transport systems** obtained a similar, medium-high score in the internal and external assessments. It is worth pointing out, to this purpose, that over the past three years Ferrarelle has significantly increased the use of Euro 4, 5 and 6 fleets that contributed to reducing pollutant emissions.

The use of **harmful substances** and **greenhouse gas emissions** are further environmental Aspects that stakeholders consider important. Ferrarelle makes use of very strict procedures concerning the purchase, storage and disposal of these substances. Ferrarelle has also obtained significant reductions in greenhouse gas emissions for each bottled litre, especially thanks to the energy savings and to reduced use of plastic raw materials.

**Sustainability of the supply chain** obtained medium-high relevance scores not only from Ferrarelle, but especially from the stakeholders. Our company has a system for selecting and monitoring suppliers that takes into account not only qualitative aspects, but also environmental and social aspects such as occupational safety and respect for the fundamental rights of the individual.

**Industrial water consumption** was indicated as a medium-high relevance factor by stakeholders, while Ferrarelle gave it a medium score. To limit water consumption, the company uses internal re-circulation systems that go through filtration processes, in order to use the same water repeatedly within the productive process.





## SOCIAL ASPECTS

**Product responsibility** is the most relevant social Aspect for both Ferrarelle and the stakeholders. This Aspect concerns everything Ferrarelle does to provide the consumer a guarantee of the "purity" of its product: protecting food safety and hygiene, labelling, tracking and traceability, and compliance with voluntary and mandatory codes and regulations. The 7 product certifications and 5 process certifications Ferrarelle has obtained are proof of company's substantial commitment to these issues.

Another highly important social aspect was found to be **occupational health and safety**. Ferrarelle's approach is based on prevention and protection, and is implemented by means of training initiatives and involving employees. The result of these processes has been very low levels of frequency and severity of injuries.

Employee **training and development** activities are another relevant social Aspect for both stakeholders and the company. Every year, Ferrarelle creates a Training Plan for professional updating, in order to increase

the abilities and skills of our collaborators, in the spirit of ongoing training.

**Anti-corruption** is an Aspect that both stakeholders and the company consider very important. That is why Ferrarelle has a Code of Ethics and an Organisation, Management and Control Model to prevent crimes as indicated in Legislative Decree 231/01.

**Attention to local communities** is an Aspect that received medium-high relevance scores. Every year, the company is involved in activities and initiatives concerning people (supporting scientific research through the Telethon Foundation), culture (partnership with Teatro alla Scala) and the environment (collaboration with FAI).

**Equal opportunities and corporate Welfare** are Aspects that received medium-high relevance scores. Ferrarelle is committed - through our Code of Ethics - to explicitly prohibiting discriminatory practises in the selection, hiring, training, management, development and remuneration of personnel, in addition to any form of nepotism or favouritism.

## ECONOMIC AND GOVERNANCE ASPECTS

**Process innovation** is the economic Aspect the company and the stakeholders both consider most relevant. Ferrarelle, starting from 2007, has carried out important work for technological innovation, in order to improve productivity and the versatility of the product mixture, to increase productive efficiency, to optimise the use of energy resources and raw materials, and to improve the aspects of prevention and monitoring in the field of food safety.

In 2015, the company started the R-PET project: the construction of a recycled PET pre-form production plant to further improve efficiency in our processes and to add an important building block to its environmental sustainability plan. A high level of relevance was also attributed to **customer satisfaction** and **product and process certification**. Information on customer satisfaction represents an essential instrument at Ferrarelle. It helps to evaluate their own performance levels. The company has defined the procedures and responsibilities for managing customer complaints and responses to questions from consumers, in order to actuate prompt and precise corrective and ameliorative actions.

As far as product and process certifications are concerned, as we have already mentioned Ferrarelle has 12 such certifications, making its mineral waters unique products. The **production and distribution of economic value**, which obtained a medium-high relevance score, is the consequence of our responsible and sustainable management at Ferrarelle, particularly attentive towards economic, social and environmental issues, as well as to their intrinsic value.

In 2015, the company grew significantly in terms of the economic value produced, as well as in the value distributed to its stakeholders.

# Sustainable management of relations. For collective and widespread responsibility

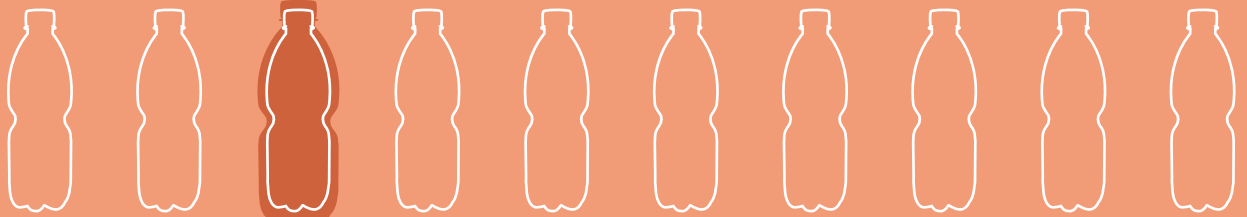
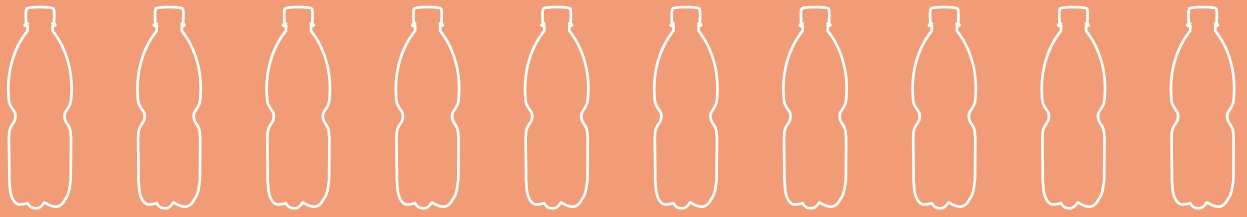
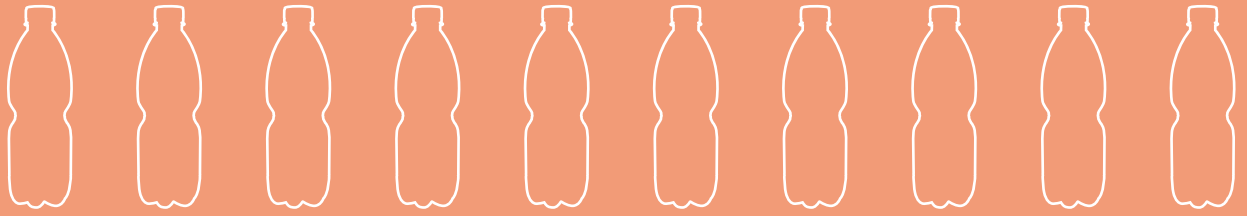
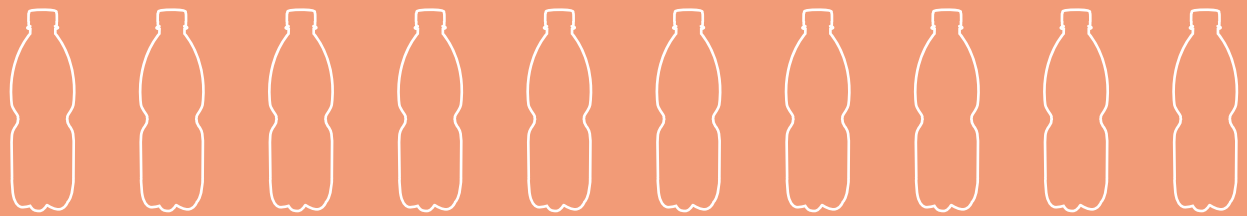
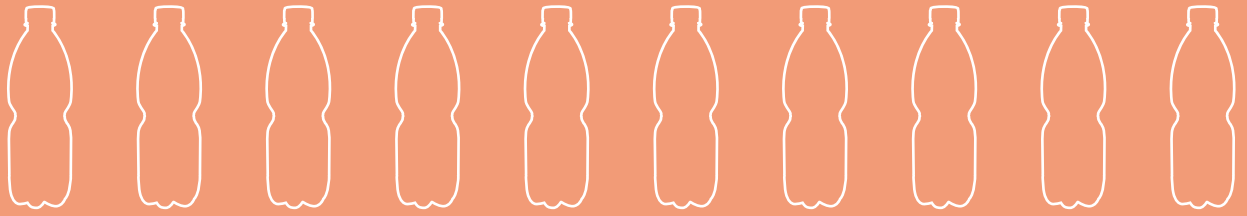
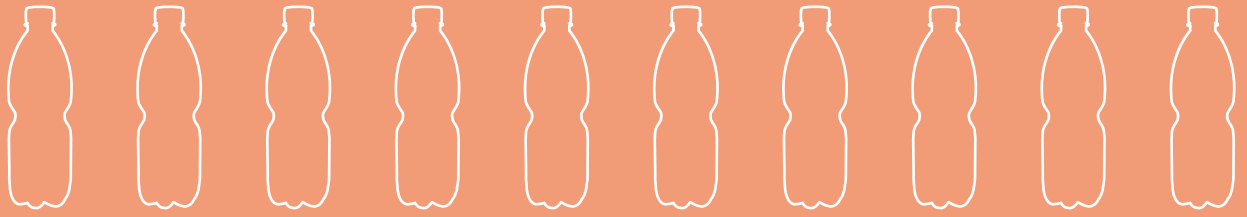
**Rosanna D'Antona**  
President, Havas PR Milan

*In this particular moment in history, it is evident that most Western countries are subject to daily pressure due to social, environmental and economic pressure that the scale of public payments often cannot manage. In the words of Michael Porter - an economist and professor at Harvard Business School - "the capitalist system is under siege", and these words have never been more relevant.*

*In order to deal with society's many urgencies, Governments have come to expect increasing levels of participation and support from other forces: first and foremost, businesses and civil society. This trend implies a social-economic model of circular, fluid, negotiable relations, in which the various stakeholders influence one another. This generates a collective and widespread responsibility, which becomes the necessary condition to create value, where each participant is called to consciously provide their contribution. This is an "open" system, in which all individuals participate and move according to an important criterion: taking responsibility at an individual level for the collective good. Businesses take on an important role in this scenario. They continue to respond to their own financial purposes but, in addition, they are ready to confidently face the environmental and social challenges that the system requires. Businesses therefore become the driving force, the engine of development, from a point of view that, starting from their core businesses, goes beyond and adds new meaning. One example is provided by the increasing correctness in productive processes, attention to the environment, transparency in financial matters, and respect for employees: these traits mark several organisations, as they become increasingly aware of the social role they fulfil. In this model, even civil society is required to participate directly. An enlightening example is the role the main Non Profit Organisations cover, as advocates and interpreters of collective needs, to which they provide voice and dignity. The combination of these good practises lead to alliances even with the "main" stakeholders: the citizen, the consumer.*

*The latter, in turn, now knows how to act more maturely and consciously and takes complete responsibility in the creation of shared value, as shown by their attention to the environment and to health issues, their refusal towards wastage of any kind, their dedication to issues involving recycling, and protecting territory, culture, and traditions. In conclusion, we may say that when, like in this case, we are attempting to take stock of these issues, we may do so only if we have first put into practise sustainable management of relations with all stakeholders.*

*This is, in fact, an essential condition for the creation of shared value. And if, as in this case, relations between the various parties have been established in order to favour sustainable growth, then the creation of value will also involve acknowledgement of trust, credibility, and business reputation, because it will have set of a chain of events where everyone is called to do their own part. And it will be precisely this solid network of relations - thanks to constant and harmonious communication activated inside it - that will favour a form of social responsibility that is no longer only at a business level, but also collective, widespread, and sustainable.*





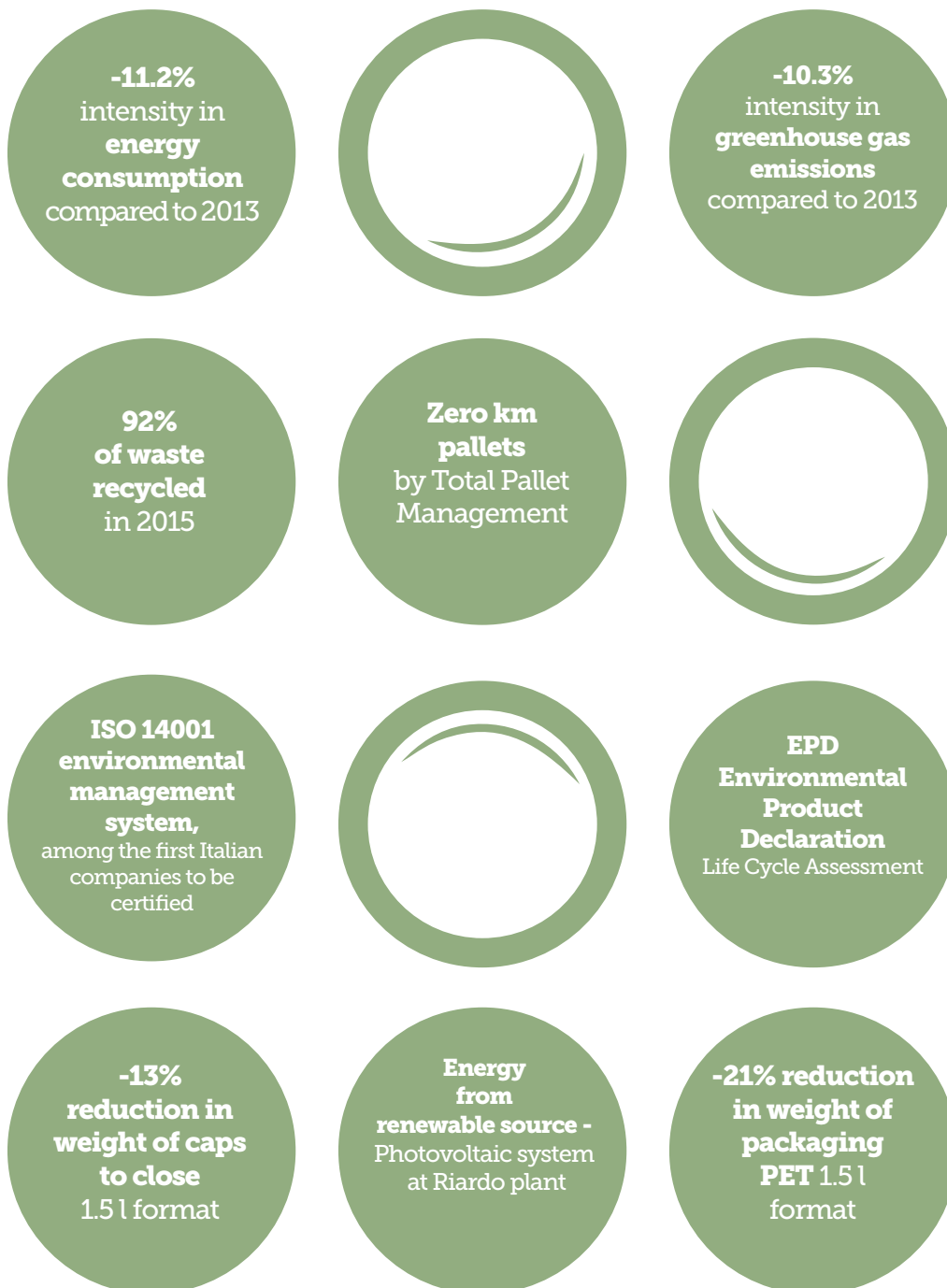




# ENVIRONMENTAL SUSTAINABILITY

From nature, for nature

Protection and improvement of the environment are an essential component of the present and the future of Ferrarelle as a company, of the quality of our products, and of the competitiveness of our brands. Maintaining this quality is, in fact, linked with conservation of the environment in which the waters flow and are enriched with their unique elements.



# ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM

Ferrarelle is sensitive to the global environmental problem, in all forms, from air and water pollution to consumption of non-renewable resources.

For these reasons, the company has chosen to apply - to all levels of the organisation - an environmental protection policy that is suitable for the environmental impact of its activities, periodically defining new objectives for ongoing improvement. The objective of maintaining this commitment is to prevent sources of pollution and reduce the potential environmental impact of its sites and products, from

- *In strictest compliance with all requirements of current environmental laws.*
- *To prevent environmental crimes indicated in Legislative Decree 231/2001 on corporate administrative responsibilities.*
- *In compliance with the established environmental policy and program.*
- *In pursuit of an ongoing and systematic improvement in environmental performance levels.*
- *In coherence with the commitment to the best technology available on the market, compatibly with financial feasibility.*

In addition, Ferrarelle SpA participates in international efforts to protect energy resources and reduce atmospheric pollution, developing projects in the fields of energy saving, renewable energy sources, and fuels with the lowest environmental impact.

Finally, in order to reach an objective assessment of the impact of its activities on the global environment, Ferrarelle analyses the

- *Staff roles and responsibilities.*
- *Resources and skills required to reach objectives.*
- *Training requirements.*
- *Appropriate operating procedures and methods.*
- *A review of the objectives and milestones reached.*
- *Information to all employees.*

Ferrarelle involves national and local authorities, as well as the surrounding communities in studying and reaching its environmental objectives, also by means of meetings with the public and/or private parties involved. In addition, Ferrarelle requires from its suppliers a significant commitment to the principles of its environmental policy. Respect for the environment is everyone's priority, and surely everyone can do something, every day.

the planning stages to final destination.

In particular, Ferrarelle's objective is to protect and conserve water resources, both in terms of aquifers and of bodies of water on the surface, in addition to maintaining balance in the hydro-geological basin that the company get raw material from.

In order to follow and maintain this objective, Ferrarelle has a certified environmental management system, in compliance with standard ISO 14001, instituted and formalised to ensure and guarantee that all activities are carried out:

entire life cycle (Life Cycle Assessment - LCA) of its main products, managing, for these products, to obtain an Environmental Product Declaration (EPD).

In order to create the right motivation and a strong environmental conscience within the company - essential in guaranteeing effective operation and maintenance of the system, Ferrarelle has defined:

# ENVIRONMENTAL IMPACT IS CERTIFIED BY AN EPD ENVIRONMENTAL PRODUCT DECLARATION

Ferrarelle SpA has certified the environmental impact of our mineral water products by creating a certified EPD. The Environmental Product Declaration (EPD) is a voluntary certification scheme. It is a document that makes it possible to communicate objective, comparable and credible information on the environmental performance levels of products and services. The company has measured the impact on the environment of Ferrarelle mineral water products throughout their life cycle, starting from the use of raw materials, right up to the impact that the container has after consumption. This has been possible thanks to a detailed analysis of the processes, carried out according to a strict procedure, acknowledged internationally and known as a Life Cycle Assessment. This assessment allowed Ferrarelle SpA to reach certification of its environmental impact according to the EPD (Environmental Product Declaration) standards. Ferrarelle's environmental impact is found to be the lowest among all mineral water brands who carried out the same declaration process.



The image shows the cover of the Environmental Product Declaration (EPD) for Ferrarelle mineral water. At the top, there is a red curved line and a decorative pattern of red dots. The EPD logo is prominently displayed, followed by the Ferrarelle brand name in its signature red script. Below the brand name, the title 'DICHIARAZIONE AMBIENTALE DI PRODOTTO DELL'ACQUA MINERALE FERRARELLE' is written in bold red capital letters. Underneath, the text 'Imbottigliata in:' is followed by a list of container types and volumes: 'PET DA 0,5L 1,25L 1,5L', 'VETRO (A PERDERE - VAP) DA 0,75L', and 'VETRO (A RENDERE - VAR) DA 0,46L 0,75L 0,92L'. At the bottom, there is a row of six different Ferrarelle water bottles. To the left of the bottles, there is a small block of technical information: 'Dichiarazione Ambientale di Prodotto Convalidata', 'Rev. 06 - Data: 08/06/2016', 'Data approvazione: 24/09/2016', 'N.Registrazione S-P-00281', 'Codice UN CPC: 24410', 'Validità: 30/06/2017', and 'Ambito di applicazione geografica: Mondo'.

EPD®  
ENVIRONMENTAL PRODUCT DECLARATION

*Ferrarelle*

**DICHIARAZIONE  
AMBIENTALE DI PRODOTTO  
DELL'ACQUA MINERALE  
FERRARELLE**

Imbottigliata in:  
PET DA 0,5L 1,25L 1,5L  
VETRO (A PERDERE - VAP) DA 0,75L  
VETRO (A RENDERE - VAR) DA 0,46L 0,75L 0,92L

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## FERRARELLE IN THE EUROPEAN WORK GROUP TO DEFINE PEFCR

The Ferrarelle plant in Riardo is one of the three pilot plants chosen by the European work group guided by the Directorate-General for the Environment of the EU commission to study and create technical specifications to calculate the environmental impact of production and retail of bottled mineral water (PEFCR - Product Environmental Footprint Category Rule).

This specification may become the technical/legal reference for all member states.

*"A company that decides to calculate and communicate its product's environmental performance levels using the European Environmental Footprint method is a company that has made a choice in favour of transparency, seriousness and commitment to its customers".*

**Michele Galatola**, European Commission, Team Leader of the Directorate-General for the Environment.

# Respect for the mineral water aquifer

Ferrarelle has always applied strict company criteria to maintain and protect the natural and intrinsic properties that characterise its mineral water, in order to maintain the quality and availability of this resource over time.

Through careful and measured use at the source, by applying a strict protocol for monitoring the territory, resulting from a complete study to assess and limit environmental impact, the mineral water aquifer is managed as a truly renewable resource.

Every week, through "spy wells", Ferrarelle performs accurate analytical checks on the water underground and measures the piezometric levels of the aquifer. In this way Ferrarelle calculates an annual overall hydro-geological sum of the mineral water, and consequently manage the hydro-mineral resources, rising from underground naturally rich in carbon dioxide, significantly limiting over-use of the water through strict programs for use of this precious resource.

These activities make it possible not only to protect the hydro-mineral aquifer, but also to maintain an unaltered balance between mineral salts and natural effervescence, essential in guaranteeing the conservation of these extraordinary resources for future generations.

To bear witness to this, during the World Water Day 2016, Ferrarelle developed an important project dedicated to environmental responsibility, setting children as the recipients of a simple and direct message, which at the same time reaches everyone's attention: water is a precious resource that must be respected. This message was brought to life with illustrations by Emiliano Ponzi, and the concrete result was the book entitled "D'acqua a là, un viaggio nella parte blu del Pianeta".

The book is entirely coloured, except for the parts intended for water, and it represents, in images, those virtuous and waste-preventing habits that each of us can put into practise in our everyday lives. The book is also provided with a blue marker with a limited quantity of colour - just like the amount of water on Earth is limited - and insufficient to colour the white parts of the entire book. This is done to lead the children to think about conscious use of water as a resource.



## PROTECTING THE FERRARELLE SOURCES PARK

The Ferrarelle Sources Park is an extensive green area that is home to the sources of the Ferrarelle, Santagata and Natia mineral waters. It is located in Valle d'Assano, between the municipalities of Riardo and Teano, in the upper Caserta area, on the borders with Molise and Lazio, and covers a total of 135 hectares, 88 of which are used for organic farming purposes. In order to continue to guarantee the pristine conditions of these places and to prevent interferences with the aquifers below, the Park is populated only by crops/plants that are very resistant, that require mainly only water to survive, like olive trees - very strong trees that do not require particular treatment and with roots that help fight erosion of the soil. The Park is also home to several wooded areas that are home to oaks, holms and maples, many of which are centuries old. Even the fauna that populates the area does not interfere with the earth: there are birds - including birds of prey and herons - and especially bees - about 4 million of these extraordinary organic indicators of environmental health.

# THE RE-QUALIFICATION PROJECT FOR THE FERRARELLE SOURCES PARK



The collaboration with FAI - Fondo Ambiente Italiano for actuation of the project to appreciate the Riardo Sources Park was formalised on 24 November 2010. The FAI accepted Ferrarelle's invitation to make its natural heritage the subject of a plan for cultural and natural appreciation, aimed not only at protecting the hydro-mineral resource and the territory it flows from, but also at encouraging collective interest in water as a resource, so that it can be known and experienced by the public in a stimulating and innovative way. Activities to develop the Park concerned vegetation, agricultural use, and architecture:

- *Planting crops that are traditionally farmed in this area (wheat, durum wheat, hazelnuts)*
- *Planting new trees (camphor, 15000 olive trees)*
- *Introducing beehives*
- *Conservative restoration of the ancient Masseria Mozzi, dating back to the Eighteenth century, and today the centre of the Park*
- *Defining routes for the walkways*
- *Mitigating visually unattractive areas in the Park*
- *Creating a FAI reception/information point.*

In particular, Masseria Mozzi was inaugurated on 25 May 2011, just six months after the project was presented. It is a historical home, brought back to life by conservative restoration work, carried out under the supervision of FAI and extremely respectful towards traditional rural forms. This made it possible to restore the original shape of the Masseria. As a result it is now perfectly in line with the landscapes that the history of these places has handed down to us. Masseria Mozzi is now the true centre of the Park, as well as a refreshment point.

The crops found in the Park, on the other hand, have been entrusted to the organic farming company called Masseria delle Sorgenti Ferrarelle.



# Managing and protecting mineral waters. The role companies play in conservation for future generations

## **Massimiliano Imperato**

Scientific Director of CERAM, the European Centre for Mineral Water Research

*Is it possible to make use of water resources and keep them unaltered for future generations?*

*Are conservative management and environmental commitment costs or values?*

*These are the most common questions that professionals are asked most frequently, and which must be answered.*

*The production of mineral water requires making use of and selling one of the most important renewable environmental resources. The hydro-mineral resource must be completely free of substances of anthropic origin, and it is forbidden, by law, to install purification systems. As a matter of fact, one of the aspects that distinguishes mineral water from common drinking water is its level of purity at the source. Mineral water is "stored" in a naturally protected subterranean deposit. It is "captured" before it can interact with the outer environment, so that it can be bottled intact. It seems obvious that preserving its purity, protecting the environment, and protecting the resource from man-made risks are fundamental aspects in the conservative management of bottling companies.*

*The physical, territorial and natural context behind the entire hydrogeological cycle - from the re-filling area to the catchment area - establishes the starting points for preserving resources for future generations. The environmental reference scenario is the result of important changes that often take place as a result of the clash between physical evolution of habitats and changes caused by man. The licensee company must play a leading role in promoting protection of our natural heritage. It is the company's duty to prove - through plans, projects, actions and studies - that they are an active party in monitoring the quality of the environment, observing the evolution of natural and climatic changes, preserving hydrogeological balance, and ensuring proper positioning of the industrial activity in the natural context. The licensee cannot delegate these duties to someone else! The sum of their actions must contribute to preserving wildlife corridors, biodiversity, and conservation of endemic habitats in order to contribute to the protective barrier that the geological substratum provides for underground water resources.*

*The pool of knowledge and operating procedures resulting from many years of managerial commitment have important purposes:*

- *To verify the current environmental conditions in which the process to use the resource takes place.*
- *To analyse the company's technical and scientific contribution, in terms of studies and research, aimed at conservation and appreciation of the natural environment surrounding it.*
- *To assess the technological choices made to protect and correctly use the resources, in order to maintain their intrinsic qualities.*
- *To assess the integrated quality and safety management system.*

*A mineral water bottling company must surely be fully aware of the processes and materials used in preparing their finished product for retail. At the same time, they must be fully aware that each environmental variable is capable of moving the natural balance, which could lead to an impoverishment of the resource. Therefore, correct management must be based on in depth study of environmental components through three key elements:*

- *A commitment, by management, to pursue high environmental quality standards throughout the hydrogeological basin.*
- *Respect for the dynamics at the foundation of natural balance.*
- *The will to invest in scientific and technological research, to understand natural phenomena in the natural areas of interest.*

An adequate management system must consider, in detail, the local organisational policies, operating procedures and programs for activities carried out, and complementary and integrated actions for detailed analysis of the following components:

## Analysis of anthropic risks

The company analyses the risks derived from anthropic activities that may have significant effects on the environment. A minute and attentive screening is provided for all activities that form a risk of impact due to their location within the territory of the basin that feeds the springs of aquifers involved in the water collection operations. Mitigating actions are taken through specific plans and projects, also with the help of public Authorities, involving the local population and promoting associations between subjects interested in appreciating natural resources.

## Territorial analysis

The company analyses the use of soil and spaces in the area of the hydrogeological basin. They consider strategies for sustainable management of heritage in terms of landscape/environment. They promote initiatives aimed at monitoring the territory and support adequate environmental policies.

Ferrarelle SpA, through management and water conservation policies, surely represents an exemplary case of how to cultivate mineral water deposits. Without a doubt, it can be seen as a point of reference in the European scenario in terms of protection and correct use of resources.

The mining concession covers an area of about 330 hectares. The extensive outer area - about 950 hectares - has been declared a buffer zone for the protection of the regional mining resource and a strategic resource for the unavailable deposits of mineral waters. It is one of the largest buffer zones in Italy. Through protection and management of the spring environment, we establish conservation of the local endemic habitat, characterised mainly by a semi-natural grassland environment, with a high environmental value, characterised by a wealthy flora matched by significant fauna. The absence of anthropic fertilisation of these lands, owing to the peculiarity of the activities carried out here, has favoured, over the years, the development of a wide variety of endemic plant life. The roots of the plants, in search of nutrients, dig deep, anchoring themselves to the ground. The result is, on one hand, an increase in the evaporative surface and, on the other, an obstacle to topsoil erosion and transportation of this material into surface waters. This phenomenon has a positive effect on a much larger scale, if one considers the amount of river debris carried to rolling plain catchment areas. This latter aspect may represent a valid research point for mitigation of hydrogeological risk in flood areas.

Ferrarelle was one of the first companies to start the ambitious PRIUSAQUAM certification, an integrated system for the assessment of the quality of the environment surrounding the springs, to provide the definition of "High Environmental Value Mineral Water".

## Environmental responsibility

Environmental responsibility must form one of the fundamental pillars in the company's sustainable actions, also as a good example, and it must be closely linked with the company's ability to create value. The request for assessment, control and mitigation of environmental impacts must be extended to the entire life cycle of the activities and products, in addition to any anthropic activities present in the territory involving the water catchment, closely linked with satellite industries.

## Environmental impact

Through a study of the possible environmental impact, the company assesses the possible relevant effects that using the mineral water may have on the environment. They take into considerations the matrices (water, air, soil, underground, population and countryside) of possible interaction with use of the resource, in combination with the existence of the industrial site and its satellite activities.

# Reducing energy consumption

Ferrarelle is very attentive to the issue of energy saving, since it is registered in the list of energy-consuming companies: in 2015, the 2 plants in Riardo and Boario were subjected to an energy audit in compliance with Legislative Decree 102/2014.

In their productive processes, Ferrarelle mainly uses electrical and thermal energy. The finished product in glass bottles requires mainly thermal energy, while the PET bottled product requires mainly electrical energy.

There are three energy sources at the plant

in Riardo: electricity, natural gas and diesel. There are two sources at the plant in Boario: electricity and natural gas.

The electrical energy is mainly used for the production of compressed air and to operate all the lighting systems, while the natural gas and diesel are used to produce steam, and hot water for domestic purposes and for heating.

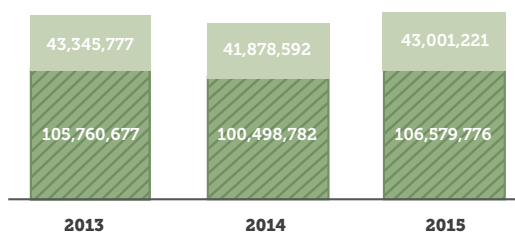
Diesel consumption is negligible, since it only represents about 3% of total energy consumption.

ENERGY CONSUMPTION (MJ)	2013	2014	2015
ELECTRICAL ENERGY PURCHASED (MJ)	100,846,011	95,742,030	101,665,600
ELECTRICAL ENERGY FROM PHOTOVOLTAIC SYSTEM (MJ)	4,914,666	4,756,752	4,914,176
METHANE (MJ)	39,885,603	38,810,743	38,200,798
DIESEL (MJ)	3,460,174	3,067,849	4,800,423
<b>TOTAL ENERGY CONSUMPTION (MJ)</b>	<b>149,106,453</b>	<b>142,377,374</b>	<b>149,580,997</b>

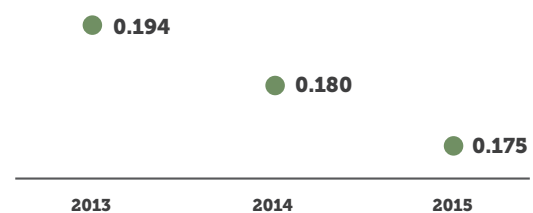
In 2015 total energy consumption reached 149,580,997 MJ, 29% (43,001,221 MJ) of which came from thermal energy and 71% (106,579,776 MJ) from electrical energy.

**TOTAL ENERGY CONSUMPTION (MJ)**

■ Electrical energy ■ Thermal energy



**ENERGY INTENSITY INDEX (MJ/LITRE)**







As far as electricity consumption is concerned, Ferrarelle is positioned, compared to the market average, among the efficient companies: in particular, the plant in Boario is considered highly efficient.

This is owed, in particular, to operations to replace and introduce state-of-the-art PET lines that are more productive and allow considerable energy savings. In addition to high-efficiency inverter engines, the new lines also have a system to recover high-pressure air, necessary to shape the bottles, and are capable of "blowing" at very low pressure (about 27 bar) compared to traditional lines (35-40 bar).

Further improvements to environmental performance levels were achieved through upgrades

to the thermal system, used by the company to produce steam, by decommissioning the old ones - which were powered by fuel oil - and replacing them with new, low-impact methane powered ones.

Also with the help of these operations, the energy intensity index, which measures overall energy consumption for each litre of bottled water, was reduced by 3% compared to 2014 and by 9.9% compared to 2013: in absolute values, energy consumption has increased by 3.9% compared to 2014. However, this is also the result of an increase in the bottled litres of mineral water by 8.5%. In 2015, production reached 855,029,498 litres.

## ELECTRICAL ENERGY PRODUCTION FROM RENEWABLE SOURCES

Since 2008, Ferrarelle produces and uses electrical energy from photovoltaic technology: in the plant in Riardo there is a system with a rated power of 1 MW connected to the distribution network.

The system is made up of 4550 panels in polycrystalline silicon, covering a surface area of 16,000 m<sup>2</sup>, at a 30° angle compared to the horizontal plane, and facing South. The investment required to install this system was about 5 million Euro.

Almost all the electrical energy produced by the photovoltaic system - 96% - is used for internal consumption, and covers 7% of the Riardo plant's energy requirements. The remainder is put back into the grid. The system, in 2015, produced 1,444,533 kWh of electrical energy from solar energy, avoiding the consumption of about 270 tonnes of oil equivalent (TOE), and the emission into the atmosphere of about 742 tonnes of carbon dioxide (CO<sub>2</sub>).



# Greenhouse gas emissions

Responsible energy consumption, at Ferrarelle, contributes to reducing Carbon Footprint and to preventing impoverishment of the planet's natural resources.

The company has chosen to provide reports on direct and indirect greenhouse gas (GHG) emissions, according to what is indicated in the Greenhouse Gas protocol.

Correct and systematic quantification and re-

porting of GHG emissions makes it possible to establish the corresponding environmental impact of activities performed and to set appropriate environmental objectives.

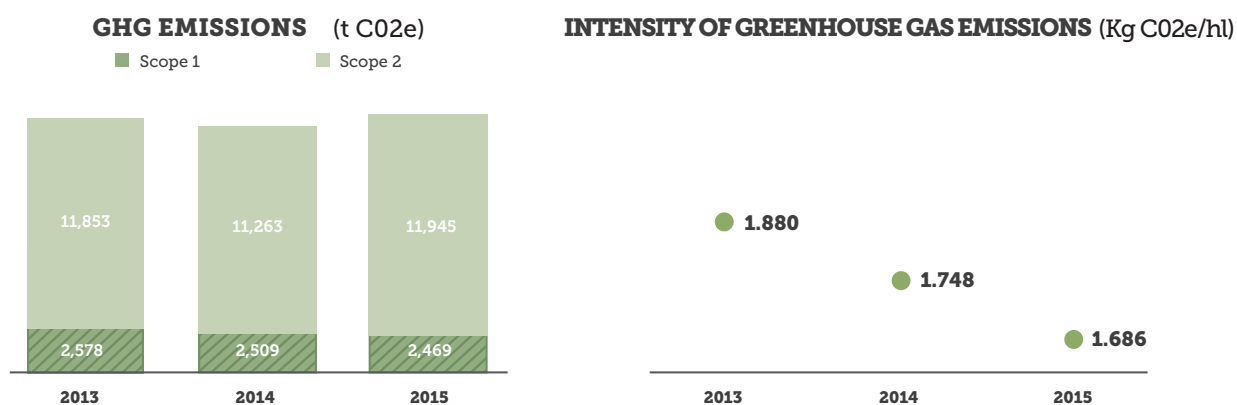
For the GHG Protocol, it is essential for reporting on emissions to be based on the principles of relevance, completeness, consistency, transparency and accuracy. The protocol requires the distinction of emissions into categories, or Scopes:

- *Scope 1: emissions derived from sources owned and controlled directly by the organisation. At Ferrarelle, methane gas powers the thermal systems.*
- *Scope 2: emissions derived from the production of electrical energy, imported and consumed by the organisation.*

In the calculation, Ferrarelle took into account the global warming potential (GWP) specific to each greenhouse gas, which expresses the contribution to the effect of CO<sub>2</sub>, the reference potential value of which is equal to 1: emissions are therefore measured in tonnes of equivalent CO<sub>2</sub> (t CO<sub>2</sub>e), so that all values can be added while taking into account the different GWPs.

<b>GREENHOUSE GAS EMISSIONS - GHG (t CO<sub>2</sub>e)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
SCOPE 1 EMISSIONS FROM METHANE (t CO <sub>2</sub> e)	2,578	2,509	2,469
SCOPE 2 EMISSIONS FROM ELECTRICAL ENERGY (t CO <sub>2</sub> e)	11,853	11,263	11,945
<b>TOTAL EMISSIONS (t CO<sub>2</sub>e)</b>	<b>14,431</b>	<b>13,772</b>	<b>14,414</b>

In 2015, overall greenhouse gas emissions increased by 4.7% compared to 2014 (while the values remained stable compared to 2013). This is the combined effect of a reduction (-1.6%) of Scope 1 emissions due to lower methane consumption, and an increase (+6.1%) of Scope 2 emissions due to higher electrical energy consumption.



The significant figure is the reduction in the emission intensity index, which measures the greenhouse gas emissions for each hectolitre of bottled mineral water: -3.6% compared to 2014, and -10.3% compared to 2013. The positive result is due to operations to increase efficiency in the production lines, which made it possible to increase the quantity of mineral water bottled, while containing energy consumption.

## Production cycles and raw materials used

### BOTTLING IN GLASS FORMATS

The productive cycle for bottling glass formats can be summed up in the following manner: returnable and/or new glass bottles are taken from plastic crates by means of a "de-crating" machine, and set on conveyor belts to be sent to the washer. The washing and disinfection phase lasts about 35-40 minutes, during which time the bottles, automatically deposited in designated cells, are subjected to a soaking bath in order to eliminate most of the dirt. Next the bottles are inserted in a maceration bath, containing an alkaline NaOH (sodium hydroxide) solution, at a maximum temperature of about 75 °C, including the subsequent removal of all labels. The crates, on the other hand, are sent to the crate washer, where they are overturned and washed with jets containing water/detergent mixtures. Having removed the labels, the glass bottles are sprayed inside and outside with an alkaline detergent solution at a temperature of about 70-80°C. This phase is followed by other maceration baths in alkaline detergent solutions, with a gradual lowering in temperature.

In order to eliminate any residue of the detergent solutions used, the bottles are finally sprayed with hot and cold water, drip dried, and then sprayed again using the mineral water itself.

After the washing process, there is a phase in which the bottles are inspected and controlled using an electronic machine. Using conveyor belts that are covered and radiated with UV lamps, the empty bottles are therefore transported to the filling machine. The filling operation is preceded by a "deaeration" phase for the water, or the possible addition of CO<sub>2</sub> before closing with a crown cap or a screw cap. After filling, a device sees to electronically checking the right filling level, making sure the cap is in place, and removing any defective containers. The conclusive phases of the process involve gluing the labels in place and inserting the filled bottles in the plastic crates (for returnable glass bottles - VAR) or in the boxes (for disposable glass bottles - VAP), which, placed on pallets, are stored while awaiting shipment.

## PRODUCTION AND BOTTLING FOR PET FORMATS

In PET format production lines, the process begins with the phase of creating the polyethylene terephthalate bottle. The PET parisons are taken from the storeroom and put onto the loading hopper for the "orientation and blowing" machine, which sees to heating them to a temperature of about 100-110 °C, and then drawing them mechanically. The parisons are blown in designated moulds, using sterile compressed air, until the bottle's definitive shape is obtained. The polyethylene terephthalate bottles made in this way are then sent to the "rinser" to be rinsed.

The rinsed bottle is sent to the filling machine. The conclusive phases of the process involve closing and sealing the bottles, applying the labels, and final packaging on pallets.

The new lines used by Ferrarelle are all in the "combi" conformation. This means that a single block includes the phases of blowing the parison, rinsing the bottle, filling and capping. In this way, Ferrarelle has eliminated all phases of transportation and rinsing found in traditional lines.

### RAW MATERIALS USED

The raw materials used in the productive processes described are indicated in the following table:

RAW MATERIALS	Unit	2013	2014	2015
<b>PET (INCLUDING IN THE PARISONS)</b>	Kg	14,639,498	14,134,701	15,567,318
<b>HDPE (PLASTIC USED IN THE CAPS)</b>	Kg	1,090,678	990,420	1,005,041
<b>CAPS (CROWN) - TIN PLATED BAND</b>	pcs	37,600,606	33,414,812	31,772,300
<b>CAPS (TALOG) – ALUMINIUM</b>	pcs	42,597,858	41,342,350	47,021,100
<b>GLASS</b>	pcs	8,363,800	5,626,199	8,100,753
<b>BOXES</b>	pcs	568,010	467,104	540,378
<b>LAYER PADS</b>	pcs	3,954,868	4,063,542	4,492,807
<b>GLUE</b>	Kg	60,451	51,022	47,112
<b>LABELS</b>	pcs	746,021,313	745,964,865	825,323,650
<b>FILM</b>	Kg	1,946,424	2,032,849	2,171,135
<b>HANDLE</b>	pcs	68,528,240	70,145,620	80,097,250
<b>TAPE</b>	m	31,381,020	31,977,956	35,543,800

The new bottling lines have made it possible to produce new formats, increasing the level of safety and quality of products, while simultaneously reducing the quantity of packaging material used, with the subsequent reduction in environmental impact.



Thanks to the possibility of making the bottles lighter while maintaining, or even improving, the quality of the finished product, in a single year Ferrarelle has managed to reduce our environmental impact, saving about 1000 tonnes of PET per year and 365 tonnes of HDPE (the plastic used for caps) per year. The following table shows the standard weights of the material used for 1.5 l and 0.5 l formats (the leading formats in Ferrarelle PET products) in 2007 - before the technological investments - and in 2015 (the current operating standards), for both parisons and capsules.



PACKAGING WEIGHT REDUCTION	PET 1.5 L format			PET 0.5 L format		
	Standard quantity (in g)		Weight reduction in percentage	Standard quantity (in g)		Weight reduction in percentage
MATERIAL USED	2007	2015	%	2007	2015	%
PET (PARISONS)	37.00	29.15	21.2%	21.80	13.80	36.7%
HDPE (CAPS)	2.30	2.00	13.0%	2.30	2.10	8.7%

## Managing, recycling and reusing waste and wastewater

Waste materials from our plants are essentially composed of the water used for washing the bottles on the bottling lines, and scraps from packaging operations during the productive process.

Industrial wastewater from the processes to wash glass bottles returning from the market, before being returned into the environment, is purified as required by Law 152/2006, by means of a technological process that neutralises and separates the sediment from the water. The sediment is mainly composed of paper label residue.

In order to reduce the load of this wastewater even more, the Riardo plant is equipped with a modern apparatus capable of recycling, through filtration processes, the water used to wash the bottles, so that it can be used repeatedly for this purpose before it is definitively disposed of, thus reducing process water consumption.

All solid waste - mainly scraps from packaging materials produced in the plant - are collected separately, compacted, and sent to companies that reuse these materials to produce other products.

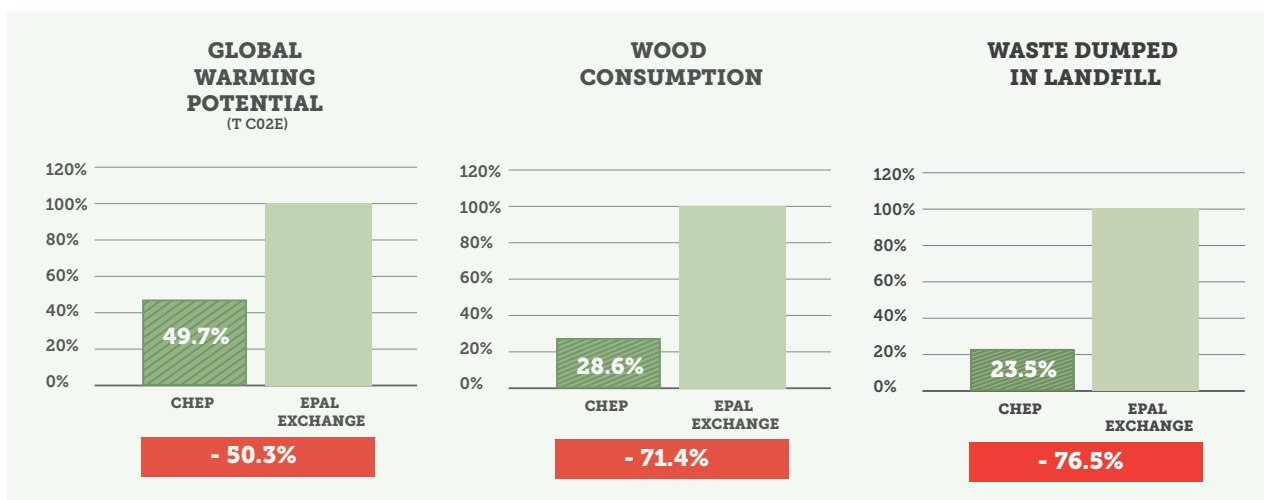
Today, Ferrarelle SpA currently recycles more than 90% of the materials that are discarded during the productive process (plastic, paper, aluminium, glass, wood).

WASTE AND WASTEWATER	2013	2014	2015
QUANTITY OF WASTE PRODUCED (T)	1,922,958	2,126,645	2,146,166
QUANTITY OF WASTE RECYCLED (T)	1,702,512	2,070,005	1,977,506
RECYCLED PERCENTAGE	89%	97%	92%
DISPOSED WATER (MC)	430,217	472,131	539,444

## ZERO KM PALLETS: THE TOTAL PALLET MANAGEMENT SYSTEM

In collaboration with the CHEP Company, since 2009 Ferrarelle has used the TPM - Total Pallet Management service at our production plant in Riardo. This is a system that sorts, controls and repairs pallets, in order to make sure that damaged ones are repaired and immediately re-enter the supply chain. Pallets are ready for use without being transported to the service centre, and sharing the space is well suited for the concept of a sharing economy. This contributes to optimising transportation, to reducing the number of vehicles on the roads, and therefore to protecting the environment.

In 2014, the project was reinforced by extending the size of the site: from 2800 m<sup>2</sup>, the space dedicated to TPM increased to 5000 m<sup>2</sup>. In addition, the CHEP Company applied a new automated line with 4 repair benches, thanks to which there has been a significant increase in the volumes of units repaired and ready to be reused. Today, this new work system makes it possible to manage up to 2,000,000 pallets per year. By using the Total Pallet Management service - compared to the traditional EPAL pallet exchange system - Ferrarelle has been able to reduce CO<sub>2</sub> emissions (-50.3%), lower wood consumption (-71.4%) and lower the quantity of waste sent to the landfill (-76.5%).



These savings were calculated by means of a study carried out using the LCA approach on CHEP's pallet pooling, in compliance with standard ISO 14044. This is the first study of its kind in Italy to receive, from the Ministry of the Environment, a program logo for the environmental footprint assessment.



## RECYCLING PET BY SUPPORTING THE CORIPET CONSORTIUM

Ferrarelle SpA is one of the founders of Coripet, the voluntary national consortium among recyclers and producers of mineral water. Its purpose is to optimise and appreciate the life cycle of PET (polyethylene terephthalate) food grade liquid containers. In a national scenario in which plastic recycling is now stable at about 35% and PET recycling at 40%, Coripet is based on the objective of thinking of new ways to collect, recover and recycle in order to raise this quota to new heights.

Coripet intends to reach the consortium's objective by procedures based on two critical success factors: an additional service to collect packaging on private surfaces through direct contact with the consumer, and a logistical organisation that makes it possible to send materials to recycling immediately, without further selection activities, with operations certified in each phase of the process right from collection, taking into account the reuse of packaging previously used for food-grade purposes.

The Consortium promotes a specialised and high-quality collection of PET mineral water and beverage containers by means of an operation that costs nothing to the consumer, by returning them to the same retail points of the Mass Retail Channels, and subsequently obtaining promotional advantages for their purchases.

Unlike Northern Europe, Ferrarelle therefore uses systems based on awards and incentives for the citizen instead of complex and troublesome methods like deposits. In the first experimental phase alone, in Campania and Lombardia - which took place in 2013 - Coripet collected almost 3 million bottles, reaching a total of about 70 tonnes of PET, which were all sent to be recycled within the consortium's production chain.



# Water consumption

As a producer of mineral water, Ferrarelle is extremely aware of how precious water is. That is why the company is committed to limiting water consumption as much as possible, favouring wherever possible the reuse of process waters and limiting waste.

In the Riardo plant, a part of the process water is returned to the surface waters, after suitable

purification treatment within the plant itself. Even the use of new production lines that use state-of-the-art machines has allowed us to reduce water consumption, as well as electricity and steam consumption.

Water consumption in the productive process is made up of:

- *CIP type washing for the PET line and for the glass line (depending on the format considered).*
- *Washing glass bottles.*
- *Washing systems and structures.*

Consumption levels are shown in the following table:

<b>WATER CONSUMPTION</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Total water consumption (l)</b>	341,881	407,722	452,856
<b>Specific consumption (l consumed/10,000 l bottled)</b>	6.91	8.13	3.20

Although there has been an increase in the total litres consumed, between 2014 and 2015 there has been a significant reduction (-61%) in specific consumption - the litres of water consumed compared to the litres of water bottled.







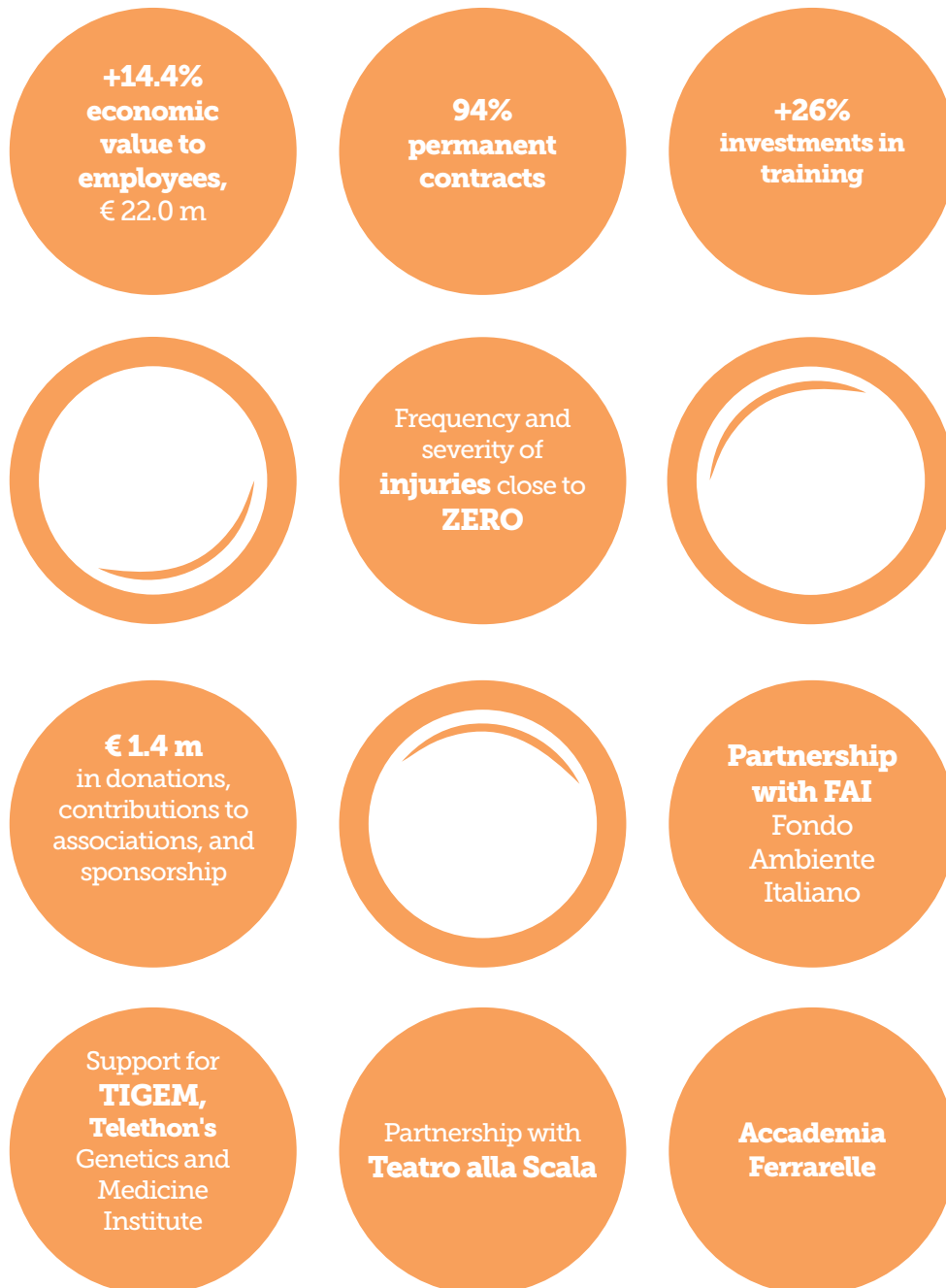




# SOCIAL SUSTAINABILITY

Promoting wellness and wellbeing is a pleasure

Ferrarelle is committed to respecting the rights and physical, cultural and moral integrity of all women and men the company come into contact with. The central role of the individual is expressed, in particular, through the way Ferrarelle values its collaborators and actively participate in developing the social and cultural life of the community.



# OUR COLLABORATORS, OUR WEALTH

The people that work at Ferrarelle SpA are the heart of this company. That is why the company is so committed to creating work conditions that are functional to protect and respect their

rights and their psycho-physical, cultural and moral integrity, attempting to maximise the level of satisfaction and increase their knowledge and experience.

In relations with its employees, Ferrarelle:

- *Applies criteria based on merit, skill, and professionalism for any decision concerning their employment.*
- *Explicitly prohibits discriminative practises in selecting, hiring, training, management, development, and remuneration, in addition to all forms of nepotism or favouritism.*
- *Is committed to applying and sharing a suitable policy in terms of occupational health and safety, keeping preventive and protective measures up to date, as well as work methods and operating instructions on these issues, overseeing their compliance and processing any reports of improvement by employees.*

## Composition and dimensions

In 2015, Ferrarelle had 362 employees, 19 more than in 2014.

The following tables illustrate the division of personnel by gender in the various offices and plants, and by professional qualification.

EMPLOYEES BY PLANTS AND OFFICES	2015			2014		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
RIARDO PLANT	154	6	160	155	6	161
RIARDO OFFICES	39	10	49	38	10	48
BOARIO PLANT	91	8	99	84	9	93
MILAN OFFICES	9	11	20	7	10	17
SALES NETWORK	28	6	34	19	5	24
<b>TOTAL</b>	<b>321</b>	<b>41</b>	<b>362</b>	<b>303</b>	<b>40</b>	<b>343</b>



<b>PROFESSIONAL QUALIFICATIONS</b>	<b>2015</b>			<b>2014</b>		
	<b>MEN</b>	<b>WOMEN</b>	<b>TOTAL</b>	<b>MEN</b>	<b>WOMEN</b>	<b>TOTAL</b>
DIRECTORS	9	0	9	8	0	8
MANAGERS	18	4	22	17	4	21
OFFICE WORKERS	83	30	113	71	29	100
WORKERS	211	7	218	206	8	214
<b>TOTAL</b>	<b>321</b>	<b>41</b>	<b>362</b>	<b>302</b>	<b>41</b>	<b>343</b>

In 2015, more than 94% of employees are employed with permanent contracts.

<b>TYPE OF CONTRACT</b>	<b>2015</b>	<b>2014</b>
PERMANENT CONTRACTS	341	340
FIXED TERM CONTRACTS	21	3
<b>TOTAL</b>	<b>362</b>	<b>343</b>

In 2015, 22% of personnel have university level education, while 40% have a secondary school diploma and the remaining 38% have middle school-level education.

<b>EDUCATIONAL LEVEL</b>	<b>2015</b>	<b>2014</b>
DEGREE	79	64
DIPLOMA	144	143
MIDDLE SCHOOL	139	136
<b>TOTAL</b>	<b>362</b>	<b>343</b>

Managers have the highest average age. These are followed by workers, supervisors, and office workers. Compared to 2014, the overall average age went from 46 to 45 years.

<b>AVERAGE AGE</b>	<b>2015</b>	<b>2014</b>
DIRECTORS	50	50
MANAGERS	47	44
OFFICE WORKERS	40	44
WORKERS	48	47
<b>GENERAL AVERAGE AGE</b>	<b>45</b>	<b>46</b>

Workers have the longest seniority (21 years) while, in 2015, the other categories share the same average (14 years).

<b>AVERAGE SENIORITY</b>	<b>2015</b>	<b>2014</b>
DIRECTORS	14	15
MANAGERS	14	13
OFFICE WORKERS	14	16
WORKERS	21	21
<b>GENERAL AVERAGE SENIORITY</b>	<b>18</b>	<b>19</b>



In 2015, the overall turnover - provided by the sum of those that entered and those that left our employment in the medium term - was 39%, higher than 2014 (33%).

Positive turnover in 2015, given by those that entered our staff compared to the beginning of the period, was 27%, compared to 16% in 2014.

Ferrarelle is characterised by significant seasonal fluctuations, with numerous fixed term employees during the summer period. The turnover values, net of this phenomenon, were 6% in 2014 and 12% in 2015.

<b>TURNOVER</b>	<b>2014</b>	<b>EMPLOYMENTS</b>	<b>TERMINATIONS</b>	<b>CHANGES IN QUALIFICATIONS</b>	<b>2015</b>
DIRECTORS	8	1	0	0	9
MANAGERS	21	1	1	1	22
OFFICE WORKERS	100	24	10	-1	113
WORKERS	214	68	64	0	218
<b>TOTAL</b>	<b>343</b>	<b>94</b>	<b>75</b>	<b>11</b>	<b>362</b>



## Training and development

The commitment at Ferrarelle SpA towards its employees requires training activities for all operators in the Group, so that they may acquire the necessary skills. Every year, Ferrarelle creates a training plan. Out of the total number of employees, 66 (equal to 18.2%) are subjected to performance level assessments.

The following table illustrates the hours of training divided by location and professional qualification.

<b>HOURS OF TRAINING, QUALIFICATIONS AND SITES - 2015</b>	<b>DIRECTORS</b>	<b>MANAGERS</b>	<b>OFFICE WORKERS</b>	<b>WORKERS AND INTERNS</b>	<b>TOTAL</b>
RIARDO/MILAN OFFICES AND SALES NETWORK	99.0	576.5	1074.5	0.0	1750.0
RIARDO PLANT	0.0	0.0	245.0	413.5	658.5
BOARIO PLANT	0.0	11.0	313.0	2031.5	2355.5
<b>TOTAL</b>	<b>99.0</b>	<b>587.5</b>	<b>1,632.5</b>	<b>2,445.0</b>	<b>4,764.0</b>

In 2015, Ferrarelle provided a total of 4,764 hours of training: an average of 13.2 hours per employee.

<b>HOURS OF TRAINING, TYPE AND SITES - 2015</b>	<b>RIARDO PLANT</b>	<b>BOARIO PLANT</b>	<b>RIARDO/MILANO OFFICES AND SALES NETWORK</b>	<b>TOTAL</b>
IT	-	-	214.0	214.0
ENVIRONMENT AND SAFETY	221.5	851.5	261.5	1,334.5
TECHNICAL	437.0	1,398.5	670.5	2,506.0
MANAGERIAL	-	80.0	604.0	684.0
LANGUAGES	-	25.5	-	25.5
<b>TOTAL</b>	<b>658.5</b>	<b>2,355.5</b>	<b>1,750.0</b>	<b>4,764.0</b>





In addition to technical training, Ferrarelle also pays special attention to safety issues. Training in this area is particularly intense, and involved the implementation of the following activities in all locations as well as in the retail network:

- *General and specific training for office workers, salesmen and workers.*
- *Updating training for those who had attended courses more than 5 years ago, including seasonal workers.*
- *Specific courses for truck operators and aerial platform workers, for work at heights and using fall-arresting devices, and for electricians.*
- *Emergency simulations.*

Growth in the cost of training over the last three years is proof of Ferrarelle particular commitment.

	2013	2014	2015
<b>EXPENSE IN TRAINING (Euro)</b>	46,709	95,826	118,877



# Occupational health and safety

Ferrarelle provides employees and collaborators a safe and comfortable environment in which to perform their professional duties. In particular, the company is committed to com-

- *Assess risks.*
- *Attempt to reduce risks at the cause.*
- *Adapt the work to men, in particular concerning the concept of the workplace and the choice of equipment and work and production methods, in order to take technical evolution into account.*
- *Replace anything that is dangerous with something that is not dangerous or is less dangerous.*

Based on the risk assessment and periodical safety meetings, Ferrarelle come up with multiple prevention and protection activities that can be developed over time. Well aware of the importance of influencing behaviour, and supported by the high level of technology in its plants, Ferrarelle has concentrated - in organising safety initiatives - on ongoing training, information and involvement initiatives among its employees. Based on this orientation, over the last year in Riardo Ferrarelle has continued its customary monthly safety meetings, with the participation of all plant supervisors, in addition to the official annual meeting, required by Legislative Decree 81/08, which is

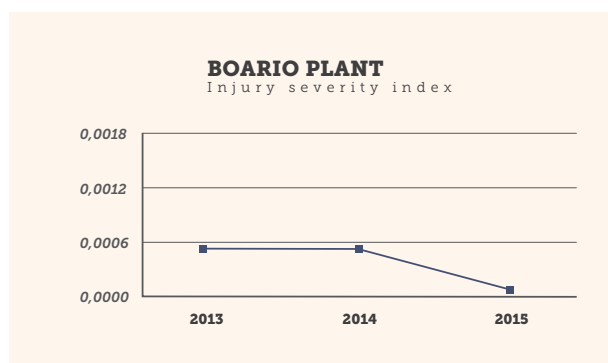
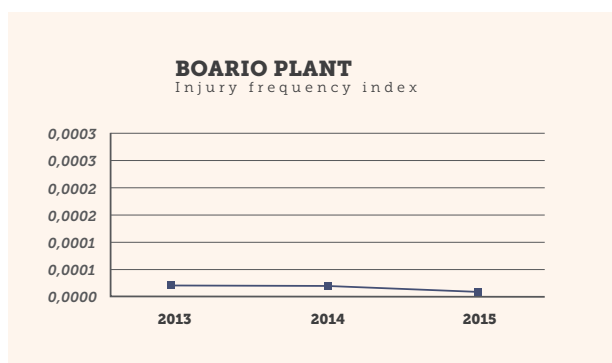
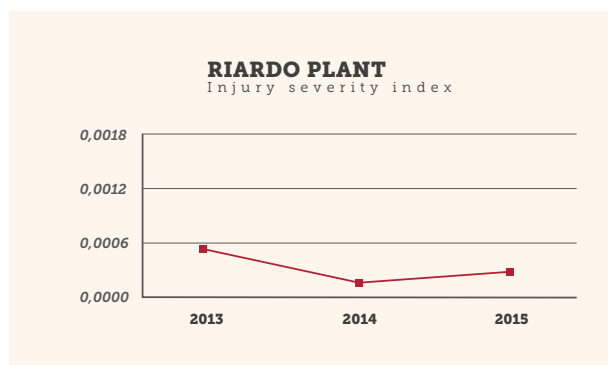
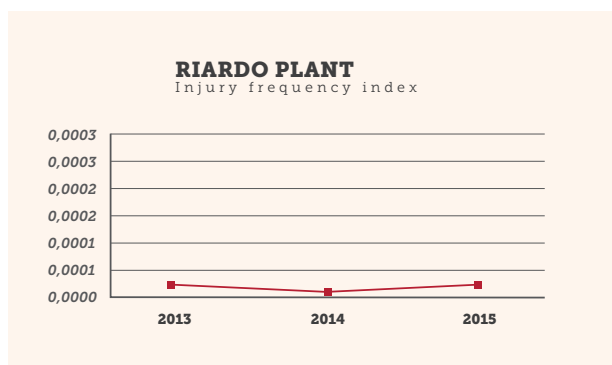
plying with all requirements indicated in Legislative Decree n° 81/2008 and other specific regulations on the subject, training our employees on how the company behaves in order to:

held in all the company's locations.

Given the good results obtained in Riardo, this practise is to be extended to the plant in Boario, with designated meetings every two months.

This policy has led to excellent results in terms of health and safety: in its facilities in Riardo and Milan, and in its retail network, over the past three years there have been no accidents in the workplace.

In productive establishments in Riardo and Boario, the injury frequency and severity indices are close to zero, as shown in the graphs below.





Ferrarelle's particular attention to occupational safety is shown by the fact that the company also monitors near misses - those with no consequences - resulting from undesired and unpredictable situations that could have been risky for the people involved. This is done in order to collect and analyse information useful in identifying possible preventive solutions.

Every year, Ferrarelle sustains costs and investments to maintain and improve the safety levels of its systems and apparatus.

	2013	2014	2015
<b>Investments</b>	<b>60,372</b>	<b>77,544</b>	<b>42,974</b>
<b>Expenses</b>	<b>140,336</b>	<b>142,792</b>	<b>134,772</b>
work clothing	48,359	56,536	51,359
health surveillance	38,633	35,775	39,148
safety maintenance	14,038	15,394	14,579
legal inspections	39,307	35,087	29,687

## Company Welfare

As far as balancing working life and private life is concerned, the Company has activated the following instruments:

- *Starting from the principle that correct work organisation is an essential objective in pursuing the purpose of competitive improvement, Ferrarelle evaluates possible cases that may require temporary changes to the individual work schedule.*
- *In the case of female workers who have been on maternity leave, the company will provide, in relation to their duties, suitable training and/or accompaniment initiatives in order to facilitate their re-entry into ordinary work activities.*
- *Ferrarelle has both stable and temporary active part-time employment contracts. Each request is carefully assessed, attempting, where possible, to find the technical-organisational solution that allows us to fulfil the request. In addition, in this area of management, Ferrarelle favours part-time schedule requests from employees that become parents, up until their child's third year.*
- *In the administrative and sales offices, there is a flexible schedule system that allows the employee to independently manage entry and, subsequently, exit times, within a given daily time frame.*

In defining integrative policies in favour of employees, thanks to the company regulations, the company has instituted health and life insurance for supervisors and managers.

For employees qualified as office workers, agents and workers, until 2014 Ferrarelle had a health policy with the same procedures, which in 2015 was replaced by the one created in the national labour agreement for the food industry.

The following table indicates the percentages of women on maternity leave for the offices and plants between 2013 and 2015.

<b>% MATERNITY LEAVE</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>RIARDO OFFICES</b>	<b>2.33</b>	<b>2.05</b>	<b>1.11</b>
<b>MILAN OFFICES</b>	<b>10.26</b>	<b>6.72</b>	<b>0.88</b>
<b>NETWORK</b>	<b>1.39</b>	<b>6.15</b>	<b>4.83</b>
<b>RIARDO PLANT</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>BOARIO PLANT</b>	<b>2.37</b>	<b>0.65</b>	<b>0.00</b>

The following table indicates the average percentages of employees on sick leave for the offices and plants between 2013 and 2015.

<b>% ILLNESS</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>RIARDO OFFICES</b>	<b>2.05</b>	<b>1.50</b>	<b>2.01</b>
<b>MILAN OFFICES</b>	<b>2.24</b>	<b>0.47</b>	<b>1.41</b>
<b>NETWORK</b>	<b>1.00</b>	<b>1.19</b>	<b>1.27</b>
<b>RIARDO PLANT</b>	<b>4.36</b>	<b>4.03</b>	<b>4.17</b>
<b>BOARIO PLANT</b>	<b>4.08</b>	<b>5.71</b>	<b>3.66</b>

## Relations with Trade Unions

At Ferrarelle SpA, relations with trade unions are built around consolidated relationships between the Company and the Trade Union Organisations, which are expressed at various levels depending on the territorial area.

The company's nationwide dimensions require relations with Trade Unions at National and Provincial levels, and with Consolidated Trade Union Representatives who develop not only in relation to the territory but also in relation to various areas of expertise. At a national level, for example, the company integrative contract is discussed and signed. This contract defines the aspects linked with trade union relations and others linked with the lives of employees within the company, such as training, employment, organisation, equal opportunities, and bonuses.

The Trade Unions represented within the company, in our various locations, are FLAI-CGIL, FAI-CISL and UILA-UIL. Out of a total of 362 employees, 177 (49%) are members. The highest concentration of membership is in the mineral water bottling plants.

Correct relations between the Company and Trade Unions, together with the company's availability to find solutions that do not have an extreme impact on the employees involved, has favoured the establishment of a management style that is not excessively conflictual, even in the case of deep reorganisation.

Over the last three years, in addition to the agreements typical of the specific management of seasonal companies, we would like to point out the following:

- *For the Riardo facilities, agreements to organise work in relation to new investments in the production lines, and to intensify maintenance work on these new lines, in order to improve the plant's ability to react to market variations.*
- *For the Boario facilities, agreements on the mobility procedures, resorting to social accompaniment measures, in addition to the corresponding reorganisation of productive, logistic and maintenance areas.*
- *For the same site, agreements on the operating procedures to apply flexible time schedules in the production, handling and laboratory departments.*
- *For the entire company, a second level integrative agreement on 7 July 2015, valid until 31 December 2017.*

The following table shows the average monthly remuneration by category, given by gross annual remuneration divided by 14 months for Managers and 15 months for all other roles.

<b>ON 31/12/2015</b>	<b>TYPE OF CONTRACT</b>	
<b>QUALIFICATION</b>	<b>PERMANENT</b>	<b>FIXED TERM</b>
<b>DIRECTORS</b>	8,969	-
<b>MANAGERS</b>	4,135	-
<b>OFFICE WORKERS</b>	2,586	1,839
<b>WORKERS</b>	2,106	1,640

# CORPORATE SOCIAL RESPONSIBILITY AND INSTITUTIONAL PARTNERSHIPS

Ferrarelle sees corporate social responsibility as a value. The company creates projects that contribute to enriching the financial, intellectual and social heritage of each location and community where Ferrarelle works.

Ferrarelle carries out activities involving sponsorships and providing financial support for initiatives proposed by both public and private organisations, as well as by legally formed non-profit organisations, that promote the company's ethical principles and that match the company's policies on the issue in question. In general, Ferrarelle collaborates in planning these activities in order to guarantee

their level of quality. In addition, the company doesn't pay contributions or provide sponsorship to organisations with whom a personal or professional conflict of interest may develop.

In 2015, Ferrarelle invested 1,372,260 Euro in donations, contributions to associations, and sponsorships.

Ferrarelle is a historical partner of excellent organisations that operate in our country for artistic, cultural and scientific purposes, such as the Fondo Ambiente Italiano, the Telethon Foundation, Teatro alla Scala and the Premio Malaparte.

## FAI - Fondo Ambiente Italiano



In 2010, the owners of the Ferrarelle Group decided to ask FAI to "package" a project that could bring substantial added value to the water resource - which is perfect by nature - and to protect its pristine conditions, while simultaneously favouring fruition of the Ferrarelle Sources Park by the community, under the patronage of an organisation that consumers recognise as irrefutably credible and trustworthy.



In this way, Ferrarelle and FAI began work to make good use of the 135-hectare park that is home to the sources of Ferrarelle, Natia and Santagata mineral waters, including:

- *Planting crops that are considered traditional for the area, such as hazelnuts, wheat and durum wheat.*
- *Planting new trees and olive trees, and setting up beehives.*
- *Restoring the original architectural profile of Masseria Mozzi, which dates back to the end of the Eighteenth century.*
- *Creating Masseria delle Sorgenti Ferrarelle srl - an organic farming company that takes care of the crops and produces extra virgin olive oil, organic honey, and handmade pasta.*

For the first time, FAI established a partnership with a private company, accepting Ferrarelle's invitation to manage a project to refurbish the Sources Park, which now has the Foundation's patronage. In this way, for-profit and not-for-profit organisations applied complementary objectives and skills: protection of the hydro-mineral resource, the desire to perform an act of gratitude towards the territory that provides this resource, and to provide an incentive to correct knowledge - all this was included in FAI's mission.

Ferrarelle thus actuated an exemplary project of corporate social responsibility, substantially investing in the territory and acting to defend it, under the guidance of the most authoritative Italian foundation in the field of environmental and cultural conservation.



Fondo Ambiente Italiano has also listed the Ferrarelle Sources Park among the areas open to the public during the FAI Spring Open Days, a traditional annual fundraising event that the foundation organises, and that allows Italians to discover some of the most beautiful natural, artistic and historic sites in our country. In the 2013 edition - which represented the pilot opening of the Sources Park - it was recorded the presence of about 800 people, while in 2014 the number of visitors increased to 1200.

Part of the collaboration with FAI - Fondo Ambiente Italiano is also the support for the site for the creation of "Terzo Paradiso - La Mela Reintegrata" by Michelangelo Pistoletto, organised by Cittadellarte - Fondazione Pistoletto. This work of art received the Patronage and Support of the Municipality of Milan and of Expo Milano 2015.

After exposition in Piazza Duomo, in Milan, the artwork was repositioned for the entire duration of Expo 2015 in Parco Sempione, opposite Palazzina Appiani, also thanks to Ferrarelle's support for the site.

## MASSERIA MOZZI

Masseria Mozzi has been awarded the Ospitalità Italiana mark - certification promoted by ISNART s.c.p.a. - the National Tourism Research Institute - in collaboration with Italian Chambers of Commerce, and awarded to companies that have chosen quality as their objective.

Masseria is also listed in the Register of Educational Farms. The educational and recreational activities on offer allow children to spend a day in contact with nature, as apprentice farmers, following the life cycle of plants from sowing seeds, to planting and watering plants in the garden, or discovering honey production and family life in beehives.

Since Masseria Mozzi also has a wood fire oven, our young guests are also able to try their hand at making pizza.



# Luck is helpful, but Italy needs bravery

**Marco Magnifico**

Executive Vice President, FAI - Fondo Ambiente Italiano

*Italy is the most shamelessly beautiful country in the world. I know - we all know - that it is a cliché, but haven't we all - at least once in our lives - had moments when we thought it with sincere conviction? And thanked God that our roots firmly grasped a land that is so beautiful it leaves the hold world speechless, and makes us proud? Luck is a part of it, but it is not enough. Until we realise that the gift we have received must be defended, cared for, and appreciated every day, we will always be indebted with the future. It is not by chance that UNESCO defines certain locations as "World Heritage". In this way, they remind us that we all share a common wealth and that we should, in some way, feel responsible for it.*

*FAI has always known this, even back in 1975, when the foundation was created with the ambition of truly doing something substantial to defend our country's artistic and natural heritage. This mission is limitless. It was immediately translated into work to return value to all, convinced that rediscovering historical, cultural, artistic or natural value may also generate social value, if it is shared and made available to the community.*

*Luckily, we are not alone in this task, and over the years we have been able to rely on farsighted and responsible allies, ready to support our activities and to take the journey alongside us. And all this in the name of virtuous development for the country, and the will to initiate a change that is truly capable of generating widespread well-being.*

*This is how the collaboration between FAI and Ferrarelle began, in 2006. This alliance was consolidated over time, reaching the level of a solid partnership, based on mutual trust, which is renewed today according to multi-year plans. By farsightedness in a business, I refer to their ability to pursue a vision through an approach that integrates Corporate Social Responsibility policies within their business strategy, in light of future sustainability capable of creating not only economic value, but also social and environmental value. In this sense, Ferrarelle's virtuous model has been, for FAI, a precious opportunity, thanks to their substantial contribution to the realisation of many initiatives, but above all to the opportunity offered to the Foundation to grow alongside the company through a mutual exchange of abilities, which was translated into purposely developed projects. One enlightening example is the synergy that we put into practise for the Riardo Sources Park, the vast and extraordinary natural area in the Province of Caserta where Ferrarelle water flows from the springs. Here, FAI took care of the project for environmental reclamation, restoration and appreciation which, now open to the public, has contributed to forming a bond with the territory, giving its historic and natural identity back to the Park.*

*Examples of similar good practises are those that today, finally, even the Ministry of Cultural Heritage encourages and promotes, in the wake of a political view that is aimed at overcoming certain taboos, deeply rooted in outdated ideologies, which has often seen Private contributions as a risk of excessive commercialisation of our cultural heritage. Commendable initiatives like the Art Bonus are an important sign of this new direction. Cases of company patronage are also increasingly numerous and recognised. They contribute to the recovery of historically and culturally important places, intervening wherever the State does not have the means to intervene. Maybe, today, something is really changing, and we hope that this progress will rely less and less on the whims of the Goddess of Luck and more and more on the values and audacity of our enlightened businesses.*



# Telethon Foundation

Our bond with Telethon - officially established on 23 February 2011, when Carlo Pontecorvo became part of the Foundation's Board of Administrators - is not only an expression of a mere partnership, but a constant and strongly felt commitment, which is translated - throughout the year - into substantial support for numerous fundraising initiatives, including the famous Walk of Life marathon.

FONDAZIONE



In particular, Ferrarelle SpA particularly supports TIGEM, Telethon's Genetics and Medical Institute, which is located in Pozzuoli, in the historical premises previously owned by Olivetti. Together, they are two leaders in Campania in their respective fields, and they bear witness to this level of excellence even abroad. Founded in 1994, today TIGEM is an international point of reference for basic scientific research, and it has become famous in recent years for having created a gene therapy capable of contrasting the development of Leber's congenital amaurosis, a rare form of hereditary blindness that is already evident in early infancy.

TIGEM is also active in the field of metabolic diseases, including Pompe disease - a genetic disease that affects the muscles. The research team has started an experimental study to attempt to slow the development of this disease.

The company is proud to be able to say that, even when our support for Telethon is communicated on the film surrounding parcels, our contribution to the foundation is always independent of sales. It therefore does not imply an increase in the price of the product, since the donations are not affected by the number of parcels sold.



Michele Pontecorvo Ricciardi, Mission Ambassador for the Telethon Foundation, with Lorenzo, affected by SMA 2.

## Teatro alla Scala

The partnership with Teatro alla Scala began in 2007, with the intention to help bring new life to the values of Italian-ness and high quality that the Ferrarelle brand has always incarnated, and that also drive this theatre, reaching their fullest expression here.

By supporting Teatro alla Scala - an entirely Italian artistic and cultural point of pride - our actualisation - at Ferrarelle SpA - of these values is refined and completed, because the company proudly shares this 100% Italian identity and passion for excellence.

In 2013, the company reinforced its presence between the theatre's walls with Vitasnella water, becoming the official supplier of the theatre's corps de ballet. Ferrarelle SpA also enriched its partnership with Teatro alla Scala by sponsoring "CO2" - a theatrical work commission to Giorgio Battistelli during Expo 2015, by which Ferrarelle confirmed its commitment to culture and to environmental sustainability.



## Premio Malaparte

Ferrarelle SpA supports Premio Malaparte - one of the most important literary awards in Italy for international personages, created in 1983 by initiative of writer Alberto Moravia and Graziella Lonardi Buontempo, a collector and patron of the arts. Traditionally, the winner is given the Award - assigned by a Jury presided by Raffaele La Capria - in Capri, where he/she is invited to spend a holiday in search of inspiration. 13 years after the last edition - which was won by Isabelle Allende - the Premio was reborn in 2012 by will of Gabriella Buontempo, granddaughter of the founder of the award. Ferrarelle, the only sponsor of the Premio, was able to contribute to bringing back to the island an event that made it great and important over time, promoting a great Italian literary tradition with international scope. With the Premio Malaparte, the company has increased investments in culture, convinced that this type of activity also contributes to giving our brands an unmistakable sign of 100% Italian and responsible quality. In 2015, Norwegian writer Karl Ove Knausgård won the award and, in 2016, it was given to American author Elizabeth Strout.



## Ferrarelle and support for the territory

The commitment towards the territory in Campania is heartfelt at Ferrarelle, because it is the land where the roots of the company and the brand lie. Corporate social responsibility is therefore, in our opinion, a sign of attention towards our territory, a gesture of gratitude.

In this area, Ferrarelle would especially like to point out the cultural initiatives that bear witness to the company's strong sensitivity to projects and situations that express the fervour and excellence of art and culture in Campania.

### TEATRO BELLINI AND TEATRO DIANA IN NAPLES

Ferrarelle is the official water at Teatro Bellini and Teatro Diana in Naples. With these partnerships, the company has intensified our investments in cultural initiatives, and provided an important contribution to nurture the vitality these theatres give to cultural life in Naples and the Campania territory.

### EXHIBITION: "LA LUCE VINCE L'OMBRA. GLI UFFIZI A CASAL DI PRINCIPE"

Ferrarelle supported, as a social sponsor, the exhibition entitled "La luce vince l'ombra. Gli Uffizi a Casal di Principe", which showed for the first time - from June to October 2015 - important works from the prestigious Florentine art centre at Casa Don Peppe Diana, a property confiscated from the Camorra. The exhibition, under the High Patronage of the President of the Republic, hosted twenty paintings by Neapolitan artists or artists with a strong bond with Naples, as well as by Caravaggio.

With the support of this important artistic event, Ferrarelle also gave its encouragement to the value that the event itself brings, since it is a sign of the will to bring new life to this area of Caserta, and to take back its identity.

### THE REGGIA DI CASERTA AND THE "TERRAE MOTUS COLLECTION"

Ferrarelle supported the Reggia di Caserta in opening the newly completed exhibition - as of 1 June 2016 - of the "Terrae Motus Collection", created by gallery owner Lucio Amelio starting in the 1980s, and entrusted in 1993 to Palazzo Reale by Amelio himself.

More than 30 years after the Irpinia earthquake, for the first time the entire collection was opened in the new areas of the Reggia. It is an unprecedented path through more than 70 artworks commissioned by the great gallery owner from Naples to respond to the tragic event with vitality, including works by Andy Warhol, Robert Mapplethorpe, Michelangelo Pistoletto, Jannis Kounellis, Mimmo Paladino and Keith Haring.



## Ferrarelle and social commitment

With the same commitment to protecting and preserving water as a resource, Ferrarelle also supports a series of initiatives dedicated to less fortunate people, in order to guarantee a future and better living conditions for all.

### **Ai.Bi.**

Every year, Ferrarelle supports "Il bello che fa bene" - a traditional fundraising event for the Ai.Bi. Amici dei Bambini Association, during which leading figures in the world of design, fashion, technology and show business give their contribution to the fight against abandonment. The company's support is developed through financial support, as well as providing the Ferrarelle Limited Edition Art Collections for the charity auction.

Ai.Bi. is a non-governmental organisation made up of a movement of adopting and foster families, and since 1986 it has been working every day alongside children in institutions all over the world to fight the abandonment emergency.

### **TERRE DES HOMMES ITALIA**

In 2015, Ferrarelle supported Terre des Hommes Italia, actively committed to responding to the migrant crisis. Terre des Hommes is the Foundation that defends children's rights, protecting them from any form of violence or abuse, and committed to guaranteeing their rights to health, education, and life. Also thanks to Ferrarelle's contribution, in 2015 the Foundation managed to guarantee more than 200 emergency kits every day for all children and adults arriving in Italy and passing through Milan and Ventimiglia.

# Accademia Ferrarelle



Accademia Ferrarelle is the place dedicated to the catering world, with workshops, meetings and events with professionals and training initiatives on catering issues, not only in terms of food and wine, but also in terms of management. This initiative is the result of the will, at Ferrarelle Group, to provide clients in the Ho.Re.Ca. sector with additional customer loyalty instruments, with an intention of creating collaborative moments and opportunities for dialogue with chefs, restaurateurs and managers, as well as offering them a tangible sign of the premium quality of our company's brands. Courses at the Accademia are mainly held inside Masseria Mozzi, in the heart of the Riardo Sources Park. Other times they are hosted at prestigious facilities in the national restaurant market. In addition to educational meetings with cooks, great chefs, gastronomic experts, master pastry chefs and pizza chefs to discover food secrets, Accademia intends to provide trainees with a complete experience, more than a mere course. They can spend an entire day at the Ferrarelle facilities, where they can go on guided tours of the bottling plants and the Sources Park, in addition to following a course on mineral waters. In addition, trainees can also taste the Masseria delle Sorgenti organic farm company's products, and taste traditional cuisine and pizza at Masseria Mozzi.



Accademia Ferrarelle is the place dedicated to those who have chosen a career in food as a vocation, and who exercise their profession with respect and great dedication, because they know that every day, the first thing that must be brought to the table is passion.









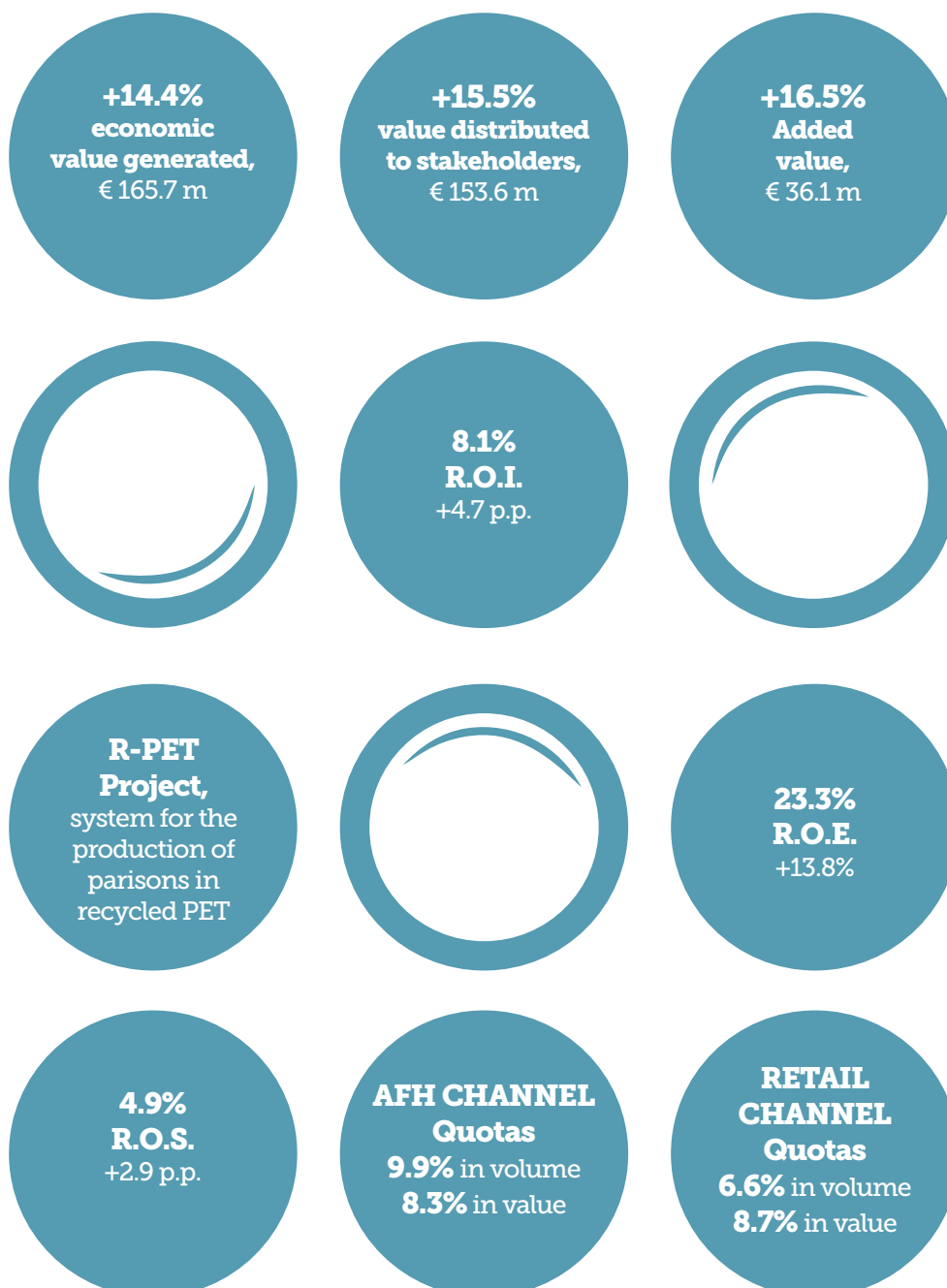




# ECONOMIC SUSTAINABILITY

## A full glass for all

Economic sustainability at Ferrarelle SpA is based on the company's strategic response to market scenarios. This is achieved through the company's business model, capable of developing distinctive capabilities and skills necessary to increase competitiveness.



# CREATING VALUE

At Ferrarelle, the creation of value is the result of an organisation aimed at satisfying consumers and clients, capable of making good use of our people and guaranteeing excellence in products and services, as well as the protection of water and geological resources and the nat-

ural habitat where its springs are located. Ferrarelle also knows the importance of balanced distribution of the economic value generated by its activities, towards its stakeholders, since this is value that they have contributed - either directly or indirectly, to producing.

## Produced and distributed economic value

In analysing the produced and distributed economic value, Ferrarelle highlights the flow of resources produced and directed towards our Employees, Suppliers, Share-

holders, Financial Backers, Public Administration and the Community, in addition to those withheld by the company to finance the business.

<b>GENERATED AND DISTRIBUTED ECONOMIC VALUE (Euro)</b>	<b>2015</b>	<b>2014</b>	<b>Var.%</b>
<b>Economic value generated by the company</b>	<b>165,741,754</b>	<b>144,560,731</b>	<b>+14.7%</b>
<b>Economic value distributed by the company</b>	<b>153,570,517</b>	<b>132,913,252</b>	<b>+15.5%</b>
<b>Suppliers</b>	<b>124,737,603</b>	<b>109,101,131</b>	
<b>Remuneration to employees</b>	<b>22,048,012</b>	<b>20,369,999</b>	
<b>Remuneration to shareholders</b>	<b>4,000,000</b>	<b>1,000,000</b>	
<b>External corporate giving and sponsorships</b>	<b>1,372,260</b>	<b>1,312,760</b>	
<b>Remuneration to Public Administration</b>	<b>991,335</b>	<b>536,504</b>	
<b>Remunerations to financial backers</b>	<b>421,307</b>	<b>592,858</b>	
<b>Economic value withheld by the company</b>	<b>12,171,237</b>	<b>11,647,479</b>	<b>+4.5%</b>



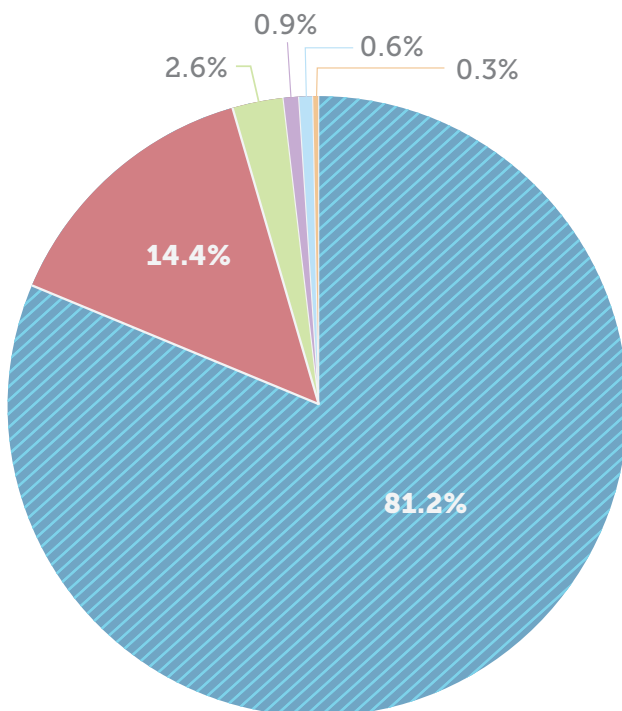
The **economic value generated** by Ferrarelle in 2015 reached 165.7 million Euro, a 14.7% increase compared to 2014. This is owed to the fact that the value of production recorded a 15% increase compared to the previous business year, increasing from 144.5 million Euro to 162.2. This positive variation is the result of two factors:

- An increase in the sold volumes in our "historical" brands.
- The addition to our product portfolio of the new Fonte Essenziale premium brand (therefore resulting in increased sales volumes).

The number of litres sold increased by 8.3%, of which 4.3% owing to the volume developed by Fonte Essenziale. The most renowned and important brand, Ferrarelle, recorded increases compared to 2014 both in value (+3.5%) and in volume (+4.4%). The company's other premium brand, Vitasnella, also grew in both volume (+6.9%) and value (+5.8%).

The **economic value distributed to stakeholders** in 2015 reached 153.6 million Euro, +15.5% compared to 2014. This value was divided in the following way:

- 124.7 million Euro (81.2%) to **suppliers** of goods and services necessary for production.
- 22.0 million Euro (14.4%) to **employees**. This value increased by 8% compared to 2014, due to the addition of 19 people to the company staff, and as a result of the increase in the National Labour Agreement.
- 4.0 million Euro (2.6%) to **shareholders** who assigned 1.9 million Euro to an extraordinary reserve to support company activities.
- 1.4 million Euro (0.9%) to the **community** thanks to donations, contributions to associations, and sponsorship activities.
- 991 thousand Euro to **Public Administration** for taxes paid.
- 421 thousand Euro to **financial backers**, or financial debts towards Credit Institutes.



## 2015 - DISTRIBUTED ECONOMIC VALUE

- Suppliers
- Remuneration to employees
- Remuneration to shareholders
- External corporate giving and sponsorship
- Remuneration to Public Administration
- Remunerations to financial backers

The **economic value withheld** by the company in 2015 reached 12.2 million Euro, +4.5% compared to 2014. This value is represented by depreciation, devaluation, and setting aside the risk reserve and extraordinary reserve.

## PROSPECTS FOR THE FUTURE

In the international macroeconomic scenario - characterised by low inflation and forecasts of minimal growth in the Italian GDP trends, sales forecasts project a 5% increase in volume compared to 2015. This increase may be generated by:

- *The increase in sales volume for the Fonte Essenziale brand, the sale of which began in May 2015.*
- *An extension in the distribution of regional brands (Boario, Natia and Santagata).*
- *Greater use of the promotional leverage of the Ferrarelle and Vitasnella premium brands.*
- *The increase in the volume of investments in marketing, aimed at reinforcing the Ferrarelle and Vitasnella brands, as well as consolidating the new brand, Fonte Essenziale.*
- *An extension in the retail network workforce.*

This commercial strategy, combined with the constant cost rationalisation policy and the consolidation of important industrial efficiency, will result in a substantial improvement in the unitary industrial contribution margin.

The effect of greater investments (marketing and retail network costs), balanced by the improvement in industrial margins, should lead to a result for the business year that is in line with the one achieved in 2015.

## The R-PET Project

Ferrarelle has begun construction of a recycled PET parison production plant. This is a new and important industrial initiative with the purpose of further improving the efficiency of productive processes, achieving significant business growth, and above all proudly adding a new piece to environmental sustainability plan, which Ferrarelle constantly believes and invest in. In the current situation, Ferrarelle starts the PET bottling process by purchasing parisons - that is to say the embryonic state of the containers, before they become bottles through industrial blowing operations. As permitted by recent European regulations on the subject of bottling, the new parisons will be made in the new plant by recycling bottles collected through separate disposal by Conai, but also directly by Municipalities and private collectors.

The productive cycle will take place inside the new plant, and can be summed up in two phases:

### Phase 1 - Bottle sorting and washing

Bottles coming from separate waste collection will be subjected to severe electronic control in order to eliminate any materials that are not PET, also removing labels and caps. The selected material will then move on to the grinding and washing process. The scales produced in this manner will be dried, dusted and once again subjected to electronic inspection.

The scales will then be subjected to a decontamination process through heat and vacuums, which will give them a food grade equal to the level of the virgin raw material. R-PET produced in this manner will finally be stored to be used in the productive process.



## Phase 2 - Producing the parisons

The PET coming from the recycling activity will be mixed with other virgin PET, to feed the injection and stamping process for the parisons, which will later be transformed into bottled in the Group's two bottling plants. The material will be heated to plasticising temperature through an extrusion process, to then be injected in stamping moulds.

After cooling, the parisons will be stored and sent to the plants.

In the new production plant, Ferrarelle is going to employ about 40 new workers, in this way offering to the territory a new and important opportunity for development.

The R-PET project is part of the development contract signed by Ferrarelle SpA and Invitalia, the national Agency to attract investments and business development. With an overall investment of 34.1 million Euro, 25.5 of which provided by Invitalia - between the contribution towards systems and the facilitated financing - the Ferrarelle plant in Riardo will also be equipped with a logistics automation system, as well as a new PET bottling line.



# Ferrarelle: a purposeful company

**Massimo Bergami**

Full Professor of Business Organisation and Dean of the Bologna Business School.

*Ferrarelle is a company dedicated to numerous cultural and philanthropic projects, not occasionally, but rather systematically and proactively. This is a high social impact activity, to which the company assigns financial resources and in which the company is directly involved, contributing skills, relations, and visibility. The most relevant initiatives concern Telethon, Fondo Ambiente Italiano, Teatro alla Scala, Premio Malaparte and Bologna Business School. In all these cases, the company intervenes in various ways in the lives of the partner organisations, participating in the Boards, organising events, intervening in scientific and educational meetings, and also performing an active role in terms of networking and advocacy.*

*This is an effective and modern way of seeing corporate philanthropy, going beyond the praiseworthy concept of "corporate giving". Businesses that actively accompany non-profit organisations, in fact, not only play an important role in pursuing their objectives, but also affect the efficacy with which their financial investments are used in the financed projects.*

*However, this is not the only way Ferrarelle expresses their corporate social responsibility. It may not even be the most relevant. Holding them up to the light to see the watermark of this business, we discover projects focused on the business's environmental impact - like reducing the weight of plastic caps or bottles made of PET (polyester enterephthalate, a type of polyester derived from oil, for the production of non-glass bottles), investments in bottling technology to guarantee better health and hygiene conditions, and constant attention to product quality, but also a commitment to conditions of fairness towards all staff, clients, suppliers, and stakeholders in general.*

*Two dimensions thus emerge, bound by a shared business spirit: the philanthropic dimension and the managerial one. This is a concrete example of the most accredited contemporary view of Corporate Social Responsibility, in which the company pursues its institutional objectives of generating value, with respect for the values that make the business sustainable, while simultaneously paying attention to the requirements of the surrounding environmental context. This is not an endorsement of Ferrarelle which, being run by men and women, is imperfect by definition. Instead, it is a means by which to view a way of acting within the organisation that is acquiring increasing importance in the economy and in contemporary society.*

*Over the years, attention to Corporate Social Responsibility (a concept of English origin) has gradually increased in Italy, especially in larger companies on the stock exchange, and particularly among those whose shareholders include institutional investors who require compliance with certain policies and indicators. In smaller businesses, often controlled by entrepreneurs or family holdings, attention to CSR often ended with philanthropic activities, with frequent mixtures between the company's philanthropy and the entrepreneur's philanthropy.*

*CSR, in its strictest sense, can be seen as a constraint for the company's activities, which could even lead to a reduction in company profits. However, from a perspective that doesn't stop at the short term, a responsible and sustainable strategy generates positive effects in appreciating the business's value, for the different time frame, for the generated external factors, and for the solidity of relations with clients, suppliers, employees and stakeholders in general.*

*Today, the situation is evolving thanks to greater awareness among businesses, as well as to the growing pressure of new situations coming from society. One result is the need to go beyond the concept of CSR, and even to overcome the ambiguity generated by the various definitions and interpretations.*

*If, on one hand, it is clear that the purpose of the company is to generate value for shareholders, on the other it is evident that the company's objectives cannot be separated from the context, mainly in terms of the impact its activities have on society. New concepts have developed, including significant interest for the concept of a purposeful company, in which the purpose of the business activity guides the strategy and decisions, from a point of view in which financial success is compatible with sustainability. Today more than ever, evidently, a business's purpose cannot be ascribed purely to profit. It must also consider usefulness for customers, the well-being of collaborators, the solidity and fairness of relations with business partners and, in general, its impact on society.*

*The new Ferrarelle seems to have anticipated this view, probably thanks to the values expressed by the family that owns the business, but also thanks to the daily work of a management class that has been able to interpret them. This is a road with no end. At the most, there may be checkpoints at the end of stages. The path to growth makes this commitment even more challenging, but the clarity of its principles offers a definite direction.*

## CUSTOMERS: QUALITY AND CUSTOMER SATISFACTION

In order to increase customer satisfaction, Ferrarelle has decided to develop and activate a Quality Management System divided into processes and based on ongoing improvement.

The company has also developed a Product

Tracking and Production Chain Traceability Management System, to guarantee customer satisfaction and food grade safety levels.

Since they share certain basic principles, the Quality, Environment and Traceability Management Systems are integrated.

### Quality policy

People, consumers and customers pay increasing attention to assessing products, comparing quality, service and benefits much more than they ever did in the past, constantly judging companies and affecting their reputation.

Based on what Ferrarelle is, does, and will do, customers will decide to choose us, thus ensuring the existence of the company and continuity in our work. Customers must choose Ferrarelle based on clear, transparent and objective information, and because they see a single concept: the difference. An undisputed value of success, built by the company with the efficiency and efficacy of its services, the quality and safety of

its products, the attention to and respect for the territory, and above all its innovation: the ability not only to anticipate continuously changing needs, linked with various consumer requirements, but also the aptitude to translate them into high-quality products.

It is according to these guidelines that Ferrarelle, with its mineral waters - as always - and now also with its organic products, continues to believe and invest in multiple and diverse activities to increase appreciation of its brands and of its plants, always in a close and harmonious bond with our territorial context.

### Customer-related processes

Customer-related processes concern distributors and the final consumers. Contact with the distributor takes place through the retail network, which acquires all the information necessary for their identification and sends it to Customer Service. In order to effectively satisfy the customer's requests, the organisation is committed to iden-

tifying them and their expectations towards the product and service. In fact, research on the requisites is not limited to the physical characteristics of the product, but is also extended to satisfying implicit requisites, such as delivery activities and schedules, as well as current legal requirements, and are constantly kept under control.

Tests - assigned to highly qualified external laboratories - and medical studies on the properties of Ferrarelle brand waters certify compliance with legal requirements. Requisites are reviewed before accepting the individual order, or on formalising an estimate for the customer. In general, it involved the sales area, Customer Service, marketing, and quality in cases in which the product requisites are changed. In that case, the company makes sure that the documentation linked with the change is updated and that the personnel and customers involved are all suitably informed.

Product requisites are communicated to customers and consumers through:

- *Product catalogues, complete with photos and provided to salesmen and containing, for each brand, a list of available types and formats.*
- *Customer Service, who also manages orders and deliveries and applied information returning from the customer, including complaints.*
- *The label, with the product characteristics and ways to communicate with the company.*
- *The consumer service, which receives information and answers the consumers' questions.*

In 2015, the Consumer Service received 734 contacts (750 in 2014), represented in the following table.

	2015	2014
<b>Number of complaints</b>	<b>422</b>	<b>452</b>
<b>Complaints from consumers (n° complaints/1,000,000 pcs sold)</b>	<b>0.32</b>	<b>0.35</b>
<b>Complaints from customers (n° complaints/1,000,000 pcs sold)</b>	<b>0.27</b>	<b>0.35</b>
<b>Generic reports of dissatisfaction</b>	<b>59</b>	<b>80</b>
<b>Cases managed by withdrawing samples for analysis</b>	<b>90</b>	<b>68</b>
<b>Information on purchasing the product</b>	<b>70</b>	<b>82</b>
<b>Requests for technical/scientific information</b>	<b>133</b>	<b>95</b>
<b>Promotional information</b>	<b>1</b>	<b>11</b>
<b>Written reports sent</b>	<b>154</b>	<b>91</b>
<b>Requests for commercial contact</b>	<b>10</b>	<b>32</b>

The data shows an improvement in performance, especially in relation to complaints.



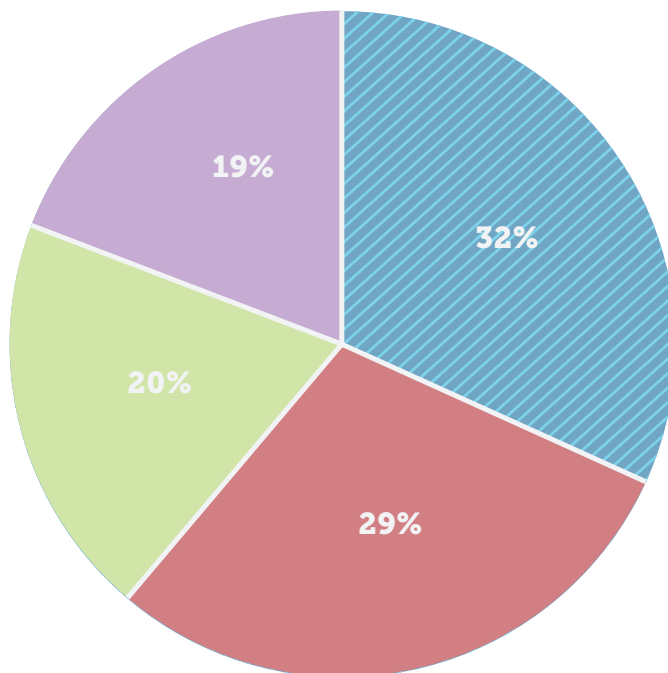
# SUPPLY CHAIN

Ferrarelle considers the Supply Chain management process a critical factor in the success of its business. Strategic management of purchases requires an extended view of the process, along the entire chain of value, from defining product and service specifications to delivery to the customer.

In 2015, the number of suppliers reached 1253, for a total expense of 129.3 million Euro. Of this amount, more than 80% was achieved with just 100 suppliers. More than 82% of purchases were made with Italian companies.

SUPPLIERS AND EXPENSE	2014	2015
Number of suppliers	1,135	1,253
Total expense (Euro) of which	92,654,306	129,327,931
% Italy	81.5%	82.2%
% Abroad	18.5%	17.8%

Supply types are represented in the following graph:



**2015 - TYPE OF SUPPLIES**

- Raw materials
- Services
- Transport
- Systems

## Procurement Process

The procurement process is managed through a designated procedure, which indicates the rules and standards for managing company commitments and purchases, in order to make sure that the acquired products and services comply with the required requisites. This conformity is ensured by the certification process they are subjected to, in addition to inspections on acceptance of materials, the extent and type of which changes in relation to the effects that the acquired materials have on the production process and on the finished product.

Periodically, Ferrarelle carries out assessment inspections at its suppliers' facilities in order to verify their productive capabilities and compliance of performed activities with current regulations.

The quality of procured materials is constantly monitored by means of indicators defined

in the purchase procedure, which make it possible to compare suppliers of the same material and to assess the quality of supplies on the basis of any non-conformities encountered. At the end of the year, this analysis makes it possible to re-evaluate each supplier on the basis of the quality of supplied materials and the results of completed audits, to plan auditing activities to be carried out and to decide whether to confirm or remove them from the list of certified suppliers.

In the case of outsourced services, provision is made for suitable specifications and for the "Procedure for safety, environmental protection, and quality of contracted work", in order to guarantee compliance with commitments Ferrarelle has made in relation to quality and environmental issues.

Of the main suppliers serving Ferrarelle, 26 write up their own Sustainability Report.

## Selecting Suppliers

Fairness, professionalism, efficiency, seriousness and reliability are the foundational elements on which Ferrarelle bases relations with suppliers. They are chosen in relation to assessments based on objective reference elements.

Ferrarelle ensures equal opportunities to supplier companies possessing the necessary requisites. Selection of suppliers and the establishment of purchase conditions are based on an objective assessment of quality, usefulness, the price of the requested goods and services, the ability to promptly provide and guarantee goods and services at an adequate level for the company's needs, as well as on the supplier's integrity, solidity, and environmental compatibility. With the intention of favouring the processing of adapting the suppliers' offers to these standards, Ferrarelle is committed to not abusing contractual power to impose excessively demanding conditions.

As far as occupational health and safety are concerned, Ferrarelle is committed to a substantial collaboration with each supplier in terms of carrying out work on the Company's behalf and of the corresponding preventive and protective measures.

With suppliers from countries defined as "at risk" (e.g. terrorism, etc.) by acknowledged organisations, Ferrarelle introduces specific contractual clauses on obligations of a social nature for the supplier (e.g. guaranteeing respect for the fundamental rights of the individual, protection against child labour, etc.), as well as the possibility of actuating inspection activities in the productive units and offices of the supplier company.

# Assessing Suppliers

The supply performance level is assessed through an analysis of the various parameters expressed by the supplier's service rate, an indicator based on:

- *Compliance with the requested delivery times.*
- *Compliance with the quantity and type of materials ordered.*
- *Compliance of materials with the requisites expressed in technical specifications attached to the sales contract.*
- *Responsiveness and flexibility in urgent cases.*

As far as distributional logistics services are concerned, Ferrarelle constantly monitors the efficacy of the delivery services for our finished products, as well as the recipient customer's level of satisfaction, through a specific indicator that measures the percentage of deliveries on time out of the total number of deliveries, in order to make sure that deliveries are carried out within the given times, in coherence with instructions provided by the client and with company distribution rules.

Ferrarelle has always been available, searching for friendly solutions to problems that could happen with its suppliers. Furthermore, employees have an obligation to promptly report any significant problems to the competent departments, in order to make it possible to take the necessary measures case by case.





Photo: Martino Lombezzi



# Methodological Note

The first edition of the 2015 Ferrarelle SpA Sustainability Report was written "in accordance" - Core with the G4 Sustainability Reporting Guidelines of the GRI - Global Reporting Initiative.

For the execution of reporting activities, it was set up an Internal Committee on Sustainability with the task of defining and monitoring the company's strategic guidelines on sustainable development and promoting initiatives for social responsibility. In defining the contents of the document it was applied the principles of materiality, inclusivity of stakeholders, sustainability context and completeness. To guarantee the quality of this report, there were followed the principles of balance, comparability, accuracy, clarity, speed and reliability.

The document is divided into four sections: Ferrarelle Profile, Environmental Sustainability, Social Sustainability and Economic Sustainability.

Economic data and information were taken from the 2015 Annual Consolidated Financial Statements, while the accuracy of social and environmental information by using certified management systems, particularly those concerning quality, the environment, and traceability, in addition to using the Management and Control Organisation Model in compliance with Legislative Decree 231/01.

The areas subject to the report refer, in general, to the Ferrarelle SpA company, while the environmental data concern only the plants in Riardo and Boario (not the offices), since these are the most significant.

Already in this first edition, Ferrarelle has subjected the Sustainability Report to verification by an independent third party, the Rina Services SpA certification company.

# GRI CONTENT INDEX

GENERAL INFORMATION		PAGE/DIRECT RESPONSE	EXTERNAL VERIFICATION
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Declaration by the highest authority in the decisional process on the importance of sustainability for the organisation and its strategy	p. 5; p. 7	✓
G4-2	Description of key impacts, risks and opportunities.	pp. 27-29	✓
<b>ORGANISATION PROFILE</b>			
G4-3	Name of the organisation	p. 9	✓
G4-4	Main brands, products and/or services	pp. 14-16	✓
G4-5	Location of the organisation's headquarters	p. 9	✓
G4-6	Number of countries in which the organisation operates, names of the countries in which the organisation carries out most of its activities or that may be particularly important for purposes concerning the sustainability issues mentioned in the report.	p. 9	✓
G4-7	Ownership and legal form	p. 9	✓
G4-8	Markets served	p. 9	✓
G4-9	Dimension of the organisation, including: the number of employees, number of operations, net turnover, total compounding divided by bonds/payables, shares, quantity of products or services supplied.	p. 9; pp. 73-74	✓
G4-10	Employees by type of contract, gender, geographical area, role (+ other information)	pp. 52-55	✓
G4-11	Employees covered by collective labour agreements	pp. 52-55, all	✓
G4-12	The organisation's supply chain	p. 81	✓
G4-13	Significant changes in the dimensions, structure or type of ownership that occurred during the reporting period	No significant change	✓
G4-14	Risk management principle	pp. 19-22; p. 25; p. 34	✓
G4-15	Agreements, principles or other external initiatives that the organisation has signed	pp. 62-65	✓
G4-16	Participation in national and international category associations	In 2016 Ferrarelle renewed its membership in Mineracqua - The Italian Federation of Mineral Water Industries	✓
<b>MATERIAL ASPECTS AND PERIMETER</b>			
G4-17	List of the companies included in the consolidated financial statements and list of companies not included in the report.	p. 9	✓
G4-18	Process to define the contents of the report and Perimeter of Aspects	pp. 26-29	✓
G4-19	Identification of Material Aspects in the process to define the contents	pp. 26-29	✓
G4-20	For each material aspect, indicate the corresponding perimeter within the organisation	pp. 26-29	✓
G4-21	For each material aspect, indicate the corresponding perimeter outside the organisation	pp. 26-29	✓
G4-22	Explanation of the effects of any change in information entered in previous reports, and reasons for said changes	Not applicable since the 2015 Sustainability Report is the first created by Ferrarelle SpA.	✓
G4-23	Explanation of significant changes in objectives, material aspects and perimeter compared to previous reports.	Not applicable since the 2015 Sustainability Report is the first created by Ferrarelle SpA.	✓
<b>INVOLVEMENT OF STAKEHOLDERS</b>			
G4-24	List of the groups of stakeholders with which the organisation carries out involvement activities	p. 23	✓
G4-25	Approach to identify and select the main stakeholders to be involved	p. 23; p. 26	✓
G4-26	Approach to the activity to involve stakeholders	p. 26	✓
G4-27	Key topics and critical elements that emerged from the involvement activity, and the response method	pp. 27-29	✓
<b>REPORT PROFILE</b>			
G4-28	Reporting period	p. 86	✓
G4-29	Date of publication of the most recent sustainability report	p. 86	✓
G4-30	Reporting period (annual, biannual, etc.)	p. 86	✓
G4-31	Useful contacts and addresses to request information on the sustainability report and its contents	p. 92	✓
G4-32	Indication of the "In Accordance" option chosen by the organisation, GRI content reference table; References for external assurance	p. 86-91	✓
G4-33	Current policies and practises to obtain external assurance for the report (assurance document)	p. 86-91	✓
<b>GOVERNANCE</b>			
G4-34	The organisation's governance structure, including committees that report directly to the highest governance body. Identify all committees responsible for environmental, social and economic aspects.	pp. 18-19; p. 25	✓
<b>ETHICS AND INTEGRITY</b>			
G4-56	Values, principles, standards, codes of conduct and codes of ethics applied	pp. 12-13; p. 24	✓
G4-57	Internal and external mechanisms to provide advice on ethical and legal behaviour	Ferrarelle Code of Ethics p. 8	✓
G4-58	Internal and external mechanisms to report unethical and illegal behaviour.	Ferrarelle Code of Ethics p. 8	✓

SPECIFIC INFORMATION BY MATERIAL ASPECT, CATEGORY, AND SUB-CATEGORY		PAGE/DIRECT RESPONSE	EXTERNAL VERIFICATION
<b>ECONOMIC CATEGORY</b>			
<b>ASPECT: ECONOMIC PERFORMANCE</b>			
DMA		p. 74	✓
G4-EC1	Directly generated and distributed economic value	pp. 74-76	✓
<b>ASPECT: PRESENCE ON THE MARKET</b>			
DMA		p. 74	✓
G4-EC6	Percentage of Senior Manages hired in the local community in the most significant operating locations.	On average, 88% of our staff lives in the province of the plant or office where they work.	✓
<b>ASPECT: INDIRECT ECONOMIC IMPACT</b>			
DMA		p. 74	✓
G4-EC8	Analysis and description of the main indirect economic impacts, considering the external aspects generated.	pp. 62-69; pp. 74-75	✓
<b>ASPECT: PURCHASING PRACTISES</b>			
DMA		p. 81	✓
G4-EC9	Percentage of expense in local suppliers in the most significant operating locations.	p. 81	✓
<b>ENVIRONMENTAL CATEGORY</b>			
<b>ASPECT: RAW MATERIALS</b>			
DMA		pp. 43-47	✓
G4-EN1	Raw materials used by weight or volume	p. 44	✓
G4-EN2	Percentage of recycled material	pp. 45-47	✓
<b>ASPECT: ENERGY</b>			
DMA		pp. 40-41	✓
G4-EN3	Energy consumption within the organisation	p. 40	✓
G4-EN5	Energy intensity	p. 40	✓
G4-EN6	Initiatives intended to reduce energy consumption	p. 40	✓
<b>ASPECT: WATER</b>			
DMA		p. 48	✓
G4-EN8	Total water drawn from the source	p. 48	✓
<b>ASPECT: BIODIVERSITY</b>			
DMA		p.36	✓
G4-EN11	Localisation and dimension of land owned, rented, or managed in protected areas (or neighbouring areas) or in areas with significant biodiversity outside of protected areas.	p.37	✓
G4-EN12	Description of the highest impacts of activities products and services on biodiversity in the protected areas or in areas with significant biodiversity outside of protected areas.	p.36	✓
G4-EN13	Protected or restored habitats	p.37	✓
<b>ASPECT: EMISSIONS</b>			
DMA		p. 42	✓
G4-EN15	Total direct greenhouse gas emissions (scope 1)	p. 42	✓
G4-EN16	Total indirect greenhouse gas emissions (scope 2)	p. 42	✓
G4-EN18	Intensity of greenhouse gas emissions	p. 43	✓
G4-EN19	Initiatives to reduce intensity of greenhouse gas emissions	p. 43; p. 46	✓
<b>ASPECT: DISCHARGE AND WASTE</b>			
DMA		p. 45	✓
G4-EN22	Total water discharge by quality and destination	pp. 45-46	✓
G4-EN23	Total weight of waste by type and by method of disposal	p. 46	✓
<b>ASPECT: PRODUCTS AND SERVICES</b>			
DMA		pp. 43-47	✓
G4-EN27	Initiatives to mitigate environmental impact of products and services and level of mitigation of the impact	p. 35	✓
G4-EN28	Percentage of products sold and the corresponding packaging material recycled or reused by category	pp. 46-47	✓
<b>ASPECT: TRANSPORT</b>			
DMA		Over the past three years, Ferrarelle has shown a clear commitment to increasing sustainability in transport operations, constantly increasing the use of Euro 4, Euro 5 and Euro 6 vehicles.	✓
G4-EN30	Significant environmental impact of transport of products and goods/materials used for the organisation's activities and for moving personnel	Euro 4, 5, and 6 vehicles: in 2013 38.2%, in 2014 45.7%, and in 2015 51.5%.	✓





SPECIFIC INFORMATION BY MATERIAL ASPECT, CATEGORY, AND SUB-CATEGORY		PAGE/DIRECT RESPONSE	EXTERNAL VERIFICATION
<b>ASPECT: GENERAL</b>			
DMA		p. 41; pp. 76-77	✓
G4-EN31	Expenses and investments to protect the environment, divided by type	p. 41	✓
<b>ASPECT: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS</b>			
DMA		pp. 82-83	✓
G4-EN32	Percentage of new suppliers selected using environmental requisites	p. 82	✓
<b>ASPECT: ENVIRONMENTAL COMPLAINT PROCEDURE</b>			
DMA		ISO 14001	✓
G4-EN34	Number of environment-related complaints archived, processed and solved through the complaint management procedure	No complaint	✓
<b>SOCIAL CATEGORY</b>			
<b>SUB-CATEGORY: WORK PRACTISES AND ADEQUATE WORKING CONDITIONS</b>			
<b>ASPECT: EMPLOYMENT</b>			
DMA		p. 52	✓
G4-LA1	Total number of employments and turnover rate divided by age, gender and geographical area - Employments, terminations and turnover	pp. 52-55	✓
G4-LA2	Benefits for employees	pp. 59-60	✓
<b>ASPECT: WORK/MANAGING RELATIONS</b>			
DMA		p. 61	✓
G4-LA4	Minimum period of forewarning for operational changes (organisational changes), specifying whether or not these conditions are included in collective labour agreements.	The company applies what is specified in the national labour	✓
<b>ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>			
DMA		p. 58	✓
G4-LA5	Percentage of workers represented in the Health and Safety Committee, made up of management and employee representatives, created to control and provide suggestions on programs to oversee occupational health and safety	p. 58	✓
G4-LA6	Rate and type of occupational injuries, illness, work days lost, absences and the total number of deaths, divided by gender and geographical area	p. 58; p. 60	✓
<b>ASPECT: TRAINING AND EDUCATION</b>			
DMA		p. 56	✓
G4-LA9	Average hours of training per year per employee, divided by gender and worker category.	p. 56	✓
G4-LA11	Percentage of employees that regularly receive assessments of their performance and of their career development, divided by gender and category.	p. 56	✓
<b>ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES</b>			
DMA		pp. 52-53	✓
G4-LA12	Composition of the company's governing bodies and distribution of employees by category based on sex, age, registration in protected categories and other indications of diversity.	pp. 52-53; p. 19	✓
<b>ASPECT: SUPPLIER ASSESSMENT BASED ON THEIR WORK RELATIONS</b>			
DMA		pp. 82-83	✓
G4-LA14	Percentage of new suppliers selected according to the criteria of work practises	Given the type of suppliers, the company does not use selection criteria based on work practises.	✓
<b>ASPECT: WORK PRACTISES AND COMPLAINT PROCEDURE</b>			
DMA		p. 24; p. 52	✓
G4-LA16	Number of complaints on work relations archived, processed and solved through the complaint management procedure.	In 2015, there were 4 legal litigations in process, of which one began and one ended in the year in question.	✓
<b>SUB-CATEGORY: SOCIETY</b>			
<b>ASPECT: LOCAL COMMUNITIES</b>			
DMA		pp. 62-69	✓
G4-SO1	Percentage of activities in which the local community was involved, impact was assessed, and development programmes were implemented	pp. 62-69	✓
<b>ASPECT: ANTI-CORRUPTION</b>			
DMA		p. 19; p. 24	✓
G4-SO5	Confirmed incidents linked with corruption, and action taken	p. 19. According to the yearly report prepared by the Supervisory Body for 2015, no critical elements were encountered.	✓

SPECIFIC INFORMATION BY MATERIAL ASPECT, CATEGORY, AND SUB-CATEGORY		PAGE/DIRECT RESPONSE	EXTERNAL VERIFICATION
<b>ASPECT: CONFORMITY</b>			
DMA		p. 19; p. 24	✓
G4-SO8	Monetary value of significant fines and the total number of non-monetary sanctions owing to failure to comply with laws or regulations.	p. 19. According to the yearly report prepared by the Supervisory Body for 2015, no critical elements were encountered.	✓
<b>ASPECT: SUPPLIER ASSESSMENT BASED ON THEIR IMPACT ON THE COMMUNITY</b>			
DMA		pp. 82-83	✓
G4-SO9	Percentage of new suppliers selected using requisites concerning impact on the community	Given the type of suppliers, the company does not use selection criteria based on an analysis of their impact on the community.	✓
<b>ASPECT: PROCEDURE FOR COMPLAINTS CONCERNING IMPACT ON THE COMMUNITY</b>			
DMA		pp. 19; pp. 24	✓
G4-S11	Number of community-related complaints archived, processed and solved through the complaint management procedure	p. 19. According to the yearly report prepared by the Supervisory Body for 2015, no critical elements were encountered.	✓
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>			
<b>ASPECT: CONSUMER HEALTH AND SAFETY</b>			
DMA		pp. 20-22; pp. 79-80	✓
G4-PR1	Percentage of the main categories of products/services for which health and safety impacts are assessed in order to promote improvement.	The company performs this type of assessment on all products in order to guarantee food safety.	✓
<b>ASPECT: PRESENTATION OF THE PRODUCT/SERVICE</b>			
DMA		pp. 20-22; pp. 79-80	✓
G4-PR3	Type of information concerning products and services and labelling required by the organisation's procedures, and percentage of significant products and services subject to said informative requisites.	pp. 20-22	✓
G4-PR5	Results of customer satisfaction surveys	p. 80	✓
<b>ASPECT: MARKETING AND COMMUNICATION</b>			
DMA		pp. 79-80	✓
G4-PR6	Sale of forbidden or contested products	Not applicable	✓
<b>ASPECT: CONSUMER CONFIDENTIALITY</b>			
DMA		pp. 79-80	✓
G4-PR8	Number of documented complaints concerning violations of privacy and the loss of consumer details.	No complaint of this kind	✓
<b>ASPECT: CONFORMITY</b>			
DMA		pp. 79-80	✓
G4-PR9	Monetary value of the main sanctions owing to failure to comply with laws or regulations concerning the supply and use of products or services	No sanctions	✓

### **Verification Objective**

RINA Services S.p.A. has been requested by the Organization "Ferrarelle SpA", located in Via Porta Pinciana, 4 – 00187 Roma, to perform the independent verification of the Sustainability Report "*Bilancio di Sostenibilità 2015*", related to the year 2015, in order to assess its compliance to the reporting principles contained into the guideline *G4 Sustainability Guidelines* issued by Global Reporting Initiative (GRI) and chosen by the Organization.

### **Methodology**

RINA has carried out the activity through:

- a review of the documents issued by the Organization;
- on-site visits, interviews and phone interviews to collect evidence supporting the Sustainability Report and to examine the flow of information that generated the provided data;
- an evaluations of the improvements/corrections carried out by the Organization following any reported finding;
- Preparation of a verification report and the issue of a declaration that expresses an opinion on the conformity of the Sustainability Report "*Bilancio di Sostenibilità 2015*" for the year 2015 to the reference document chosen by the Organization.

### **Verification Opinion**

The sample verification of the writing process has highlighted a correct data management, also thanks to the presence of the existing certification systems, which may be improved in the future considering the novelty of this type of reporting for Ferrarelle SpA

The sample verification of the contents of the Sustainability Report "*Bilancio di Sostenibilità 2015*" has highlighted in general its completeness, clearness, reliability and traceability of the sources.

On the basis of the job carried out, of evidence collected and on evaluations made by its technical personnel, RINA Services S.p.A. can declare that the Sustainability report "*Bilancio di Sostenibilità 2015*" has been issued in compliance with the reporting principles contained into the guideline *G4 Sustainability Guidelines*.

### **Declaration of independence, impartiality and competence**

RINA Services S.p.A. is the company of RINA providing classification, certification, testing and inspection services to ensure excellence to organizations operating in the sectors of marine, environment and energy, infrastructure, transport and logistic, quality and health, agriculture and food.

As a third part and independent body, RINA Services S.p.A. offers its services in the full respect of the principles of professional ethic, independence, impartiality and competence.

**Genova, 24<sup>th</sup> October 2016**

**Laura Severino**  
(Sector Manager Sustainability,  
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RINA Services S.p.A.

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The Sustainability Report was written with the contribution and coordination of the Internal Committee for Sustainability.

**Methodological and reporting consultancy**  
**Studio Badalotti per il Bilancio Sociale S.r.l.**

**Editorial coordination**

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