



SUSTAINABILITY REPORT

2021

Foreward

We build excellence through innovation and sustainability

The implications of the COVID-19 pandemic, coupled with unprecedented events continued to have a strong impact in our business throughout 2021. We focused on delivering the best solutions and support for customers across all transport modes. Amidst these challenges, we continued to keep our ESG commitments and **this year's report is intended as an update on the progress of the goals we set and on the milestones we reached** thanks to the commitment of our customers, industry partners and the engagement of our passionate people at Arcese.



2021 was a pivotal year for our company. It was a year of continuity and renewal, with **Digitalization** and **Cultural Transformation** as its pillars, in line with our strategic objectives of growth and business model excellence. Our annual financial results proved the soundness of our business model: revenue grew by 15% in 2021 and **sustainability was an important business goal, concretely pursued and measured**. Our Cultural Transformation led us to define our Promise, Purpose and Values that represent our company and that will guide us as we face future challenges and will forge our Culture to compete in tomorrow's market.

Governance&Ethics: We are committed to the highest levels of ethics and integrity. We recognize the importance of maintaining high standards of corporate governance, which underpins our ability to deliver consistent financial performance. For this reason, we are committed to maintaining a fair, secure and inclusive workplace for all our colleagues, in which everyone is valued and respected.

Our People: When you choose Arcese as a supplier or as customer you join a passionate community of professionals focused on delivering the best solutions. We are aware that our people are a critical resource to achieve the best possible results and value the wonderful diversity of talent in our company. That's why we continued to invest in training for our people, care for their wellbeing and safety. New HR processes were introduced, and new initiatives launched starting to involve our People through surveys, virtual and physical meetings and training sessions at all levels.

Environment: Decarbonising logistics is our greatest responsibility, and it's where we can have the greatest impact. In our pursuit of reducing the impact of our activities we started to switch to bio-LNG supplies and increased the LNG vehicles in our fleet in line with the scope 1 emission improvement objectives (direct emissions). At the same time, we believe that continuous improvement and the constant development of new solutions are among our company's priorities. That is why we strengthen the collaboration with our industry partners and suppliers along the supply chain in order to advance responsible business practices throughout our supply chains.

We have also overcome many challenges in our journey, but we proved to be a resilient organization made up of talented and committed people ready to go "the extra mile" and we are very proud of what we achieved in these challenging times. We believe there is a renewed sense of purpose within society and resolute determination to tackle climate change. People, young generations, governments and organizations are now willing to demonstrate their commitment to sustainability with actions. We all have to seize this moment to aim higher.

We are therefore proud to present our Sustainability Report that is very important to us and our company, stakeholders and partners proving once again our commitment in creating a long-term sustainable value along our supply chains. Together with our global team, we will continue raising the bar accelerating our future commitments and actions.

Matteo Arcese
Executive President

Guido Pietro Bertolone
Chief Executive Officer

CHAPTER 1

ABOUT ARCESE

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 102-1, GRI 102-3, GRI 102-5]

Arcese Trasporti S.p.A. is the company of Arcese Group in charge for 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 102-16]

In 2021, we realized the Purpose Promise and Values (PPV) initiative lasted more than 100 hours of meetings in 5 months, with more than 1,500 people involved, who spent this time to share ideas and to define the Purpose, the Promise, and the Values that represent Arcese and will be our guide in facing the challenges that the future holds.



1.3. Activities, services and markets served

[GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7]

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.

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

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

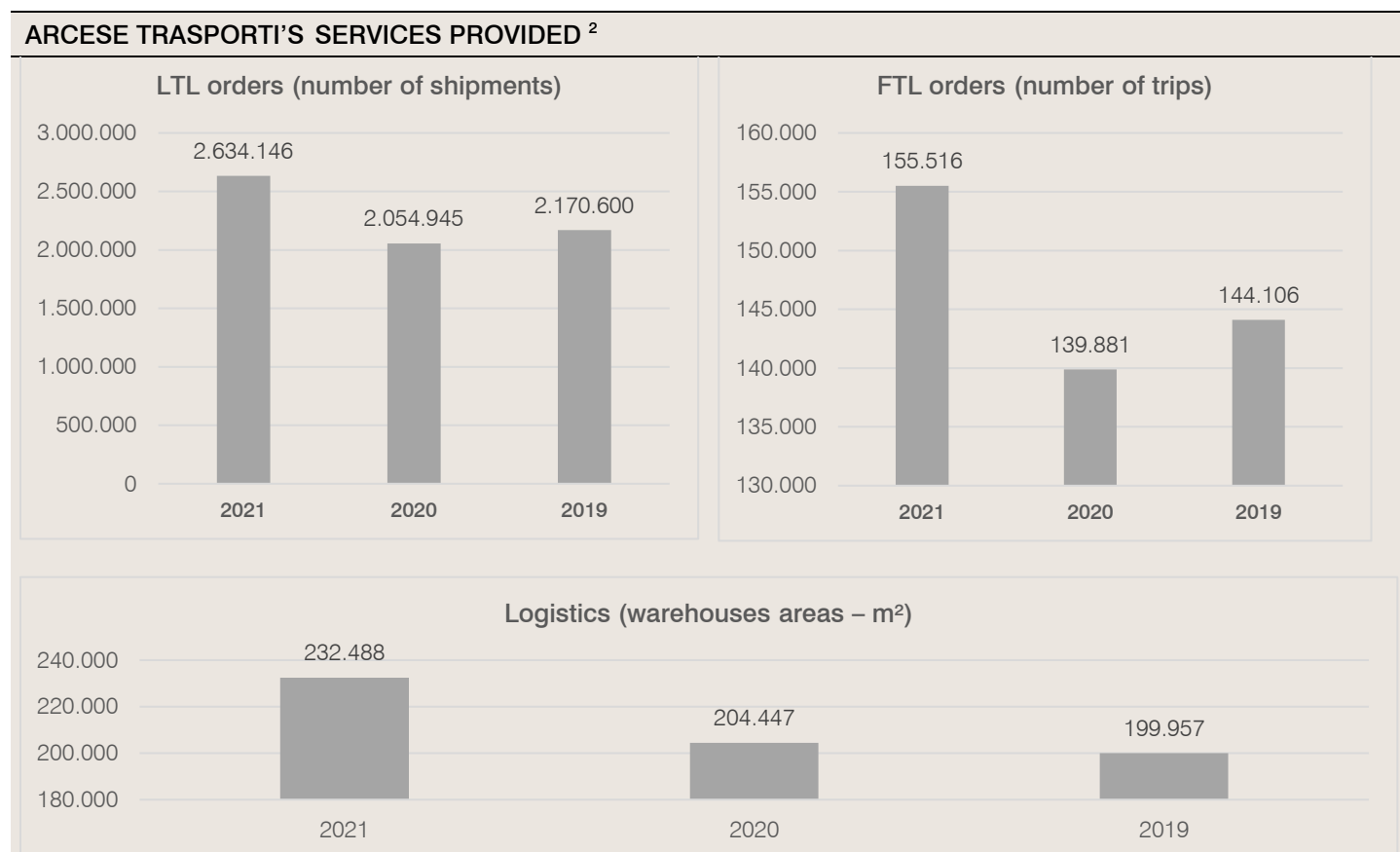
Road and intermodal transport have always been Arcese's core business, representing the very history of the Group. Thanks to the fleet capacity and well-knit distribution network, Arcese can satisfy any transport need in terms of volume, delivery times and transport complexity. With more than 2,000 daily 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 450.000 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 unrivaled 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.



² **Less Truck Load (LTL)** orders refer to the transportation of products or goods that do not require a full truckload. Instead, **Full Truck Load (FTL)** means transport order for a dedicated vehicle, assigning transport of goods that fill up a full truck, or a partial load shipment occupying an entire truck.

During 2021, the logistics areas managed by Arcese Trasporti SpA showed a renewed increase, in line with the growing trend of recent years (+ 13,7% between 2021 and 2020). With regard to shipments, after a slowdown in 2020, a significant increase was recorded in 2021, even exceeding the results of 2019. LTL orders are increased by 2.054.945 shipments to 2.634.146 (+ 28,2%), while FTL orders moved from 139.881 trips to 155.516 (+ 11,2%).

1.4. Arcese Trasporti SpA governance structure

[GRI 102-18, GRI 405-1]

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 by 6 members, all men, of which two are less than 50 years old and one-third of the Board's members are independent.

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.

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.

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 102-12, GRI 102-13]

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 analyze 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 **Verona University** (Logi Master - University master in logistics and supply chain management) and **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.

CHAPTER 2

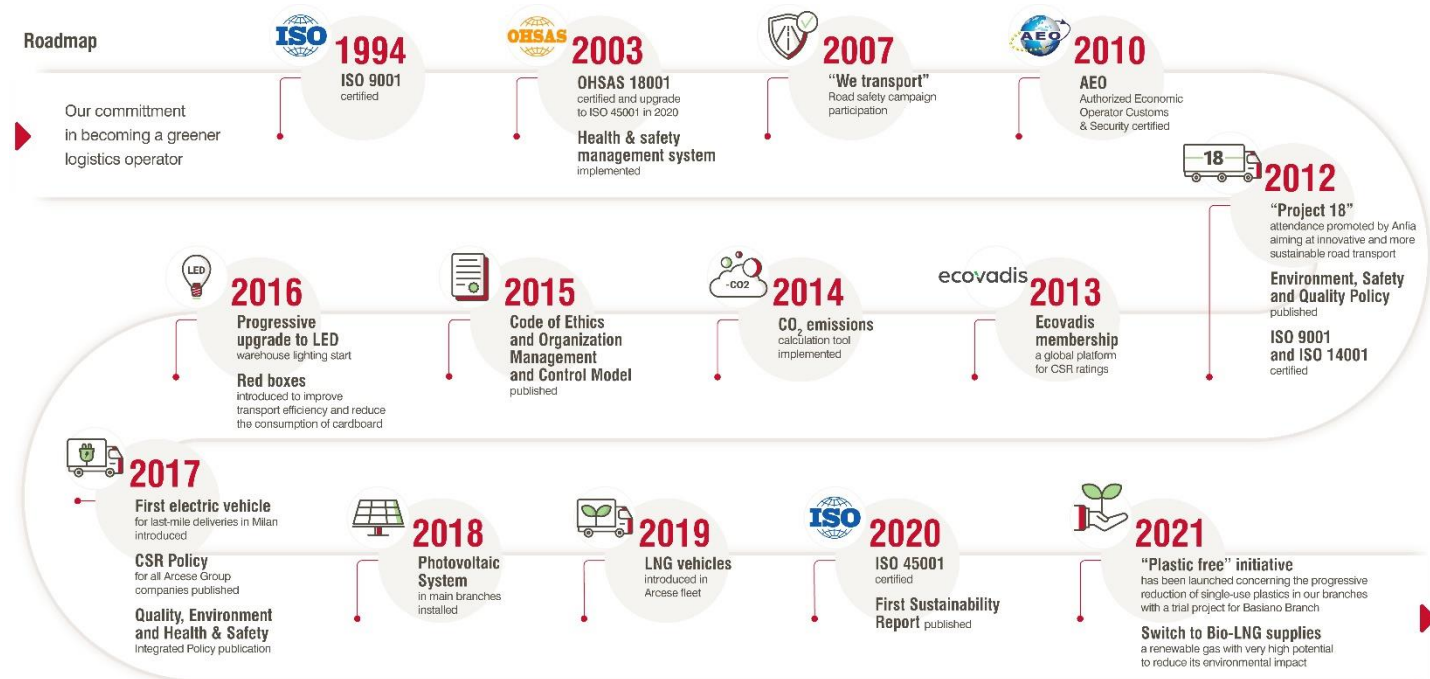
ARCESE FOR SUSTAINABILITY

We have embarked on a path that sees sustainability as a starting point in our daily decisions and an integral part of our business strategies. Acting in an economically, socially and environmentally sustainable way is much more than an intent and allows us to strengthen our dialogue with stakeholders increasing their engagement and awareness throughout the value chain.

2.1 Arcese Trasporti sustainable journey

For the Arcese Group, being a socially responsible company means enriching management and strategic choices with ethical and social considerations, investing in human capital, the environment and relations with all stakeholders.

Arcese has 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 102-40, GRI 102-42, GRI 102-43]

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 analyzing 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
Suppliers	Contractors and subcontractors who are entrusted with the transport services	Daily relationship with Operations Department by e-mail and phone call Physical audit on site
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
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
Local communities	Citizens who live in the areas of the Arcese production plants, families of collaborators, organizations operating in the same areas	Website Social media Charitable activities and contributions Sponsorships in events (cultural, sport, ...)
Universities and Research Centers	Organizations operating in the R&D of sustainable transport policies	Workshop and advisory panels (on a quarterly basis) Research projects on specific topics (one or twice 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

PROJECT KENYA

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.

2021 has seen the realization of 3 projects funded by Arcese: the library of Kaptabuk Primary School, the gym Kapsait secondary school and the beginning of construction, in the late 2021, for the realization of the kindergarten that will then complete the school-athletic complex of Kapsait.

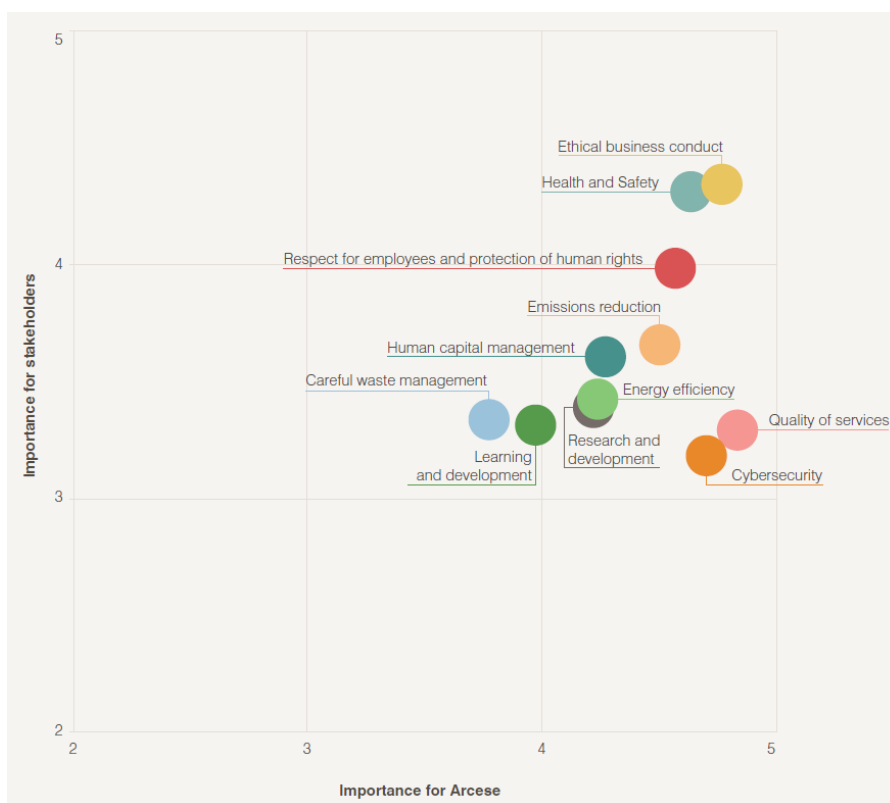
2.3 Arcese Trasporti materiality analysis

[GRI 102-44, GRI 102-47]

To prepare a report in accordance with the GRI Standards, following the stakeholder identification, Arcese Trasporti realized the **materiality analysis** which is aimed to identify material topics to be reported in the Sustainability Report. The GRI Standards define a **material topic** as a “*topic that reflects a reporting organization’s significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders*”.

In 2021, Arcese Trasporti has reassessed the material topics reported in the previous edition 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 confirms as material topics the ones identified in the 2020 Sustainability Report.

The results of the analysis, and more broadly all our sustainability efforts, were presented to all Arcese’s functions during dedicated Workshops throughout 2021. In fact, during the second half of July, some sessions were dedicated to LTL and FTL Sales, Key Account Managers and Branch Managers (considering Italian perimeter) with the goal of sharing the 2020 Sustainability Report and its contents, collecting ideas and reflections that will help us guide future activities.



The table below describes the meaning of each material topic for Arcese Trasporti and the related boundaries of impacts. 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 DESCRIPTION	BOUNDARY OF IMPACTS
ARCESE FOR INTEGRITY	Ethical business conduct	The topic refers to the maintenance of a good and solid corporate organization, which favors business management in compliance with national and supranational laws and the ethical principles adopted by the company.	• All stakeholders
	Cybersecurity	The topic refers to the security of the sensitive information, privacy and the protection of the overall IT infrastructure from any harmful event	• Employees • Suppliers • Clients • Economic Partners • Shareholders and investors • Institutions
ARCESE FOR PEOPLE	Health and Safety	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 behavior awareness and implementation of preventive actions.	• Employees • Suppliers • Clients • External Consultant • Economic Partners
	Respect for employees and protection of human rights	The topic refers to the Arcese's performance, policies and procedures concerning aspects of non-discrimination, human rights, forced labor and employment relationships and the extent to which these considerations are integrated into an organization's business decisions.	• Employees • Clients • Suppliers • Economic Partners • Trade Union Associations
	Human capital management	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".	• Employees • Suppliers • External Consultants • Economic Partners
	Learning and development	The topic refers to the empowering of employees' growth and developing their knowledge, skills, and capabilities to drive better business performance and develop a stronger organizational culture.	• Employees • Universities and Research Centers
	Emissions reduction	The topic refers to the adoption of processes and technologies that allow the tracing of the consequent greenhouse gas emissions and their reduction.	• Employees • Suppliers • Clients • Economic Partners • Shareholders and Investors • Institutions • Local communities • Universities and Research Centers
ARCESE FOR THE ENVIRONMENT	Energy efficiency	The topic refers to the careful use of energy resources in organization's activities and to the adoption of processes and technologies that allow to use energy more efficiently.	• Employees • Suppliers • Clients • Economic Partners • Shareholders and Investors • Institutions • Local communities • Universities and Research Centers

ARCESE FOR QUALITY AND INNOVATION	Careful waste management	The topic refers to the 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.	• Employees • Suppliers • Clients • Economic Partners • Local communities • Institutions
	Quality of services	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.	• Suppliers • Clients • Economic partners
	Research and development	The topic refers to the design of new and innovative solutions in order to identify those that best meet client needs and improve logistics and transport.	• Employees • Institutions • Local Communities • Universities and Research Centers

2.4 Sustainability achievements and commitments

In line with our commitment to ethical and transparent behavior, integrating the social and environmental dimensions, without forgetting the importance of the quality of our services, we wanted to formalize our sustainability objectives.

The table below shows how Arcese Trasporti has responded during 2021 to the commitments made on each material topic in the previous Sustainability Report and how it intends to continue its sustainability path during 2022. The commitments are defined based on the characteristics of the various projects and the effort required to carry out the activities.

Legend to the table*

1 = Achieved - 2 = Partially achieved - 3 = Postponed to 2022

SUSTAINABILITY PILLARS	MATERIAL TOPICS	OUR COMMITMENTS FOR 2021	STATUS COMMITMENTS 2021*	OUR COMMITMENTS FOR 2022
INTEGRITY	Ethical business conduct	Maintain a high level of surveillance	1	- Implementation of Supplier Code of Conduct
		Keep the Organization Management and Control Model (ex. Italian Legislative Decree 231/01) constantly updated	1	- Maintain a high level of surveillance
		Renewal of training to all employees in case of major update on the policies and procedures	1	- Keep the Organization Management and Control Model (ex. Italian Legislative Decree 231/01) constantly updated
	Cybersecurity	Improve performances of network security	1 ³	- Increase security, avoiding physical file servers to be 100% replaced by cloud solutions fully redundant
		Reduce number of failed "phishing" tests among employees		- Extend Helpdesk support to cover H24 and 7/7
		Extend Helpdesk support to cover H24 and 7/7	3	
PEOPLE	Health and Safety	Schedule internal audit according to ISO 45001 on not certified sites	3	- Re-set the company Risk Assessment Documentation for all the branches
		Manage at least twice per year a specific assessment on injury's type and training program to be implemented if injury's type repetitive	1	- Increase number of AED devices, with training for first aiders
		Define well-being initiatives to be implemented starting from 2022	1	- Maintain a high level of information and awareness on health and safety among employees

³ Network security has improved considerably due to the cyberattack.

ENVIRONMENT	Energy efficiency & Emissions reduction			- Reorganization of HSE roles inside company organization
		Respect for employees and protection of human rights	1	- Improve inclusion of all employees through employee-driven communication - Improve the engagement of all employees through survey
		Human capital management	1	- Improve preparation of the people leaders for cultural transformation
		Deploy People Strategy	1	- Finalize HR department organization to support the People Strategy
		Start Cultural transformation	1	- Introduce new smart working policy for all employees
		Start "People Life Cycle" process	2	- Consolidate an effective onboarding program for the new hires through the first 90 days on the job
		Engage and prepare for the transformation the People leaders	2	
		Implement the right HR organization to support the People Strategy	2	
		Learning & Development	1	
		Reschedule the learning session suspended due to COVID-19 pandemic with new program in 2021	2	- Incorporate safety training into a strategic curriculum
		Incorporate mandated learning (for example Law 231/01 – CSR and Code of Ethics, cyber security policies and H&S) into an effective onboarding program that accompanies new hires through their first 90 days on the job	2	- Consolidate an effective onboarding program for the new hires through the first 90 days on the job
		Accompany employees throughout their tenure with a comprehensive academy that provides them with both just-in-time and career-focused learning activities	3	
		Incorporate safety training into a strategic curriculum	1	
		Focus on developing our people managers and their transformational leadership skills	1	
		Create a mentoring program to help employees share information and help each other cross-functionally	1	
		Set energy consumption and emissions reduction targets compared to the 2020 baseline	3 ⁴	- Set energy consumption and emissions reduction targets compared to the 2021 baseline
		Increase environmental sensitivity among Arcese people, implementing sustainability in the employees' experiences as part of the Cultural Transformation program	1	- Finalize the new CO2 emissions calculation tool
		Start the process to adhere to industry standards about warehouses, assessing their environmental, social, and economic sustainability performance	1	- Increase intermodal share in the production set-up
		Increase intermodal share in the production set-up and open new intermodal connections on main lanes	1	- Continue awareness on environment and sustainability among Arcese people
		Increase the collaboration with our clients to customize more sustainable	1	- Complete the LNG fleet truck transition
				- Implement and test new sustainable fuels (efficient from an environmental and economic point of view)

⁴ Due to COVID-19 Pandemic, the sustainability efforts within Arcese's business were effectively validated starting from 2021. For the same reason, the baseline for our sustainability performance was reset to 2019 instead of 2020.

QUALITY & INNOVATION		solutions offering our technical know-how and experience, maximizing intermodal operations		- Finalize and share Sustainability parameters with suppliers
		Increase the share of LNG (Liquefied Natural Gas) trucks in the fleet mix	1	- Confirm bio-LNG supply for Arcese FTL services
		Start partial substitution of fossil LNG with bio-LNG for LNG fleet	1	- Develop internal policies to facilitate more sustainable commuting solutions for the Arcese employees
		Finalize specific projects on green fuels and biofuel to be used by Arcese fleet	1	
		Finalize new CO2 emissions calculation tool implementation	2 ⁵	
		Implement environmental requirements into the assessment process for supplier selection	2	
	Careful waste management	Realize more projects about reusable packaging	3	- Increase the adoption of digital solutions to reduce the waste generation
		Realize a specific project to maximize the recycling in all Arcese sites and to reduce the usage of plastic bottles and plastic glasses in the offices	1	- Identify with customers new opportunities for reusable packaging - Increase the share of Arcese sites with "plastic-free water dispenser" solution
	Quality of services	Analyze clients' satisfaction survey's results in order to identify possible areas for improvement	1	- Analyze root causes and define corrective actions on the management of critical issues, rapidity of the communication and reliability of the service.
		Include questions related to sustainability into the clients' satisfaction survey	1	- improve survey coverage increasing response rate
		Improve monitoring system of the services provided and centralized reporting and management of non-compliances	1	- analyses operative quality issues in order to define the necessary improvements policies - reorganization of the LTL Customer Service in terms of standardization of the processes and improvement of the responses quality service
	R&D	Sign first procurement contract for BIO LNG	1	- Participate as a proactive member on new projects and initiatives related to transport and logistics sustainability - Implement the Supplier Portal platform
		Implement new CO2 emission calculation tool	2	
		Launch new projects and adhere to new initiatives	1	
		Scouting of Sustainability forums/associations/organizations and (eventual) subscription	1	

⁵ Test in progress: the cyberattack delayed the project.

CHAPTER 3

ARCESE FOR INTEGRITY

Arcese Trasporti S.p.A. considers integrity an essential priority to manage relations with its employees, collaborators, clients, suppliers, partners and, more generally, with any third party, safeguarding ethical values within a context of mutual respect, protection, transparency and correctness.

3.1 CSR Policy and Code of Ethics

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 three key documents:

- Code of Conduct
- Code of Ethics
- Corporate Social Responsibility 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 obtaining (once again) the EcoVadis Gold Medal. The EcoVadis rating covers a broad range of non-financial management systems including Environmental, Labor & 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 and a Gold Medal means that Arcese is ranked among the highest 5% of the companies assessed.

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 to 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.

3.2 Tackling corruption

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

The risk assessment is the foundation of 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 (2019, 2020 and 2021) 100% of Arcese Trasporti's operations have been covered by a corruption risk assessment⁶.

The evaluated risks are principally related to a commission of crimes and the 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 behaviors. 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 2021, 100% of governance members received e-training on anticorruption. 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 307-1, GRI 419-1]

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 cases of non-compliance with laws and regulations, as well as no legal actions for anti-competitive behavior, anti-trust and monopoly practices have been recorded.

However, it should be mentioned that at the end of December 2021, an inspection was carried out at the Rovereto site by technicians from ASL - APPA (Azienda Sanitaria Locale - Agenzia Provinciale per la Protezione dell'Ambiente) of Trento. The inspection revealed two non-conformities, which will be analyzed and managed by Arcese during 2022.

3.4 Tax approach

[GRI 207-1]

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

Arcese is aware of the importance of this revenue flows 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 Ethical Code.

⁶ In the Sustainability Report 2020 it was reported that in 2020 and 2019 the operations assessed for risks related to corruption were respectively 23% and 28%. These lower values indicated previously were determined using a different concept of "operation" than that required by the GRI standards.

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.

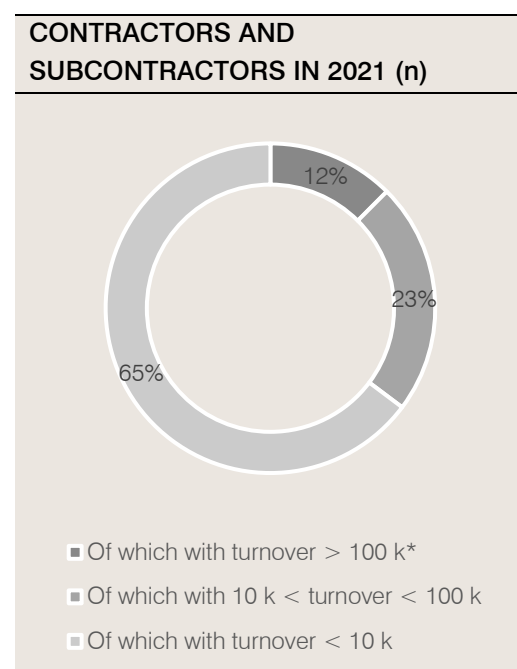
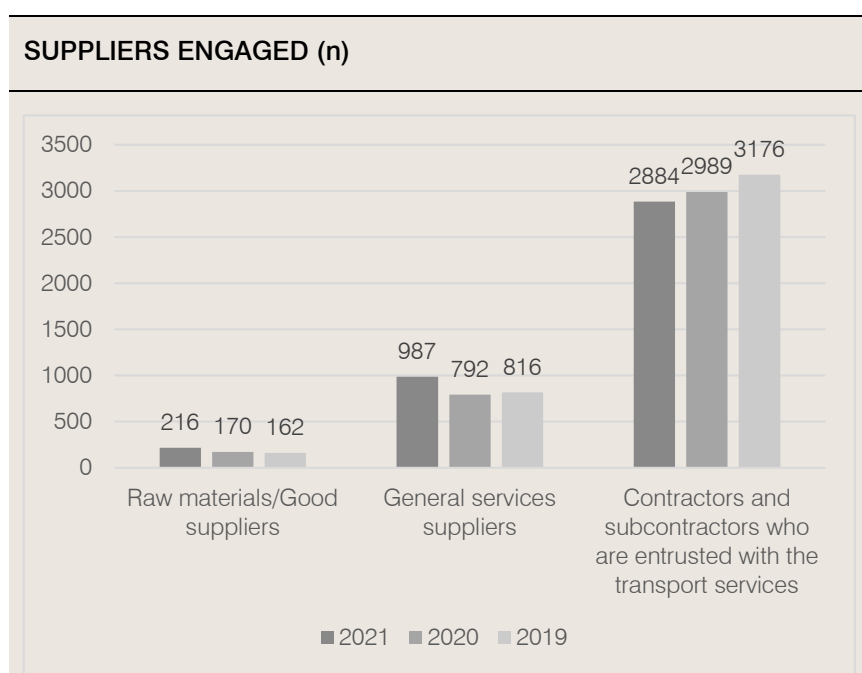
3.5 A responsible supply chain

[GRI 102-9, GRI 102-10]

Carrying out its business activities, Arcese interacts with a plurality of partners recognizing the importance of building a sustainable and responsible supply chain. 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. In addition to compliance with ethical requirements and regulations, the selection of suppliers takes place based on other parameters, such as quality, convenience, price, capacity and efficiency. For all suppliers a qualification process is activated, necessary to assess the correspondence of the company's qualification 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.



Between 2021 and 2020 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" and "General services suppliers" an average increase of 25% was recorded in 2021 compared to 2020 due to an increase in the number of orders and the logistics warehouses area. Instead, among subcontractors a slight decrease of 4% was recorded, mainly related to a decrease in the number of subcontractors with a turnover of less than 10 k, demonstrating a concentration towards suppliers handling a larger volume of transports.

In 2021, our efforts on the supply chain were directed on two main fronts: ethics and digitalization.

As anticipated, during 2021, we have taken a step further in our commitment to operate ethically and fairly drafting the **Suppliers Code of Conduct**. Starting from 2022, this document, containing our ethical, social, and environmental requirements, will be shared and fulfilled by all business partners working with Arcese.

Our relationships with business partners have seen another major change in 2021: the adoption of the **cloud platform DocuSign**. DocuSign is easy to use, safe, and legally accepted around the world. Through this platform, all the manual paper processes were dematerialized and automated, achieving a management of transactions with only digital documents.

In Arcese the platform was launched on September 2021, and on 31 December 47 contracts (61% LTL and 29% FTL) were signed through this tool. For this first year, following the internal policy, the subjects involved were only road transport suppliers with registered offices in Italy, traction operators, and carriers with annual turnover $\geq 30k$. However, in the coming years we plan to extend the tool to every business partner given its operational and environmental advantages. In fact, in addition to reducing contract management times, the tool completely eliminates the use of paper, saving almost 0,38 kg of paper⁷ and 0,33 kg CO₂eq⁸ for each contract, thus allowing to save almost 18kg of paper and more than 15kg of CO₂eq for the first 47 contracts.

Another stream of digitalization and dematerialization started in 2021, that will continue in 2022, is related to delivery documentation: Proof of Delivery (**POD**) and International Carriage of Goods by Road (**CRM**). POD is a certification of delivery confirming the identification of a shipment, while CRM is the electronic consignment note. This new digital process, started in September 2021 in three main countries, the UK, Sweden, and Germany (which account for about 25% of the international trips

⁷ The calculation is made in consideration of indicated in the ISO 536:2019, given the composition of 60 pages, 2 envelopes, and 2 postal tags for each contract.

⁸ The calculation is made considering the emission factor 2021 of the Department for Environment, Food and Rural Affairs (DEFRA) of United Kingdom.

made by third parties) eliminates the issues related to the material documentation, such as lost documentation, longer payments periods and missing signatures, and further reduces paper consumption.

Alongside the implementation of DocuSign, POD and eCRM, in 2021 we also made important programs in the development of a **Suppliers Portal**: a digital platform that will allow managing in a better way every aspect involved in the relationship between Arcese and the suppliers. By the end of 2022, we plan to present the portal to our suppliers, who will be able to access different areas and functionalities, from the purchasing process (scouting, qualification requirement, and contract creation and signature), to the planning & execution activities, the invoicing, audit from management, monitoring and claims, training and other information (general condition, driving restriction, etc.).

3.6 Cybersecurity

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 in order 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. 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 (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).

On 15 December 2021 5.00 am CET, the company had been hit by a cyber-attack which resulted in an unauthorized and unlawful access to its Information Systems. The company immediately acted shutting down all systems preventing malware spreading. As a matter of urgency, and in collaboration with an international Kaspersky CSIRT (Computer Security Incident Response Team) the company started to investigate the event to verify any compromised systems as well as take relevant measures to strengthen its IT systems in partnership with DART (Microsoft Detection and Response Team).

Our core IT infrastructure has been rebuilt in less than 48 hours in a new domain and in a dedicated environment protected with EDR tool with h24 monitoring, and no data has been lost from our systems (Accounting system, Transport and Logistic management system, etc.).

All the PCs as well as the entire active IT landscape have been equipped with advanced detection tools for daily monitoring. Afterwards, only clean devices could get access to our infrastructure with mandatory multi-factor authentication.

Business applications were restored first in a new temporary environment to guarantee business continuity and then moved back to the existing landscape that has been eradicated and strengthened in its security, with new multi-factor authentications.

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

- MFA is mandatory for each user connected to our environment.
- Advanced MDR Cybersecurity solution has been implemented to monitor all our 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

[GRI 418-1, NON GRI 4]

Despite the Cyberattack that occurred in December, no notification has been notified to the Italian Garante, since no cases of personal data breaches or losses according to the General Data Protection Regulation (GDPR), have been recorded from all the verifications carried out.

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.

CHAPTER 4

ARCESE FOR PEOPLE

One of the four dimension of the global journey we have undertaken is “People, Leadership, & Culture Transformation”. Our cultural transformation process aims to strategically manage current and future employees by delivering the best Employee Experience and focusing on Leaders’ empowerment thus enabling the business to attract and retain the best talents. We are also committed to create a captivating, safe and engaging work environment, where all people are respected and where discrimination is not tolerated.

4.1 Human Capital Management

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 2020 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.

Our Cultural Transformation process covered the implementation of human capital management, done through the People Life Cycle process, composed by:

- Purpose, Promise, Values (PPV)
- Competencies Model
- Performance Management (MMP)
- Development/Career Management (MMC)
- Talent Management (TM)
- 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 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, define a clearer and stronger culture. Finally, Empower pillar points at strengthening leadership, formalize responsibilities and entrust our people with tools 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 foster the relationship with our employees and create an environment of respect and trust that goes beyond the boundaries of 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 one in our Castel San Pietro Terme warehouse.

In 2018, Arcese also signed a work-life balance agreement which considers many initiatives to guarantee a fair working ambiance and promote employees' overall well-being, including 1 extra day leave for newborn's fathers, part-time policy with an extended period guaranteed for the new mothers or vulnerable groups (from 6 to 12 Months) and more flexibility in time attendance.

During the 2020 pandemic has been activated the smart working modality (on request and in agreement with manager in charge) for most white collars, as well as executives and managers. In this way a double benefit was achieved: guarantee work continuity and ensure the safety of the employees and their families. In 2021, remote working was maintained and utilized by 67% of eligible categories for a total of 336,5069 hours worked from home, accounting for 27% of total hours worked. This means that in 2021 workers benefited from smart working modality on average for 690 hours. In 2022 we will continue the path to greater flexibility and work-life balance, by implementing the "Flexibility and Responsibility" policy, which will consist in fewer boundaries and more flexibility for all of our employees.

⁹ The hours indicated correspond to the official smart working hours in the staff attendance systems. This data is lower than the total number of hours worked during the year, as from 01/07/2021 the attendance system changed and the hours worked remotely were not accurately tracked.

BIRTHDAY PRESENT FOR OUR PEOPLE!

In 2021, during the annual Christmas wishes we announced the initiative "Birthday day off", an added vacation day given by the Company on the occasion of each employee's 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.

4.1.1. 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.

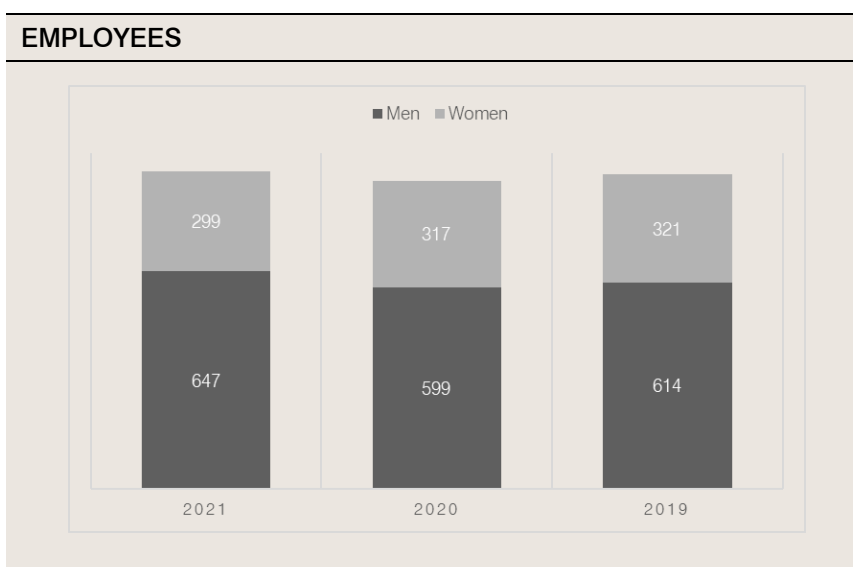
The relationships between the people that, at all levels, work for or in any way interact with Arcese, are based on criteria and behavioral standards of honesty, integrity, cooperation, fairness and mutual respect. Moreover, we strongly condemn all discrimination, such as (but not restricted to) discrimination 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. During 2021, 26 people belonging to different protected categories were part of Arcese's workforce and we are committed to employ more in the coming years. 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 year, no incidents of discrimination occurred in this field.

4.1.2. Arcese workforce

[GRI 102-8, GRI 405-1, GRI 102-41]

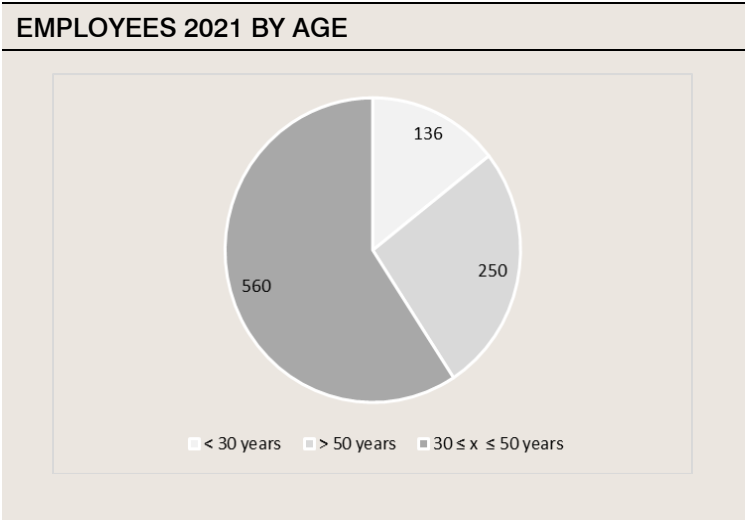
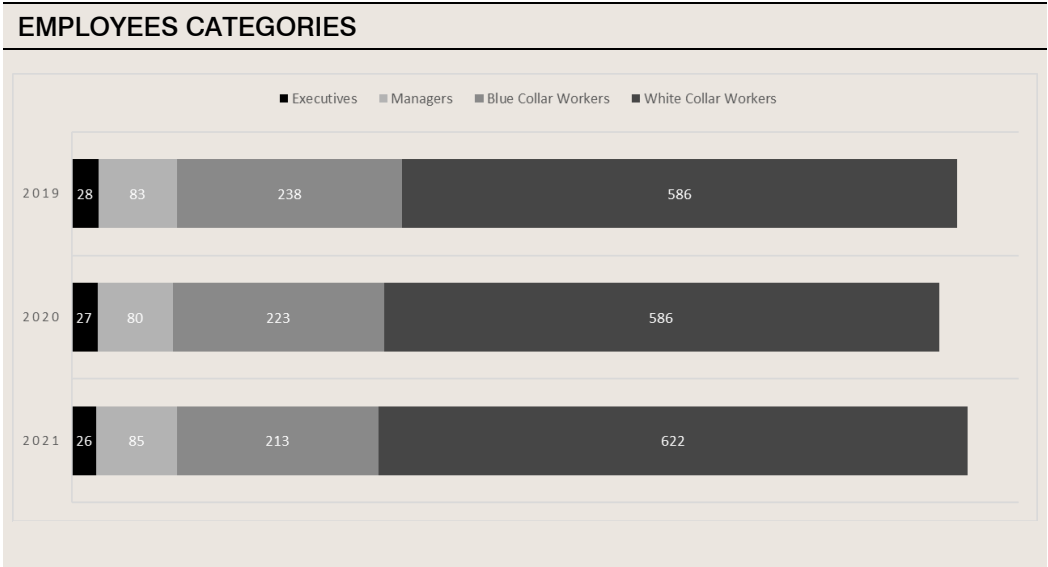
The number of employees present in the Company has remained fairly stable in the past three years (see table below), with a 2.0% increase in 2020 (with respect to 2019) followed by a 3.0% increase in 2021 (with respect to 2020). The improvement of the COVID-19 situation encouraged the increase of the number of total new hires, surpassing the pre-pandemic figures.



Most of our employees has a permanent (93%), full-time (95%) contract and it represents the Company's solid base of experience and skills. Overall Arcese's workforce is composed by 64.1% male collaborators. This figure is strongly influenced by the presence of almost exclusively male personnel within the "blue collar workers" category (91%), who carry out a job historically characterized by a great male prevalence due to the job requirements.

WOMEN'S MONTH

In order to clear the bias that the transportation industry is typically associated with a male job, throughout the month of March 2021, we developed a monthly internal and external communication campaign focused on women in logistics. With 4 video interviews we wanted to represent and enhance the women who carry out the Arcese mission every day with passion and competence, each in their own area and role. Thanks to the synergy between both genders, our team constantly manages to excel, making diversity an added value capable of increasing the quality and competitiveness of our company.



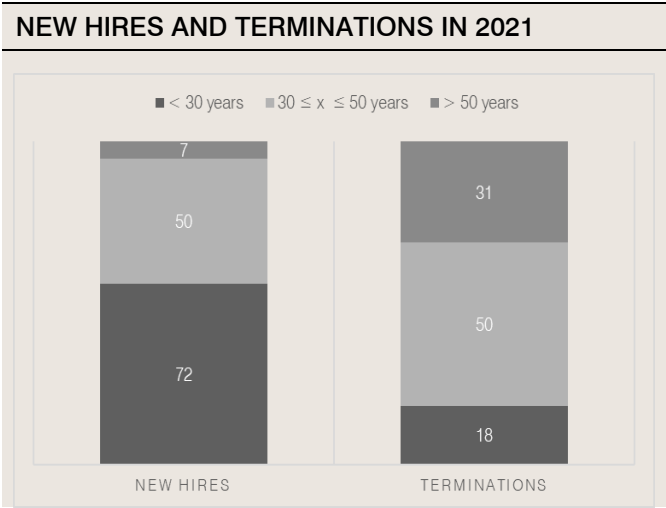
If we look at the data relating to "white collar staff", instead, employees are more equally distributed with 264 women and 358 men. However, Managers and Executive positions are mainly covered by men (88% and 77% respectively). During 2021 as well as in previous years, most of Arcese's employees is between 30 and 50 years old (52%), this figure is mainly owed to the managers and the "white collar staff" categories. 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 labor cooperatives involved in the handling activities in our sites and warehouses. Similarly, to employees' trend, the number of external workers has been constant over the past three years, even though there was a 5% decrease in 2021 (520 in 2021, 520 in 2020 and 513 in 2019).

4.2 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. In 2021, the focus was to position our brand as an attractive employer, tapping in markets that had been unexplored in past years. To ensure effective hiring and provide candidate with equal and as-unbiased-as-possible opportunities, the focus of 2021 was on strengthening the standardization of our selection processes.



New hires in 2021 (129) show almost a 100% increase from 2020 (67). The improvement in the COVID-19 situation has in fact favored the recovery of the labor market, returning to pre-pandemic figures. In addition, unlike before 2019, where most of new hires were between 30 and 50 years old, in 2021 most of the new hires are 30 years old or younger (56%).

Data shows a stable and balanced turnover, attesting the good commitment of the company to favor a secure work environment. During 2021, 99 employees decided to leave the company (mainly men and between 30 and 50 years old), showing a constant decreasing trend over the years (-8% compared to 2019). 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.

Focusing on the job roles, in 2021 the majority of new hires and terminations concerned white-collar category (more than 85% in both cases). Looking instead at the category of managers: in 2021 those hired are twice as many as those who exited Arcese, confirming our commitment to increase these professional figures in line with the increase of the company complexity.

ATTRACTING NEW ACCADEMIC TALENT

In 2021, Arcese launched the Digital Challenge for Graduates in collaboration with Bocconi University and Randstad. The goal was to challenge Bocconi's graduating students to solve a business case collaboratively and rewarding the winners with the opportunity to join Arcese as Process Specialists. After initial screening of more than 100 applying students and a round of interviews, 12 candidates were selected to participate in the challenge. After being divided into groups, the participants solved the cases and presented their solutions to Arcese management, who evaluated the work based on a set of agreed-upon criteria.

Two people in the winning group were hired as full-time employees and another student, while a student from another group who excelled in the competition was given the opportunity to join the company as an intern.

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, in particular in the MMP (performance management) and MMC (development plan) processes.

MMP is a Performance Management System, structured on periodical targets and results. On 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 MPP 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, 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 that will be initiated in the course of 2022 and will gradually come to involve all Arcese people. 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.

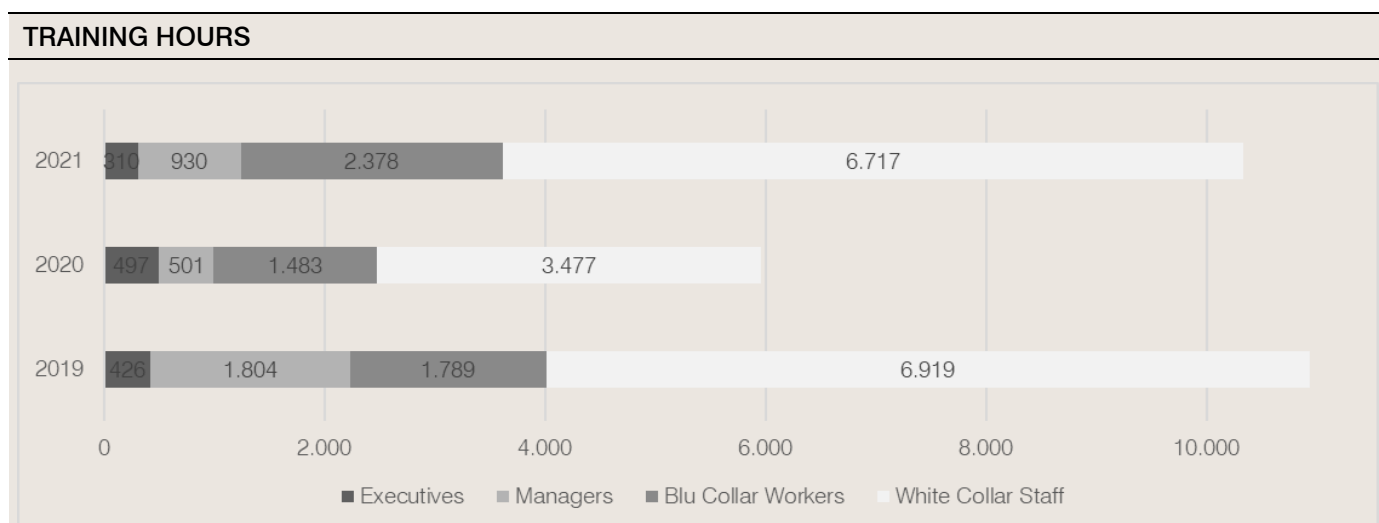
The organization of the learning program starts with the annual review of learning needs, during which the topics to be discussed and the personnel who must participate in the courses are defined.

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.

[GRI 404-1]

Over the years the training hours provided to employees remained stable. The registered changes are related to updates in the mandatory training. Moreover, as given that in 2018 a cybersecurity training has been provided to all employees, in the following years only new hires received such training thus affecting the trend of training hours.

During 2021 there was an increase in training activity, with 10.054 hours completed, compared to 5.957 hours in 2020 (+68%), due to the improvement of the health emergency, which enhanced the possibility of gathering employees in classrooms or in online training programs, through better management of digital tools.



In 2021, every Arcese's employee has received an average of 10,6 hours of training, showing an increase with respect to 2020. However, the total and average hours of training were still at lower levels compared to the pre-pandemic period (2019). That's mainly because in 2021 some health emergency restrictions remained in place and in some cases, they hindered the normal course of the training processes.

Health and safety at work

We are committed to health & safety at the workplace through guaranteeing 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 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 ISO45001, after 2020. As in previous years, in 2021, 100% of employees were covered by a health and safety management system in compliance with Legislative Decree 81/08 and 76% 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 2021.

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 2021, 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 monthly 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 4 semi-automatic AED defibrillators to the Arco, Basiano, Castel San Pietro Terme and Rivalta sites. In 2022 this project will be extended to other plants;
- Purchase of devices to increase safety in warehouses during loading and unloading operations.

TRUCK SAFETY DEVICES IN WAREHOUSES

One of the places of greatest potential danger, for operations and workers, is represented by the loading and unloading bays. To reduce risks of accidents in these areas, with the risk of damaging goods and serious risks for the operators, in 2021 we implemented two health risks preventive tools.

The first one, the so-called *wheels chock*, is a curved wedge-shaped device that matches the shape of the vehicle's tire, that is strategically placed against its wheels. This tool reduces the risk related to the probability of any movement of a vehicle, during the loading and unloading phases, consequently reducing any health-related risks for people involved in these operations.

The second tool is a front and back anti-tip kickstand, a solid support for trailers that helps secure the loads. These devices are installed on the rear/front of the trailers to ensure stability and prevent it any rising or tipping during transshipment, significantly reducing risks for those involved in the activity. Totally, 114 wheels chocks and 61 anti-tip kickstands (26 movable front stands and 31 back stands) were purchased and distributed to 13 Arcese sites.

4.3.2 Health and safety risks 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.

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 is present a specific procedure relative to the communication of potential risks (Near accidents and near impacts) to overcome the classical reactive behaviour with a proactive behaviour. 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 present 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.

4.3.3 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.

4.3.4 Health & safety training

[GRI 403-5]

The HSE office proceeds to collect and analyze the training needs in the safety field in line with the DVR and it proposes the training program in accordance with the regulations in force.

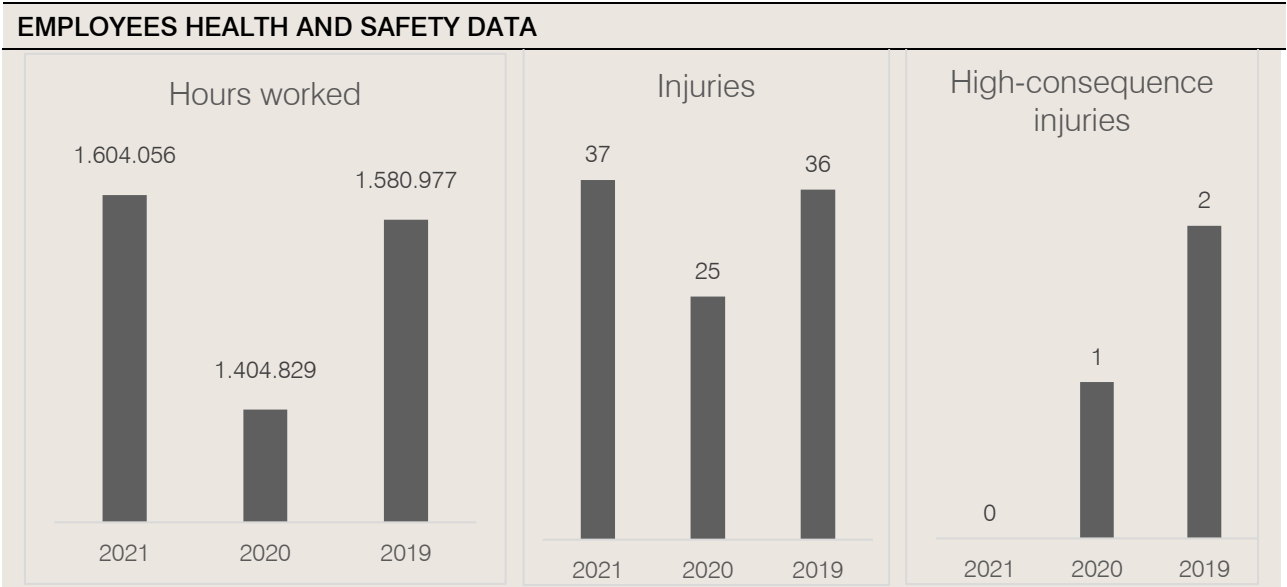
The process after the training needs analysis is conducted by the HSE office, sees the involvement and coordination with the People Department that provides for the effective organization and delivery of the courses, in compliance with the training needs and in terms of timing and frequency. Health & 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.

4.3.5 Occupational Health & Safety injuries

[GRI 403-9]

Main injuries occur mainly during the manual handling of loads and to a lesser extent from causes such as impact, tripping, falling or slipping. In some cases, they might result in a significant long-term absence, frequently because of the extension of the certificate of the first prognosis. These risks have been identified and specifically managed within the DVR.

In 2021, 37 injuries have been registered among employees, of which none resulted in an absence from work of more than 6 months, and 0 fatalities. Compared to 2020, when injuries were 25, in 2021 there was an increase of 52%. However, the value recorded in 2021 is in line with the data for 2019 (36 injuries). The increase is connected to the higher number of hours worked and to the rise in volumes (both FTL and LTL), with a consequent saturation of warehouses, which incremented the probability of injuries (especially in some time slots).



With regard to workers who are not employees, in 2021 registered injuries were higher both in absolute value (14 vs 7 in 2020) and in relation to the hours worked (2,77 vs 1,41 in 2020).

However, data registered in 2021 are better than 2019 ones, because with higher worked hours, no high consequence injury was recorded.

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.

4.3.6 Work-related ill health

[GRI 403-10]

In our business, main health risks attributable to transport and logistics activities result to be 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. Among employees¹⁰ in last 3 years (2021, 2020 and 2019) there were 0 cases of work-related ill accepted in face of 4 procedures raised (1 in 2019 and 3 in 2021). Currently, two of the four procedures were closed with negative results for the applicants, two are still being evaluated by the Italian National Institute for Insurance against Accidents at Work.

COVID-19 PANDEMIC MANAGEMENT

During 2021, the health emergency continued and the well-being of all Arcese employees remained the primary concern. The committee established at the beginning of the pandemic continued to operate following shared security protocol, drawn up by the HSE representative, the People Managers, and Site/Branch Managers. The measures to combat and contain the spread of the virus in the workplace were associated with different interventions: warehouses and offices were equipped with hygiene and safety devices (hand sanitizer, paper, and disinfectant spray), every employee received every month 20 surgical masks and every site applied a system of measurement of the corporeal temperature (through specialized staff or with automatic systems). Moreover, according to the Law Decree No. 127/2021, the Green Pas Protocol entered into force, so, starting from this date, every employee had to show the green certification before entering the workplace.

¹⁰ For workers that are not employees' data about ill health are not monitored.

CHAPTER 5

ARCESE FOR THE ENVIRONMENT

A responsible environmental management is recognized as a prerequisite for operating in the marketplace. Our business model aims at excellence and we want to be a leading green logistics services provider across the globe through the improvement of our practices and processes and the development of innovative business models. We are committed to reduce our environmental footprint thus taking proactive actions against climate change.

5.1 Environmental impact management

[GRI 102-11]

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 responsibility 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 decarbonization transition.

To better manage our impacts on the environment, we have implemented an environmental management system that is compliant with the standard UNI EN ISO 14001:2015. During 2021, the certification was renewed at the sites where it was already present, and it was extended to Verona and Prato branches, covering 45% of the operational sites. The Integrated Management System is translated into objectives, goals and programs which are measurable and periodically monitored. Achievement is based on specific indicators and on the results achieved during previous reviews.

On the environmental management side, during 2021 we also extended the Insurance Coverage for Environmental Risk to new warehouses, for a total of 28 sites. Among the broad spectrum of insurance coverage, the policy includes remediation costs, civil liability for pollution (including costs of remediation outside the site), reputational and environmental damage (as intended under the European Directive EC 35/2004, transposed by DLGS 152/2006).

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.

RESPECT FOR BIODIVERSITY: POLLINATE THE PLANET PROJECT

Our commitment to respect for the environment goes beyond our direct business relationship: in collaboration with one of our suppliers, who shares our values and attention to the environment, it was possible to make a concrete contribution to the "Pollinate the Planet" project conceived by 3Bee, an agri-tech company specialized in the development of smart monitoring systems for the preservation of the honeybees. Thanks to this partnership, in 2021 we contributed to the protection of over 1500 bees that live in about ten beehives located between Molveno and the Rotaliana plain.

5.2 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.

DIGITALIZATION

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

OUR FLEET AND DRIVERS

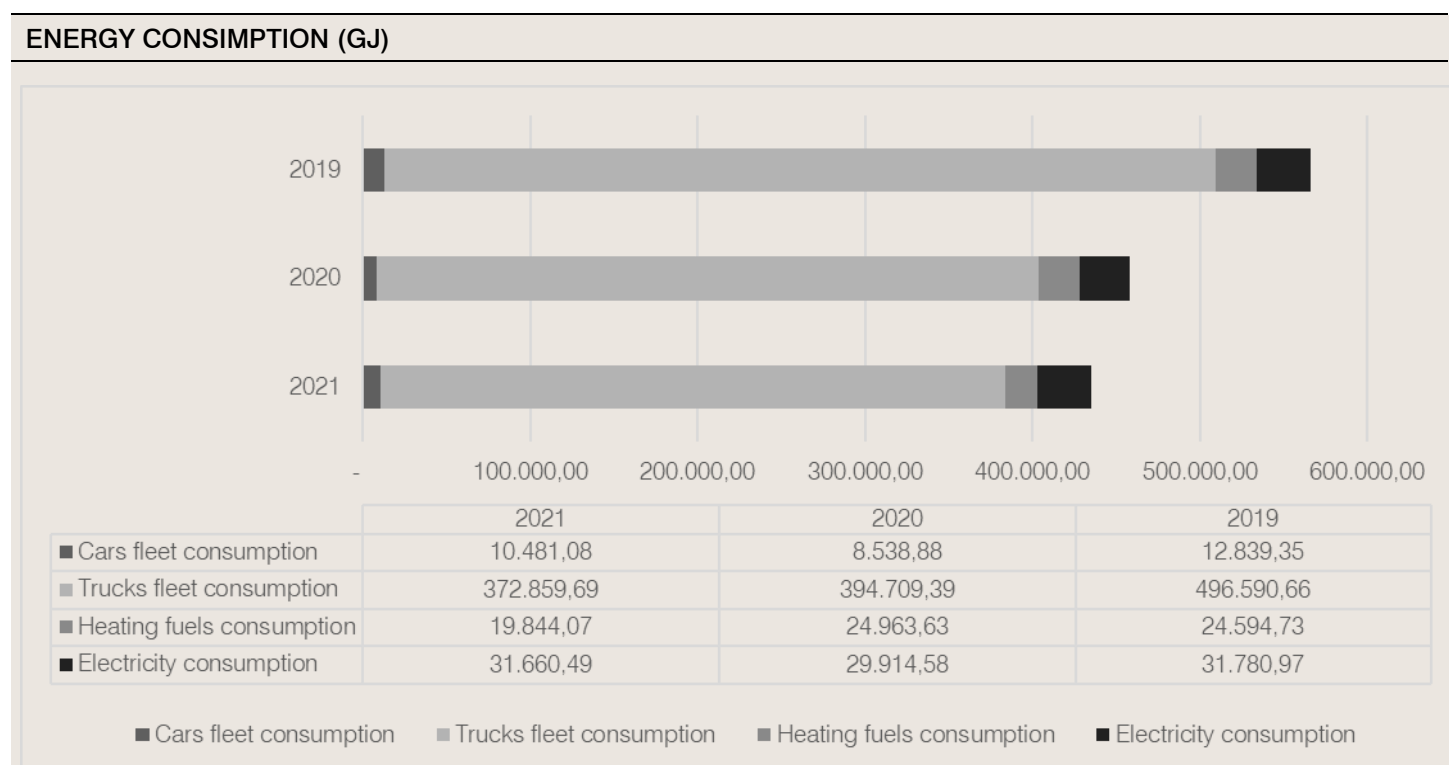
We constantly renew our truck fleet, which is equipped with low rolling resistance tires which helps to further reduce fuel consumption. We organize eco-driving training courses for truck drivers in the area of environmentally-friendly driving.

SUSTAINABLE FUELS

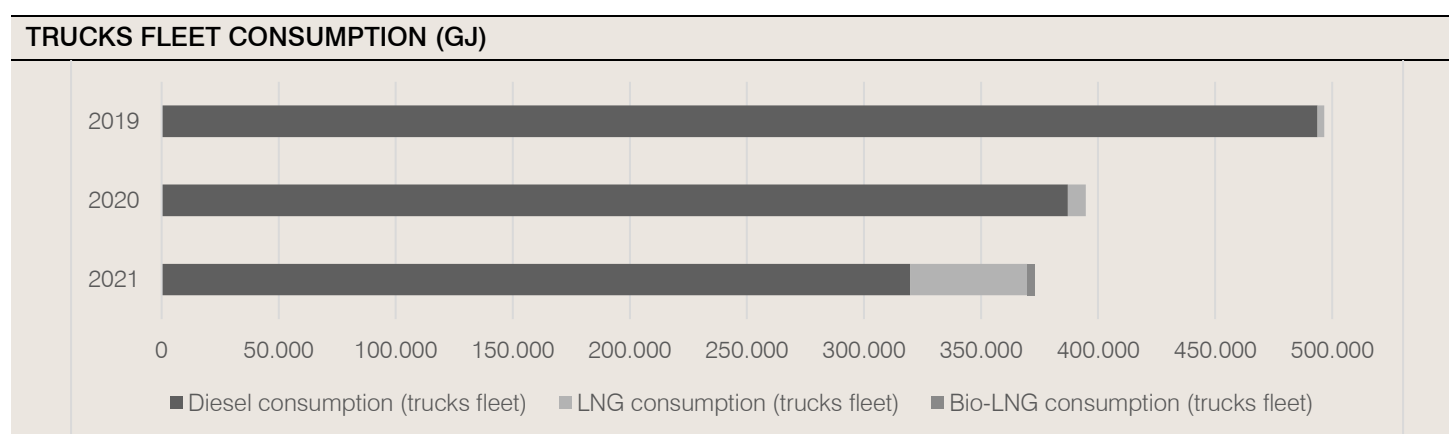
In 2021 Arcese entered into a Bio-LNG supply agreement with a leading Italian gas distributor. Bio-LNG is produced through the liquefaction of methane resulting from the natural decomposition process of organic residues. For this reason, the CO₂ emissions of the entire life cycle (well to wheel) deriving from Bio-LNG can be eliminated or even become negative due to the non-release of methane directly into the atmosphere during the production process. In fact, the 64¹¹ t of Bio-LNG used during 2021 led us to reduce the tCO₂eq by more than 99% compared to traditional LNG.

¹¹ The contracted quantity of Bio-LNG supply established the delivery of 80 t of Bio-LNG but was reduced due to various supply-sides issues.

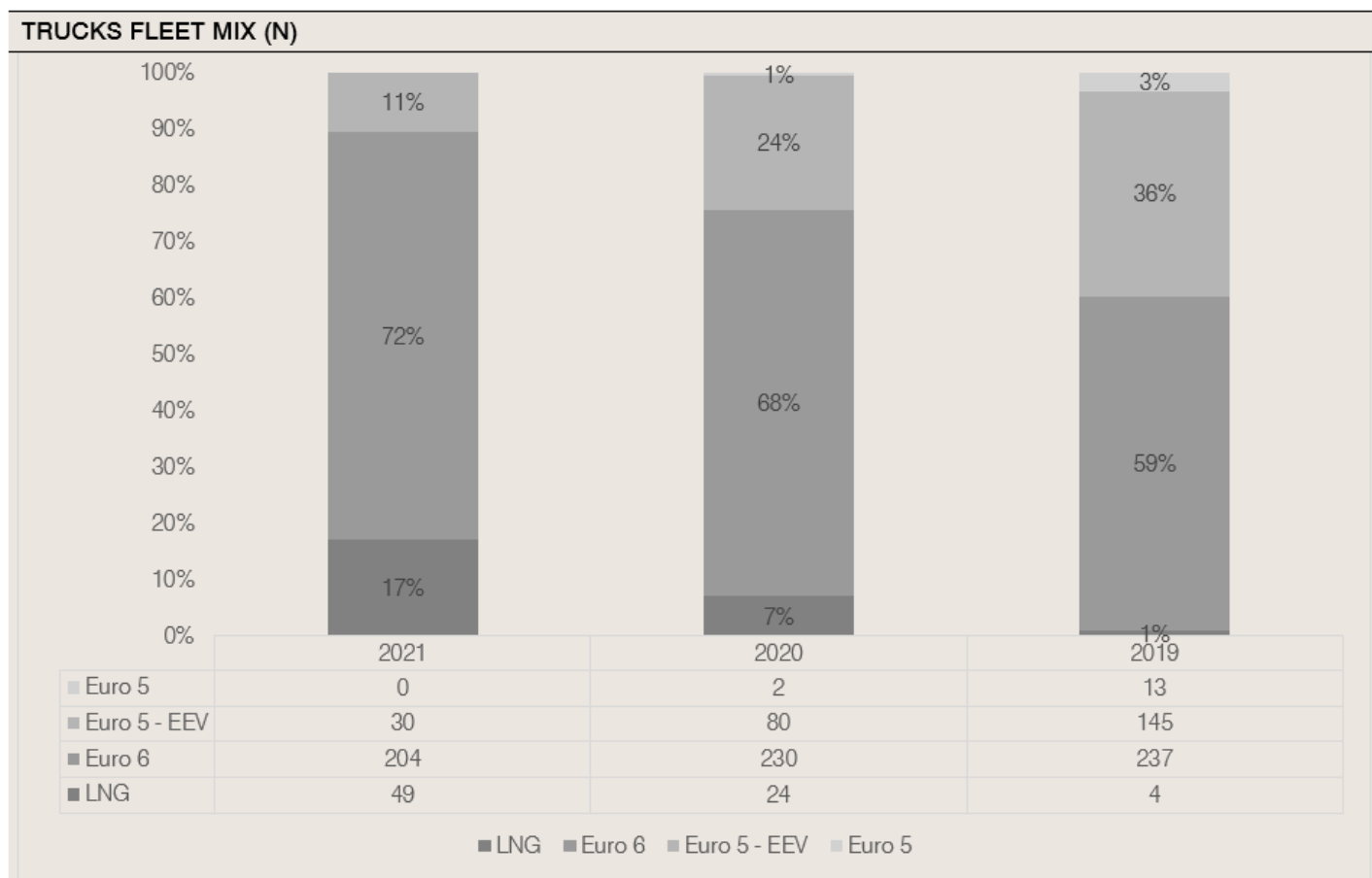
In the last three years, energy consumption has registered a decreasing trend, demonstrating the commitment of the company to reducing its environmental impact through the various initiatives described. In 2021, the total energy consumption records a further decline compared to 2020 (-5,1%), continuing the reduction trend already recorded between 2020 and 2019.



Looking at car consumptions, it should be noted that in 2021 all the gasoline cars were disposed of, passing to a fleet consisting only of diesel cars. 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 2021 there was a further reduction of consumption equal to 5,5% compared to 2020. This decrease was almost completely offset by the introduction of LNG-powered vehicles. In 2021 the fleet of LNG-powered vehicles was expanded by 25 units, reaching a total of 49 trucks (of those, some were fueled with Bio-LNG). In fact, as shown in the graph, the share of LNG-powered vehicles is more than doubled in the last year, passing from 7 % to 17%, confirming the commitment of Arcese toward a Green Truck Fleet shift.



With respect to electricity, in 2021 the consumption was higher compared to 2020, marking a return to the pre-pandemic levels. The explanation lies in the increase in the number of warehouses in 2021, among which San Genesio, and a greater use of company premises compared to last year. However, the overall consumption has a slightly decreasing trend looking into 2019-2021 data, emphasizing Arcese's commitment in pursuing electricity efficiency initiatives such as sites' upgrade to LED lamps. The overall replacement reached 50% in 2021, and in the next couple of years total replacement will be achieved on every site. Looking at the composition of electricity consumption, in 2021 the share of energy produced by the photovoltaic system was in line with 2020 level (respectively 7,3% and 7,6%) and almost doubled compared to 2019 (4%). The growth starting from 2020 is explained by the installation of photovoltaic systems in more sites, reaching a total of three (Campogalliano, Gerbole and Basiano).

With reference to heating fuels consumption, data show almost identical values in 2019-2020 period. However, there was a strong decrease in 2021 (20%) compared to the previous year, to due to the closing of some branches in favor of others that use electricity to heat buildings.

WAREHOUSES' ENERGETIC PERFORMANCES ANALYSIS

To continue our journey of improving environmental performance, at the beginning of 2021, our divisions started to evaluate our warehouses' energetic performances with the aim to map them and compare them with peers or sector standards, up to the definition of an energy improvement strategy. At the same time, we took part in a survey involving 159 GILA sites (Germany, Italy, and Latin America) carried out by Milan Polytechnic aimed to identify the main influencing parameters on sites' energy efficiency and GHG emissions, trying to find out the current sustainable practices and future trends.

Four different sites were analyzed: Gerbole, Basiano, Castel San Pietro Terme, and Tortona. The data analyzed the sites' performance regarded: electricity & fuels, refrigerants, transport packaging & waste, and logistics data, such as logistics units outbound, size & height of real estate, and average GHG emissions intensity.

The results showed that the performances of our 4 sites were in line with the other companies surveyed: the main GHG emissions come from energy use, especially electricity mainly used for lighting (30 % of the total electricity consumption) and goods handling (60 % of the total electricity consumption) and the main energy efficiency measures implemented concern the lighting system.

Other positive results were achieved: the 4 sites were above the average in performances regarding the handling and automation systems (e.g. almost all sites have lithium-ion batteries handling means and high-frequency battery charging).

Considering the prospective scenario for future investments, the research reinforces our goals towards the adoption of innovative solutions such as cool roofs and green roofs.

5.3 Emissions control and reduction activities

Also in 2021, 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 2021 we continued the implementation of the CO2 calculation tool to measure, report, and manage the company's carbon footprint with a strong calculation methodology. To strengthen the efforts, we partnered with an Italian platform aligned with EN 16258 standard¹² "Methodology for calculation and declaration of energy consumption and GHG emissions of transport services (freight and passengers)", in It is based on a methodology for calculation and declaration of energy consumption and GHG emissions specific to the transport sector and can be integrated with Arcese TMS (Transport Management System). However, the activities were stopped due to the cyber-attack received at the end of 2021. Our goal for 2022 remains to complete all the steps necessary for the tool to be fully operational.

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 behavior and creating a corporate culture that places attention towards the environment at the heart of our business. During 2021 we promoted awareness-raising activities for our people such as:

World Earth Day newsletter, where we shared ideas and advice with our people on how to reduce their environmental footprint of everyday life;

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

In 2021 we took a major step further in our "Global Journey" by nominating a Mobility Manager for Arcese Trasporti and starting to draw up the "Home to Work Travel Plan" for our sites and offices (Basiano, Rivalta, and Castel San Pietro Terme)¹³. After setting up an internal technical-decision-making workgroup, assisted by external specialized technicians, a series of analysis and planning activities were carried out, defining specific measures to be implemented in 2022:

- Focus groups with people who have declared their interest to define specific actions on the various branches;
- Smart working extension beyond the emergency period (welfare);

¹² Which is becoming ISO 14083 "Greenhouse gases — Quantification and reporting of greenhouse gas emissions arising from transport chain operations".

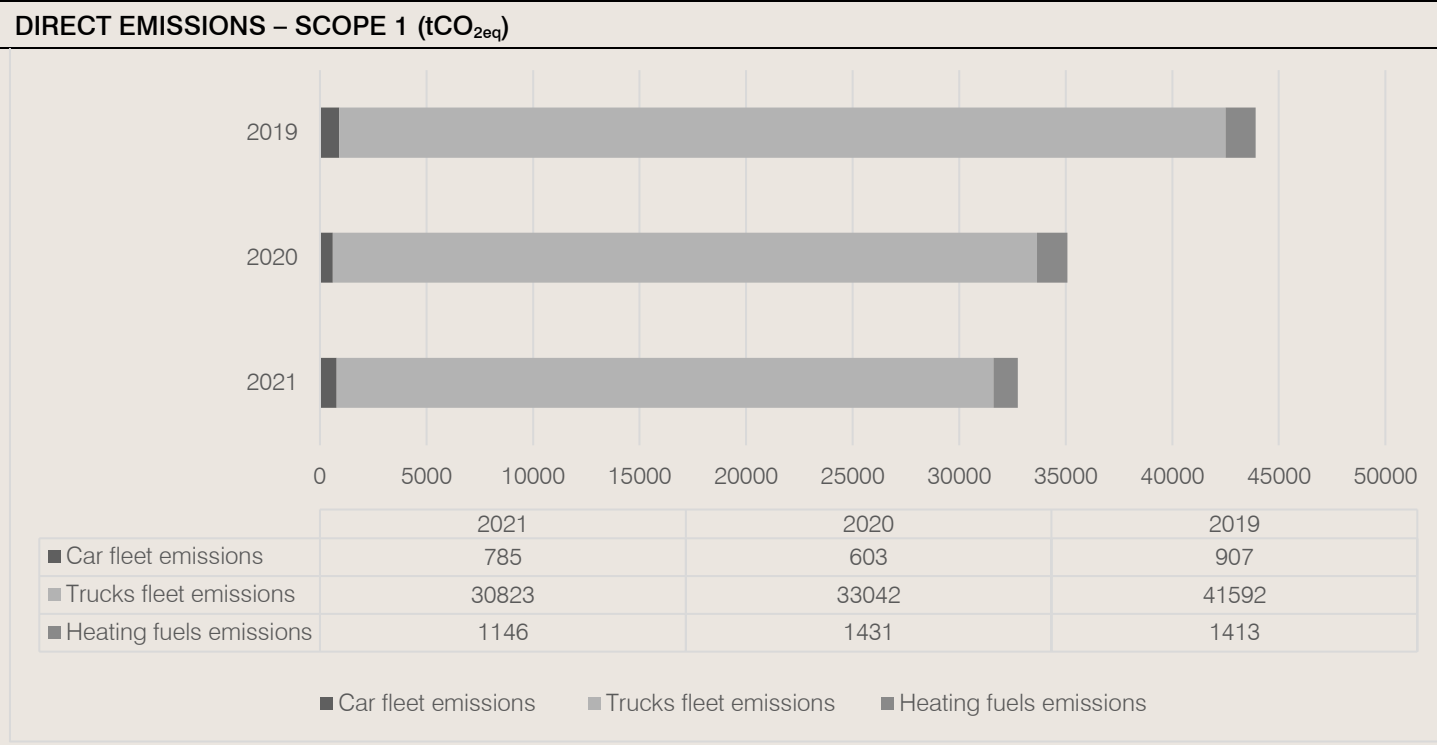
¹³ The Italian Interministerial Decree n. 179/2021 obliges all companies to nominate a mobility management function and adopt the plan for each single local unit with 100 or more employees located in municipalities, provincial and regional capitals and metropolitan cities with populations exceeding 50,000 inhabitants.

- Scouting of the tools made available for carpooling (applications) and a pilot project implementation;
- Internalization and training of the Mobility Management function.

[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: 43.912 tCO_{2eq} in 2019, 35.076 tCO_{2eq} in 2020 and 32.753 tCO_{2eq} in 2021. The nature of Arcese's business implies that most of direct emissions are due company's truck fleet, more precisely 93% on average in the 2019-2021 period. In fact, the overall decrease registered during the same period is mostly due to interventions on 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 favor of others that use electricity to heat buildings, as already mentioned.



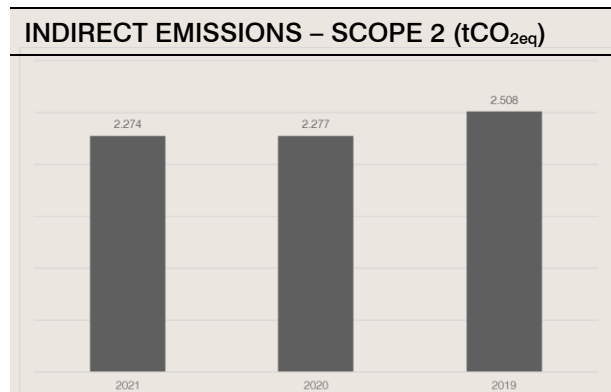
[GRI 305-4]

Looking at **GHG Emission intensity**, determined by comparing the emissions generated by the truck fleet and the kilometers traveled¹⁴, after a decrease registered in 2020 (0,841), 2021 data (0,851) returned in line with 2019 (0,854). Compared to 2020, against a reduction in emissions of 7%, there was a greater contraction in the number of kilometers traveled (-8%), which led a slight increase in the GHG Emission intensity (+1%). Despite the fleet renewal that took place during 2021, the reduction in emissions recorded during the year is lower than expected, partly because the parameters used for calculating vehicle consumption have been recalculated and adapted according to new standards.

¹⁴ Kilometers traveled come from Transport Management System and are calculated based on actual trips origin-destination data.

[GRI 305-2]

Arcese monitors also Scope 2 emissions, indirect emissions related to the generation of electricity purchased and consumed by the organization. In 2021 Scope 2 emissions were in line with those reported in 2020 (respectively 2.274 tCO_{2eq} in 2021 and 2.277 tCO_{2eq} in 2020), but 6% lower than in 2019 when they were 2.508 tCO_{2eq}. However, it must be noted that the consumption of electricity purchased from NON-renewable sources was higher in 2021 compared to 2020. The slight improvement registered in 2021 is in fact mainly related to the updated emission factors¹⁵ utilized for the calculation, which show a lower proportion of g CO_{2eq}/kWh.



[GRI 305-3]

Finally, we also calculate and monitor other indirect emissions (Scope 3 emissions). In particular, we monitor CO₂ emissions generated by our subcontractors (265.615 tCO_{2eq} in 2021), 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 (226 tCO_{2eq}).

In 2021 we registered an increase of the emissions in Scope 3 compared to 2020 and 2019. The increase is mainly due to two reasons: post-Covid 19 economic recovery and higher usage of Arcese fleet compared to subcontracted services.

5.4 Careful waste management

[GRI 306-1; GRI 306-2]

With its presence on the territory (logistics sites, transit points and warehouses), waste management is an important milestone in the commitment of Arcese toward a more sustainable environmental footprint.

Within the HSE Integrated management system, the waste management is properly regulated and there are also specific internal procedures according to the standard requirements.

Besides ensuring processes for recycling and sorting wherever possible, we are always seeking to identify opportunities for processes improvement.

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 3 water dispensers were installed at the Basiano headquarters to encourage a "Plastic Free" culture within the company and to reduce plastic waste. It was estimated that with this new "*plastic-free*" solution, based on an annual consumption of approximately 36.000 plastic bottles and considering that 70% of these bottles are used only by the internal

¹⁵ For the calculation of 2021 Scope 2 emissions, Arcese utilized the updated emissions factors published by The Institute for Environmental Protection and Research (ISPRA) in the Italian Greenhouse Gas Inventory Report 2021, which represents the national average electricity production.

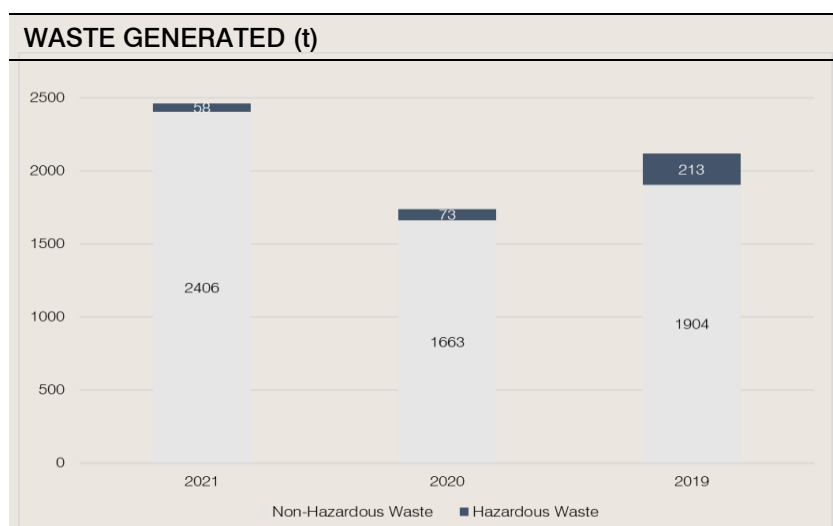
staff of the headquarters, the potential savings is roughly 333 kg of plastic¹⁶ (PET) and 1.343 kg of CO₂eq¹⁷ in a year. We plan to extend this initiative to other Italian offices until the end of 2022.

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). Redboxes help to drastically reduce the consumption of cardboard.

[GRI 306-3]

Thanks to good management practices and partially due the slowdown of working activities linked to Covid-19 pandemic, in 2020 the waste produced (1.733 t) decreased of 18% compared to 2019 (2.117 t). In contrast, there was a significant increase in 2021 compared to the two previous years (respectively +42% and + 16%). The explanation lies in the FTL and LTL orders increase during 2021 compared to 2020 (respectively +28% and + 12%), in an exceptional disposal of a client's documentation at one of our logistics centers and in the introduction of a new branch (Tortona) which required some extraordinary work to be carried out.



In 2021, Arcese's activities generated mostly non-hazardous waste (98%) of which 99% 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.

Most of this waste derived from packaging¹⁸ (2.049,5 t - 85%), waste generated by the dismantling of end-of-life vehicles and vehicle maintenance (122,6 t - 5%) and the separate collection of paper and cardboard (109,4 - 5%).

Among non-hazardous waste, the categories that increased most between 2020 and 2021 are

packaging and paper and cardboard. With regard to the first category, the increase is directly linked to an increase in business activities; while concerning the second, the quantities recorded come mainly from the Gerbole site, where a significant amount of a client's documentation was disposed of during 2021.

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 and accumulators (22,5 t - 39%), insulating and heat-conducting oils (11 t - 20%) and hazardous waste generated by the dismantling of end-of-life vehicles and vehicle maintenance (9 t - 16%). In 2021, the increase in insulating and heat-conducting oils waste is due to the opening of the new Tortona site, involving greater maintenance and extraordinary works that generate this type of hazardous waste.

¹⁶ The calculation is made in consideration of the grammage of one PET water bottle (9.25 gr) indicated by the International Bottled Water Association (IBWA)

¹⁷ The calculation is made considering the emission factor 2021 of PET Plastics of the Department for Environment, Food and Rural Affairs (DEFRA) of United Kingdom.

¹⁸ In order of weight, packaging includes wood, paper and cardboard, mixed materials and plastic.

TOGETHER TOWARDS SUSTAINABILITY

Partnership with supplier for sustainable tyre management system

Our operations' performance optimization is part of the ever-wider project of sharing initiatives in the field of environmental sustainability with our suppliers.

This is why Arcese decided to partner with a tyre supplier that offers a virtuous approach. Through a regrooving and retreading system the supplier selected by Arcese can extend the life of the tire by limiting the consumption of raw material. Furthermore, when properly regrooves, rolling resistance can be reduced, thus lowering fuel consumption and CO2 emissions.

In 2021, our efforts received an increased recognition, and we were awarded with a certificate for sustainable tyre management from one of the biggest tire companies in Europe. During the "A Green Choice" event that took place in 2021, Arcese obtained an important recognition for optimizing performance using regrooved and retreaded tyres in 2021. According to internal assessments carried out by a dedicated technical team, it has been estimated that Arcese saved almost 975 tonnes of CO2 and 360 tonnes of raw materials in 2021.

CHAPTER 6

ARCESE FOR QUALITY AND INNOVATION

Arcese's business strategy is to provide relevant services to its clients, while being a key party in their value chain, offering quality, safety, customization, innovation, digitalization and reduced environmental impact. We are focused on responding to our clients' needs, intend to anticipate them and propose innovative solutions characterized by a high technological and digital component. Indeed, one of our global journey's elements is "Digital Thinking".

6.1 Quality of services

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 center. 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 1994¹⁹ and procedures related to Quality of services are applied 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 dedicating Reporting office.

Complaints are 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.

Every action taken aims to continuously improve and to ensure the achievement of the highest quality standards.

FOOD SAFETY AND SECURITY

As Arcese Trasporti is involved in the food chain and deals with the storage and transport of foodstuffs and materials intended to come into contact with foodstuffs, since 2020 Arcese Trasporti has adopted the self-control manual for food safety and security prepared according to the HACCP system and the EU legislation.²⁰

To manage all activities and client requests regarding HACCP, Arcese has set up an internal working group. In addition, it has adopted systems to control food safety hazards and identify related risks. These control mechanisms include dedicated training activities for all warehouse employees and branch managers.

¹⁹ Certification was last renewed in 2021.

²⁰ REG. 852/04/CE, REG. 1935/2004 and REG. 2023/2006.

6.1.1 Monitoring of the services offered

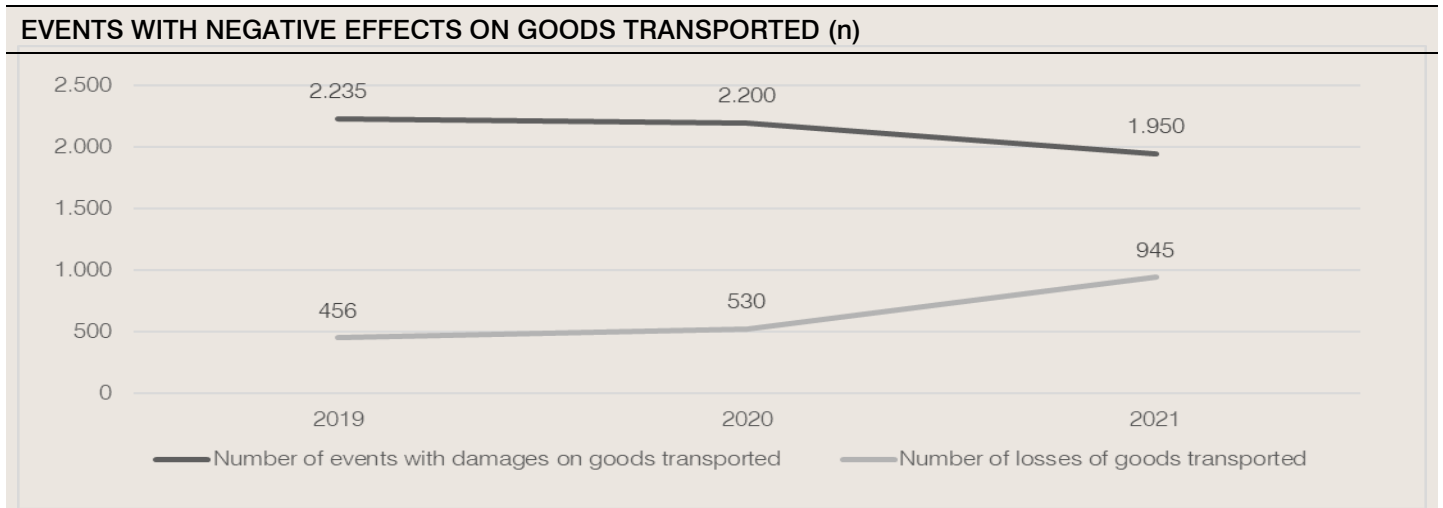
[Non GRI 3]

2021 was a turning point for the creation of "Arcese's Visibility Platform", a platform for integrated management of «Operational Travel» visibility information and traceability of "Transport Orders".

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 new 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 (0,10% in 2021 compared to 0,12% in 2020 and 2019). 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 2020, it is possible to see a decrease (-11,4%) in the number of events with damages on goods transported and an increase (+78,3%) in the number of losses of goods transported. To reduce these anomalies, in 2022 different actions will be put in place, like the improvement in the reliability of the track & trace data, implement a claims management tool, enhance the role of customer services in the company's branches. On the other side, the decreases 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.

6.1.2 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. This year, for the first time, Sustainability aspects were considered in the questionnaire, asking questions about social, governance and environmental spheres.

In March 2022, a survey was conducted among the customers of the BU Road Freight and Logistics with at least 5.000 euros of turnover in the last year. 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 21%. Most of the sampled customers (51%) in 2021 mainly used LTL transport services, while the companies that mainly used FTL transport and logistics services correspond respectively to 32% and 18% of the interviewees).

The interviewees unanimously declare the choice of the Transport and Logistics supplier to be strategic (98%), confirmed by the duration of the collaborative relationships which generally extends over the medium-long term (51% declare that they have used Arcese's services for more than three years and 28% 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 and, secondly, to assign to each of those elements the perceived level of satisfaction (from "not at all satisfied" to "very satisfied") according to the services offered by Arcese. These elements are divided into three categories: those characterizing the basic service, the supplementary services and the economic offer.

Among the supplementary services, it can be noted that the one relating to Sustainability received the highest scores in terms of importance and was evaluated as one of the services with the highest level of satisfaction for respondents. In fact, the majority of respondents (63%) 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 regard to this issue, the interviewees declared that the most important solutions oriented towards environmental sustainability are the use of alternative fuels and the optimization of itineraries for the reduction of empty trips (taken into consideration by more than half of the interviewees).

CO2 EMISSION REDUCTION CERTIFICATE FOR OUR CLIENTS

Aware of the importance our clients place on the environmental impact of the logistics services and driven by the desire to pursue excellence and offer added value to the clients, in 2021, we have implemented the CO2 Emission Reduction Certificate, a special document released by the company, upon client request, used in the intermodal transportation system.

With this certificate, the client can easily see the direct benefit of a specific ship where a combined transportation mode is used, in terms of CO2 emissions avoided and the saving, in percentage, of total emissions compared to road transport.

In 2021, the transportation and logistics system in Italy, Europe and the world were still affected by the overload due to the urgent transport of materials for the health emergency, accompanied by the explosion of e-commerce and the increase the cost of raw materials. This turbulence directly translates in a general decline of customer satisfaction, that can be related to the current market context and problems related to the general lack of capacity, the shortage of drivers and the general increase in costs of fuels that inevitably impact on the level of service provided²¹.

The company NPS score remains positive but has undergone a significant decrease compared to previous years and is below the industry benchmarks (28%), which in any case has seen a reduction compared to previous years. The decrease in the NPS compared to the survey carried out last year is due to the fact that a share of Promoters (8.05%) moved into the categories of Neutral and Detractors, respectively for 5.57% and 2.48.

Arcese acknowledges this result and is committed to analyzing it with great seriousness, defining concrete actions with the aim to restore the service quality to a level of compliance of the Stakeholder's expectations. In fact, the survey shows that there were some criticalities in providing the service: these data mark us in a profound way, and require the maximum commitment by all company functions, since the first months of 2022. The survey shows the weaker areas of our services, on which the higher attention will be paid in the next year: Management of critical issues, rapidity of the communication and reliability of the service.

²¹ These data are confirmed by an EU parliamentary question presented in September (https://www.europarl.europa.eu/doceo/document/E-9-2021-004027_IT.html) and by the Confartigianato Report (<https://www.confartigianato.it/2021/06/studi-autotrasporto-44-investimenti-38-personale-difficile-da-reperire-il-report-di-confartigianato-trasporti/>)

6.2 Research and innovation

Thanks to our Research and development activities we introduce new methods, tools and critical knowledge to improve sustainability. Our approach is based on the collaboration with 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.

We actively cooperate with truck manufacturers to carry out the testing of new models of vehicles or to find remedies to the anomalies recorded by the vehicles in circulation.

We increase our business' workflow and processes efficiency through innovation obtaining great improvements in business performance and efficiency.

Every year the R&D activities are reported and analyzed by the Board to assess their effectiveness and define/confirm the strategic approach (and budget) for the following year.

During 2021, our R&D projects focused heavily on the clients' evolving requirements, more and more demanding about solutions to minimize Carbon footprint. To meet these needs, Arcese has been focusing for years on the development of intermodal transport solutions, which in 2021, in line with what was planned in 2020, led to:

- 1) build up a new intermodal connection between Bologna and Cologne that allowed to move 5.856 units;
- 2) identify a new concept for intermodal so called "train triangulation" that allowed in 2021 to move 1.573 units from Zeebrugge to Genk and from Genk to Italy.

Another major R&D project aimed at meeting the needs of our clients is linked to a partnership with a leading international automotive manufacturer, set up in 2020.

In 2021, Arcese had the opportunity to be part of a pilot test of the first full-electric van model designed for first and last-mile road transport. For two months Arcese tested this e-vehicles (equipped with a 47 kWh battery) for deliveries in Milan city center starting from the Arcese hub in Basiano. The total covered distance was equal to 1.658 Km, with an average energy consumption of 21,4 kWh every 100 Km (which must be increased by 15-20% for pressure losses in the charging process).

The overall test results were really encouraging for the future:

- reliability in autonomy declared by manufacture (exceeded in some trips);
- efficient regenerative charge (it was possible to recover up to 20% of the energy consumed);
- greater advantage in the loading volumes;
- driving fluidity and the ease of the vehicle.

However, the biggest challenge in the transition from the test phase to the effective use of these vehicles is represented by the widespread and dysfunctionalities of charging stations.

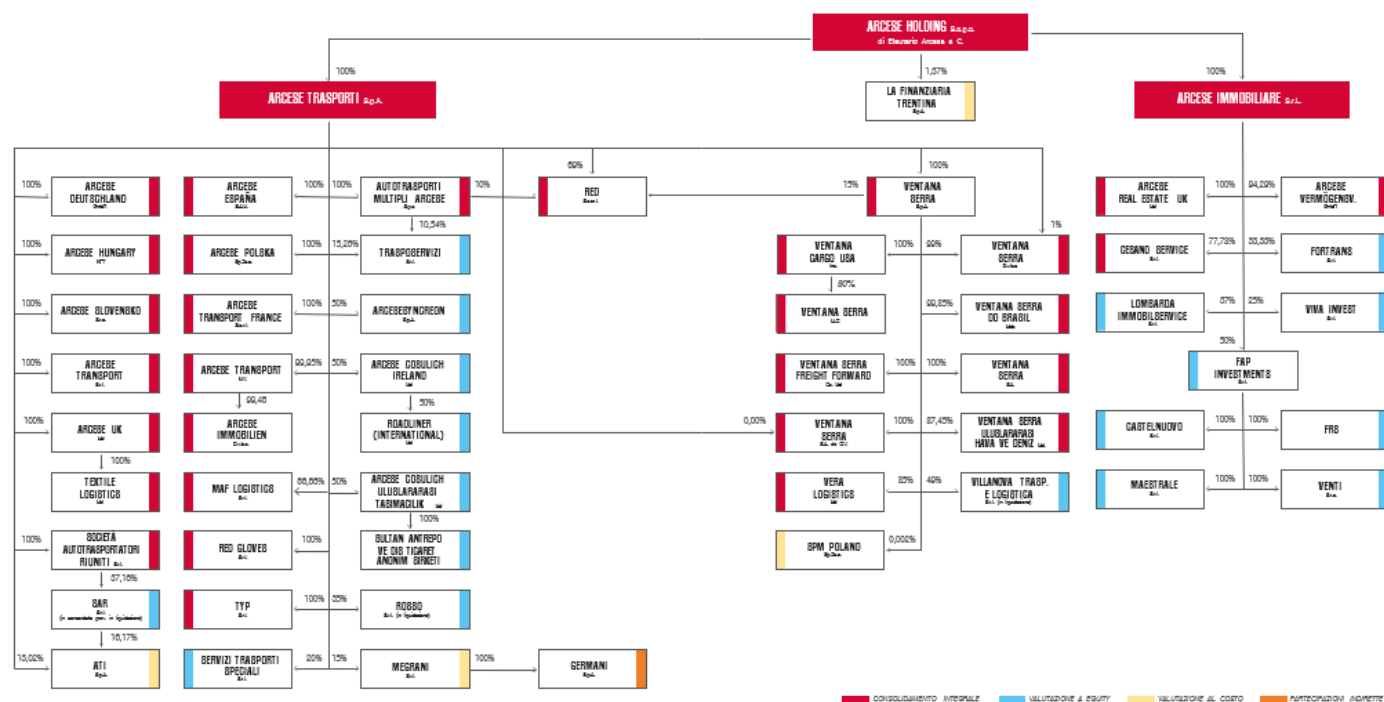
This test represents the first step for the Arcese's green transition in the last mile transport and joins our overall Sustainability Strategy to lower our environmental impacts and find new modes of transport.

[Non GRI 1]

During 2021, in addition to carrying forward the innovative projects started in 2020, the project for a new train connection between Manopello (Italy) and Ostrava (Polonia) has been activated. It will be a multi-commodity and multi-customer intermodal rail link connecting Poland with Italy and it will move around 4,000 units shipped in Roundtrip.

DATA
SUMMARY

Organisation chart of equity investments at 31.12.2021



ABOUT ARCESE

GRI 102-7 Scale of the organization

	2021	2020	2019
Total number of employees	946	916	935
Total number of operations ²²	18	18	19
Net Sales	€ 458.198.023	€ 397.782.900	€ 432.699.245
Total Capitalization	€ 252.801.283	€ 239.146.464	€ 250.762.702
of which debt	€ 164.454.488	€ 192.206.070	€ 206.532.223
of which equity	€ 88.346.795	€ 46.940.394	€ 44.230.479
Services provided			
LTL orders (number of shipments)	2.634.146	2.054.945	2.170.600
FTL orders (number of trips)	155.516	139.881	144.106
Logistics (warehouses areas – m ²)	232.488	204.447	199.957

²² Total number of operations doesn't include clients owned sites where Arcese performs operations.

ABOUT ARCESE

GRI 405-1 Diversity of governance bodies

	2021	2020	2019
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 205-2 Training on anti-corruption²³

	2021	2020	2019
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	11%	8%	98%
<i>of which Executives</i>	12%	11%	100%
<i>of which Managers</i>	11%	13%	100%
<i>of which White Collar Staff</i>	11%	9%	100%
<i>of which Blu Collar Workers</i>	12%	4%	76%

ARCESE FOR INTEGRITY

GRI 102-9 Suppliers engaged²⁴ (n)

	2021	2020	2019
Total number of suppliers engaged during the reporting year	4.087	3.951	4.154
Raw materials/Good suppliers	216	170	162
General services suppliers	987	792	816
Contractors and subcontractors who are entrusted with the transport services	2.884	2.989	2.822
<i>Of which with turnover > 100 k</i>	360	335	363
<i>Of which with 10 k < turnover < 100 k</i>	657	667	621
<i>Of which with turnover < 10 k</i>	1.867	1.987	2.192

²³ 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, and this happened in 2019.

²⁴ As a result of the cyber-attack that took place, a cumulative figure of suppliers in the "Raw materials/Good suppliers" and "General services suppliers" categories is available for 2021. The split of the total (1,203) between the two categories was estimated by making a proportion on the 2020 data.

ARCESE FOR PEOPLE

GRI 405-1 Diversity of employees

INVALID PEOPLE²⁵	2021	2020	2019
Total	3%	3%	2%
Men	96%	96%	96%
Women	4%	4%	4%
< 30 years	4%	4%	4%
30 ≤ x ≤ 50 years	38%	35%	39%
> 50 years	58%	61%	57%

ARCESE FOR PEOPLE

GRI 102-8 Employees

EMPLOYMENT CONTRACT	2021	2020	2019
Total permanent	876	875	877
Men	560	579	592
Women	316	296	285
Total temporary	49	41	58
Men	31	20	22
Women	18	21	26
EMPLOYMENT TYPE	2021	2020	2019
Full-time	897	861	881
Men	575	593	609
Women	322	268	272
Part-time	49	55	54
Men	2	6	5
Women	47	49	49

ARCESE FOR PEOPLE

GRI 102-8 Employees

	2021	2020	2019
Total employees	946	916	935
Men	606	599	614
Women	340	317	321

²⁵ 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. The percentages for gender and age groups in 2019 and 2020 are restated from those reported in the Sustainability Report 2020 due to a calculation mistake.

GRI 405-1 Diversity of employees²⁶

EXECUTIVES	2021	2020	2019
Total	3%	3%	3%
Men	77%	78%	86%
Women	23%	22%	14%
< 30 years	0%	0%	0%
30 ≤ x ≤ 50 years	35%	33%	38%
> 50 years	65%	67%	62%
MANAGERS	2021	2020	2019
Total	9%	9%	9%
Men	88%	89%	86%
Women	12%	11%	14%
< 30 years	0%	0%	0%
30 ≤ x ≤ 50 years	60%	58%	63%
> 50 years	40%	43%	37%
WHITE COLLAR STAFF	2021	2020	2019
Total	66%	64%	63%
Men	58%	51%	51%
Women	42%	49%	49%
< 30 years	20%	19%	41%
30 ≤ x ≤ 50 years	63%	63%	64%
> 50 years	17%	18%	16%
BLUE COLLAR STAFF	2021	2020	2019
Total	23%	24%	25%
Men	91%	92%	92%
Women	9%	8%	8%
< 30 years	3%	2%	3%
30 ≤ x ≤ 50 years	52%	47%	50%
> 50 years	45%	51%	47%

²⁶ 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.

ARCESE FOR PEOPLE

GRI 102-8 Workers who are not employees

	2021	2020	2019
Total workers	498	520	513
Men	476	479	471
Women	22	41	42

ARCESE FOR PEOPLE

GRI 401-1 New hires

	2021		2020		2019	
Total New Hires	129	14%	67	7%	134	14%
Men	96	74%	41	61%	78	58%
Women	33	27%	26	39%	56	42%
< 30 years	72	56%	34	51%	62	46%
30 ≤ x ≤ 50 years	50	39%	25	37%	66	49%
> 50 years	7	5%	8	12%	6	4%

ARCESE FOR PEOPLE

GRI 401-1 Terminations

	2021		2020		2019	
Total Terminations	99	10%	86	9%	108	12%
Men	60	61%	56	65%	74	69%
Women	39	39%	30	35%	34	31%
< 30 years	18	18%	16	19%	25	23%
30 ≤ x ≤ 50 years	50	51%	44	51%	49	45%
> 50 years	31	31%	26	30%	34	31%

ARCESE FOR PEOPLE
GRI 404-1 Training²⁷

	2021	2020	2019
Total hours of training	10.054	5.957	10.937
Average hours of training	10.65	6,50	11,70
Men	10,65	6,64	11,76
Women	10,59	6,24	11,59
Executives	11,92	18,41	15,20
Managers	10,94	6,26	21,73
White Collar Staff	10,80	5,93	11,81
Blu Collar Workers	11,16	6,65	7,52

ARCESE FOR PEOPLE
GRI 403-9 Employees Injuries

	2021	2020	2019
Recordable work-related injuries at 31.12	38	25	36
of which fatalities	0	0	0
of which with high consequence	0	1	2
Hours worked	1.604.056	1.404.829	1.580.977

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

	2021	2020	2019
Recordable work-related injuries at 31.12	14	7	20
of which fatalities	0	1 ²⁸	0
of which with high consequence	0	1	3
Hours worked²⁹	1.010.880	993.720	960.336

²⁷ Inside hours of training provided to employees, hours of training related to 231 Model, Code of Ethics and anti-corruption are not included. Total figures for such training carried out in 2019, 2020 and 2021 amount to, respectively, 574, 112 and 339 hours. Due to an erroneous reference unit of measurement, the data on the 231 Model, Code of Ethics and anti-corruption training provided during 2019 (34.428) and 2020 (6.704) are updated from those given in the Sustainability Report 2020.

²⁸ The fatal accident, occurred to a worker in Campogalliano in 2020, had purely natural causes (heart attack) and is not related to the work carried out at the branch.

²⁹ 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)

	2021	2020	2019
Gasoline for cars	0,00	259,03	237,55
Diesel for cars	10.481,08	8.279,85	12.601,80
Cars fleet consumption	10.481,08	8.538,88	12.839,35
Diesel for trucks	319.708,90	387.122,69	493.715,49
LNG for trucks	5.0014,79	7.586,70	2.875,16
Bio-LNG for trucks	3.136,00	0,00	0,00
Trucks fleet consumption	372.859,69	394.709,39	496.590,66
Burning oil for heating	1.232,16	1.232,84	1.408,96
Natural gas for heating	18.611,91	23.730,79	23.185,77
Heating fuels consumption	19.844,07	24.963,63	24.594,73
Electricity purchased from NON-renewable sources	29.490,19	27.644,72	30.457,33
Electricity produced and consumed by photovoltaic system	2.170,29	2.269,86	1.323,64
Electricity consumption	31.660,49	29.914,58	31.780,97
TOTAL ENERGY CONSUMED	434.845,34	458.126,48	565.805,71

ARCESE FOR THE ENVIRONMENT

GRI 305-1 Emissions scope 1 (tCO_{2eq})

	2021	2020	2019
Company fleet emissions (cars)	784,77	602,96	907,35
Company fleet emissions (trucks)	30.822,54	33.042,28	41.591,87
Natural gas emissions for heating	1.056,65	1.342,20	1.311,38
Burning oil emissions for heating	88,90	88,91	101,62
TOTAL EMISSIONS SCOPE 1	32.752,86	35.076,36	43.912,21

ARCESE FOR THE ENVIRONMENT

GRI 305-1 GHG emission intensity

	2021	2020	2019
Truck fleet emissions (tCO _{2eq})	30.822,54	33.042,28	41.591,87
Total km traveled (km)	36.222.707,00	39.295.657	48.685.916
GHG Emission Intensity (tCO_{2eq}/km)	0,851	0,841	0,854

ARCESE FOR THE ENVIRONMENT			
GRI 305-2 Emissions scope 2 (tCO_{2eq})			
	2021	2020	2019
Electricity emissions from NON-renewable sources	2.274,02	2.276,85	2.508,50

ARCESE FOR THE ENVIRONMENT			
GRI 305-3 Emissions scope 3 (tCO_{2eq})			
	2021	2020	2019
Electricity emissions from rented buildings	226,11	N/A	N/A
Sucontractors fleet emissions	265.614,94	182.905,57	218.295,14
TOTAL EMISSIONS SCOPE 3	265.841,05	182.905,57	218.295,14

ARCESE FOR THE ENVIRONMENT			
GRI 306-3 Waste produced (t)			
	2021	2020	2019
Total non-hazardous waste	2.405,5	1.662,7	1.903,7
Total hazardous waste	57,8	73	213,2
TOTAL WASTE	2.463,3	1.735,7	2.116,9

ARCESE FOR QUALITY AND INNOVATION			
NON GRI 3 Events with negative effects on goods transported (n)			
	2021	2020	2019
Events with damages on goods transported	1.950	2.200	2.235
Losses of goods transported	945	530	456
Total events with negative effects on goods transported	2.895	2.730	2.691
Good transports performed	2.789.662	2.208.718	2.314.706
Percentage of events with negative effects on goods transported out of good transports performed	0,10%	0,12%	0,12%

ARCESE FOR QUALITY AND INNOVATION			
NON GRI 2 Satisfied clients about Arcese's services³⁰ (%)			
	2021	2020	2019
Level of security of the transport service	62%	71%	63%
Critical issues management	49%	66%	61%
Timeliness of communication	60%	71%	72%
Service reliability	58%	75%	74%
Rates and economic aspects	63%	67%	67%

³⁰ It is reported the percentage of clients satisfied and very satisfied.

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: topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders (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: 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 (Source: GRI Standards).

METHODOLOGICAL NOTE

METHODOLOGICAL NOTE

[GRI 102-45, GRI 102-46, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54]

This report represents the second Sustainability Report of Arcese Trasporti SpA, following the last year's edition published on 16th July 2021. 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 2019, 2020 and 2021 (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 labor 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 centers used.

The Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards published in 2016 by the Global Reporting Initiative (GRI), according to the "Core" option. With reference 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 materiality, inclusiveness, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and timeliness were adopted.

For the purposes 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 based on the best available methodologies and 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**

Inside the indicator NON GRI 1, all new projects started during the reporting year related to the usage of not 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**

On annual basis, clients are invited to complete a client satisfaction survey on ten aspects, and they are asked to specify per 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 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** Inside the indicator must be considered 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 good transports performed during the reporting year.

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

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 systems firmware, software or hardware without the system owners' consent.
4. Malicious disruption and/or denial of service.

Inside the indicator NON GRI 4, all kind of cybersecurity incidents recorded during the reporting year must be taken in consideration.

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 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 360/2022 (*Italian Greenhouse Gas Inventory 1990-2020. National Inventory Report 2022*). 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 AND OTHER RELEVANT KPI

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GRI 101: Foundation 2016				
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	GRI 102-3	Location of headquarters	5	
	GRI 102-4	Location of operations	5	
	GRI 102-5	Ownership and legal form	4	
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	GRI 102-13	Membership of associations	7-8	
	GRI 102-14	Statement from senior decision-maker	2	
	GRI 102-16	Values, principles, standards, and norms of behavior	4	
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	GRI 102-42	Identifying and selecting stakeholders	11-12	
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GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	20	
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