

SUSTAINABILITY REPORT



2022

Listening to you is fundamental



We are currently undergoing a profound social and digital transformation that has led to changes not only in the economic and productive structures of countries but has also affected the entire society and its forms of expression. Amid this context of immense change, it is crucial to ask the right questions and seek answers that delve deeper into the revolution we are experiencing. This sentiment aligns with our commitment to excellence and sustainability at Arcese. In our path to align our values and goals with sustainable practices, we have established a standardized process to ensure complete transparency and accountability: **the Sustainability Report**.

More than just a document, by actively listening to our employees through the Global Employee Survey it quickly became a tool for reflection and growth, leading us to take a significant step in our commitment to sustainability. The voice of our people is fundamental to fostering a sustainable and thriving workplace culture: their feedback helps us improve and evolve as a company. While it's true that this kind of report is a requirement and a necessity for companies like Arcese, we have chosen to make it a proactive tool that prompts us to reflect, improve, and serve as a reminder of the goals we achieve along the way. This report therefore signifies our commitment to the outside world and ourselves to transform how we run our operations to become increasingly sustainable.

**Because we prioritize valuing people,
caring for the communities in which we work,
and recognizing the impact of every decision on the planet.**

Matteo Arcese
Global Executive President

A handwritten signature in black ink, appearing to read 'Matteo Arcese'.

Guido Pietro Bertolone
Global Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Guido Bertolone'.

ABOUT ARCESE

The title 'ABOUT ARCESE' is rendered in large, white, sans-serif capital letters. The letters 'O', 'U', 'R', and 'C' are replaced by circular images: 'O' shows a stone bridge over a river; 'U' shows a stack of colorful shipping containers; 'R' shows a man in a red jacket holding a cardboard box; and 'C' shows a man in a red jacket holding a cardboard box. The letters 'A', 'B', 'E', 'S', and 'E' are solid white. The background is a light gray with a large, faint, white circular graphic element in the lower-left corner.

We are a global logistics operator fulfilling customer needs for transport and logistics services, targeting customer excellence through our strategic aims: operational excellence, people, growth and digital thinking. **We connect worlds** creating value for all those who participate in the Company and share its objectives.

1.1 Arcese Trasporti SpA & the Group

[GRI 2-1]

Arcese Trasporti S.p.A. is the company of Arcese Group in charge of Road Freight and Contract Logistics in Italy. It is a Joint-stock company with a single shareholder (Arcese Holding S.a.p.a. di Eleuterio e C.), based in Arco (TN)¹. The history of Arcese Trasporti, and Arcese Group as a whole, is a long journey which first began in 1966 and continues today. Inspired by our history, constant innovation, commitment and passion, we have created a vibrant company. Today the Company is a leading company in the transport and logistics sector and international shipping, present worldwide with an integrated network with branches and logistics sites in Italy and a network of branches and transport partners all over Europe, North, Central and South America, the Middle East, and Asia.

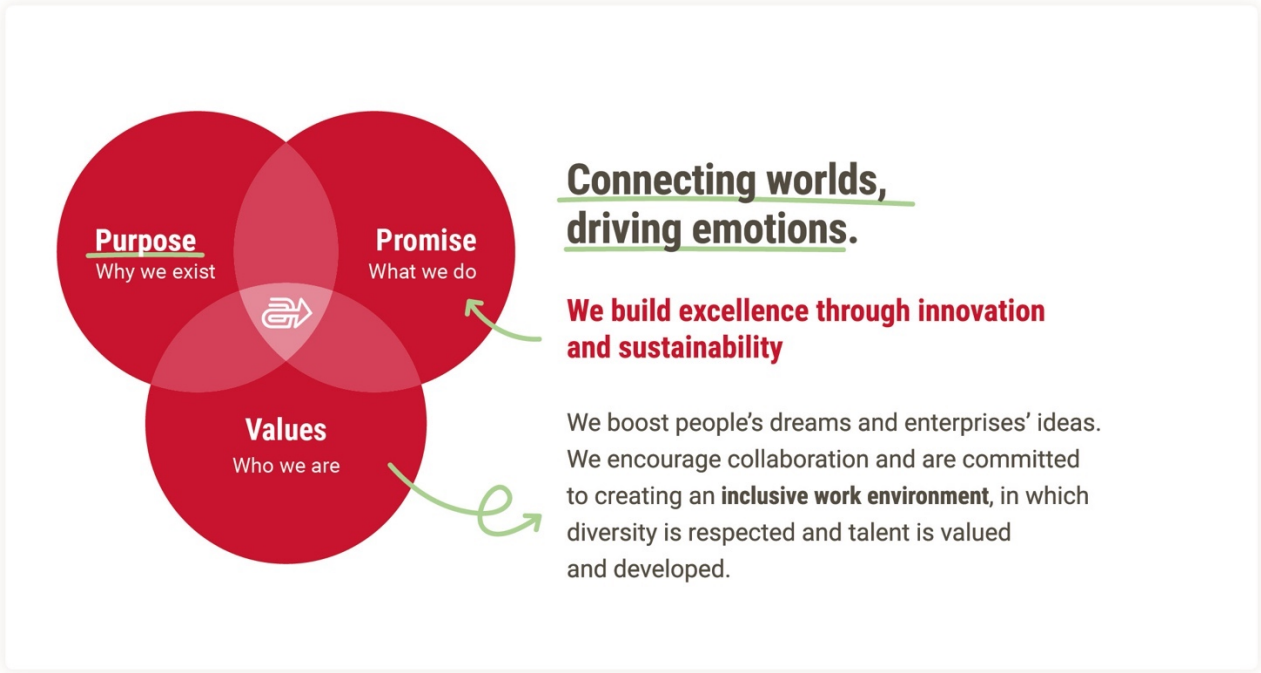
1.2 Our Purpose, Promise and Values

[GRI 2-23, GRI 2-24]

Our people defined the Purpose, Promise and Values (PPV) that represent Arcese and will be our guide in facing the challenges that the future holds. Over 1.500 individuals had a voice in articulating what it should feel like to work in Arcese.

In line with PPV, Arcese Trasporti recognizes the following as important development factors:

- Environmental protection, aware of responsibility towards the environment, moving towards economic and environmental sustainability
- Occupational safety and security (in terms of protection of people, goods and information), in harmony with the production activities and with the company resources available



¹ Arcese Trasporti S.p.A. has the registered and administration office in Via Aldo Moro 95, 38062 Arco (TN).

M **MOVEMENT**

We never settle. We bring passion and commitment.
We never stop learning and bringing change

O **ONE TEAM**

Together, we are more than the sum of our parts.
We advance with trust and a common goal

V **VALUE TO CUSTOMER**

We go beyond what's at task. We feel accountable
for our results and add value in any way we can

E **EXCELLENCE**

We settle for nothing less than greatness.
We take risk and thrive on results

I **INNOVATION**

We are creative, digital, never satisfied
with the status quo

T **TRANSFORMATIONAL LEADERSHIP**

We inspire each other to be what we have always
dreamed of becoming

1.3 Activities, services and markets served

[GRI 2-6]

Arcese Trasporti SpA is specialized in Road Freight and Contract Logistics, while the Arcese Group as a whole offers integrated solutions that cover the entire supply chain. These include road and intermodal transports, air&ocean freight forwarding, warehouse management and integrated logistics solutions.

We partner together with our clients to offer tailor-made and innovative solutions in many industries including automotive, consumer, industry, paper, chemical, fashion & textile, building & furniture, technology, food & beverage, developing high professional skills for both SMEs and large multinational corporations.

ROAD FREIGHT

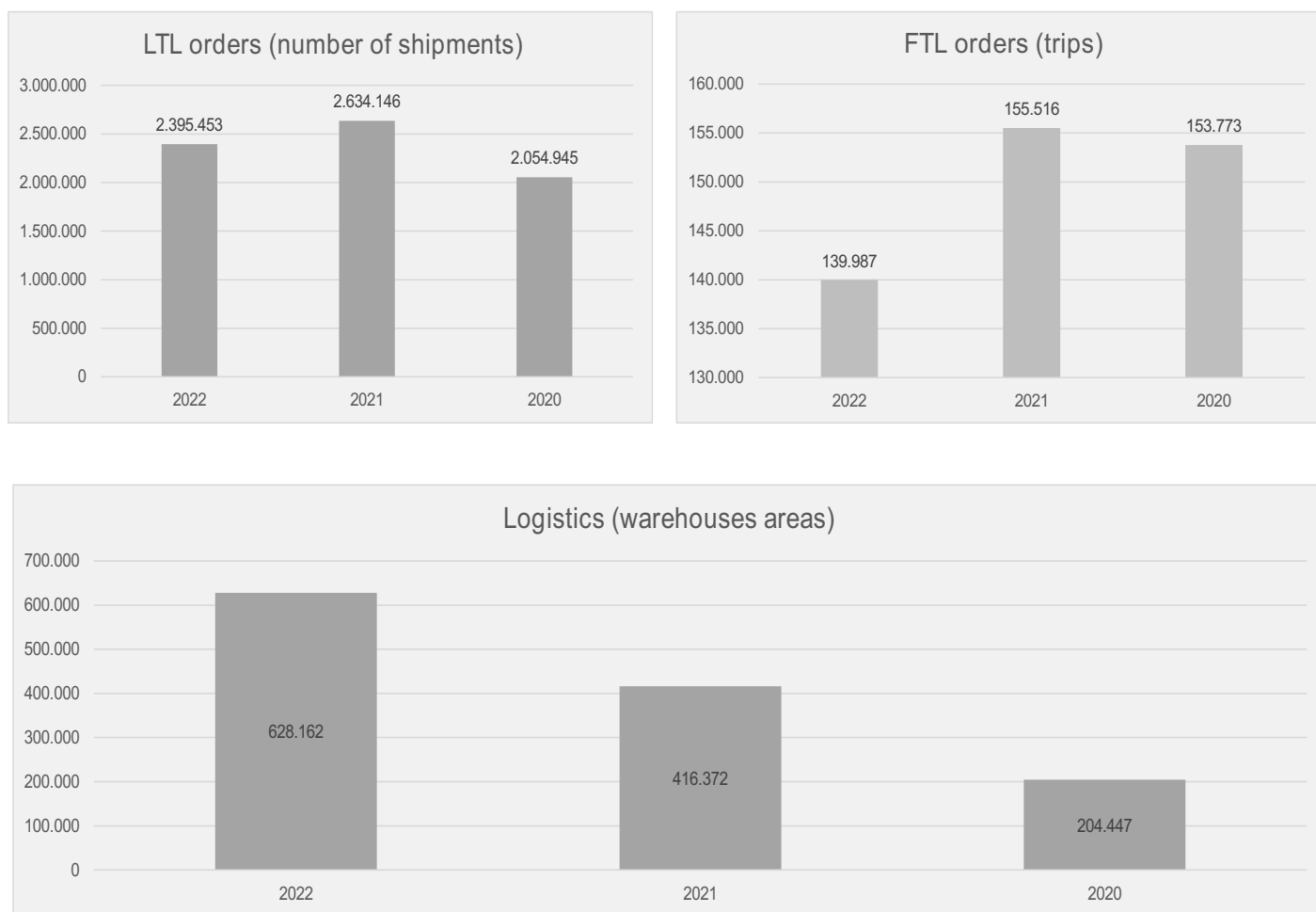
Road and intermodal transport have always been Arcese's core business, representing the very history of the Group. Thanks to the fleet capacity and well-knit distribution network, Arcese can satisfy any transport need in terms of volume, delivery times and transport complexity. With more than 2,000 daily departures in more than 30 countries, Arcese is a leading road freight operator in Europe.

CONTRACT LOGISTICS

Arcese delivers end-to-end supply chain solutions and distribution services. The dedicated Contract Logistics organization uses technology and innovation to design and deliver optimized and reliable solutions. Arcese operates in 40 locations with a warehouse space spanning over 600.000 sq metres.

AIR&OCEAN

The Air&Ocean division is specialized in worldwide ocean and air shipping providing comprehensive, personalized and flexible services through a global network with unrivalled local expertise. Thanks to consolidated relations with leading sea and air carriers, Arcese guarantees daily departures (import/export) worldwide. Moreover, a variety of value-added services such as customs clearance, warehousing and brokerage services are offered.



During 2022, the logistics areas managed by Arcese Trasporti SpA showed a significant increase (+50,8% between 2022 and 2021). Regarding shipments, after a slowdown in 2020, a significant increase was recorded in 2021, followed by a little decrease in 2022. LTL orders decreased by 2.634.146 shipments to 2.395.453 (- 9,06%), while FTL orders moved from 155.516 trips to 139.987 (-9,99%).

The trend of volumes decreased compared to 2021 is mainly due to the following aspects:

- Automotive industry slow-down due to the electronic chip lack of components
- Intermodal network infrastructure issues caused reduction of capacity
- Lack of drivers from subcontractors caused by war in Ukraine as well as a continuation of the general trend of reduction of drivers

1.4 Arcese Trasporti SpA governance structure

[GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-14, GRI 2-19]

The governance model of Arcese Trasporti S.p.A., and in general the entire organizational structure is designed in such a way as to ensure the successful implementation of strategies and the achievement of objectives. The current structure was designed and built to achieve maximum efficiency and operational effectiveness. The corporate governance system is traditional and structured with four main actors:

SHAREHOLDERS' MEETING

Competent to deliberate in ordinary and extraordinary sessions on the matters reserved to it by law and by the Company's Articles of Association.

BOARD OF DIRECTORS

Vested with the broadest powers of administration of the company and for the achievement of the corporate purpose, within the limits of what permitted by law and by the articles of association. The Board of Directors is responsible for defining the strategic direction, as well as defining and verifying the efficiency of the structure organizational and administrative of the company. The Board is composed of 6 members, all men, of which two are less than 50 years old and one-third of the Board's members are independent. Half of the Board belongs to the Arcese family, one member is part of the internal management, and the remaining two are external members with specific professional competences regarding finance and business management. In general, there is not a specific policy for determining their remuneration. A fee is attributed for the office of Director and an additional fee for those who hold the role of Chairman and Chief Executive Officer based on the size and turnover of the company. There are no variable compensation, bonuses, incentives or severance payments.

The Chairman of the Board of Directors represents the company vis-à-vis third parties.

The Managing Directors have the powers of representation and management attributed to them by the Board of Directors. Once a year the Chief Executive Officer, according to the Chairman, shares "The Global Journey" key goals of the year/couple of years ahead. From these key objectives every Business Unit or department derives the objectives of their area. This means that the Move My Performance (MMP) goals for each member of that Business Unit or department should be aligned to the strategic CEO goal setting. These goals reflect four macro-objectives which include economic, environmental and social perspectives: Business Model Excellence, People, Leadership & Culture Transformation, Digital Thinking and Growth. The Board of Directors is responsible for the approval of the Sustainability Report. An executive summary is provided during the Board meeting to show the preview of the document outcome. In case any remark is present the report is verified and updated if required.

BOARD'S MEMBERS

Matteo Arcese: Chairman and CEO;
Guido Pietro Bertolone: CEO and General Manager;
Eleuterio Arcese: Director / Emeritus Chairman;
Leonardo Arcese: Non-executive Director;
Carlo Cesare Gatto: Independent and non-executive Director;
Alberto Gennarini: Independent and non-executive Director.

EXECUTIVE COMMITTEE

The Executive Committee is the executive body responsible for discussion and decisions about business, economic, environment and social aspects. It meets 1-2 times a month with both strategic and executive purposes. Most significant decisions are discussed at Executive Committee level and then submitted to the Board of Directors for validation.

BOARD OF STATUTORY AUDITORS

Entrusted with the task, by law and by the articles of association, of supervision:

- on compliance with the law and the articles of association;
- compliance with the principles of correct administration;
- the adequacy of the company's organizational structure, the internal control system, the administrative-accounting system, with reference for the latter to correctly represent the management facts.

AUDITORS

Arcese Trasporti S.p.A. entrusted the auditing firm PricewaterhouseCoopers S.p.A. for the auditing of accounts.

1.5 Associations & Partnership

[GRI 2-28]

We live in a world that is increasingly global and interconnected. With the aim to operate within a context that continuously grows thanks to dialogue and mutual exchange, Arcese Trasporti partners with several associations:

CONFINDUSTRIA

The main association representing manufacturing and service companies in Italy (more than 150.000 members). The association's activities are aimed at guaranteeing the central importance of companies and defining the drivers of Italy's economic, social and civil development.

ANITA (Associazione Nazionale Imprese Trasporto Automobilistico - National Association Of Road Transport Companies)
The specific association of transportation companies inside CONFINDUSTRIA.

ASSONIME (Associazione fra le Società Per Azioni - Italian Association of Stock Companies)

A voluntary non-profit association which conducts its activities aiming to study and analyse issues directly and indirectly related to the interests and the development of the Italian economy.

ALIS (Associazione Logistica Intermodalità Sostenibile - Logistic Association Of Sustainable Intermodality)

A transversal association gathering all the operators and stakeholders in the logistics sector aiming to promote sustainable intermodal transport: large companies in the transport and logistics sector, ports and interports and several universities.

ASSOLOGISTICA (Association of Logistic Providers)

The association of logistics companies, port, interport and airport terminal operators. The association's activities are aimed at promoting studies, quality and reputation of Italian logistic companies.

F&L (European Freight Leaders)

An independent Forum based in Europe which allow logistics leaders to learn, debate and create network. The network covers all transport modes and industries, with multiple stakeholders including shippers, carriers, technology businesses and other service providers, ports, academics, policy makers and NGOs.

GLEC (Global Logistics Emissions Council)

An industry-led partnership with the aim to drive emission reduction and enhance efficiency across global logistics supply chains, through the global, harmonized guidelines for reporting and reducing logistics emissions that work for business.

POLYTECHNIC UNIVERSITY OF MILAN and CONTRACT LOGISTICS OBSERVATORY

Arcese has also established a relevant partnership with the Polytechnic University of Milan and its Contract Logistics Observatory for research development. This partnership has a collaborative objective, which allows Arcese to acquire new specific skills and know-how and to create a network with members of Polytechnic, competitors, operators and clients.

OTHER PARTNERSHIPS

Arcese also signed a partnership with Bruno Kessler Foundation for research development and with Bocconi University Milan (MEMIT - Master in Economics and Management of Transport, Infrastructure and Supply Chain) to present Arcese experience to Master students and propose talent development programs.

Since 2018 we are collaborating with Rosa Associati supporting young athletes running back their dreams in line with the passion for sport that is part of our Company spirit.

KENYA PROJECT

There are various communities with which Arcese interacts, some are located close to the operational sites, others further away. In fact, Arcese supports solidarity initiatives around the world.

Since 2018, Arcese works together with Rosa Associati in guaranteeing, through sport and education, new future opportunities for children and young people in the West Pokot-Marakwet district, in the Rift Valley province in Kenya.

In 2022, in addition to the 3 projects already implemented, 2 new ones are being added with the aim of giving concrete support to young athletes and students. The first one is the Lemotit girls' training camp that accommodates and supports 40 young female athletes and students. The second includes Torongo's training camp where Arcese is involved in both the purchase of new beds and the supply of running water.



"Sustainability is such a fundamental element at Arcese that we have integrated it into our promise, 'We build excellence through innovation and sustainability.'

Every day, it inspires us to drive and shape our business to have a long-term positive impact.

We aspire to collaborate with others, be it communities, customers, or colleagues.

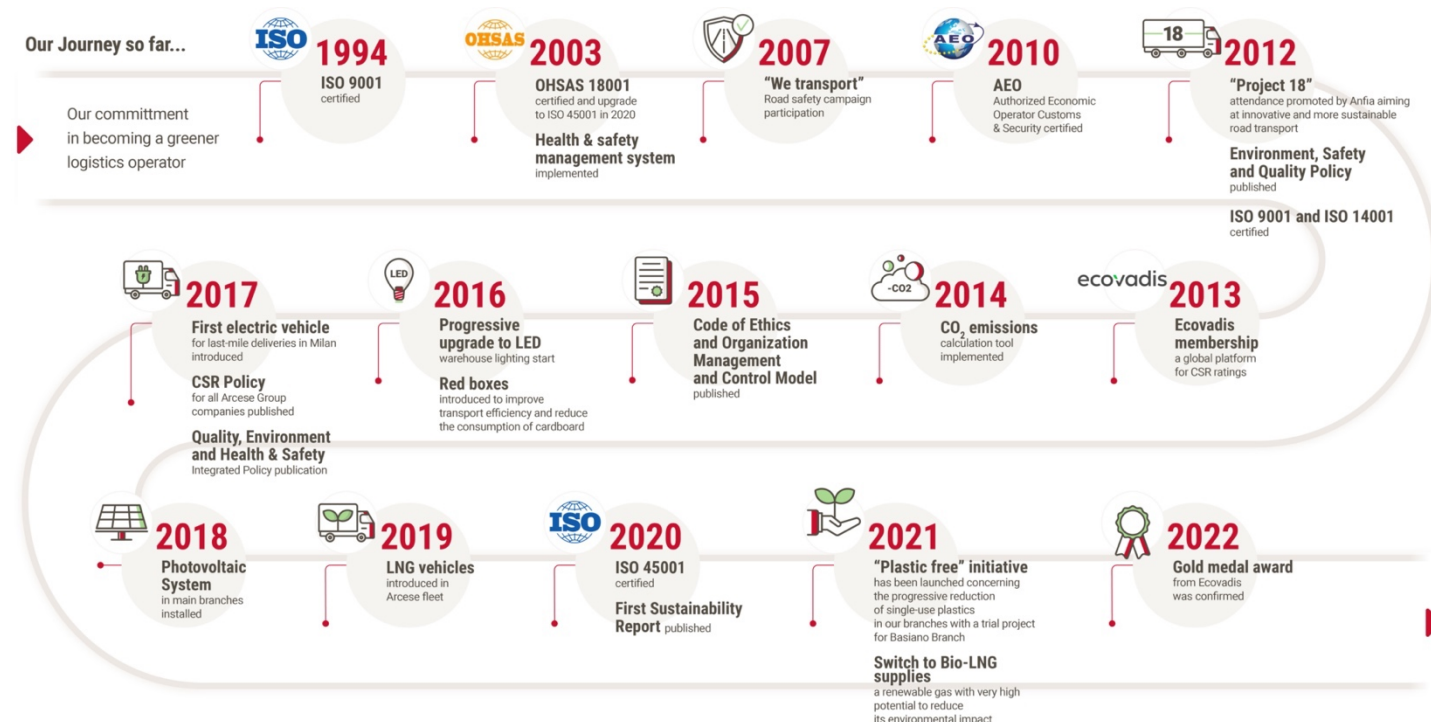
For this reason, we want to provide them a platform to share their voice on how they contribute daily to achieving our sustainability goals. This year, we have increased our commitment and efforts across the company by establishing and building our Sustainability team, defining our long and mid-term sustainability strategy, and launching our communication plan to engage our internal and external stakeholders. We are excited and prepared to continue our journey."

Alessandro Catelli

Global Safety, Sustainability & HSE Director

2.1 Our Journey so far

For the Arcese Group, being a sustainable company means enriching management and strategic choices with ethical and social considerations, investing in human capital, the environment and relations with all stakeholders. We embarked on a conscious path by strongly believing in an ethical and sustainable business and by implementing several concrete actions over the years.



2.2 Stakeholder mapping and relationship

[GRI 2-29]

To better address issues related to sustainability, it is essential to understand who are the parties that in various ways are interested and impacted by business activities. Global Reporting Initiative Sustainability Reporting Standards (hereafter "GRI Standards"), chosen by Arcese for the preparation of the Sustainability Report, defines the stakeholder as "entity or individual that can reasonably be expected to be significantly affected by the reporting organization's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives".

Arcese Trasporti has identified its main stakeholders by analysing its business activity and evaluating which stakeholders are most influenced by the decisions taken by Arcese and which stakeholders most influence the decisions of Arcese. During its activities, Arcese interacts with a plurality of stakeholders, which in various ways contribute and influence the actions of Arcese. For each of the relevant stakeholders, Arcese has defined specific communication and engagement channels, which are activated with different frequencies. In some cases, regular and periodic discussion is necessary. In others, contact is made according to the needs of both Arcese and the stakeholder.

STAKEHOLDER	DEFINITION	METHODS OF DIALOGUE AND FREQUENCY OF ENGAGEMENT
Employees	People working in Arcese	Management committee meeting every two weeks

		Monthly team meeting (committee members and direct reports) Function meeting every six months Monthly informative newsletter to all employees Annual survey about the Aplace intranet Drafting of the sustainability report Workshop to present the sustainability report Annual Employees Survey
Suppliers	Contractors and subcontractors who are entrusted with the transport services	Contractors and subcontractors are engaged by e-mail or phone calls on a daily basis from the Operations Department to assign and track the transport services and monitor the performances. A specific Arcese function is also in charge to engage regularly (monthly or quarterly) the subcontractors for administrative purposes, to verify their documents and compliance to transport regulations and to audit their internal procedures. Audit on site are carried out as well.
Clients	Users of the transport services offered by Arcese	Daily relationship with Sales representative and Customer Service by e-mail, phone call and live/online meeting Monthly KPI reports and monthly CO2 reports, if requested by the clients Annual clients satisfaction survey
Economic Partners	Companies that supply goods and services, and local related companies	Regular relationship with Purchasing Department by e-mail, physical or remote working groups
Shareholders and investors	Capital providers	Daily presence in the business activities
Trade union associations	Entities that protect the rights of workers	Regular communication by e-mail Monthly worker council meeting, Arcese engages with associations to define and manage agreements concerning the employees working in a specific plant or in the company
Institutions	PA, national and international authorities, including bodies that regulate transport matters	Participation to industry Associations Formal communication and provision of data/report required by law European/National financing project participation
Universities and Research Centers	Organizations operating in the R&D of sustainable transport policies	Workshop, written communications and advisory panels (on a quarterly basis) Research projects on specific topics are developed regularly (one or two projects per year)
External consultants	Professionals who are called upon by the Group to carry out dedicated projects	Daily relationship by e-mail, live/online meetings and workshops

2.3 Arcese Trasporti materiality analysis

[GRI 3-2]

To prepare a report according to the requirements of the GRI Standards 2021, following the stakeholder identification, Arcese Trasporti implemented the materiality analysis which is aimed to identify material topics to be reported in the Sustainability Report. The new version of the GRI Standards define a material topic as a *“topic that represents the organization’s most significant impacts on the economy, environment, and people, including impacts on their human rights”*. In 2022, Arcese Trasporti reassessed the material topics reported in the previous editions of the Sustainability Report. Following an analysis of sustainability, Global and European trends, the carrying out of benchmarking with national and international peers and competitors and a desk analysis of internal and referenced context, Arcese Trasporti engaged with internal corporate functions and the top management and identified its actual and potential impacts along with its value chain. Accordingly, the Organization assessed the significance of the identified impacts and identified the most significant ones. The process, as described in the GRI Standards, can be represented as follows:



Accordingly, Arcese Trasporti identified 10 material topics, presented in the following table. These results, and more broadly all our sustainability efforts, were presented to all Arcese's functions during dedicated Workshops. Regarding the management approach adopted by the company and specific performance indicators for each topic, these are reported in the following chapters of this document.

SUSTAINABILITY PILLARS	MATERIAL TOPICS	TOPICS HIGHLIGHTS
ARCESE FOR INTEGRITY	Purchasing policies	Raw materials, subcontractors and transport providers could be linked to environmental impacts generated with their services. Arcese Trasporti purchases a significant amount of packaging materials and other materials for their offices. Part of its services rely on other transportation providers.
	Cybersecurity	Arcese Trasporti relies on digital based solutions for a large portion of its internal processes. The topic refers to the security of the sensitive information, privacy and the protection of the overall IT infrastructure from any harmful event
ARCESE FOR PEOPLE	Health and Safety at work	The topic refers to the promotion of safety in the workplace, through a careful assessment and management of risks, which are carried out through daily actions such as training, responsible behaviour awareness and implementation of preventive actions.
	Occupation, training, diversity, and welfare	The topic refers to the organization's commitment to provide equal opportunities to everyone, recognizing, respecting and valuing differences in employees, collaborators and candidates and to create the best "employee experience", and to promote employees' growth, skills and capabilities towards a stronger organizational culture.
ARCESE FOR THE ENVIRONMENT	Energy consumption and emissions	Transport and logistics sector contributes significantly to global emissions. To mitigate its potential impacts on the ongoing climate crisis, Arcese Trasporti implements solutions and technologies in order to reduce its direct and indirect GHG emissions.
	Impact on biodiversity	The topic refers to the potential impact on the environment caused by the transport and storage of some hazardous goods.
	Careful waste management	Arcese Trasporti manages most of its deliveries packaging, producing waste. Arcese implements responsible management of waste through activities such as separate collection and recycling, as well as initiatives aimed at raising awareness among employees of the "3R" principles.
ARCESE FOR QUALITY AND INNOVATION	Service quality and repercussions on third-party entities	The topic refers to the development of quality services aimed at identifying and satisfying clients' needs, guaranteeing the highest standards in terms of simplicity, safety, speed and punctuality of transport.
	Innovation, research and digitalization	The topic refers to the design of new and innovative solutions, collaboration with research institutions and companies in order to identify those that best meet client needs and improve logistics and transport.
	Fleet management	Fleet management aims at optimizing costs and performances. Arcese Trasporti also implements management strategies aimed at mitigating fleet emissions.

INSPIRED BY SUSTAINABLE DEVELOPMENT GOALS

We inspire ourselves looking at the 17 Sustainable Development Goals (SDGs) as cornerstones of our sustainability vision. The SDGs consist of seventeen interconnected objectives with 169 targets, aiming to create peace and prosperity for people and the planet both now and in the future. These goals prioritize the integration of environmental, social, and economic aspects of sustainable development, recognizing the need to address poverty, improve health and education, reduce inequality, promote economic growth, combat climate change, and preserve our oceans and forests. The SDGs were formally established and adopted in the 2030 Agenda for Sustainable Development by all United Nations Member States in 2015. We have identified a specific set of goals as reference for our commitments based on the materiality analysis.



2.4 Sustainability achievements and commitments

[GRI 2-23]

In line with our commitment to ethical and transparent behaviour, defined in the Code of Ethics and CSR policy, integrating the social and environmental dimensions, without forgetting the importance of the quality of our services, our primary objectives are:

- Offer a service in line with the customer's needs according to the agreements made
- Comply with current legislation on the environment, health and safety in the workplace and engaging in large-scale improvement projects for conservation of the environment and safety at work
- Manage business processes with a view to effectiveness and efficiency, ensuring adequate communication with collaborators
- Optimize and reduce the consumption of renewable resources and encourage one proper waste management aimed at their reduction and reuse
- Offer logistics services that guarantee the protection of product safety, managed information and people

The table below shows how Arcese Trasporti has responded during 2022 to the commitments made on each material topic in the previous Sustainability Report and how it intends to continue its sustainability path during 2023. The commitments are defined based on the characteristics of the various projects and the effort required to carry out the activities.

SUSTAINABILITY PILLARS	MATERIAL TOPICS	OUR COMMITMENTS FOR 2022	STATUS ¹	NOTES
INTEGRITY	Ethical business conduct	Implementation of Supplier Code of Conduct	3	Delayed issue of the document in 2023
		Maintain a high level of surveillance	1	
		Keep the Organization Management and Control Model (ex. Italian Legislative Decree 231/01) constantly updated	1	
	Cybersecurity and data privacy	Increase security, avoiding physical file servers to be 100% replaced by cloud solutions fully redundant	1	
		Extend Helpdesk support to cover H24 and 7/7	1	24-hour service desk for VIP (board) users and specific users to ensure warehouse operations
PEOPLE	Health and Safety at work	Re-set the company Risk Assessment Documentation for all the branches	1	
		Increase number of AED devices, with training for first aiders	1	
		Maintain a high level of information and awareness on health and safety among employees	1	
		Reorganization of HSE roles inside company organization	1	
	Occupation, training, diversity and welfare	Improve inclusion of all employees through employee-driven communication	1	
		Improve the engagement of all employees through survey	1	
		Improve preparation of the people leaders for cultural transformation	2	Digital Academy implementation not completed
		Finalize HR department organization to support the People Strategy	1	
		Introduce new smart working policy for all employees	1	
		Incorporate safety training into a strategic curriculum	2	In place information to all new hires on Safety (training pills)
		Consolidate an effective onboarding program for the new hires through the first 90 days on the job	2	Will be ready in 2023
ENVIRONMENT	Energy consumption and emissions	Set energy consumption and emissions reduction targets compared to the 2021 baseline	2	Activity postponed new Sustainability Manager started in Sept 2022. Started measurement activity on all Italian branches
		Finalize the new CO2 emissions calculation tool	3	Software implementation postponed due to several debugging activities that delayed the project.
		Increase intermodal share in the production set-up	3	Extensive maintenance activities on major rail routes have caused a lot of delays and cancellations over the year. Due to these events the rail production capacity has

¹ 1 = Achieved - 2 = Partially achieved - 3 = Postponed to 2023

QUALITY & INNOVATION				dropped significantly and faced a market demand increase. Both these elements brought to an overload of the rail network that reduces the % of rail transport executed by Arcese in 2022.
		Continue awareness on environment and sustainability among Arcese people	1	
		Complete the LNG fleet truck transition	1	
		Increase the share of LNG (Liquefied Natural Gas) trucks in the fleet mix	1	
		Implement and test new sustainable fuels (efficient from an environmental and economic point of view)	3	Not reached due to energy crisis that increased cost of alternative fuels and lack of customer willing to invest.
		Finalize and share Sustainability parameters with suppliers	3	Postponed due to delay in the preparation of Supplier Code of Conduct.
		Confirm bio-LNG supply for Arcese FTL services	3	Due to war in Ukraine and related energetic crisis the capacity of BioLNG has been reduced dramatically. In addition to this the cost of LNG on the market was not anymore economically sustainable leading to the forced stop of almost the entire LNG fleet.
		Develop internal policies to facilitate more sustainable commuting solutions for the Arcese employees	2	PSCL 2022 delivered on time, the definition of initiatives have been postponed to 2023.
	Impact on biodiversity (*)			
	Careful waste management	Increase the adoption of digital solutions to reduce the waste generation	1	All the contracts between Arcese and its transport suppliers are shared digitally.
		Identify with customers new opportunities for reusable packaging	3	No initiative traceable to packing
		Increase the share of Arcese sites with "plastic-free water dispenser" solution	1	Installed 4 additional water dispenser in Arco and Rovereto.
	Service quality and repercussions on third-party entities	Analyse root causes and define corrective actions on the management of critical issues, rapidity of the communication and reliability of the service.	1	
		Improve survey coverage increasing response rate	3	No reached
		Analyse operative quality issues in order to define the necessary improvements policies	1	
		Reorganize the LTL Customer Service in terms of standardization of the processes and improvement of the responses quality service	2	Process at 40% completion

Innovation, research and digitalization	Participate as a proactive member on new projects and initiatives related to transport and logistics sustainability	1	Participation to the "Sustainable Logistic Roadmap" provided by GLEC. New intermodal projects described in NON-GRI 1
	Implement the Supplier Portal platform	2	Discovery phase achieved. The implementation will start in 2023.
Fleet management (*)			

(*) no commitments have been set in 2022 as these are the new material topics defined for this report.

SDGS	PILLAR	MATERIAL TOPIC	COMMITMENTS 2023
 	INTEGRITY	Cybersecurity	All application/software moved to cloud solution Automation of response to anomalies with SOC: Implementation of an automatic system response when the SOC (Security Operation Centre) identifies a possible threat.
		Purchasing	Third Party Risk Management: - Implement by Q4 WAVE 1 of VLM Project with focus to create transport supplier CRM: In 2022 Arcese focused on the so-called discovery phase, which aims at onboarding the stakeholders, communicating the objectives, and mapping the current vendors' lifecycle, with the final purpose of collecting requirements, identify possible improvements, and clearly define roles and responsibilities. The discovery phases ended in November 2022 and led into the foundation phase, in which the detailed designed and implementation is carried out. - Implementation of supplier code of conduct
 	PEOPLE	Health and safety at work	Improve management of first aid boxes thanks to digital control system, avoiding waste of products Increase number of AED devices, with training for first aiders: implemented in following operations sites: Chiari, Tortona, Rovereto, Verona workshop.
		Occupation, training, diversity and welfare	GES: survey extended at global level Our Global Employee Survey (GES) is conducted once a year and has the goal of gathering feedback from all employees regarding different aspects of our organization. The survey investigates engagement, company culture, leadership, work environment, and more. The initiative started in 2022 only for Italian employees and is going to be deployed globally in 2023. Diversity and Inclusion initiative
			Increase cultural engagement: periodic newsletter aiming to increase cultural awareness on the sustainability topics.
 	ENVIRONMENT	Energy consumption and emission	Chemical product substitution: For maintenance activities substitution of chemical product with biological based ones mostly for cleaning purposes. Complete implementation of Green Router for FTL and LTL Start scouting for renewable energy purchase in order to define possible business case
		Waste production and management	Proceed with the implementation of water dispenser at least on additional three branches Increase waste sorting disposal at the branches with environmental certification



QUALITY AND INNOVATION

		Change procurement and utilisation of chemical products in workshop
Impact on biodiversity		Keep high level of attention at operations sites close to protected areas.
Fleet management		Increase the Hybrids fleet
		90% Euro 6 fleet mix
		HVO implementation within FTL operations
Innovation, research and digitalisation		Increase intermodal production share up to 7%
		Complete implementation of electric truck for paper mill
		Complete test for electric Terberg at customer logistic platform
		Transport document digitalisation (Proof of Delivery)
		Predictive asset positioning
		Planning module for first/last mile management

INTE GR TY



"Integrity is not just a word; it is a way of life. At Arcese, we firmly believe that honesty, transparency, and ethical behavior form the foundation of our success.

We are committed to upholding and promoting the highest standards of integrity in all our business dealings, and we hold ourselves accountable to our customers, partners, and employees.

By fostering a culture of integrity, we can build trust and forge long-lasting partnerships that benefit everyone involved."

Tobia Mazzi

Transportation Purchasing Senior Manager

A handwritten signature in black ink, appearing to read 'Tobia Mazzi'.

3.1 Our Integrity principles

[GRI 2-23, GRI 2-24]

Since its establishment, Arcese Group has been fully aware that every business decision has a significant impact on the company's relationship with the society in which it operates and more precisely with its employees, clients, suppliers, and partners, as well as with the surrounding community and the local institutions. This profound knowledge of our impacts on the external context and our commitment to behave fairly and ethically is defined by a voluntary self-regulation process that led us to formalize four key documents³:

- Code of Conduct
- Code of Ethics
- Corporate Social Responsibility Policy (CSR)
- Security Policy

All Arcese's business and activities are inspired by the values defined and subscribed in these documents: respect for laws and regulations, respect for human rights and principles of honesty, fairness, cooperation and loyalty, health and safety on working sites, respect for the environment, transparency in accounting records, refusal of money laundering, corruption and smuggling.

It is our priority to pay attention to respecting these rights and principles through clear policies, communication and training. For this reason, we work to ensure that all stakeholders are aware of the contents of these documents and to create a shared culture where our people are empowered and responsible in maintaining high ethical standards. All documents are published on Arcese's intranet website and available to all stakeholders.

ETHICAL BUSINESS MANAGEMENT RECOGNITION

Our commitment to conducting an ethical business management model was recognized by confirming the EcoVadis Gold Medal. We also improved our rating compared with previous years, ranking in the top 2% of companies in its sector. The EcoVadis rating covers a broad range of non-financial management systems including Environmental, Labour & Human Rights, Ethics and Sustainable Procurement impacts. The overall score (0-100) reflects the quality of the company's sustainability management system at the time of the assessment.

Arcese Trasporti is equipped with an Organization Management and Control Model, with General and Specific parts, developed after a structured Risk Assessment process. Arcese has also named a Supervisory Body that has the responsibility to monitor and oversee the compliance of Arcese's business to the principles defined in the Organization Management and Control Model. He has also the responsibility to prepare periodic reports with the results of his surveillance activity.

Specific communication channels have been established to allow stakeholders to submit reports relating to the Code of Ethics or any breaches of the same directly to the Supervisory Body, which analyses reports, interviewing the whistle-blower and the person accused of the violation if appropriate. Performing this investigation activity, the Supervisory Body takes measures to protect whistle-blowers against any type of retaliation, in the sense of actions which may give rise to even merely the suspicion of any form of discrimination or penalization. The whistle-blower's identity is also kept strictly confidential, subject to compliance with legal obligations.

³ These documents integrate the requirements of the international standards ISO 9001-14001 and 45001 and are available at the following link: <https://arcese.com/responsabilita-di-impresa/>. The policies are approved by Arcese CEO at the first release, then confirmed, updated and validated every year if required by the Quality Review committee.

3.2 Tackling corruption

[GRI 205-1, GRI 205-2, GRI 205-3]

The risk assessment is the foundation of the Organizational Management and Control Model under D.Lgs. 231/01 and represents a cross-process that impacts all types of operations held within the organization. Therefore, during the last three years (2020, 2021 and 2022) 100% of Arcese Trasporti operations have been covered by a corruption risk assessment.

The evaluated risks are principally related to a commission of crimes and corruption is one of them. Currently, the corruption risk to be evaluated is of medium level and it is governed by Arcese through the Code of Ethics, the procedures and principles or norms of behaviours. Among the procedures related to risk assessment of corruption there are: Human Resource Management, Public Administration Management (inspections, financial requests and authorization), Accounting and finance, Gifts and Sponsorships, Sales, Litigations, Procurement and Assurance management.

Overall, in the last three years, there has been no incident of corruption reported.

To mitigate the risk of committing corruption offenses, Arcese's anti-corruption policies and procedures (related to the Organization Management and Control Model) are communicated to 100% of its employees, governance body members, clients and suppliers. Specific training modules are provided to Arcese's governance body members and employees and, in 2022, 100% of governance members received e-training on anti-corruption. Regarding employees, the main principles are part of the onboarding training program and must be subscribed at the time of the hiring.

Finally, all third parties are obliged, through specific contractual agreements, to comply with the principles stated in Arcese Code of Ethics, within the limits of their competencies and responsibilities, as well as the specific rules and procedures referred to in the Model that govern the relationship with third parties. Any violations of the Code of Ethics and of the Model, where applicable, may result in the termination of the relationship based on what has been contractually agreed.

3.3 Compliance with law and legislation

[GRI 206-1, GRI 2-27]

As already indicated, Arcese Trasporti S.p.A. considers its ethical business conduct a priority, which also includes compliance with law and respect of commercial practices.

For the past three years no legal actions for anti-competitive behaviour, anti-trust and monopoly practices have been recorded. However, in 2022 Arcese Trasporti reported a total of 1845 cases of noncompliance with laws and regulations, for a total amount of about 280.162,11 € of monetary penalties, which are largely fines from road acts (truck and trailers, and company cars). Also in 2022 the ASL (Azienda Sanitaria Locale) conducted an inspection in Verona.

With reference to the environmental noncompliance that was opened in 2021 on the Rovereto site, Arcese paid both sanction and clarified the situation about the water treatment system that was fully compliant and the case was closed by APPA.

3.4 Tax approach

[GRI 207-1]

Arcese's business gives the Group the opportunity to contribute to tax revenues in many jurisdictions, taking part in the economic and social development of the countries in which Arcese operates.

Arcese is aware of the importance of this revenue flow for collective wellbeing and therefore adopts a behaviour that is in line with the principles of transparency, honesty, integrity and good faith prescribed in the Code of Ethics.

Our management decisions are driven by industrial and commercial objectives and tax considerations are only relevant as a support to the realization of those objectives.

We adopt the principles established in the 2011 edition of OECD's "Guidelines for Multinational Enterprises", a leading tool to promote responsible business conduct in the changing landscape of the global economy, which requires companies to:

- contribute to public finances in the host countries, paying taxes due on a timely basis;
 - adhere to both the letter and the spirit of tax rules in the countries in which business activities are carried on;
 - communicate promptly to the relevant authorities all information prescribed by law or necessary in order to determine correctly the taxes due;
 - determine transfer prices in intra-group transactions in line with the OECD'S "Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations" and we prepare Global Masterfile and Local Masterfile every year.
- All Arcese's main companies are audited by the external auditors and taxes are checked during the annual audit.

3.5 A responsible supply chain

[GRI 2-6, GRI 3-3, GRI 308-1]

Carrying out its business activities, Arcese interacts with a plurality of partners recognizing the importance of building a sustainable and responsible supply chain. Overall, in 2022 Arcese engaged with 892 new suppliers (9,8% less with respect to 2021).

Arcese's procurement process is divided into sub-processes based on the following categories:

- transport sub-contractors;
- warehouse handling and cleaning services;
- other (energy, maintenance, packaging, waste disposal, consultancy, etc.);
- Company assets (infrastructures and vehicles for example).

Until now, all Arcese Suppliers were asked to conform to Arcese Code of Ethics and all applicable laws, rules, and regulations where they operate. During 2021, a specific Code of Conduct for Suppliers was developed, containing ethical, social, and environmental requirements, in line with Arcese Code of Ethics and CSR documents. The commitment of Arcese Trasporti is to share the Code of Conduct with our Business Partners in 2023.

In addition to compliance with ethical requirements and regulations, the selection of suppliers takes place based on some parameters, such as quality, convenience, price, capacity and efficiency.

More generally, in the selection of suppliers ARCESE considers reference requirements:

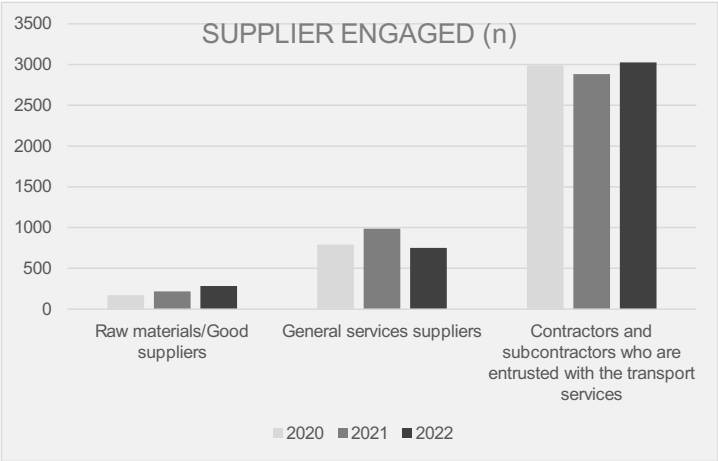
- the professionalism of the interlocutor;
- the availability, duly documented, of means, including financial ones, organized structures, design skills and resources, know-how, etc.;
- the evidence that the supplier respects environment, health and safety values in the workplace;
- a general management that has no negative impact on the image and reputation of Arcese.

For all suppliers a qualification process is activated, necessary to assess the correspondence of the company's requirements with the service that Arcese has requested. The tax and wage compliance certificate is considered essential for the providers who require the use of personnel at the structures of the Arcese group.

With specific reference to the Transport sub-contractors process, Arcese follows an articulated process that begins with a verification of regularity concerning operational and economic aspects and which then involves the signing of the "Arcese Carrier Form", to be compliant and to fully respect the rules described in the "Arcese Driver Handbook and Safety Standards" and also to observe the content of the Ethic Code of Arcese and the integrated Quality-Environment-Health-Safety Policy. Every year suppliers are evaluated by a quality index that calculates the number of non-conformities compared with the number of transports, based on a specific internal procedure in charge of the Arcese Quality Department and, in addition, the Transport Purchasing department is responsible for the auditing of the most important carriers, turnover related.

To prevent negative impacts Arcese has implemented an Enterprise Content Management software (called ARXivar) where all the mandatory and accessory documents of the transport suppliers are registered. This application is workflow-based

with automated tasks and expiry date warnings; if a supplier is not compliant with legal or internal requirements, the collaboration will be suspended and the supplier code blocked in the Arcese Systems. Arcese has also a training department which is in charge with continuous training sessions for external transport suppliers. Moreover, the traceability program is a focal point for Arcese. This service allows to monitor efficiency of transport suppliers and to share transport-info with customers in order to build transparent relations with external Partners and to avoid disruptions.

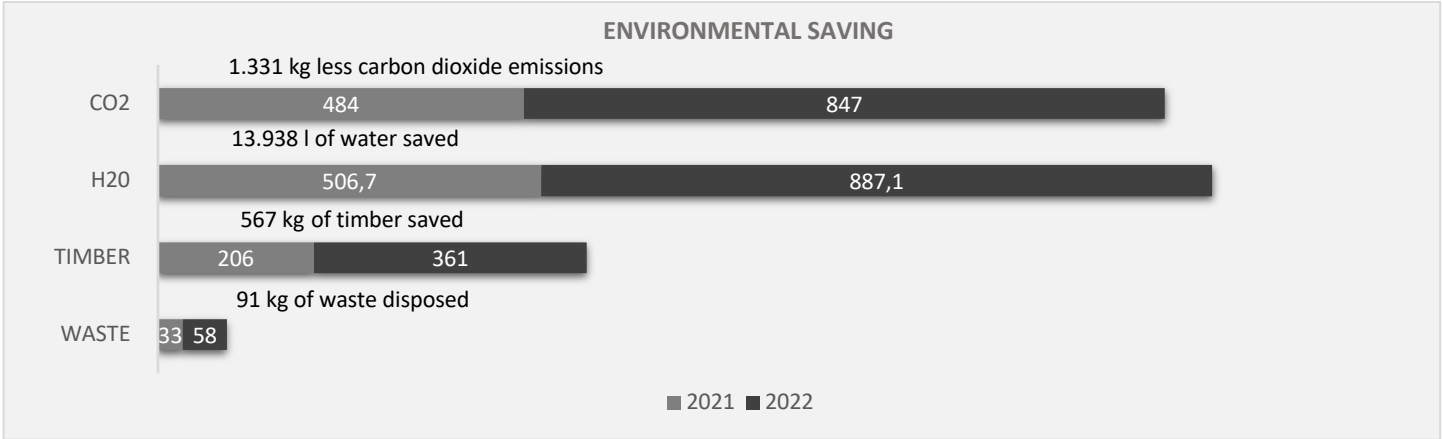


Between 2022 and 2021 there were no significant changes in the organization of Arcese’s supply chain and the number of suppliers involved remained fairly stable. Among suppliers in the categories “Raw materials/Good suppliers” an increase of 31,02% was recorded in 2022 compared to 2021, however in the categories "General services suppliers" a decrease of 23.91% was recorded.

Instead, among subcontractors a slight increase of 4,92% was recorded, mainly related to a increase in the number of subcontractors with a turnover of more than 100 k, demonstrating a concentration towards suppliers handling a larger volume of transports.

Arcese continued the work to create a Supplier Code of Conduct and the document will be finalised and shared with all our business partners in the first quarter of 2023, adding an important milestone for our journey on a more sustainable supply chain.

Switching to digitalisation projects linked to supply chain, Arcese continued the adoption of Docusign, now most of the contracts with our business partners are signed with this platform. In 2022 we signed digitally 167 contracts resulting into the following CO2 savings (calculated by Docusign) that are shown in the graph and table below accounting for 2021/2022.



Arcese is implementing a Vendor Lifecycle Management (VLM) platform that will become a strategic tool for the management of our entire supply chain.

The VLM program is aiming at digitalizing and streamlining the direct suppliers' journey covering the following stages: from the scouting process up to the invoicing, from the order assignment to the training.

The final goal is to enhance vendors' loyalty through internal and external flawless processes, digital pipelines and enhanced user experience. This allows Arcese to exploit global volume synergy, improve service quality and answer the market need of promptly selecting partners, all key points to improve customers' satisfaction.

The scope covers the following areas: scouting, qualification, contract management, order planning and execution, invoicing and payment, training, monitoring, claims, and audit.

In 2022 Arcese focused on the so-called discovery phase, which aims at onboarding the stakeholders, communicating the objectives, and mapping the current vendors' lifecycle, with the final purpose of collecting requirements, identify possible improvements, and clearly define roles and responsibilities. The discovery phases ended in November 2022 and led into the foundation phase, in which the detailed design and implementation are carried out.

3.6 Cybersecurity

[GRI 3-3, GRI 418-1, NON GRI 4]

Arcese is aware of the importance of protecting personal information and other information entrusted by its clients, it protects the privacy of employees and third parties and the confidentiality of data in accordance with the relevant legislation (data protection legislation) by means of rules and procedures which regulate the methods applied for the use and storage of data and information. All employees are obliged to be familiar with the company's regulations and policies regarding the security and confidentiality of data, also to prevent IT crimes.

To prevent data leaks and data tampering, we have created a dedicated department to manage information security as part of our effort to enforce global rules and ensure information security through the implementation of organizational, technological, and physical security management policies. IT policies and procedures have been introduced to allow the correct and safe use of IT tools. Moreover, specific tools were activated for monitoring and protecting the corporate network. The Cyber Security Department periodically conducts internal information security audits/tests and reviews to evaluate how it handles information, working in this way to implement improvements and promote new training.

Additionally, we decided to improve the internal training process for all employees (a campaign of cybersecurity training has been launched, mandatory for all employees) and the Helpdesk service support availability was extended along the day (from 7am to 10pm plus h24 contact number for urgencies).

After a data breach occurred in December 2021, Arcese has adopted organizational measures in order to reduce the risk of data breaches and data losses through the creation of a specific position dedicated to privacy issues (Privacy Delegate, "Delegato Privacy") and of an internal Privacy Committee. Moreover, an IT Cybersecurity function has been developed and training activities related to cybersecurity and privacy issues have been carried out for all employees.

In addition, Arcese adopted an IT Governance Annex related to the data and treatments under IT management. A Privacy Action Plan is periodically updated for continual improvement and for complete monitoring of the privacy system in place.

In order to prevent and reduce the risk of new cybersecurity incidents, the following actions have been put in place:

- Multi Factor Authentication (MFA) is mandatory for each user connected to our environment.
- Advanced MDR Cybersecurity solution has been implemented to monitor all out infrastructure H24 365/365
- Multi-Tier architecture has been implemented splitting all our system in three different segregated layers reducing the potential scope of a cyberattack
- A series of fake phishing campaigns has been launched towards all employee populations to leverage the Cyber security understanding.

- SOC (Security Operations Centre) is fully operational 7 days for 24H and connected with proper escalation procedures with the infrastructure outsourcer if a Cyber security ALERT is fired.
- A full Microsoft Security stack within Enterprise Tenant has been configured and additional security layer EMS E3 has been deployed to all employee account and PC with the Windows Defender Suite
- A vulnerability assessment, which is performed continuously for external internet application and on a yearly base for internal systems
- Online training is provided by the e-learning platform "knowbe4" to support security awareness for new employees (onboarding process) and recurring training is planned on a regular basis.

Finally, Arcese ensures that data is protected and considers all the aspects including data storage, in fact, personal data is encrypted and stored in systems with strong authentication and limited access to a few users. Due to the Data protection laws (GDPR) compliance requires data controllers to sign a data processing agreement with any parties that act as data processors on their behalf. The data processed does not affect the freedom and rights of physical persons.

QUALITY AND INNOVATION



"These are the cornerstones of our business. We strive to deliver the highest standard of service to our customers while constantly seeking new and better ways to improve our processes and operations.

In Arcese, innovation encompasses more than just technology; it involves creativity, collaboration, and continuous improvement. We are dedicated to providing our customers with innovative solutions that anticipate and meet their evolving needs as we continuously seek ways to enhance our services and exceed their expectations.

By embracing quality and innovation, we can stay ahead of the curve and drive sustainable growth for our business."

Claudia Cavicchi

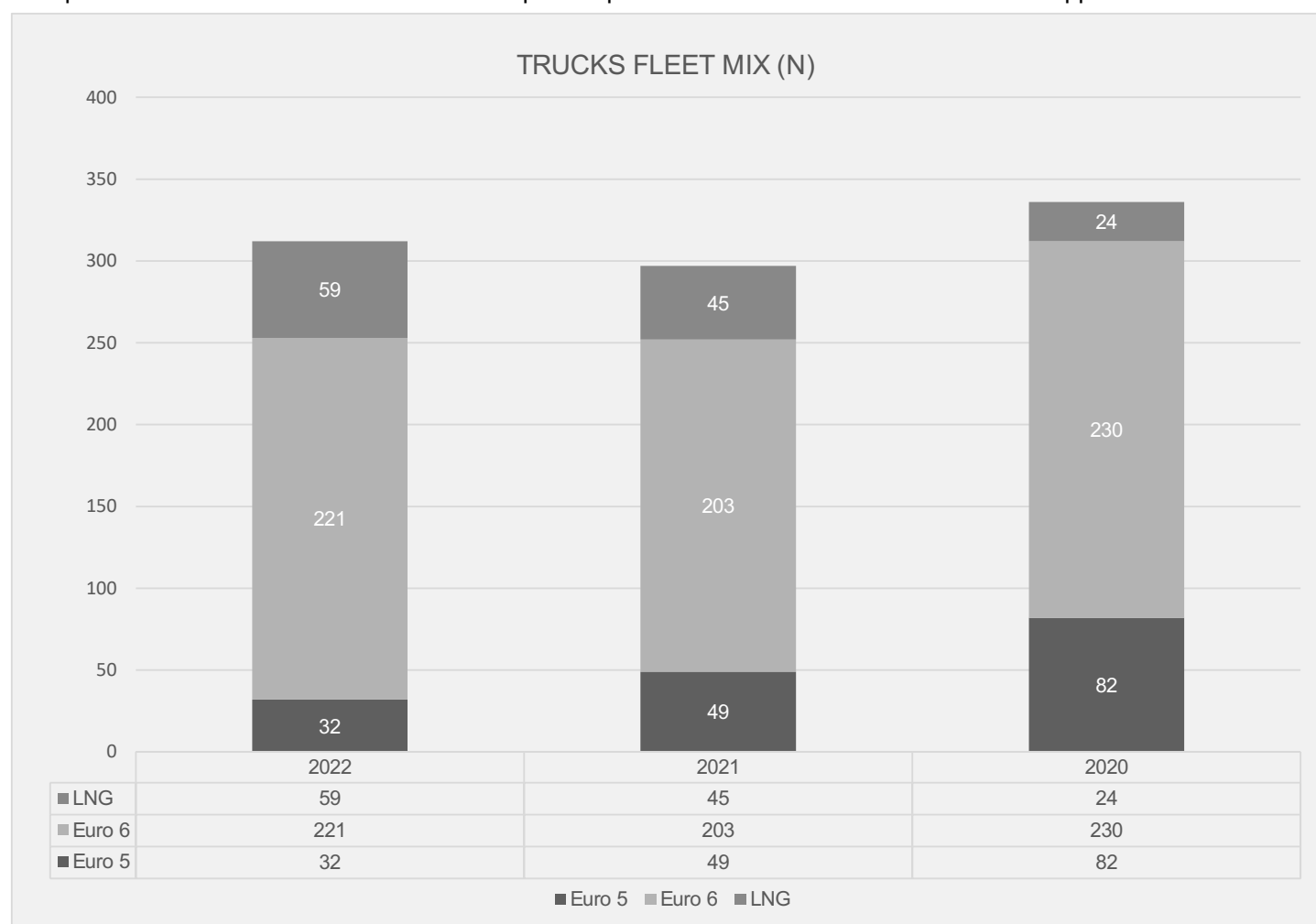
Quality & Continuous Improvement Senior Manager

A handwritten signature in black ink, appearing to read "Claudia Cavicchi".

4.1 A responsible fleet management

[GRI 3-3, NON GRI 5]

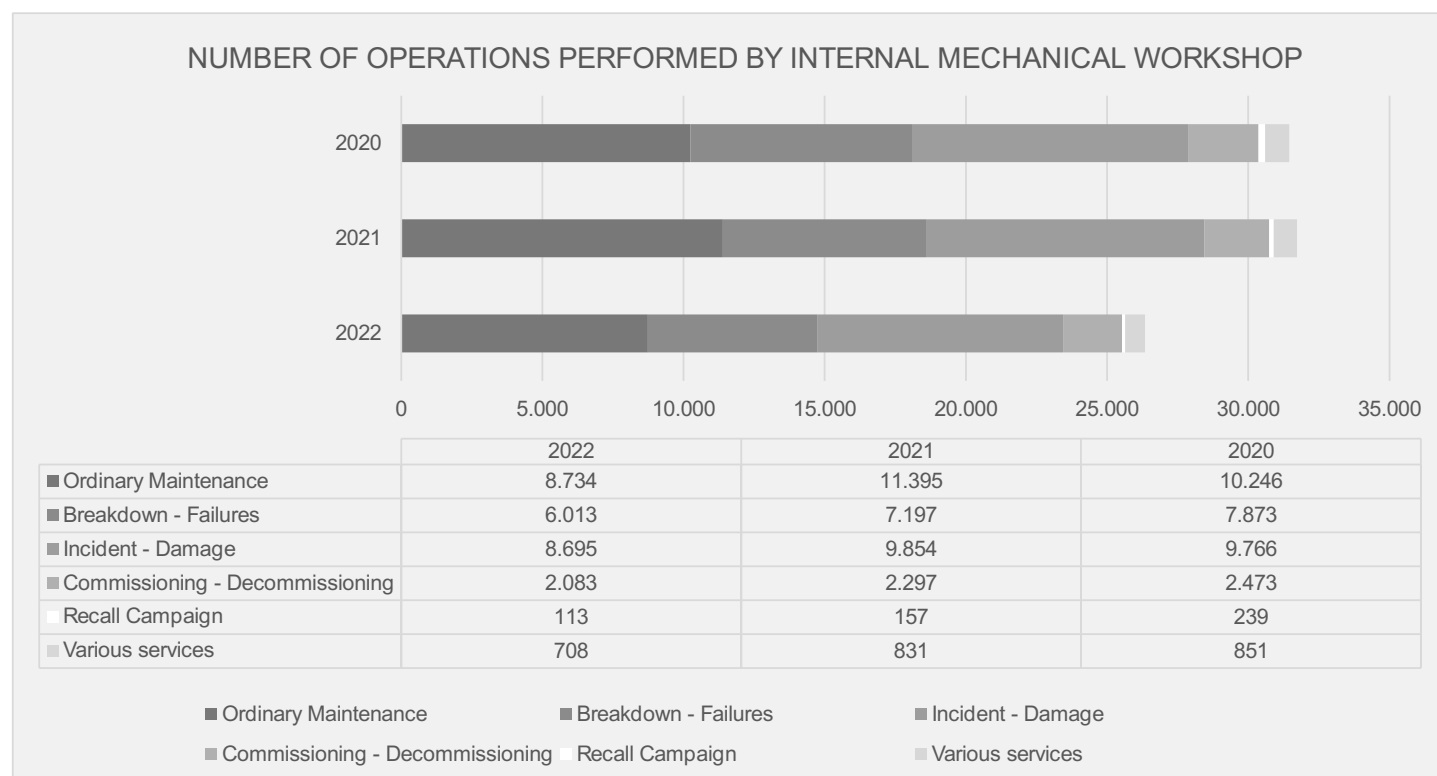
Arcese implements management strategies aimed at optimizing costs and performances, as well as mitigating fleet emissions. Fleet includes 312 trucks and about 3163 trailers, remaining shipments are handled by other providers. Corporate cars are 178. Truck Policy provides stringent limits to the age and mileage of the fleet, to increase safety for the driver and reduce the environmental impact. Target requires that 90% of the fleet is composed by vehicles higher than Euro6. In general, trucks turn-over is about 5 years. Car policy requires as well that 90% of the vehicles have been used for less than 200.000 km (the turn-over is about 4 years). The technical direction has designed a dashboard on Power BI that is supporting the FTL management to plan the asset investment based on the KPI defined in the policy. A sort of configuration tree defines the specific asset features that can be filtered for deeper analysis for the final quantities required to be substituted. KPIs are related to age and km of for trucks and age for semitrailer. The technical director prepares the fleet plan to be discussed with FTL BU Director prior to presentation to the Board for investment approval.



In 2022 Arcese implemented its fleet with 30 new trucks (against 18 dismissed) and 438 new trailers (against 18 dismissed). LNG powered vehicles increased by 14 units, reaching a total of 59 trucks (of those, some were fuelled with Bio-LNG), confirming the commitment of Arcese toward a Green Truck Fleet shift.

With regards to passenger cars fleet Arcese is starting to introduce Hybrid vehicles (MHEV - FHEV - PHEV) in order to mitigate even more the environmental impact. Concerning trucks, the company is preparing for the next years test on BEV vehicles, HVO fuel agreements and LNG shift to bio-LNG.

Arcese manages fleet maintenance in its mechanical workshop, which was located in Rovereto (TN) at the beginning of 2022, and then moved in Verona, and is managed by 32 employees. As shown in the figures below, 90% of the operations conducted in the workshop are mainly related to ordinary maintenance (34%), breakdown-failures (23,5%) and damage caused by road accidents (33,9%).



4.2 Quality of services

[GRI 3-3]

We offer our clients global and competitive services: our transport and logistics solutions are designed to drive a high level of service quality. One of our growth strategy pillars is putting the “client experience” at the centre. All the efforts of our organization are indeed inspired by the concept of “excellence” with the clear goal of taking a step forward towards the principles of global quality and added value for the client.

Arcese is certified ISO 9001 since 1994⁴ and applies procedures related to Quality of services according to the standard requirements. With the aim to evaluate and improve the management system in place, monthly Executive Committees are set to discuss strategic and management approach, including quality of service and effectiveness of the policies across all Arcese’s Business Units.

In order to properly manage and monitor quality, we control claims and we have developed internal parameters in addition to those defined contractually with clients. Based on such parameters, specific Key Performance Indicators (hereafter also “KPIs”) are calculated and constantly discussed in order to timely and effectively carry out corrective actions.

The responsibility for the support and analysis activities of KPIs and the related communication with clients and operative / controlling departments is delegated to a dedicated Reporting office.

Most contracted Customers have service levels measurement to be monitored at least monthly. This guarantees awareness of how the activity is performed in all its specific phases and if economic aspects are impacted, i.e. if the penalties have to be applied.

Moreover, the business risk analysis makes it possible to assess negative impacts on the operating modes, as well as on economics and people. Specifically, business risk assessment is conducted by a two-steps analysis: an overall risk assessment conducted at the market level, and a specific assessment related to a particular new process or to a new client. For what concerns subcontractors, the company draws up a document with them, the DUVRI (Single Document for Evaluation of Risks of Interference), to assess the risks and indicate the measures to be adopted to eliminate the interferences.

Complaints are analysed and managed through a formal procedure that validates the actual complaints and activates the subsequent analysis of the causes and the implementation of appropriate corrective actions. This is a result of collaboration between all the Departments involved, sharing the specific know-how in order to evaluate impacts on different processes/stakeholders.

Accordingly, in order to prevent and mitigate potential negative impacts on the Service quality, specific actions are implemented:

- initial business risk analysis and periodical reviews;
- Customers’ business interruption plans;
- internal audits and follow up with preventive/corrective actions;
- training performed regularly about operating procedures or safety instructions;
- Customers’ scorecards monthly measuring service levels. Targets not performed are analysed to investigate causes and actions undertaken (QOS method: four panels showing the trend, causes for not on target indicators, actions taken, actions’ monitoring panel). Monthly service levels are discussed both with the Departments involved and with the Customer;
- specific action plans when the issues recur or are severe;
- define strategies and implement actions to support and strengthen the trust of all stakeholders.

⁴ Certification was last renewed in 2022.

4.2.1 Monitoring of the services offered

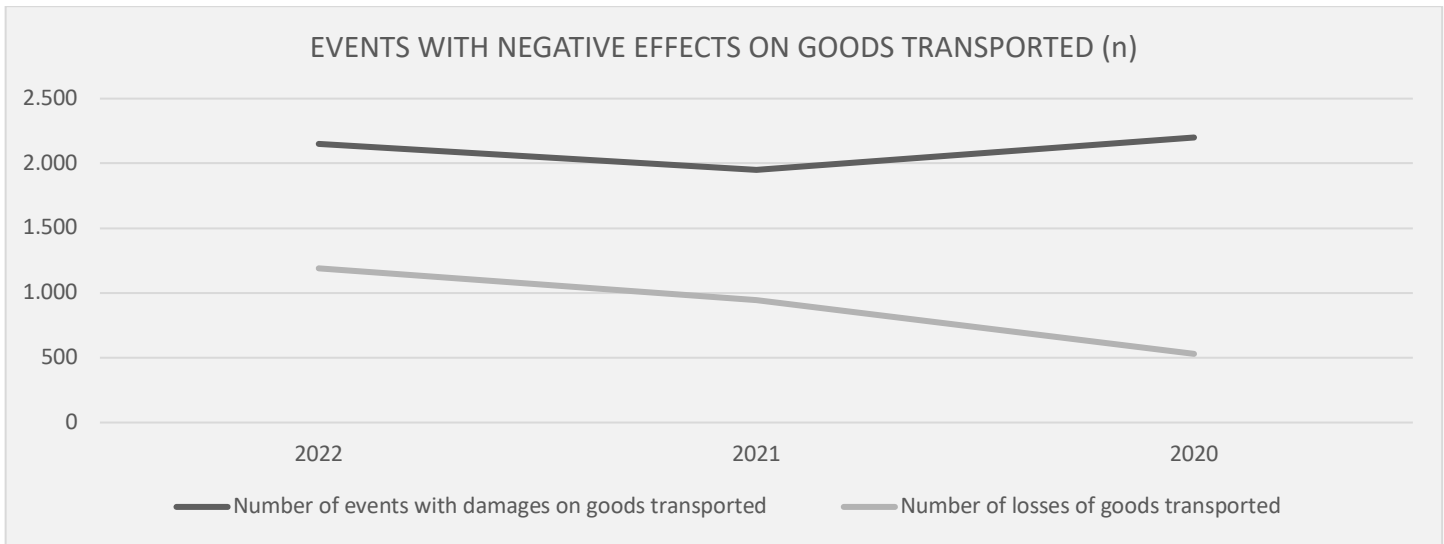
[NON GRI 3]

"Arcese's Visibility Platform" is a platform for integrated management of «Operational Travel» visibility information and traceability of "Transport Orders", implemented in 2021.

This platform enables Arcese to obtain a correct and contextual information representation of the total physical flows in support of the Arcese operational functions (such as Customer Service, Dispatcher, or other operational departments) and its Trading Partners.

Moreover, this solution encourages the sharing of traceability data with the Arcese's Customers: through the shipment's real-time visibility, they can check their order's journey and, through the ETA (expected time arrival) function, can evaluate and optimize their processes.

A dedicated Insurance & Risk Office constantly and precisely monitors all events with negative effects on goods that occurred during transport activities. In case of damage or theft we have specific internal procedures applied to transport services performed by our fleet, transport services performed by sub-contractors, storage and handling services provided by our Contract Logistics business unit.



Considering the total number of good transports performed, only a very small part of goods transported incurred into problems such as damages or losses (0,13% in 2022 compared to 0,10% in 2021). This excellent result is obtained thanks to the quality management system in place and to the high level of traceability guaranteed. If we consider the events happened, compared to 2021, it is possible to see an increase (+10,2%) in the number of events with damages on goods transported and an increase (+25,9%) in the number of losses of goods transported. To reduce these anomalies, in 2023 various actions are planned, like the improvement in the reliability of the track & trace data, implement a claims management tool, and enhance the role of customer services in the company's branches. On the other side, the decrease of damage events are related to targeted actions that have been taken to improve the packaging procedures, handling methods and cargo stowage criteria which have led to a net decrease in this type of disservice.

4.2.2 Client satisfaction

[NON GRI 2]

In order to evaluate client satisfaction, a “Client survey” is conducted every year and regular review meetings are scheduled with the most relevant clients.

The questionnaire includes some questions regarding the importance and the satisfaction attributed to a series of key aspects such as rates and economic aspect, service reliability, prompt communication, management of critical issues and security level.

In March 2023, a survey was conducted among all Road Freight customers, which had invoiced at least € 5.000 with Arcese in the last year (2022). The respondents were mainly companies collaborating with Arcese in a medium-long partnership and with a turnover of no more than € 50 million. The response rate was 19,3%. Most of the sampled customers (57%) in 2022 mainly used LTL transport services, while the companies that mainly used FTL transport and logistics services correspond respectively to 26% and 16% of the interviewees).

The interviewees unanimously declare the choice of the Transport and Logistics supplier to be strategic (99%), confirmed by the duration of the collaborative relationships which generally extends over the medium-long term (50% declare that they have used Arcese's services for more than three years and 26% even for more than 10 years).

The interviewees were asked to rank in order of importance ten elements that characterize the transport and logistics service. Subsequently, it was requested to indicate the level of satisfaction perceived by the customer for the same attributes in reference to the service provided by Arcese. Crossing the answers, it emerged that the main attributes that require corrective actions are Management of critical issues and Rates/economic aspect. On the contrary, Service reliability, Timeliness of communication and Security level are strengths of Arcese, as the satisfaction stood at a higher level than the average of the judgments received.

In the questionnaire sustainability aspects were also considered, asking questions about social, governance and environmental spheres. It can be noted that the majority of respondents (61%) declared that supplier's reporting of environmental, social and governance sustainability performances (through the sustainability report) represents a strength in the choice of the suppliers. Among the elements of sustainability, the one considered most important was involvement, empowerment and motivation of people, followed by attention to the environment and the choice of solutions with the lowest environmental impact. With regards to this issue, the interviewees declared that the most important solutions oriented towards environmental sustainability, taken into consideration by more than half of the interviewees, are the optimization of itineraries for the reduction of empty trips and the fleet renewal with increasingly modern and less polluting vehicles. In spite of that, only a small percentage of the interviewees (5%) declare that they would be willing to pay an additional cost greater than 5% for the adoption of sustainable solutions in the provision of a transport and logistics service. On the contrary, most of the customers would not accept extra costs or would be willing to pay just a residual supplement.

To calculate the level of customer satisfaction and loyalty to Arcese, the NPS (Net Promoter Score) index was measured. Net Promoter Score is a customer loyalty metric that measures customers' willingness to return for another purchase as well as to make a recommendation to their family, friends, or colleagues. Generally speaking, a Net Promoter Score below 0 would be an indication that the business has a lot of issues to address. A score between 0 and 30 is an acceptable range to be in, however, there is still progress to work at.

Compared to the previous year, where the critical market context (characterized by a general lack of capacity, the shortage of drivers and the increase in costs of fuels and raw materials) had led to a general reduction in the customers satisfaction,

this year we saw a clear improvement in the NPS index that returned to the level of the past years, approaching the industry average that stands between 20 and 30.

4.3 Research and innovation

[GRI 3-3]

The commitment for Arcese related to the material topic is well expressed in the strategic Journey of the company. One of the 4 pillars is "Digital Thinking" and provides the vision of the company over the topic of Innovation and Digitalisation. Innovation and digitalisation activities allow us to introduce in the company new methods, tools and fundamental knowledge to improve sustainability in many corporate actions and behaviours. This happens thanks to the access to scientific communities, research institutions or think tanks that constantly work on green issues and cooperate actively in the development, sharing and implementation of technologies, culture and innovative ideas.

Three elements are part of the "Digital Thinking" pillar:

1. Think as a "Tech company doing Logistic" - develop lateral thinking, be lean, be digital!;
2. Turn data into doing;
3. Make Digital Transformation happen.

Furthermore, the topic has been declined into the values of our company in the MOVE IT manifesto where the "I" stays for Innovation. The values are defining the competence model with which our company is selecting talents during the hiring process. In the Innovation area the 2 elements of the assessment model are:

- Digital Thinking
- Creativity

The same values are included into the yearly assessment of all employees of the company with the MMP process, where the performance is evaluated through all the values of the MOVE IT.

Another important element is the definition of an organisation model that will support the pillar along the execution of the strategic journey, within each business unit is present a technical department responsible for the development of new solutions to be applied to the business.

The new methods, tools and knowledge identified by R&D in the sustainability field are addressed for the appropriate evaluations to the relevant functions within the organization. The most relevant are the technical area (transport assets and technologies, warehouse logistics assets and technologies), IT area (digitalization, use of data), People area (communication, engagement, culture), commercial area (value creation for customers through sustainability). The impacts can also be directed externally as our contribution and effects on direct suppliers, through the sharing of inputs deriving from R&D activities, fixing standards and minimum requirements on methodologies, services and technologies provided by the suppliers.

Last element includes the support provided by Arcese to a start-up born within the group as an innovation incubator with the aim to provide innovative solutions linked to the last mile delivery in the B2C market.

Moreover, Arcese has implemented an internal platform for enabling orders' visibility, monitoring, analytics, etc. to allow better visibility on both internal (operations, customer service, ...) and customer sides. This was possible thanks to investments on technology and IT architecture enabling near-real time events update.

During 2022, we implemented the following projects:

- We realized the first company train with semi-trailers connecting Italy to Czech Republic, Arcese together with its intermodal suppliers was the first to use Ostrava terminal and the company train developed to service an important automotive industry connecting Italian suppliers with the plants in Poland;
- We contributed to the realization of the train line Herne-Budapest connecting Germany with Hungary: this project is a modal shift from road to rail for our biggest automotive customer, where Arcese identified an intermodal solution with its intermodal suppliers
- Ferry connection from Fusina to Bari: Arcese added this ferry line to its network as a back-up solution in case of delays on the same corridor usually operated via rail
- Arcese implemented two double deck semi-trailers within LTL Network on dedicated linehauls with main target increase load saturation and reduce assets required to cover service requests, the assets have been rented with the aim to purchase the assets in case the implementation shows consistent advantages.



"We recognize that our people are what sets us apart and are committed to creating a culture in which everyone is able to be the best version of themselves.

We do so by valuing diversity as an asset and fostering an environment in which everyone is not just respected, but valued."

Zeno Pizzighella

Global Senior Manager Talent & Culture

5.1 Occupation, training, diversity and welfare

[GRI 3-3, GRI 2-20, GRI 2-30, GRI 401-2]

Our People Strategy is based on 4 main pillars: Cultural Transformation, Life Cycle implementation, Employee Experience and Leader's role focus. These 4 pillars contribute to creating an environment of respect, fairness and inclusion for people and for their path inside the Company. In the past few years, we have started a Cultural Transformation process, inspired by the strong belief that delivering the best Employee Experience and focusing on Leaders' empowerment enables the business, thus attracting and retaining the best talents.

Arcese is committed to create the best "employee experience" based on HIRE-DEVELOP-ADVANCE- ENGAGE process, thus enabling the business through cultural transformation and life cycle focus. Within the life cycle, Arcese strongly committed to guarantee equal career opportunities to all employees, independently on gender, with an inclusive approach of diversity and based exclusively on performance, potential and merit criteria, in an environment of fair and competitive remuneration.

The people life cycle management process is composed by:

- Performance management
- Development/Career management
- Talent management
- Values & competencies development
- Annual global survey
- Total reward & Levelling

The human capital management system is deployed through a priority-based Cultural Transformation action plan focused on 3 pillars: Communicate, Simplify and Empower. The first pillar aims at improving both internal and external communication to share the Group's vision and strategy and to align ourselves with people's expectations to retain and attract talent. The second one, Simplify, shows our intention in reducing organizational complexity, by clarifying roles, procedures, processes and, moreover, defining a clearer and stronger culture. Finally, the Empower pillar points at strengthening leadership, formalizing responsibilities, and entrusting our people with tools that enable our people to be the owners of their professional development. Our people represent an invaluable capital, crucial to guarantee the quality sought in the services offered. Therefore, we are committed to fostering the relationship with our employees and create an environment of respect and trust that goes beyond the boundaries of the company.

Arcese has implemented two System Procedures to provide an effective employee experience related to hiring and development processes. While the procedures ensure compliance, Arcese is committed to create a consistent and engaging employee experience in line with the cultural transformation we are experiencing.

The first has been implemented in order to manage the needs for selection, replacement, role transfers and procedures for ascertaining the skills of personnel, necessary to meet company needs and in particular those with responsibility for the quality of services provided to customers, for the environment, for health, occupational safety and behaviour-based safety (BBS).

The second procedure implements the training of new recruits and/or, if necessary, the change of role of the personnel in force in order to maintain and increase the level of skills required by the role, and development and training activities aimed at supporting change in the company.

In compliance with law, the National Collective Bargain Agreements (Contratto Collettivo Nazionale Lavoro - CCNL), which incorporate the international conventions and protocols promoted by ILO (International Labour Organization), are applied to 100% of employees. Moreover, in addition to the national agreements, there are some site collective agreements, including for example, those of our Castel San Pietro Terme and Arco warehouses.

Since 2022 Arcese is developing a compensation policy with the help of external consultant. The policy will be finalized in 2023 and will consider the weight of the role / position of each worker within the organization. This policy will determine the % of Performance Bonus attainable, benefit policies (e.g. car benefit) and external market pay benchmark related remuneration parameters.

All benefits provided for full-timers are also provided for other categories (part-time, fixed-term contracts).

Benefits are:

- Ticket Restaurant (meal voucher) or canteen
- 1 day vacation for birthday
- 2 days vacation (on top on Italy regulations) for father's parental leave
- EBILOG – bilateral body of Italy Logistic Transportation with fundings to support employees for nursery costs, children university costs, children schoolbooks, children degrees awards, the driving license (drivers) renewal, and other initiatives.
- SANILOG - Free Supplementary Health Fund for employees of the logistics, freight and shipping sector (<https://www.sanilog.info/>) which provides health caring without costs or with very limited costs such as specialistic examinations, dental care, preventive tests, maternity test, psychological counselling, and other initiatives.
- Conventions/discounts on different partner products related to topics such as clothing, travelling, rental cars, home appliances, insurances.

The only exception is the activation of SANILOG: by our CCNL, the possibility of activating it is only for permanent employees.

Executives have different (and stronger) Supplementary Health Fund (no EBILOG, no SANILOG).

In 2020, due to the pandemic, the smart working modality has been activated for most white collars, as well as executives and managers. In the past two years remote working was maintained in order to create fewer boundaries and more flexibility for all of our employees.

In 2022 the Board of Directors formally decided that the smart working will remain in the cultural roots of our organization, through the principle of "Freedom and Responsibility".

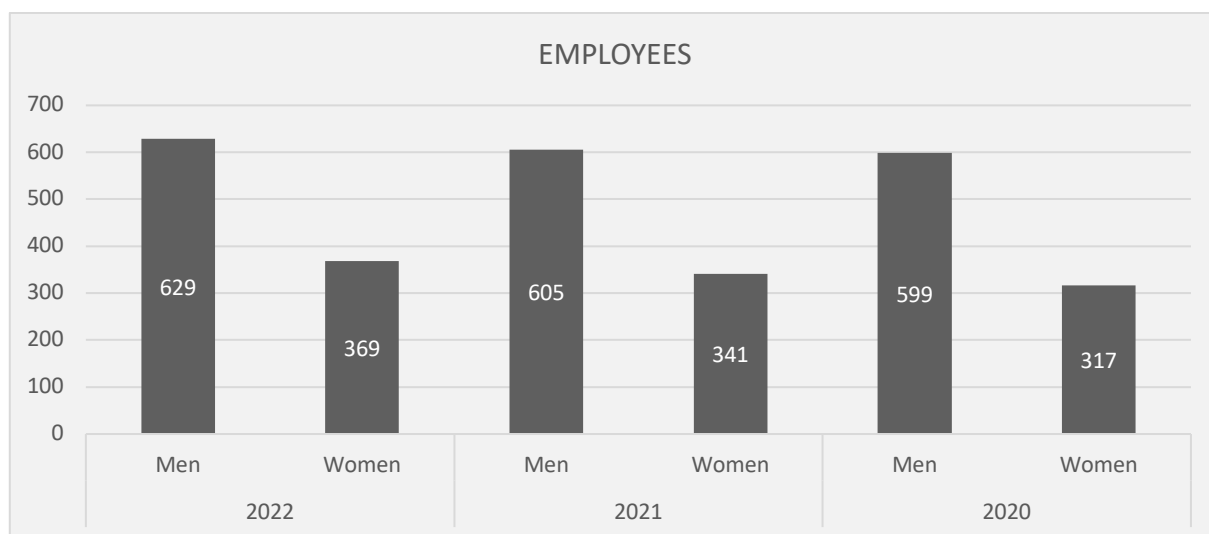
BIRTHDAY DAY OFF FOR OUR PEOPLE!

In 2022 our people were able to use an added vacation day gifted by the Company for their birthday. The day off may be used on the same birthday's date or during the week in which falls the recurrence to enable employees to celebrate their birthday in the best possible way.

5.1.1 Arcese Workforce

[GRI 2-7, GRI 2-8, GRI 405-1]

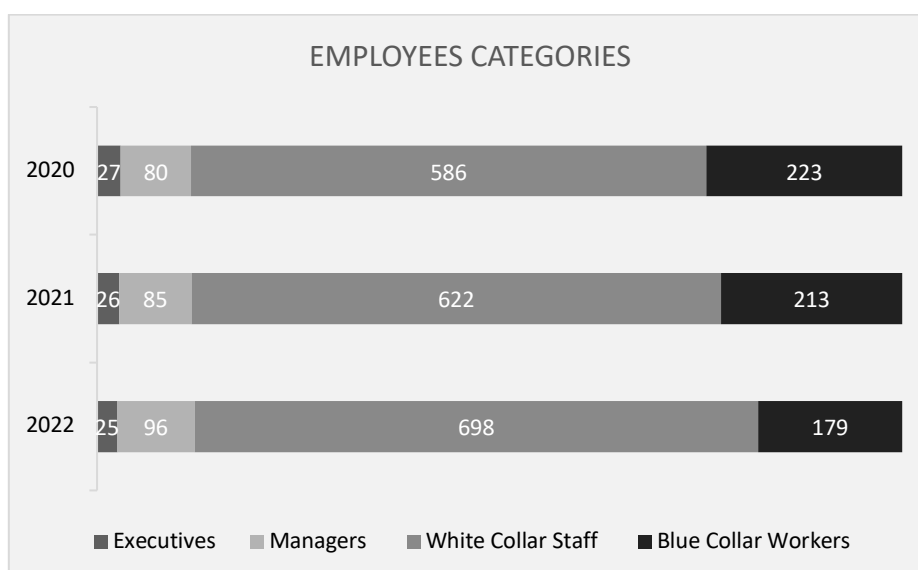
The number of employees in the Company has remained fairly stable in the past three years (see table below), with a 3.28% increase in 2021 (with respect to 2020) followed by a 5.5% increase in 2022 (with respect to 2021). The improvement of the COVID-19 situation encouraged the increase of the number of total new hires, surpassing the pre-pandemic figures.

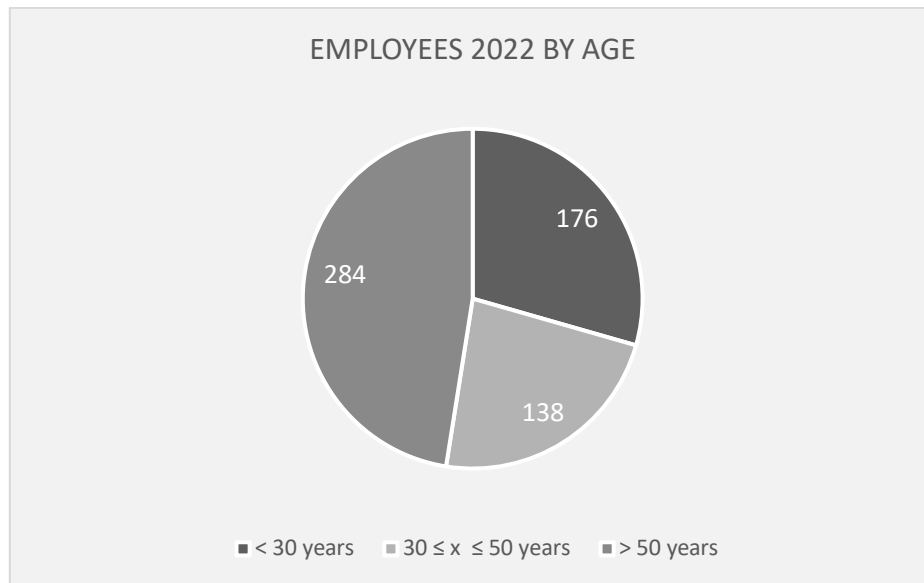


Most of our employees have a permanent (92%), full-time (99%) contract and it represents the Company's solid base of experience and skills. Overall Arcese's workforce is composed of 63% male collaborators. This incidence is strongly influenced by the presence of almost exclusively male personnel within the "blue collar workers" category (96%), who carry out a job historically characterized by a great male prevalence.

WOMEN'S MONTH

In 2022 we launched "Arcese for women in Ukraine" project, a global fundraiser aimed at collecting essential goods for Ukrainian women refugees from war. Thanks to the contribution of our people and our company, we have collected an important sum with which we will donate one meal a day for 10 days to 100 Ukrainian women hosted with their children in Cesvi's reception centres in Záhony (Hungary) and Sighet (Romania).





If we look at the data relating to “white collar staff”, instead, employees are more equally distributed with 343 women and 355 men. However, Managers and Executive positions are mainly covered by men. During 2022 as well as in previous years, most of Arcese's employees are between 30 and 50 years old, including mainly managers and the "white collar staff". In fact, "blue collar workers" are fairly distributed between the "30-50" and ">50" categories, whereas the executives are generally over 50 years old (65%).

In addition to the direct employees, there are also external workers operating within Arcese's sites, ranging from administrative functions to labour cooperatives involved in the handling activities in our sites and warehouses. Not similarly to the employee trend, the number of outside workers plummeted to 56 in 2022 from 498 in 2020.

5.1.2 New hires and turnover

[GRI 401-1]

Talent Acquisition is the first step in ensuring an effective Employee Experience. Engaging the right talent pool and the ability to identify high-potential individuals is a key aspect for our business.



New hires in 2022 (230) show almost a 50% increase from 2021 (129). The improvement after the COVID-19 situation has in fact favoured the recovery of the labour market, returning to pre-pandemic figures. Despite in 2022 178 decided to leave the company (mainly men between 30 and 50 years old), data shows a stable and balanced turnover, attesting the good commitment of the company to favour a secure work environment.

Starting from 2021 Arcese has implemented an exit interview process with the goal of understanding the reasons that led employees to decide to leave the organization.

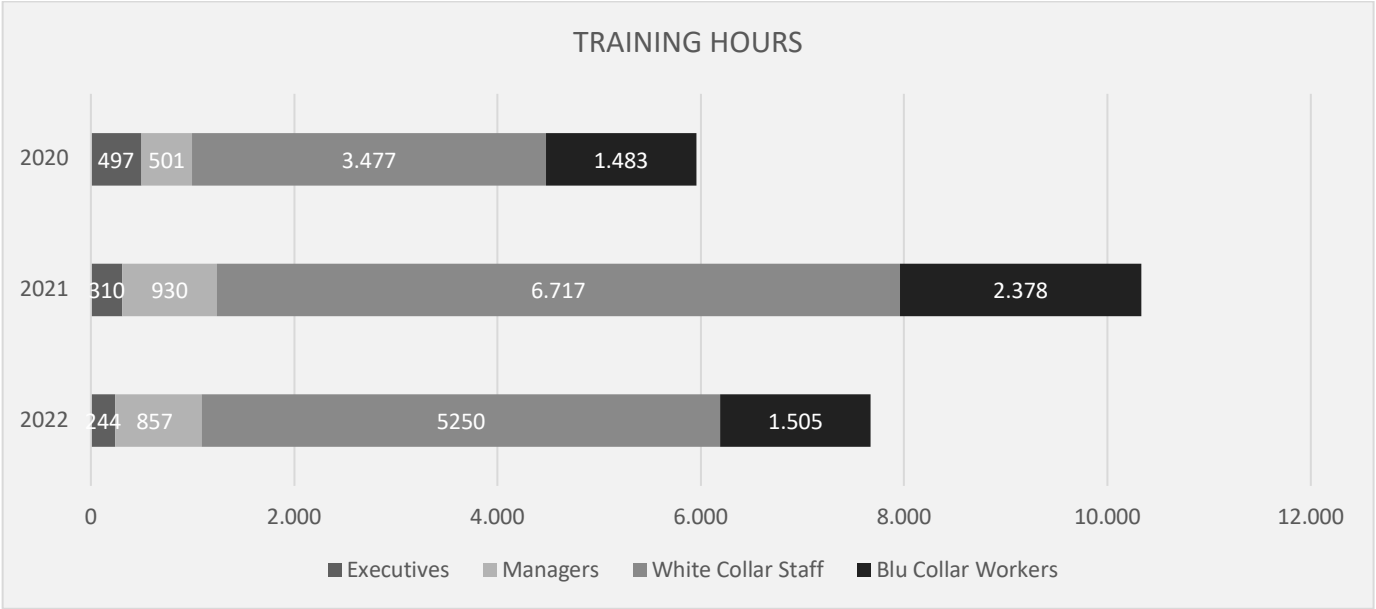
In 2022 Arcese Trasporti S.p.A. launched his first G.E.S. (Global Employee Survey), in order to measure employee's satisfaction and engagement. The results of this survey were shared with the people managers of each area of the company, in order to identify 1-2 critical topics and to develop a strategy of actions to mitigate them.

5.1.3 Employee Learning and Development

[GRI 3-3, GRI 404-1, GRI 404-3]

Employees learning and development Professional development is a strategic activity that can provide the company with the competitive advantage of an engaged and skilled workforce. With the belief that through training we can strengthen both the knowledge of our employees and the company's culture, Arcese has developed the "Hire-Develop-Advance-Engage" process that focuses on employee experience enabling the business and increasing performances as well as talent attraction. The role of each Manager is fundamental in managing these aspects, particularly in the MMP (performance management) and MMC (development plan) processes. Move My Performance (MMP) is a Performance Management System, structured on periodical targets and results. On an annual basis, employees can set, with their reporting Manager, specific goals related to their role and job function and directly related to the ones of their manager, in a system of cascading goal setting. The MMP is organized in three phases: after the "Opening", when managers and employees define a set of objectives and goals, there is a "Mid-year check-in", finalized to adjust the goals based on the reciprocal feedback, and a "Closing", to evaluate employees' yearly performance. Starting in March 2021, the performance management process completed its first cycle in April 2022 involving 67 people, and in 2022 included 197 people, including Board members. Move My Career (MMC) is a yearly process (October to October) designed to encourage meaningful discussions around career development and continuous improvement. During the MMC meeting, managers will meet individually with employees and compare employees' self-evaluations and managers' assessments. MMC is a proactive career development tool and for this reason, all employees will be also requested to express their career expectations and desires for the following 1-2 years and 3-5 years. Subsequently, the employees will list their strengths and areas of improvement, using the MOVE IT framework as a guideline that, as described in the paragraph 1.2 includes the main Company values (Movement, One Team, Value to Customer, Excellence, Innovation, Transformational Leadership). These values will help employees in order to understand where they need to focus their efforts to achieve their goals. The organization of the learning program starts with the annual review of learning needs, during which the topics to be discussed and the personnel who must participate in the courses are defined. Our learning plan includes both mandatory training courses, strategic, and elective ones. With respect to mandatory training, the correct implementation of the Organization Management and Control Model requires the carrying out of courses on ethical business conduct; similarly, Law 81/2008 requires the creation of specific courses on health and safety at work. Moreover, Arcese is certified ISO 9001, ISO 14001 and ISO 45001 and specific employees' courses must be provided to be compliant with standard procedures. Overall, the main areas of training implemented over the years include: safety and security (including cybersecurity and eco-driving for fleet drivers), quality, linguistics, logistics, sales, hr, finance and administration, training at the entrance, operational, IT and finally soft skills.

During 2022 there was a decrease in training activity, with 7.856 hours completed, compared to 10.335 hours in 2021. The reduction is mainly related to a general assessment of People organisation and several project that will lead to a new training programme for the following years.



The main areas of training implemented over the years are safety and security (including cyber security training and sharing of eco driving procedures for drivers), quality, linguistic, logistics, commercial, HR, administration, training at the entrance, operational, IT (systems/software...), soft skills and training on anti-corruption.

ARCESE ACADEMY

In 2022 we launched the first Academy, a training project involving 9 participants in over 120 hours of training. The goal was to train for quickly and effectively insert new people to strengthen the LTL operations teams of some of our branches. The Academy enabled participants to learn not only the theoretical and technical basics of transportation but also notions on broader topics such as economics, international geography and principles of business organization. At the end of the training, participants were offered a contract and placement within the Basiano, Campogalliano, Verona, Gerbole and Rivalta branches.

5.1.5 Respect for people

[GRI 405-1; GRI 406-1]

Our cultural focus makes the organization always work in line with its purpose and its values, while promoting the respect of diversity and providing a stimulating and creative environment. Inside the Code of Ethics, which is an integral part of the employment contracts, it is stated that one of the main values for Arcese is the respect for individuals. The relationships between the people that, at all levels, work for or in any way interact with Arcese, are based on criteria and behavioural standards of honesty, integrity, cooperation, fairness and mutual respect. Moreover, we strongly condemn all discrimination, such as (but not restricted to) discrimination based on race, gender and religion. We also promote respect

for the physical safety and cultural rights of individuals and respect for personal relationships, and gender equality. We believe that diversity is an element of strength for the company and that everyone can contribute to the realization of the corporate strategy, in respect of the physical and non-physical limits that characterize everyone. In order to verify whether the provisions of the Code of Ethics are respected we establish a communication (whistleblowing) through which Stakeholders can report on breaches of the Code of Ethics or any other grievance directly to the Supervisory Body. During the last three years, no incidents of discrimination occurred in this field. In order to better integrate these principles in the organization, in 2023 will start a task force team HR projects about the topic Diversity & Inclusion (including gender gap).

INSUPERABILE – THE RELAY OF INCLUSION

In 2022 Arcese has supported the project “InSuperAbile – The relay of inclusion” organized by ADS Rosa Running Team in collaboration with LAMU (Free Academy of Useful Movement). The project involves groups and associations with various frailties and pathologies that walk across Italian villages and cities covering over 700 km.

The aim of the project is to convey the concept that correct and supervised movement can prevent and decelerate the symptoms of numerous pathologies and provide psychological support to guarantee a greater sense of safety and self-esteem.

5.2 Health and Safety at work

[GRI 3-3]

We are committed to health & safety at the workplace through guaranteeing a consistently healthy, safe, and hygienic working environment for all activities, which entail risks for employees, customers and communities. As part of our commitment, we constantly monitor for updates on the latest regulations and/or any specific new emerging potential danger within the industry. The Health and Safety management approach includes all strategic elements aimed at the development of Arcese's business, providing constant inspiration for improvement in logistics, transport activities and of its own heritage.

In view of the aforementioned, the organisation operates to guarantee the consolidation of an integrated vision of organisational quality over time, in which the quality of services, workplaces and procedures are all deemed to be of equal importance.

Arcese Trasporti S.p.A. is committed to health and safety at the workplace through guaranteeing consistently higher levels of safety for all activities, which entail risks for employees, customers and communities. Its policy is grounded in the conscious involvement of all actors, from management to individual workers, thus consolidating a culture of prevention and safety, in order to guarantee maximum levels of protection as well as a constant and significant reduction of accidents and injuries. The company's commitment is confirmed by obtaining ISO 45001.

5.2.1 The health and safety management system

[GRI 403-1; GRI 403-6; GRI 403-8]

The will to go beyond mandatory obligations for Health & Safety topics, like the compliance with the provisions of Legislative Decree 81/08, is testified by the adoption and implementation of a health and safety management system certified OHSAS 18001 since 2003, then passed at standard ISO 45001, after 2020. As in previous years, in 2022, 100% of employees were

covered by a health and safety management system in compliance with Legislative Decree 81/08 and 73% were covered by an occupational health and safety management internally and externally audited and certified by an external third-party (Certiquality), whose certification has been renewed during 2022. The peculiar workforce distribution of the industry is reflected on the branches by the use of a vast majority of workers who are not employees, on which we have a limited control power. To deal with this limitation, we ensure controls and commitment to guarantee that 100% of external workers are covered by an occupational health and safety management system in compliance with Legislative Decree 81/08.

In 2022, the main initiatives realized in Health & Safety field were the following:

- Company Health Service enhancement, by expanding medical examination services for our people through collaboration with a new company. The new partnership enabled greater coverage at a territorial level, for better service in times of emergency and greater flexibility and capillarity, especially in small centers;
- HSE periodic Newsletter to raise awareness among our people on themes related to safety and prevention policies in the company sites (e.g. specific events, measures taken and recommendations)
- On the occasion of "World Heart Day", a new initiative was launched to improve first aid operations through the delivery of 3 semi-automatic AED defibrillators to the Campogalliano, Gerbole, Ubersetto sites. In 2023 this project will be extended to other plants;
- Purchase of devices to increase safety in warehouses during loading and unloading operations: provision of wheel chocks and trailer jack stands.

5.2.2 Health and safety risk analysis

[GRI 403-2; GRI 403-4; GRI 403-7; GRI 403-9]

The HSE office is responsible for carrying out the analysis of all the operational processes present in our organization, including operations performed by cooperatives, according to the individual production units and in compliance with both the legislation on safety and health at work and the internal procedures. The organization defined a risk assessment matrix by identifying specific risk and probability criteria which, when related to each other, give different risk levels according to the dangers present in each individual activity.

At the system level, a specific procedure has been implemented for communicating potential hazards (accidents/near-accidents and impacts/near-impacts). The system provides for the investigation of the accident and how to implement corrective actions in the procedure. As a result of the investigation, the organization shall identify corrective and preventive actions to be implemented whether they are operational, structural and/or infrastructural.

The special attention given to the spread of health and safety topics throughout the organization finds evidence in urging the workers to directly contribute to the identification of health and safety risks, communicating them through the RLS (Workers' Representatives) or directly contacting the prevention and protection service within the organization. At a system level there is a specific procedure relative to the communication of potential risks (Near accidents and near impacts) to overcome reactive behaviour with proactive ones. Furthermore, through their representatives, workers are also consulted in the event of a change in processes and have the possibility to request dedicated meetings to discuss relevant issues related to health and safety.

All the risks assessed within the production process and deriving from the areas and infrastructures, from the work equipment, from the substances used and/or in storage are mapped. Following this mapping, the individual risk is assessed,

and the related mitigation actions are identified, such as elimination of the hazard where possible, replacement/modification of activities with safer activities, reduction of exposure by introducing new technology, internal procedures and/or work reorganization and introduction of suitable PPE. The main health hazards attributable to transportation and logistics activities are related to musculoskeletal overload. The organization's approach to preventing or mitigating significant adverse occupational health and safety impacts that are directly related to its operations and related hazards and risks are:

- health surveillance;
- information/education/training;
- constant updating of specific risk assessment documents.

5.2.3 Health services

[GRI 403-3]

Arcese has identified, as requested by the law for the nature and type of work conducted by its employees, a competent doctor that has the responsibility to develop the health protocol according to both the risks identified and assessed by the organization and any injuries previously occurred. Within the protocol, the health checks envisaged for the workers are identified and the competent doctor draws up the suitability judgments for the workers.

5.2.4 Health & safety training

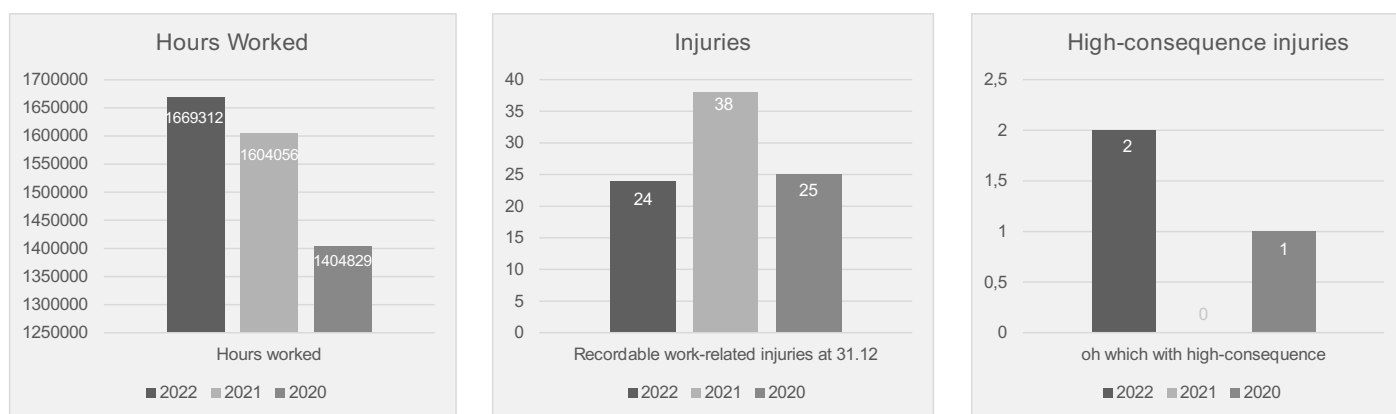
[GRI 403-5]

The HSE office proceeds to collect and analyse the training needs in the safety field in line with the DVR and it proposes the training program in accordance with the regulations. After the training, the process analysis is conducted by the HSE office, and sees the involvement and coordination with the People Department that provides for the effective organization and delivery of the courses, in compliance with the training needs and in terms of timing and frequency. Health & Safety training covers mandatory training related to Legislative Decree 81/08 but also optional training to ensure safety in specific activity sectors such as chemical material handling, spill accidents, emergency management on fire prevention, and first aid training. Among hours of training provided, occupational health and safety training hours are also counted.

5.2.5 Occupational Health & Safety injuries

[GRI 403-9]

Main injuries occur mainly during the manual handling of loads and incorrect application of the procedures and / or incorrect use of equipment. These risks have been identified and specifically managed within the DVR.



In 2022, 24 injuries have been registered among employees, of which 2 resulted in an absence from work of more than 6 months, and 0 fatalities. Compared to 2021, when injuries were 38, in 2022 there was a reduction of 36,8%.

With respect to workers who are not employees, in 2022 registered injuries were lower both in absolute value (5 vs 14 in 2021) and in relation to the hours worked (1,00 vs 2,77 in 2020). As part of the management system, we established a specific procedure related to the investigation process to follow in case of injury. Following the investigation performed, the organization identifies the corrective and preventive actions to be implemented, whether they are of operational, structural and/or infrastructural nature.

5.2.6 Work-related ill health

[GRI 403-10]

In our business, main health risks attributable to transport and logistics activities are related to musculoskeletal overload. We are committed to reduce the total number of potential cases by preventing and monitoring these risks with preventive (for example before changing roles) health surveillance, performing permanently education and training activities for all internal and external co-workers and updating our risk assessment matrix at any change along the process and/or in case of integration of new activities and tools. Work-related ill health is not monitored among workers that are not employees. Among employees in the last 3 years (2022, 2021 and 2020) there were 0 cases of work-related ill accepted in face of 9 procedures raised (7 in 2021 and 2 in 2022). Currently, for workers that are not employees, data about ill health are not monitored.



"Protecting the environment is not just a responsibility but a moral obligation. At Arcese, we are dedicated to reducing our environmental impact and promoting sustainable practices throughout our operations.

We firmly believe that sustainability is not just a buzzword but also a guiding principle that shapes our business decisions. Consequently, we endorse responsible conduct and strive to cultivate a corporate culture centered on environmental stewardship. Our commitment extends to organizing engaging initiatives that raise awareness among our people, empowering them to contribute to improving the environment in their day-to-day activities.

By adopting a proactive approach, we can create a better future for ourselves and future generations."

Carlo La Corte

Sustainability Manager

6.1 Environmental impact management

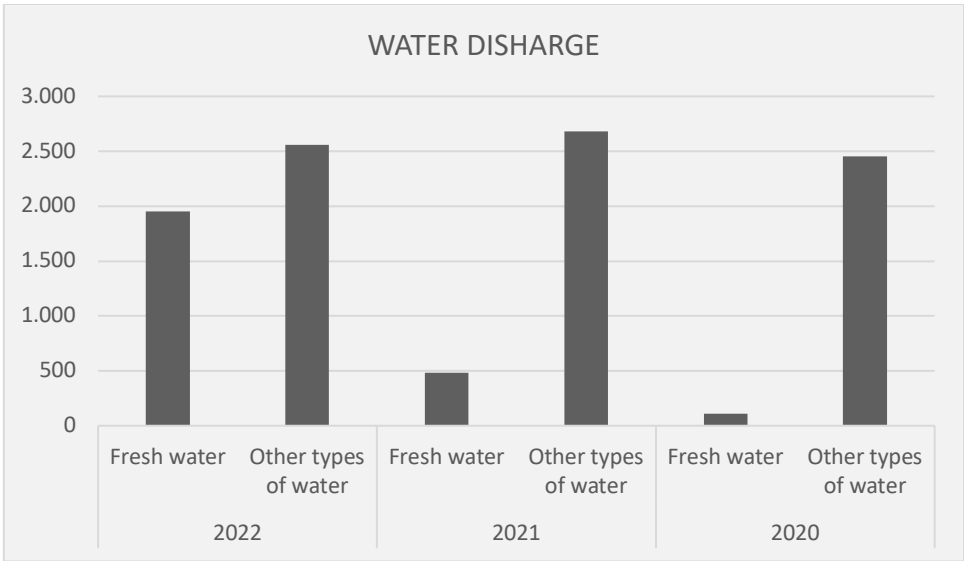
[GRI 3-3]

Moving goods worldwide and keeping supply chains flowing has an impact on the environment, so we seek to optimize energy efficiency and reduce greenhouse gas emissions, where possible. The care for the environment is a milestone of our Sustainability journey, a key aspect of our Corporate Social Responsibility and of the Integrated Quality, Environment and Health & Safety policy, in terms of respect and protection of the environment, future generations and responsibly towards commitments made with our Stakeholders. We adopt a preventive approach in managing all aspects related to the environment, following the principle 15 of the Rio Declaration (1992). Arcese's emissions are part of clients' "Scope 3" emissions and therefore the Company strives to constantly improve quality of service and its own carbon performance, by developing new services based on state-of-the-art ecological solutions and unlocking inefficiencies to support clients in their decarbonization processes and to increase competitiveness. Lastly, CO2 reduction initiatives allow to anticipate in regulatory and market development, driving innovation and seizing the opportunities behind the decarbonization transition. The attention to the environment entails a recurrent monitoring of the impact generated by our activities involving: use of natural resources in the most rational and efficient way possible, reduction of atmospheric emissions and territorial impacts. In order to reduce our footprint, we constantly review our organization and internal processes, while implementing technological and structural improvements. Moreover, we encourage responsibility and awareness of our suppliers through the definition of criteria regarding the protection of the environment.

Arcese, in order to limit negative impacts, monitors water discharge, energy consumption, GHG emissions and potential interactions with protected areas.

[GRI 303-4]

Water consumption is mainly related to irrigation, sanitation, firefighting systems and waste water from washing systems. Process water from washing vehicles in the workshop in Rovereto is analysed periodically on a quarterly basis by the supplier DEPUR PADANA ACQUE SRL. The figure below shows water discharged to freshwater (through irrigation) and to other types of water (i.e. primarily to the drainage system, for all other uses).



Arcese Trasporti S.p.A., with its commitment to an integrated management of the requirements indicated by the main international standards, considers the protection of the Environment to be a strategic element in the development of its activities, in order to stimulate continuous improvement in the field of logistics, transport and the enhancement of its assets.

The organization is committed to:

- ensure specific legislative compliance and adherence to signed requirements over time
- develop strategies and implement interventions to support and enhance biodiversity management practices
- equip all organizational tools necessary for rigorous and effective hazard identification and risk management.

Arcese has developed a specific procedure in order to detect, record and manage environmental impacts and near misses that have occurred in order to investigate and analyze their causes and possible deviations, assess their effects and consequently take decisions for their mitigation and prevention, with the primary purpose of avoiding any form of pollution.

The table below shows the operational sites adjacent to protected areas, and a brief description of these sites.

Operational site	Position in relation to the protected area	Biodiversity value characterized by listing of protected status
CASTEL SAN PIETRO TERME (BO)	Within the area	The area is classified as a public green area. At the moment no activities are carried out to modify the status.
BASIANO (MI)	Adjacent location	Green protection with trees along the Vareggio torrent. The area is protected by a construction ban. No fauna and flora species under protection.
CAMPOGALLIANO (MO)	Containing portions of the protected area	A very small portion of the area is within the Secchia river zone. The distance between the river and the yard is 300 meters so no big critical issues have been identified. No fauna and flora species under protection.
SAN GENESIO ED UNITI (PV)	Adjacent location	Zone along water channel protected by construction ban. No fauna and flora species under protection.
GERBOLE DI VOLVERA (TO)	Adjacent location	Two mitigation areas with vegetation zones as required by urban regulation. First area is close to residential zone Br 41 consisting of 1.342 m ² . Second area is close to residential zone Ce 12 consisting of 2.077 m ² at a distance of 11,80 m from the building. No fauna and flora species under protection.

6.2 Efficient resources management

Being committed towards a sustainable business means that we continuously seek for more sustainable energy sources and implement all possible tools and initiatives to reduce energy consumption.

OUR SITES AND BRANCHES

Our latest sites and branches are all characterized by a sustainable design, from materials to compliance with heat-noise isolation regulations for buildings and the workplace. Moreover, the newly built sites have been fitted with photovoltaic plants to produce “clean” energy.

DIGITALISATION

We manage our daily transport operations with the support of the most innovative technology and software, we monitor driving behaviour and fleet performances, optimize trip planning, reduce empty trips and maximize load factors.

OUR FLEET AND DRIVERS

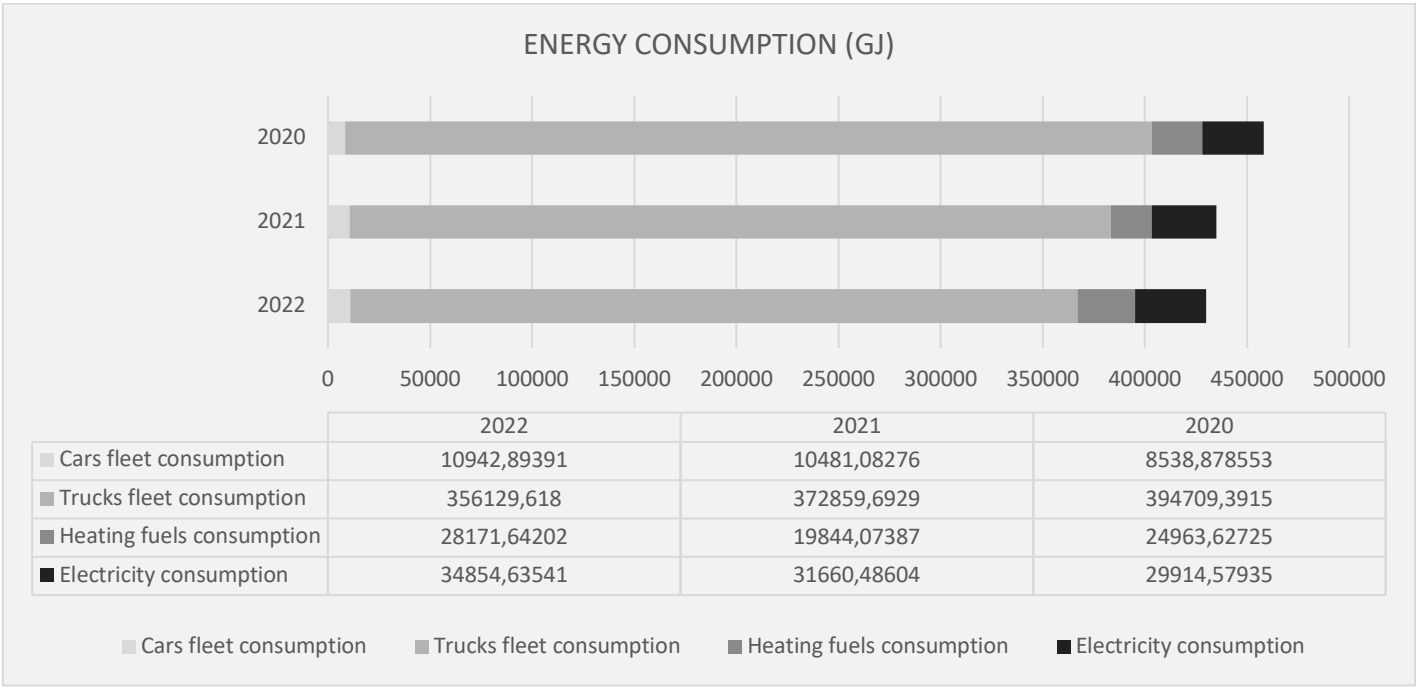
We constantly renew our truck fleet, which is equipped with low rolling resistance tires which helps to further reduce fuel consumption. We organize eco-driving training courses for truck drivers in the area of environmentally friendly driving.

SUSTAINABLE FUELS

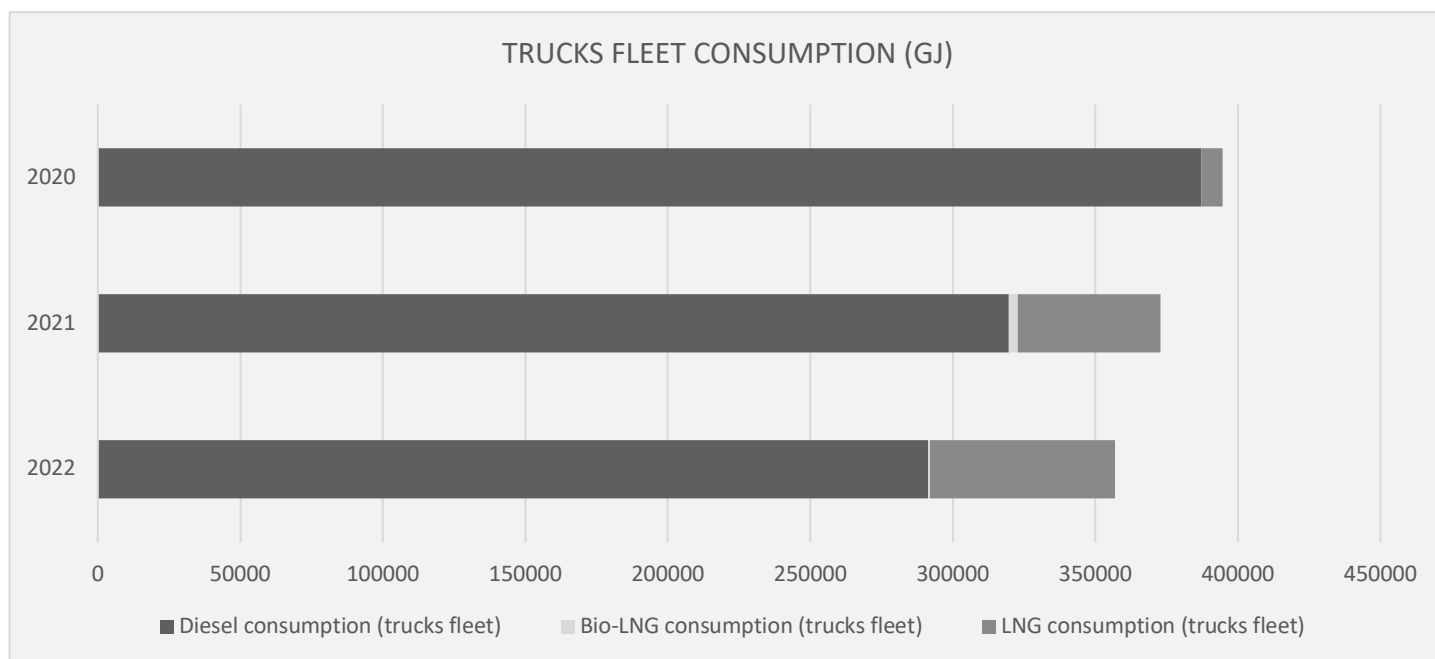
In 2022 Arcese tried to continue the implementation of a Bio-LNG supply unfortunately due to the Energy Crisis and following war in Ukraine the availability of Bio-LNG was reduces dramatically. In fact, we could purchase only 13-ton t of renewable fuel.

[GRI 302-1]

In the last three years, energy consumption has registered a decreasing trend, demonstrating the commitment of the company to reducing its environmental impact through the various initiatives described. In 2022, the total energy consumption records a further decline compared to 2021 (1,09%) continuing the reduction trend already recorded between 2021 and 2020.



This choice is just the beginning for a new Company Car Fleet Policy that will be implemented in the future and will include sustainability parameters in the car fleet management.



Focusing on the truck fleet fuel consumption, in 2022 there was a further reduction of consumption equal to 4,49% compared to 2021. This decrease was almost completely offset by the introduction of LNG-powered vehicles and reduction of fuel consumption for diesel trucks.

In 2022 the fleet of LNG powered vehicles was expanded by 14 units, reaching a total of 59 trucks (of those, some were fuelled with Bio-LNG). In fact, as shown in the graph, the share of LNG-powered vehicles is more than in the last year, passing from 45 to 59, confirming the commitment of Arcese toward a Green Truck Fleet shift.

With respect to electricity, in 2022 the consumption was lower compared to 2021, although total warehouse surface has increased of about 50,8%. Accordingly, the energy intensity decreased of about 24%, resulting in a better performance in terms of energy consumption.

Looking at the composition of electricity consumption, in 2022 the share of energy produced by the photovoltaic system was in line with the 2021 level (respectively 6,7% and 6,8%).

With reference to heating oil consumption, oil heating decrease is due to a major renovation project in our operation site of Rivalta (TO) a portion of the building was closed reducing the demand for heating.

6.3 Emissions control and reduction activities

[GRI 3-3]

The company has not yet defined a GHG reduction plan, however some initiatives are in place:

- Alternative fuels: the process identifies possible fuels compliant with current fleet and the tracking is done on the amount of alternative fuel purchased over a year period (example BioLNG), the implementation is mostly depending on customers willing to invest in premium fuels for decarbonisation purposes, another aspect affecting the implementation is the availability of the fuel. A dedicated report is then issued to the customer accounting the amount of alternative fuel following the mass balance methodology.

- Fuel target definition: Technical Department defines YoY new fuel consumption targets in order to monitor the trend. Targets are defined upon consumption from previous year with a request of improvement based on several factors (fleet aging, new truck purchase, transport mission mode), then targets are applied per each model of truck divided by registration year and mission type (only road or intermodal last mile). Checks over drivers and vehicles are done on a monthly basis to tackle possible issues.
- Actions on drivers: mostly related to driving behaviour and follow Eco-driving course to improve driver behaviour.
- Actions on vehicles: focus on dedicated checks at the workshop to identify possible root cause, in some cases this check leads to the implementation of a preventive maintenance task focused on avoiding the increase in consumption.
- Modal Switch: we propose to new or existing customer the modal switch providing our expertise in intermodal transportation, the goals are measured in terms of CO2 saving generated by the shift from road transport to ferry or rail modality.
- Solar energy: in some of our logistic platforms there are present solar panels for electricity production. We intend to increase renewable energy sources for the next years.

Also in 2022, we have renewed our commitment to constantly improve our carbon performances to support our clients in their decarbonization processes, increasing competitiveness and unlocking inefficiencies.

In particular, in 2022 we continued the implementation of the CO2 calculation tool to measure, report, and manage the company's carbon footprint with a strong calculation methodology. Emission measurement is an important step in the decarbonization path. We are implementing Green Router, a GLEC approved tool compliant with ISO 16258 and ready to fit with the new upcoming ISO 14083. The implementation is already operative for Logistic Sites and under final implementation for FTL and LTL transport activities.

That allows it to estimate and monitor the climatic impact of transport, logistics, and other impacts directly connected to Arcese's activities, considering a specific site or the overall company locations.

Moreover, all projects aimed at optimizing and reducing energy consumption, already mentioned in previous sections, also have direct impacts in terms of reducing greenhouse gas emissions.

AWARENESS-RAISING ACTIVITIES FOR OUR PEOPLE

We are committed to promoting responsible behaviour and creating a corporate culture that places attention towards the environment at the heart of our business. During 2022 we kept promoting awareness-raising activities for our people on how to reduce their environmental footprint of everyday life.

Maratona Dolomites, a sustainable zero-impact marathon sponsored by Arcese for the seventh consecutive year and promoted among our people, but also customers and suppliers, to confirm our willingness to support eco-sustainable behaviours.

[GRI 305-1]

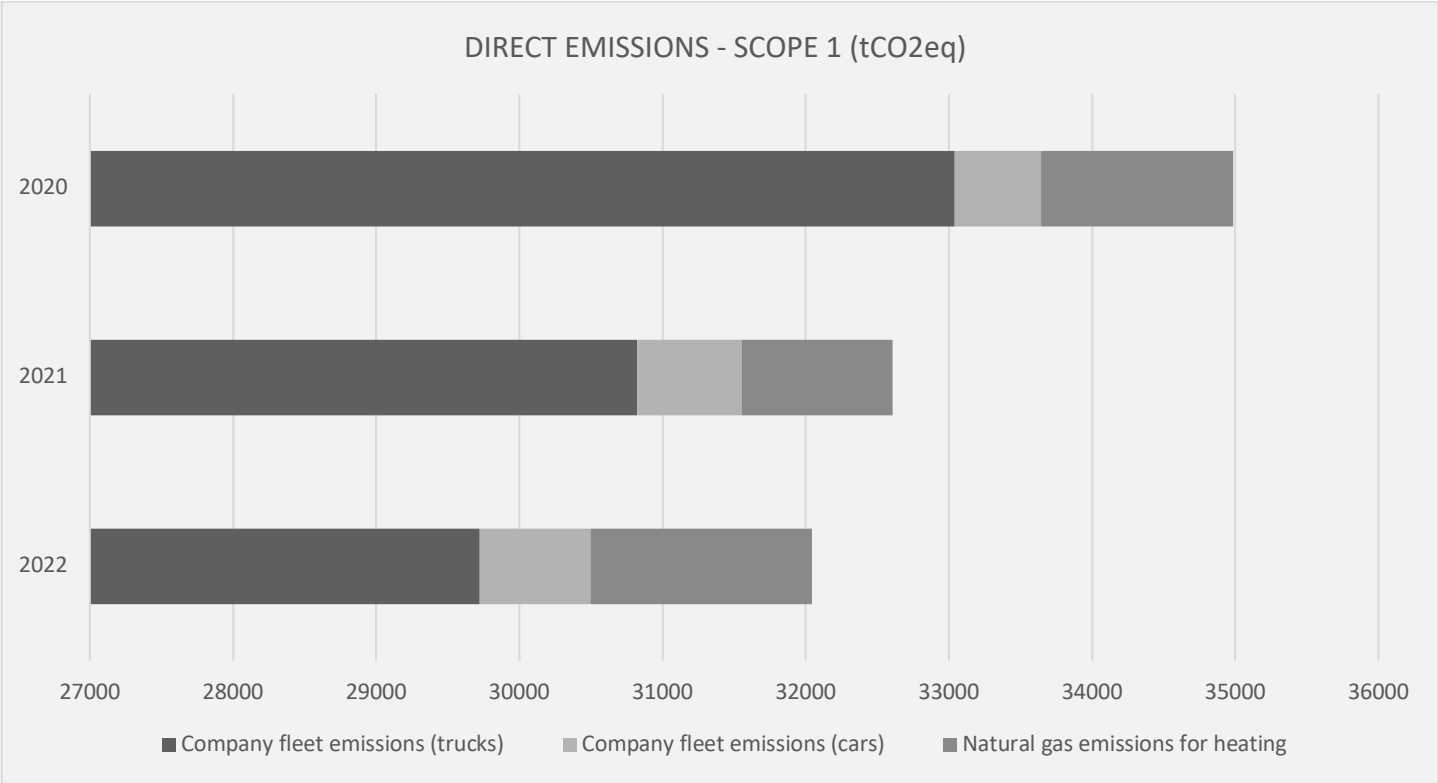
Even if the implementation of the CO2 calculation tool is still to be completed, we constantly continue to monitor our CO2 emissions through the GABI Envision software that is compliant with ISO14067 standard (Greenhouse gases – Carbon footprint of products) calculation methodology.

In the last three years, total Scope 1 emissions have continuously decreased: 35.076 tCO_{2eq} in 2020, 32.696 tCO_{2eq} in 2021 and 32.107 tCO_{2eq} in 2022. The nature of Arcese's business implies that most of direct emissions are due to the company's trucks fleet, more precisely 93,68% on average in the 2020-2022 period. In fact, the overall decrease registered during the same period is mostly due to interventions on the company's truck fleet, such as ongoing fleet modernization, push towards

the use of intermodal transport and use of fuels with lower environmental impact (LNG and Bio-LNG). Another significant contribution in the reduction of Scope 1 emissions comes from the reduction of natural gas consumption for heating, related to the closing of some branches in favour of others that use electricity to heat buildings, as already mentioned. In 2022 the company car fleet increased of 20 units, also the end of Covid pandemic emergency led to an increase of km driven but compared to pre-Covid period the amount of emissions are 14% less.

Natural gas increase is mainly due to:

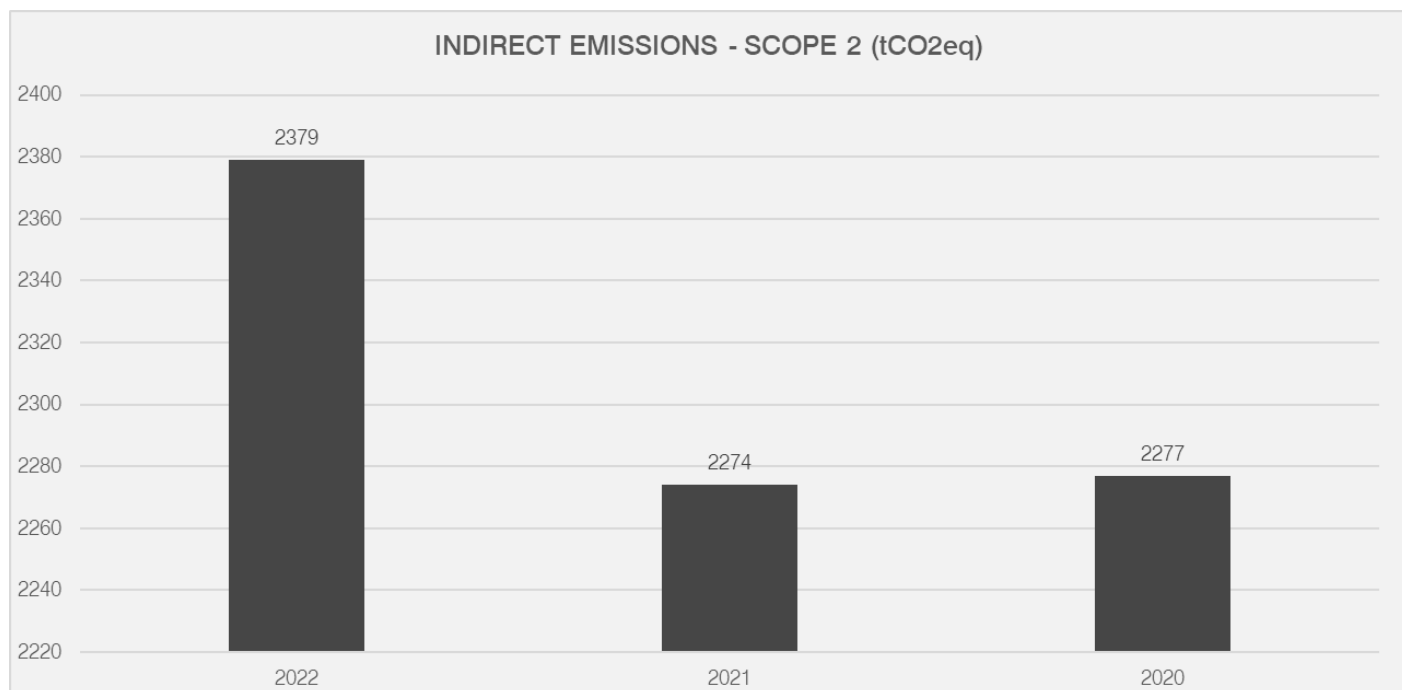
- opening of new Ubersetto Site
- Gas major leakage at Castel San Pietro Terme (BO) logistic site along with longer heating hours lead to increase of consumption of about 124.000 cubic metres.



[GRI 305-4]

Looking at GHG Emission intensity, determined by comparing the emissions generated by the truck fleet and the kilometres travelled, after a decrease registered in 2020 (0,841) and after 2021 data (0,855) returned in line with 2019 (0,854), in 2022 GHG Emission intensity are increased (0,857). The increase of emission intensity is mainly related to low km run for LNG trucks that have been progressively stopped from summer till end of 2022 due to the energy crisis that hit the gas supply chain.

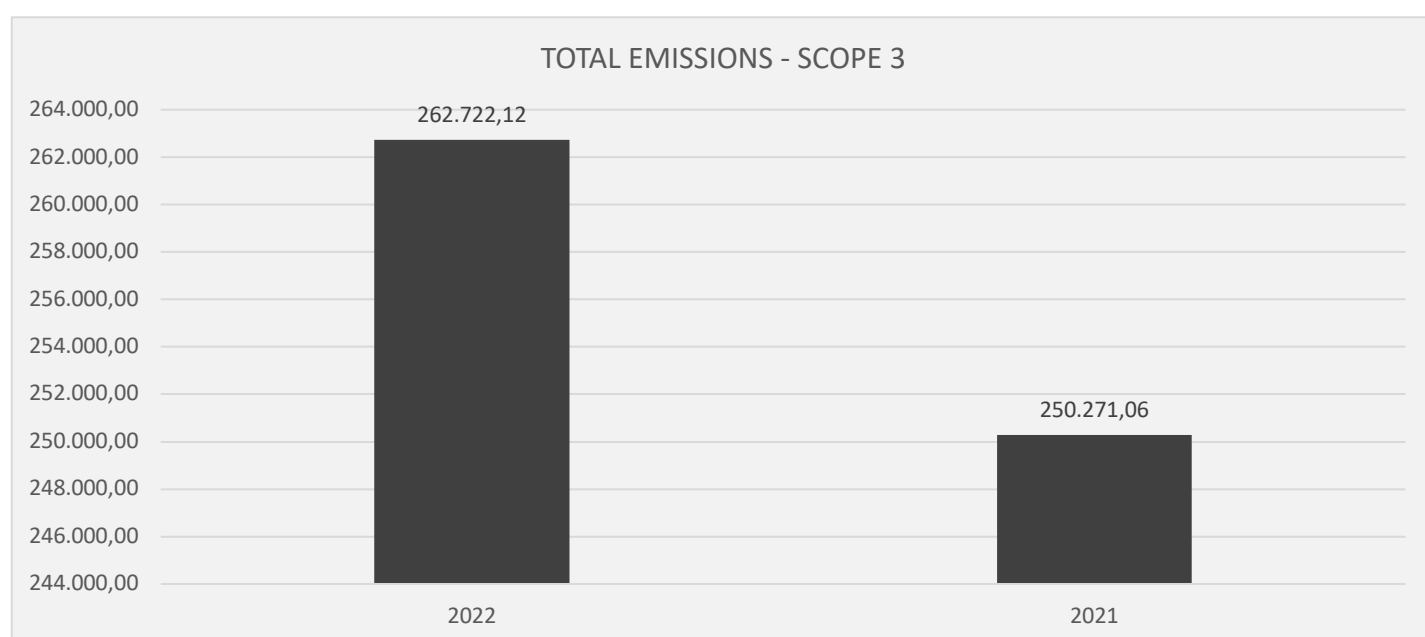
[GRI 305-2]



Arcese also monitors Scope 2 emissions, indirect emissions related to the generation of electricity purchased and consumed by the organization. In 2022 Scope 2 emissions increased with respect to those reported in 2021 (respectively 2.379 tCO₂eq in 2022 and 2.274 tCO₂eq in 2021).

The increase of emissions is mainly related to the opening of new operation sites. In particular, the increase of emission intensity is mainly related to low km run for LNG trucks that have been progressively stopped from summer till end of 2022 due to the energy crisis that hit the gas supply chain.

[GRI 305-3]



We also calculate and monitor other indirect emissions (Scope 3 emissions). In particular, we monitor CO2 emissions generated by our subcontractors (262.580 tCO2eq in 2022), considering km from origin to destination and attributing different load factors and consumption indices depending on the vehicle category (varying according to maximum transportable weight), and, from 2021, we started to monitor also emissions related to electricity consumption from rented buildings (127 tCO2eq in 2022) and gas consumption (13 tonCO2eq in 2022). Data from 2021 have been corrected due to wrong accounting of the emissions occurred in report FY 2021.

In 2022 we registered an increase of the emissions in Scope 3 compared to 2021 (+5%).

6.4 Careful waste management

[GRI 3-3; GRI 306-1; GRI 306-2]

Arcese Trasporti S.p.A. is committed to the integrated management of requirements as defined in all major international standards. The protection of the Environment is a key value in the development of the company business, providing constant inspiration for improvement in logistics, transport activities and of its own heritage. In line with these values, Arcese is committed to:

- Meet the needs of customers through compliance with the requirements agreed with them for the service provided;
- Promote the continuous improvement of its performance in relation to aspects pertaining to the environment;
- Ensure specific legislative compliance and compliance with environmental requirements over time;
- Define measurable objectives of continuous improvement, consistent with corporate strategies, making available the means and resources necessary to pursue them, involve, raise awareness and inform its employees through training and internal communications, making them responsible for the contribution that each can make in terms of quality of the service provided, environmental protection, consolidation of the culture of risk prevention for the realization of healthy and safe work situations;
- Make the most rational and efficient use of natural resources by reducing, when possible, consumption and waste produced;
- Equip itself with all the necessary organizational tools for rigorous and effective identification of hazards and management of environmental risks;
- Empower and raise awareness among its suppliers, defining criteria related to the quality of services offered and environmental protection that constitute contractual constraints and incorporating specific requirements in the processes of purchasing and procurement of materials, products and services;
- Developing strategies and implementing interventions to support and increase the trust of all stakeholders;
- Raising workers' awareness of environmental sustainability issues and facilitating a better environmental culture approach.

In view of the aforementioned, the organization operates to guarantee the consolidation of an integrated vision of organizational quality over time, in which the quality of services, workplaces and procedures are all deemed to be of equal importance.

The company's commitment to environmental issues on waste management is evidenced using disposers who are always qualified to transport the waste CER codes required by Arcese and always ensure proper management of temporary waste storage areas.

AWARENESS INITIATIVES

Arcese has realized targeted initiatives to raise awareness among staff on three major principles: Reduce, Re-Use, Recycle. This principle aims to spread the culture of sustainability throughout the organization to avoid the waste of valuable

resources such as water, paper and electrical energy. Moreover, in all Arcese sites there are specific recycling and sorting areas, with indications on the correct disposal of waste.

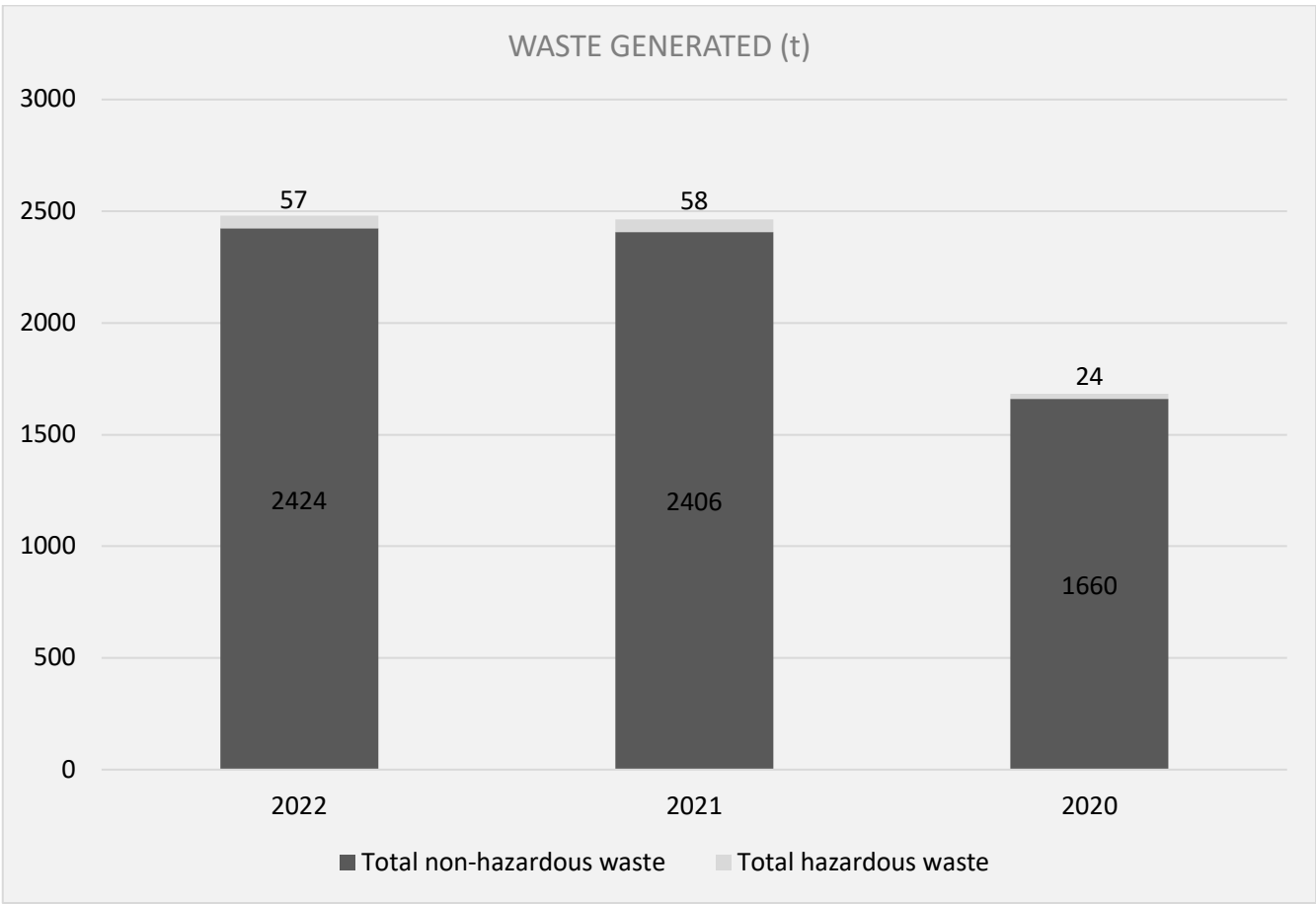
PLASTIC-FREE WATER SOLUTION

In December 2021 we launched the "Plastic-Free" project in Basiano to encourage a "Plastic-Free" culture within the Company and to reduce plastic waste. In 2022 the project carried on with the addition of 2 water dispensers both in Arco and Rovereto offices.

REDBOXES

Arcese goes beyond disposable packaging and chooses to use reusable containers to make its distribution services more efficient and sustainable. Red boxes are 100% reusable and allow this type of packaging to reduce the use of disposable packaging over time. They are also extremely versatile, as they can be closed easily, and compact after use, occupying 80% less space. During the return flow, this container can travel collapsed or full (in case of reverse logistics flow). Red boxes help to drastically reduce the consumption of cardboard.

[GRI 306-3]



In 2022, Arcese’s activities generated mostly non-hazardous waste (98%) of which 99,9% was sent to recycling. These figures are the result of a multitude of recycling initiatives such as resculpting and reconstruction of truck tires, that extend the life of the tires and drastically reduce the waste. Besides ensuring processes for recycling and sorting wherever

possible, we are always seeking to identify opportunities for process improvement. Arcese has realized targeted initiatives to raise awareness among staff on three major principles: Reduce, Re-Use, Recycle.

This principle aims to spread the culture of sustainability throughout the organization to avoid the waste of valuable resources such as water, paper and electrical energy. Moreover, in all Arcese sites there are specific recycling and sorting areas, with indications on the correct disposal of waste. In 2022 continuing "Plastic Free" project additional water dispensers were installed in Arco (x2) and Rovereto (x2).

Most of the waste derived from packaging (1.966,2 t). Among non-hazardous waste, the categories that increased most between 2021 and 2022 are bulky waste. The increase is directly related to large waste material (waste not compatible with standard compactor sizes) for specific customer needs. Concerning hazardous waste, we put in place specific procedures to contain possible spreading of hazardous material transported or stocked by Arcese occurring in case of accidents. The main types of waste generated are batteries (11,4 t – 20%) and hazardous waste generated by the dismantling of end-of-life vehicles (29,1 t – 51%). The lowering of the category "absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing, contaminated with hazardous substances" is related to decreases in the use of covid masks, a prevention measure for the spread of the virus.

Also in 2022, the "end-of-life tires" category produced no waste because discarded tires are not "thrown away" but are recovered by the supplier so that they can be recycled and reused.

TOGETHER TOWARDS SUSTAINABILITY

Partnership with supplier for sustainable tyre management system

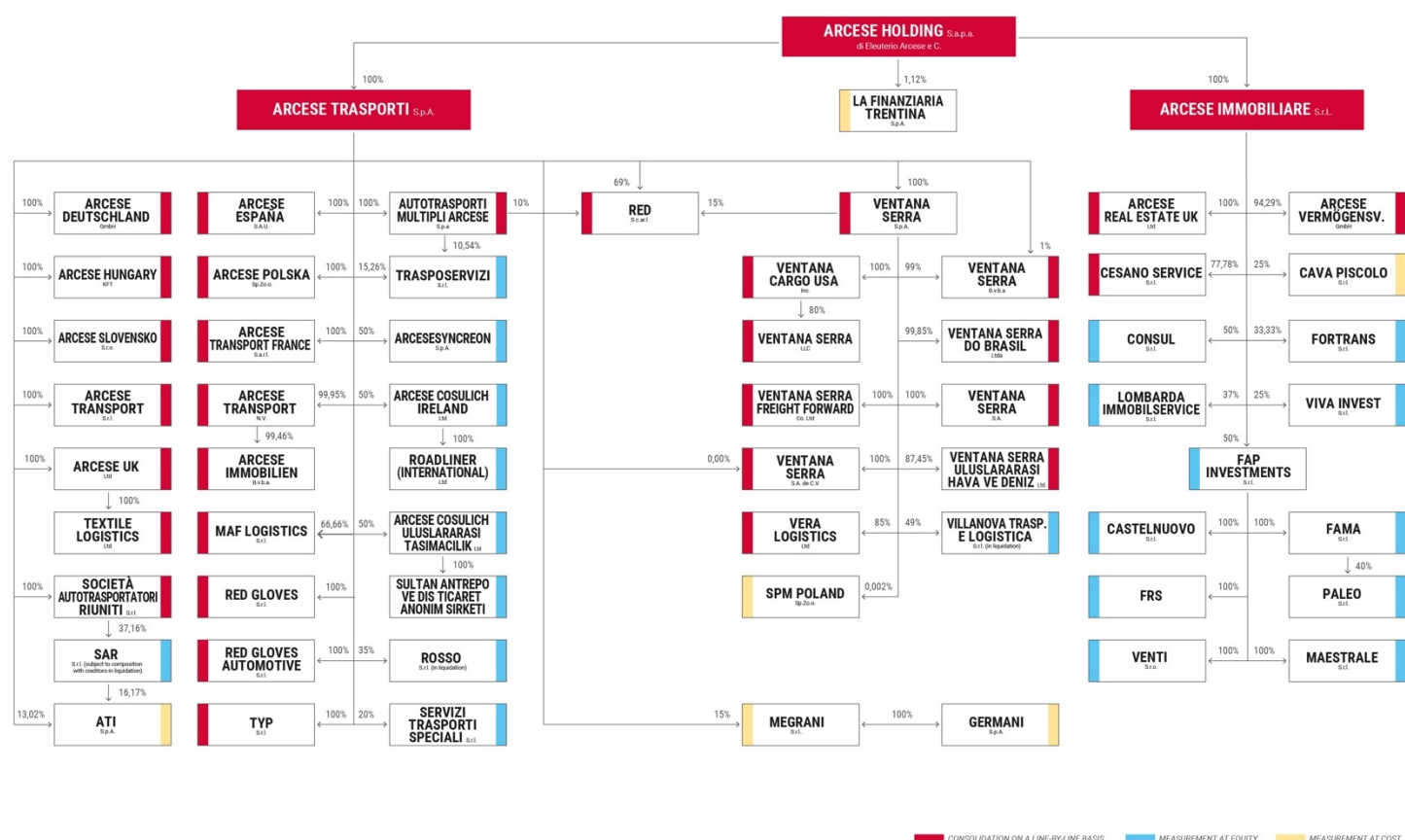
The path we have taken towards a sustainable business model is part of the broader project of sharing sustainability initiatives with our partners and suppliers.

This is why we keep partnering with a tyre supplier that offer a virtuous approach and a careful tyre management.

For the second year in a row, we were awarded with a certificate for sustainable tyre management from one of the biggest tyre companies in Europe. In particular, in 2022 we obtained an important recognition which certificate a saving of 1023 tonnes of CO₂ - the equivalent of about 90.000 km travelled by a truck and corresponding to a saving of about 380 tonnes of raw material.

DATA SUMMARY

ORGANISATION CHART OF EQUITY INVESTMENTS AT 31.12.2022



ABOUT ARCESE

GRI 2-6 Activities, value chain and other business relationships

	2022	2021	2020
Total number of employees	998	946	916
Total number of operations ⁵	27	18	18
Net Sales	516.887.036	458.198.023	(*)
Total Capitalization	324.751.796	252.801.283	(*)
<i>of which debt</i>	208.378.258	164.454.488	(*)
<i>of which equity</i>	116.373.538	88.346.795	(*)
Services provided			
<i>LTL orders (number of shipments)</i>	2.395.453	2.634.146	2.054.945
<i>FTL orders (number of trips)</i>	139.987	155.516	153.773
<i>Logistics (warehouses areas – m²)</i>	628.162	416.372 ⁶	204.447

⁵ Total number of operations doesn't include clients owned sites where Arcese performs operations.

⁶ This data has been modified with respect to the Sustainability Report 2021: the areas of operation have been corrected.

ABOUT ARCESE

GRI 405-1 Diversity of governance bodies

	2022	2021	2020
Total members of governance bodies	6	6	6
Men	100%	100%	100%
30 ≤ x ≤ 50 years	33%	33%	33%
> 50 years	67%	67%	67%

ARCESE FOR INTEGRITY

GRI 205-1 Operations assessed for risks related to corruption

	2022	2021	2020
Operations assessed for risks related to corruption	8	8	6
Total number of operations	29	29	26

ARCESE FOR INTEGRITY

GRI 205-2 Training on anti-corruption⁷

	2022	2021	2020
Percentage of governance body members that have received training on anti-corruption	100%	100%	100%
Percentage of employees that have received training on anti-corruption	25%	11%	8%
<i>of which Executives</i>	8%	12%	11%
<i>of which Managers</i>	9%	11%	13%
<i>of which White Collar Staff</i>	29%	11%	9%
<i>of which Blu Collar Workers</i>	19%	12%	4%

ARCESE FOR INTEGRITY

GRI 2-6 Activities, value chain and other business relationships (n)

	2022	2021	2020
Total number of suppliers engaged during the reporting year	4.060	4.087	3.951
Raw materials/Good suppliers	283	216	170
General services suppliers	751	987	792
Contractors and subcontractors who are entrusted with the transport services	3.026	2.884	2.989
<i>Of which with turnover > 100 k</i>	460	360	335
<i>Of which with 10 k < turnover < 100 k</i>	679	657	667
<i>Of which with turnover < 10 k</i>	1.887	1.867	1.987

⁷ The variations over the years are linked to employees hired every year. All new employees received indeed specific training on anti-corruption policies and procedures. Only in case of major updates on the policies and procedures the communication and training are renewed to all employees.

ARCESE FOR PEOPLE
GRI 405-1 Diversity of employees

INVALID PEOPLE ⁸	2022	2021	2020
Total	3%	3%	3%
Men	79%	96%	96%
Women	21%	4%	4%
< 30 years	12%	4%	4%
30 ≤ x ≤ 50 years	38%	38%	35%
> 50 years	50%	58%	61%

ARCESE FOR PEOPLE
GRI 2-7 Employees

EMPLOYMENT CONTRACT	2022	2021	2020
Total permanent	913	876	875
Men	629	560	579
Women	369	316	296
Total temporary	85	49	41
Men	44	31	20
Women	41	18	21
EMPLOYMENT TYPE	2022	2021	2020
Full-time	949	897	861
Men	624	471	472
Women	325	16	36
Part-time	49	49	55
Men	5	2	6
Women	44	47	49

ARCESE FOR PEOPLE
GRI 405-1 Diversity of employees⁹

EXECUTIVES	2022	2021	2020
Total	3%	3%	3%
Men	76%	77%	78%
Women	24%	23%	22%
< 30 years	0%	0%	0%
30 ≤ x ≤ 50 years	48%	35%	33%
> 50 years	52%	65%	67%

⁸ The percentage of employees within each category is calculated on the total number of employees. The percentage breakdown by gender and age group is calculated within each employee category.

⁹ The percentage of employees within each category is calculated on the total number of employees. The percentage breakdown by gender and age group is calculated within each employee category.

MANAGERS	2022	2021	2020
Total	10%	9%	9%
Men	86%	88%	89%
Women	14%	12%	11%
< 30 years	0%	0%	0%
30 ≤ x ≤ 50 years	55%	60%	58%
> 50 years	45%	40%	43%
WHITE COLLAR STAFF	2022	2021	2020
Total	70%	66%	64%
Men	51%	58%	51%
Women	49%	42%	49%
< 30 years	24%	20%	19%
30 ≤ x ≤ 50 years	57%	63%	63%
> 50 years	19%	17%	18%
BLUE COLLAR STAFF	2022	2021	2020
Total	18%	23%	24%
Men	96%	91%	92%
Women	4%	9%	8%
< 30 years	5%	3%	2%
30 ≤ x ≤ 50 years	42%	52%	47%
> 50 years	53%	45%	51%

ARCESE FOR PEOPLE

GRI 2-8 Workers who are not employees

	2022	2021	2020
Total workers	56	498	520
Men	38	476	479
Women	18	22	41

ARCESE FOR PEOPLE

GRI 401-1 New hires

	2022	2021	2020
Total New Hires	230	129	67
Men	137	96	41
Women	93	33	26
< 30 years	101	72	34
30 ≤ x ≤ 50 years	103	50	25
> 50 years	26	7	8

ARCESE FOR PEOPLE
GRI 401-1 Terminations

	2022		2021		2020	
Total Terminations	178	18%	99	10%	86	9%
Men	113	63%	60	61%	56	65%
Women	65	37%	39	39%	30	35%
< 30 years	42	24%	18	18%	16	19%
30 ≤ x ≤ 50 years	90	51%	50	51%	44	51%
> 50 years	46	26%	31	31%	26	30%

ARCESE FOR PEOPLE
GRI 404-1 Training

	2022		2021		2020	
Total hours of training	7,856		10,054		5,957	
Average hours of training	7,87		10,65		6,50	
Men	7,86		10,65		6,64	
Women	7,89		10,59		6,24	
Executives	10		11,92		18,41	
Managers	9		10,94		6,26	
White Collar Staff	8		10,80		5,93	
Blu Collar Workers	8		11,16		6,65	

ARCESE FOR PEOPLE
GRI 403-9 Employees Injuries

	2022		2021		2020	
	n	rate	n	rate	n	rate
Recordable work-related injuries at 31.12	38	4,74	25	3,56	36	4,55
of which fatalities	0	0,00	0	0,00	0	0,00
of which with high consequence	0	0,00	1	0,14	2	0,25
Hours worked	1.669.312		1.604.056		1.404.829	

ARCESE FOR PEOPLE
GRI 403-9 Workers who are not employees Injuries

	2022		2021		2020	
	n	rate	n	rate	n	rate
Recordable work-related injuries at 31.12	5	0,99	14	2,77	7	1,41
of which fatalities	0	0,00	0	0,00	1	0,20
of which with high consequence	1	0,20	3	0,59	1	0,20
Hours worked ¹⁰	1.010.880				1.010.880	

¹⁰ The hours worked by external workers were estimated on the basis of the number of active workers at the end of the year, the weeks worked in the year and the average hours worked in a week.

ARCESE FOR THE ENVIRONMENT
GRI 302-1 Energy consumption (GJ)

	2022	2021	2020
Gasoline for cars	695,85	0,00	259,03
Diesel for cars	10247,04	10481,08	8.279,85
Cars fleet consumption	10.942,89	10.481,08	8.538,88
Diesel for trucks	291306,43	319708,90	387.122,69
LNG for trucks	64823,19	50014,79	7.586,70
Bio-LNG for trucks	668,82	3136,00	0,00
Trucks fleet consumption	356.129,62	372.859,69	394.709,39
Burning oil for heating	880,12	1232,16	1.232,84
Natural gas for heating	27291,53	18611,91	23.730,79
Heating fuels consumption	28.171,64	19.844,07	24.963,63
Electricity purchased from NON-renewable sources	32516,55	29490,19	27.644,72
Electricity produced and consumed by photovoltaic system	2338,09	2170,29	2.269,86
Electricity consumption	34.854,64	31.660,49	29.914,58
TOTAL ENERGY CONSUMED	430.098,79	434.845,34	458.126,48

ARCESE FOR THE ENVIRONMENT
GRI 305-1 Emissions scope 1 (tCO_{2eq})

	2022	2021	2020
Company fleet emissions (trucks)	29.722,55	30.822,54	33.042,28
Company fleet emissions (cars)	775,85	728,73	602,96
Natural gas emissions for heating	1545,06	1.056,65	1.342,20
Burning oil emissions for heating	63,50	88,90	88,91
TOTAL EMISSIONS SCOPE 1	32.107	32.696,82	35.076,36

ARCESE FOR THE ENVIRONMENT
GRI 305-2 Emissions scope 2 (tCO_{2eq})

	2022	2021	2020
Electricity emissions from NON-renewable sources	2.379,13	2.274,02	2.276,85

ARCESE FOR THE ENVIRONMENT
GRI 305-3 Emissions scope 3 (tCO_{2eq})

	2022	2021	2020
Electricity emissions from rented buildings	127,60	226,11	N/A
Gas emissions from rented buildings	13,81	N/A	N/A
Subcontractors fleet emissions	262.580,71	250.044,95	182.905,57

TOTAL EMISSIONS SCOPE 3	262.722,12	250.271,06 ¹¹	182.905,57
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ARCESE FOR THE ENVIRONMENT

GRI 305-4GHG emission intensity

	2022	2021	2020
Truck fleet emissions (tCO _{2eq})	29.722,55	30.822,54	33.042,28
Total km travelled (km)	34.689.386,20	36.222.707,00	39.295.656,60
GHG Emission Intensity (tCO _{2eq} /km)	0,857	0,851	0,841

ARCESE FOR THE ENVIRONMENT

GRI 303-4 Water discharge (ML)

	2022	2021	2020
Total water discharge to surface water			
Fresh water (≤1.000 mg/l of total dissolved solids)	1.952	480	107
Other types of water (>1.000 mg/l of total dissolved solids)	2559	2.682	2.454

ARCESE FOR THE ENVIRONMENT

GRI 306-3 Waste produced (t)

	2022	2021	2020
Total non-hazardous waste	2.424,05	2.405,53	1.660,07
Total hazardous waste	56,99	57,81	23,62
TOTAL WASTE	2.481,04	2.463,34	1.683,68

ARCESE FOR QUALITY AND INNOVATION

NON GRI 1 Number of projects activated with the aim of studying modes of transport with a lower environmental impact

	2022	2021	2020
Projects activated with the aim of studying modes of transport with a lower environmental impact	4	5	3

ARCESE FOR QUALITY AND INNOVATION

NON GRI 2 Customer satisfaction index (%)

	2022	2021	2020
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¹¹ Scope 3 emission from 2022 have been corrected due to a wrong accounting occurred in previous report.

Net Promoter Score (% of customer who would highly recommend Arcese (Promoters) - % of customer who wouldn't recommend Arcese (Detractors))	13,82%	14,21%	15,16%
Level of security of the transport service (% customer satisfied to very satisfied)	69%	75%	71%
Critical issues management (% customer satisfied to very satisfied)	62%	66%	66%
Timeliness of communication (% customer satisfied to very satisfied)	71%	71%	71%
Service reliability (% customer satisfied to very satisfied)	69%	75%	75%
Rates and economic aspects (% customer satisfied to very satisfied)	57%	67%	67%

ARCESE FOR QUALITY AND INNOVATION

NON GRI 3 Events with negative effects on goods transported (n)

	2022	2021	2020
Events with damages on goods transported	2.150	1.950	2.200
Losses of goods transported	1.190	945	530
Total events with negative effects on goods transported	3.340	2.895	2.730
Good transports performed	2.535.440	2.789.662	2.208.718
Percentage of events with negative effects on goods transported out of good transports performed	0,13%	0,10%	0,12%

ARCESE FOR INTEGRITY

NON GRI 4 Number of cybersecurity incidents occurred

Entry	2022	2021	2020
Number of cybersecurity incidents occurred (n)	0	1	0

ARCESE FOR QUALITY AND INNOVATION

NON GRI 5 Fleet composition and turnover

Trucks	2022	2021	2020
Number of asset owned (n)	312	297	336
Euro 5	32	49	82
Euro 6	221	203	230
LNG	59	45	24
Of which new assets	30	25	20
% of new asset (%)	10%	8%	6%
Number of dismissed assets (n)	18	45	98

Trailers	2022	2021	2020
Number of asset owned (n)	3.163	2.744	2.529
Of which new assets	438	295	0
% of new asset (%)	14%	1%	0%
Number of dismissed assets (n)	18	76	160

ARCESE FOR QUALITY AND INNOVATION

NON GRI 6 Number of operations performed by internal mechanical workshop (n)

	2022	2021	2020
Ordinary Maintenance	8.734	11.395	10.246
Breakdown - Failures	6.013	7.197	7.873
Incident - Damage	8.695	9.854	9.766
Commissioning - Decommissioning	2.083	2.297	2.473
Various services	113	157	239
Total number of operations of which	708	831	851
Number of employees working in the mechanical workshop	25.638	30.900	30.597

GLOSSARY

GLOSSARY

Carbon footprint: someone's carbon footprint is a measurement of the amount of carbon dioxide that their activities produce (Source: Cambridge Dictionary).

Corporate Social Responsibility: is the responsibility of enterprises for their impact on society. Companies can become socially responsible by integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations and following the law (Source: European Commission).

DVR (Documento di Valutazione dei Rischi – Risks Assessment Document): a document containing an assessment of all the risks to the health and safety of workers within the organisation in which they work, aimed at identifying appropriate prevention and protection measures (example Personal and Protective Equipment for employees) and drawing up a programme of measures to ensure the improvement of health and safety levels over time (Source: INAIL - The Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro, an Italian statutory corporation overseen by the Ministry of Labour and Social Policies).

Emissions Scope 1: Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment (Source: GreenHouse Gas Protocol).

Emissions Scope 2: Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated (Source: GreenHouse Gas Protocol).

Emissions Scope 3: Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services (Source: Greenhouse Gas Protocol).

FTL shipment: Full Truck Load shipment refers to transportation of a large amount of goods that take up the entire truck or most of it (Source: Arcese).

KPI (Key Performance Indicators): a way of measuring a company's progress towards the goals it is trying to achieve: a KPI is a performance metric for a specific business activity and Key performance indicators (KPIs) provide managers with advanced warning signals that there may be problems ahead (Source: Cambridge Dictionary).

LTL shipment: Less Than truck Load shipment refers to transportation of relatively small freight which don't fill an entire truck (Source: Arcese).

Material topic: topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights (Source: GRI Standards).

PPE (Personal and Protective Equipment): any equipment intended to be worn and held by the worker for the purpose of protecting him against one or more risks liable to safety or health at work, and any additional equipment or accessory intended for that purpose (Source: Legislative Decree 09 April 2008 n. 81).

RLS (Rappresentante dei lavoratori per la sicurezza - Workers' safety representative): the person elected or designated to represent workers regarding health and safety at work (Source: Decree 25 May 2016 n.183 Ministry of labour and social policies).

Stakeholder: individual or group that has an interest that is affected or could be affected by the organization's activities (Source: GRI Standards).

METHODOLOGICAL NOTE

METHODOLOGICAL NOTE

[GRI 2-2, GRI 2-3, GRI 3-1]

This report represents the third Sustainability Report of Arcese Trasporti SpA. This document expresses the commitment of Arcese Trasporti SpA to communicate to internal and external Stakeholders the commitments, the strategy, the management methods and the results of the business activity, declined in their threefold economic, environmental and social aspect.

Data and information reported inside the document refer to the fiscal years 2020, 2021 and 2022 (01 January – 31 December). The Company has decided to report on a three-year data basis in order to provide comparability of the information and describe trends of the data.

The reporting boundary of this report covers only Arcese Trasporti SpA. However, data and information relating to workers over which Arcese Trasporti exercises operational control has also been provided. In particular, external workers ranging from administrative functions to labour cooperatives involved in the handling activities in Arcese warehouses have been considered. Moreover, Arcese monitors some indirect emissions, including those related to logistics services outsourced to subcontractors and those of non-owned logistics centres used. In particular emissions from Arcese Poland and Arcese Romania have been reported.

The Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards published in 2021 by the Global Reporting Initiative (GRI), according to the “With reference” option. With respect to the topics Occupational health and safety (GRI 403), Tax (GRI 207) and Waste (GRI 306), the versions updated to 2018, 2019 and 2020 were respectively adopted. In drafting the document, the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability were adopted.

For the purpose of a correct representation of the performances and to guarantee the reliability of the data, the use of estimates has been limited as much as possible which, if present, are appropriately reported.

In the case in which there were no suitable GRI Standards topic specific indicators to represent Arcese’s performance in relation to a material topic, NON-GRI indicators were developed:

- **NON GRI 1: Number of projects activated with the aim of studying modes of transport with a lower environmental impact**

The reporting organization should report all new projects started during the reporting year related to the usage of non conventional modes of transport (an example of conventional mode of transport is road) and not conventional fuels (examples of conventional fuels are gasoline and diesel) must be considered.

- **NON GRI 2: Clients’ satisfaction indices**

The reporting organization should report customer satisfaction indices, provide a description of the types of surveys conducted during the year, the recipients, the results emerged and eventually the actions taken.

On an annual basis, Arcese asks clients to complete a satisfaction survey on ten aspects relating the area of security and reliability of the service, issues management, communication, and price. They are asked to specify for each one of them the level of importance (Very important, Important, Quite important, Not very important, Not important, Not evaluable) and the level of satisfaction (Very satisfied, Satisfied, Quite satisfied, Not very satisfied, Not satisfied, Not evaluable).

The aspects reported inside the table *"Satisfied clients about Arcese's services"* are the five most important aspects for Arcese's clients and the values reported are calculated considering the percentage of clients satisfied and very satisfied with respect to the following aspects:

- Level of security of the transport service: the capacity to guarantee an adequate level of security during the performance of the service. The expected level of security changes from customer to customer according to contractual agreement and it can be understood as both security and safety;
- Critical issues management: management of critical issues, e.g. in the event of damages / delays or any other problem that may be encountered, how and when Arcese deals with the issue and the relationship with the clients;
- Timeliness of communication: timeliness with which Arcese responds to the clients, both at operational and client service level and at administrative level;
- Service reliability: reliability perceived by the client with regard to the service provided (in terms of safety - of vehicles, cargo and people -, compliance with deadlines and other conditions required, etc.).
- Rates and economic aspects: satisfaction regarding the economic aspect, e.g. rates and other economic conditions.

Looking at Net Promoter Score, the index is based on the answers given to the question *"How likely is it that you would recommend Arcese to a friend or colleague?"*. The respondents are then divided into three categories (promoters, passives and detractors) based on the score provided from 1 to 10: from 1 to 6 "detractors", from 7 to 8 "passives" and from 9 to 10 "promoters". The index is then calculated as the difference between the percentage of promoters and the percentage of detractors. In general terms, a Net Promoter Score below 0 would be an indication that the business has a lot of issues to address, a score between 0% and 30% is an acceptable range to be in, however, there are still progresses to be made.

● **NON GRI 3: Number and percentage of events with negative effects on goods transported**

The reporting organization should report the number of events with damages (e.g. broken, crushed or punctured parcel) on goods transported and the number of losses (including stolen or lost parcels / pallets) of goods transported recorded during the reporting year. These data must then be related to the total number of transports of goods performed during the reporting year.

● **NON GRI 4: Number of cybersecurity incidents occurred**

The reporting organization should report all kinds of cybersecurity incidents recorded during the reporting year must be taken into consideration.

In the present document the reference to the definitions of NCSC (National Cyber Security Centre of the United Kingdom Government) is used. The NCSC defines a cyber incident as a breach of a system's security policy in order to affect its integrity or availability and/or the unauthorised access or attempted access to a system or systems; in line with the Computer Misuse Act (1990).

In general, types of activity that are commonly recognised as being breaches of a typical security policy are:

1. Attempts to gain unauthorised access to a system and/or to data.
2. The unauthorised use of systems for the processing or storing of data.
3. Changes to a system firmware, software or hardware without the system owners' consent.
4. Malicious disruption and/or denial of service.

● **NON GRI 5: Fleet composition and turnover**

The reporting organization should report information about the number and type of assets owned by Arcese, among trucks, trailers and other types of vehicles, of which the number of new assets must be reported. Also, the number of assets dismissed is considered. The indicator also requires a general description of fleet renewal and turnover.

- **NON GRI 6: Number of operations performed by internal mechanical workshop**

The reporting organization should report the number and type of operations performed by the internal mechanical workshop owned by Arcese, and the number of employees working in it.

Energy conversion and emissions factors

In order to represent energy consumptions in GJ, as required by GRI Standards, the conversion factors 2021 of Department for Environment, Food and Rural Affairs (DEFRA) of the United Kingdom have been used. Moreover, in order to determine indirect CO₂ emissions (Scope 2), the emission factor of electricity used was the one published by the Italian government agency ISPRA (Istituto superiore per la protezione e la ricerca ambientale) inside the Report 343/2021 (*Indicatori di efficienza e decarbonizzazione del sistema energetico nazionale e del settore elettrico*). Finally, CO₂ emissions for Scope 1 and Scope 3 are calculated by Arcese through the GABI Envision software that is compliant with ISO14067 standard (Greenhouse gases – Carbon footprint of products) calculation methodology.

For any need of clarification or desire to deepen the contents of this document, please contact the Sustainability department at the following email address: sustainability@arcese.com.

**GRI CONTENT INDEX AND OTHER
RELEVANT KPI**

GRI CONTENT INDEX

Statement of use	Arcese has reported the information cited in this GRI content index for the period 01/01/2022 - 31/12/2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
General Disclosure		
GRI 2: General Disclosures 2	2-1 Organizational details	p. 4
	2-2 Entities included in the organization's sustainability reporting	p. 71
	2-3 Reporting period, frequency and contact point	p. 71
	2-4 Restatements of information	p. 71
	2-6 Activities, value chain and other business relationships	p. 58, 64
	2-7 Employees	p. 5-6, 23-25, 58-59
	2-8 Workers who are not employees	p. 37-39, 60
	2-9 Governance structure and composition	p. 37-39, 61
	2-10 Nomination and selection of the highest governance body	p. 7-8
	2-11 Chair of the highest governance body	p. 7-8
	2-14 Role of the highest governance body in sustainability reporting	p. 7-8
	2-19 Remuneration policies	p. 7-8
	2-20 Process to determine remuneration	p. 36-37
	2-23 Policy commitments	p. 4, 15-19, 21
	2-24 Embedding policy commitments	p. 4, 21
	2-27 Compliance with laws and regulations	p. 22
	2-28 Membership associations	p. 8-9
	2-29 Approach to stakeholder engagement	p. 11-12
	2-30 Collective bargaining agreements	p. 36-37
Material Topic		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 71
	3-2 List of material topics	p. 12-15
Energy consumption and emission		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 50-51
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 49-50, 63
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 51-52, 63
	305-2 Energy indirect (Scope 2) GHG emissions	p. 53, 63
	305-3 Other indirect (Scope 3) GHG emissions	p. 53-54, 63
	305-4 GHG emissions intensity	p. 52, 64
Purchasing policies		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 22-23

GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 23-25
Impact on biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 47-48
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 48
	304-2 Significant impacts of activities, products and services on biodiversity	p. 48
Waste production and management		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 54-55
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 54-55
	306-2 Management of significant waste-related impacts	p. 54-55
	306-3 Waste generated	p. 55-56
Occupation, training, diversity and welfare		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 36-37, 40-41
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 39-40
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 36-37
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 40-41
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 40
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 41-42, 59
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 41-42
Health and safety at work		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 42
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 42-43
	403-2 Hazard identification, risk assessment, and incident investigation	p. 43-44
	403-3 Occupational health services	p. 44
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 43-44
	403-5 Worker training on occupational health and safety	p. 44
	403-6 Promotion of worker health	p. 42
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 43-44
	403-8 Workers covered by an occupational health and safety management system	p. 42-43
	403-9 Work-related injuries	p. 43-45
	403-10 Work-related ill health	p. 45
Cybersecurity and data privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 25-26
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 25-26
NON GRI 4	Number of cybersecurity incidents occurred	p. 25-26

Service quality and repercussions on third-party entities

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 30
NON GRI 2	Customer satisfaction index (%)	p. 32-33
NON GRI 3	Number and percentage of events with negative effects on goods transported	p. 31

Innovation, research and digitalization

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 33
NON GRI 1	Number of projects activated with the aim of studying modes of transport with a lower environmental impact	p. 34

Fleet management

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 28
NON GRI 5	Fleet composition and turnover	p. 28
NON GRI 6	Number of operations performed by internal mechanical workshop	p. 29

Impact on water resources

GRI 303: Water and Effluents 2018	303-4 Water discharge	p. 47, 64
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Corruption and anti-competitive actions

GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 22, 59
	205-2 Communication and training about anti-corruption policies and procedures	p. 22, 59
	205-3 Confirmed incidents of corruption and actions taken	p. 22
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	p. 22
GRI 207: Tax 2019	207-1 Approach to tax	p. 22-23

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