LETTER TO STAKEHOLDERS

We are very proud to present the fourth edition of our Sustainability Report, which provides you with an overview of work done and results achieved in 2019.

From the very beginning, looking ahead is what prompted us to innovate and made our company grow during our 35 years in business. In our view, thinking long term means striving for continuous improvement and growth. I’m convinced that the contribution each company can make to the development of its people and the region it operates in must be at the core of business operations, especially when it comes to themes linked to sustainability.

This is our commitment: investing in sustainability and innovation to develop relationships with our Customers and Employees, aiming for quality and continuous improvement. As a reliable partner with whom to establish high-value relationships, it is essential for us to reach out to the stakeholders in our network.

Well-being in and outside the workplace, transparency, quality, innovation and dialogue are only a few aspects underpinning our journey to growth. They enabled Galdi to obtain the results achieved hitherto and, I’m sure, will get us very far.

Establishing a connection between the actions carried out in 2019 and the United Nations 2030 Agenda for Sustainable Development, this fourth Sustainability Report provides an insight into what Galdi has been doing for the people and the environment, also presenting our objectives for the future.

I hope you enjoy reading our report.

Galdino Candiotto

THESE ARE THE GOALS WE FOCUSED ON DURING 2019

OUR HISTORY

1970-1996

In 1970, Galdino Candiotto developed the first prototype of a semi-automatic filling machine in the garage next to his family’s milk shop. He founded Galdi in 1985, contributing to its growth and later to the internationalisation process started in 1993.

1996-2018

In 1996, Galdi developed a patented filling system ensuring high hygienic performance levels. In 2006, the company relocated to Postioma di Paese (TV), where it is still based today. Between 2011 and 2015, strategic assistance centres were opened in Russia, Morocco and the United States.

2018

The Galdi Group grows with the acquisition of Artema Pack - specialized in automation and secondary packaging - and the creation of FILL good, a start-up focused on innovative projects.

I hope you enjoy reading our report.

Galdino Candiotto
Legality, transparency, ethics and integrity are key values for Galdi. In 2019, the company decided to renew, on a voluntary basis, its Legality Rating, an initiative of the Italian Competition Authority (AGCM) to promote ethical principles in corporate conduct, awarded to the most virtuous organisations in terms of economic and legal performance in Italy.

This award fits within the scope of the actions Galdi has been taking since 2017 to support corporate responsibility.
We devote all our energies to reduce waste and consumption

Eco Design is Galdi’s design philosophy, aimed at reducing our fillers’ direct and indirect energy consumption and the amount of water needed for cleaning cycles.

In our packaging solutions, each component is designed to reduce consumption, operating costs and environmental impact.

Reducing water consumption by 10% equals savings of up to 1.3 million litres of freshwater!

Reducing energy consumption by 10% avoids potential CO₂ emissions amounting to 100,000 Kg!

With the support of Spin Life Spin-Off of the University of Padua

FOCUS ON
- Hydrogen peroxide emissions;
- Production waste;
- New study on ergonomics.
Our team’s main objective is to develop new solutions to meet and anticipate our customer needs, even the most complex ones. This is the reason why, year after year, Galdi invests new resources in technological and innovative projects.

**NEW SOLUTIONS FOR NEW PRODUCTS**

In 2019, Galdi cooperated with selected customers and suppliers to develop new gable top packaging technologies for flour and water. FILL good, our start-up, provided invaluable support in the development of new packaging solutions, with a special focus on design and food safety.

**FOCUS ON**

**FOOD SAFETY:** best hygiene performance and full compliance with regulatory FCM standards (Food Contact Materials)

**“ROBUST” FILLERS:** Robustness is a cornerstone of Galdi’s design philosophy. The goal is to manufacture machines guaranteeing consistent performance levels, regardless of external factors such as paper type, production environment, etc.

**INVESTMENTS IN INNOVATION**
**RESEARCH BODIES INVOLVED**

Universities of Padua, Udine and Venice

**PARTNERSHIP**

![Partnership logos]

**GOALS FOR 2020/2021**

By implementing the IoT (Industrial Internet of Things) infrastructure Galdi so strongly supported and monitoring machine health status through our MaSH system, we will be able to customize maintenance programs for each machine and take action only when needed. The natural evolution of the system will be predictive maintenance, which will enable us to predict the service life of the most critical components in our machines, thus reducing costs, downtimes and technicians’ travel time.

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**myGALDI**

We strongly believe in corporate digitalization. A project going into this direction is myGALDI, an online platform featuring both digital services and the apps developed by Galdi. From a single access point, customers can purchase spare parts (e-portal) and connect to two IoT innovations we developed for them: MaSH and TYE.

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**MaSH - Machine System Health**

This is the advanced performance and alerts monitoring system we developed in 2017 to guarantee an accurate assessment of the fillers’ performance levels and to predict machine downtimes.

- Reduction of unexpected machine downtimes;
- Reduction/elimination of urgent repairs;
- Positive impact on the TCO (Total Cost of Ownership);
- Lower environmental impact by reducing waste and consumption.

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**TYE - Through Your Eyes**

Since 2018 Galdi has been providing technical video-assistance remotely through our TYE system.

The application, which is compatible with any device, allows Galdi technicians to “see what the machine operator sees” and to guide them real time through necessary maintenance operations.

- Reduces servicing times and costs;
- Reduces travel time for Galdi technicians.

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**Industry 4.0**
The company obtained the Environmental Management System 14001:2004 certification, confirming that our management system is focused on monitoring the environmental impact of business operations and on continuous improvement, also in view of sustainability.

To meet the requirements of the new UNI EN ISO 14001:2015 standard, Galdi adjusted its Environmental Management System, obtaining the certification in compliance with the new norm.

Sustainability starts with us!
Eco-friendly choices for production and lots of small actions involving manufacture and administrative departments: this is Galdi’s green approach.

ENVIRONMENTAL SUSTAINABILITY GOALS FOR 2020/2021

- Replacing laser printers with new models resulting in considerably lower energy consumption and reduction of waste volumes.
- Optimising space in the temporary deposit area.
- Purchasing electricity from EKOenergy-certified companies.
- Purchasing 100% recycled paper for printing.
- Increasing the number of suppliers from the Treviso province for customised parts (long-term objective).
- Reducing the number of visits from external providers, encouraging the use of available technologies.
- Improving the financial stability of our Supply Chain, reducing risks and financial stress for suppliers, ensuring supply continuity, even in the most challenging times.

OUR JOURNEY TO SUSTAINABLE DEVELOPMENT

2010
With the introduction of LEAN PRODUCTION, we significantly reduced waste and inefficiencies in the entire production area.

2012
The company obtained the Environmental Management System 14001:2004 certification, confirming that our management system is focused on monitoring the environmental impact of business operations and on continuous improvement, also in view of sustainability.

2018
To meet the requirements of the new UNI EN ISO 14001:2015 standard, Galdi adjusted its Environmental Management System, obtaining the certification in compliance with the new norm.
Our commitment to the environment is also reflected in our purchasing practices. We encourage suppliers to adopt sustainable practices, by selecting packaging materials that are easy to recycle and take up less space, or opting for returnable containers.

We also provided our suppliers with a label printer for our products, so that they don’t need to remove their label and then place ours. This enabled us to reduce the impact on total waste.

Finally, we decided to replace wooden pallets with recyclable plastic ones, as they last longer and guarantee better hygiene.

Local suppliers

The selection of suppliers plays an important role in terms of partnership and environmental impact. Galdi mostly works with suppliers based in Italy, paying special attention to our region.

A SUSTAINABLE SUPPLY CHAIN

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GABLE TOP

We actively promote Gable Top containers as a responsible choice, considering the many advantages in terms of food safety and environmental sustainability offered by this type of packaging (as shown by several studies on Life Cycle Assessment):

- This type of packaging is entirely RECYCLABLE*.
- Gable Top cartons are made of at least 70% paper from responsibly managed forests (FSC). On top of this, paper is a renewable and recyclable resource.
- Gable Top containers also ensure optimal product protection from degradation caused by light and air.
- Begin so compact and light, this type of packaging is ideal to meet the requirements of retail logistics, both during transport and storage, reducing costs and environmental impact. It also increases floor space profitability**.
- As shown in several LCA studies, the entire process has a low environmental impact in terms of carbon emissions (CO2)***.

* By recycling 10,240 1-litre beverage cartons, 5 middle size trees can be saved, avoiding 267.2Kg CO2 emissions (United Nations Environment Programme, “Report 2001: towards a Green Economy” and European Union Life Cycle Database, ELCD)
** A truck loaded with filled cartons carries around 95% product with just 5% of the space taken by packaging
*** Sources include: FKN (Fachverband Kartenverpackungen für Flüssige Nahrungsmittel e.V.) & Federal Environmental Agency (UBA)
In order to be and remain highly competitive and innovative as a company, we strongly believe in the importance of supporting the 
innovative spirit of each member in our team. We are convinced that the only way to achieve this is by promoting a positive and stimulating work environment, open to discussion and new ideas. Because the well-being and growth of a single employee are valuable for everyone.

"Flexibility, thinking outside the box and passion are the key elements that define Galdi’s team"

GOALS FOR 2020/2021

- Increasing the number of female staff, especially in technical jobs;
- Hosting the most promising soon-to-be graduates to develop innovative and creative projects;
- Fostering the growth of human capital, promoting continuous professional training and skill development opportunities;
- Promoting staff participation in valuable networks and fostering meaningful relationships.
More than 50 courses, seminars, conferences and webinars

1,450 hours in total

In 2019, Galdi’s employees participated in on-the-job training activities, including projects regarding:

- New recruits onboarding
- Agile methodology
- Improvement projects
- Sales projects

- RESEARCH-THESIS INTERNSHIP PROJECTS
  - 3 Mechanical Engineering internships
  - 1 Mechatronics Engineering internship

HUMAN CAPITAL

- Agile methodology: 881 hours
- Sales projects: 208 hours
- Improvement projects: 104 hours
- New recruits onboarding: 257 hours

TRAINING

11.4% turnover rate

Around 5% job rotation

14 new recruits

Average employee age: 40

18 female

74 male

GALDI ITALIA
As we implement our company’s benefits programme and generate well-being for the local community, we create a network of valuable relationships for both our company and our region.

The well-being of individuals is crucial, as it positively affects private and on-the-job performance. Galdi introduced a personnel management policy which aims to strike a sustainable balance between the company’s growth objectives and the needs of our employees.

The following goals inspire Galdi’s benefits programme:

- Improvement in work atmosphere
- Improvement in work environment, increasing satisfaction, sense of belonging and productivity
- Making the employees feel an integral part in building a brand to identify with and grow
Family Audit Certification

The Family Audit Certification demonstrates the company’s commitment to adopt measures facilitating the reconciliation of work and family life. The Family Audit standard is awarded to public and private organisations which, on a voluntary basis, use it as an instrument for human resources management.

Galdi’s route to certification

Our goal was to bring about a cultural change, setting off a virtuous cycle of continuous improvement, prompting our company to develop innovative work-life balance initiatives by actively engaging our staff.

2015

Galdi participated in the “Family and Work” project promoted by the Veneto Region. The goal was to assess the needs of employees and to implement actions aimed at reconciling work and family life.

We first put together a team to collect and evaluate our employees’ needs and proposals. Then we drafted a three-year business plan, identifying work-life balance measures to be adopted.

2019

The implementation of the agenda set out in the business plan led to the Family Audit Certification, according to the standards set by the Autonomous Province of Trento.

9 PROJECTS FOCUSED ON FAMILY&WORK RECONCILIATION AND WELL-BEING AT WORK

- Flexible times to better reconcile work and family;
- Company canteen;
- Employee discounts and services to save time (car wash, tyre change, car service);
- Activities for mind and body well-being (fitness classes);
- Pink Park (for pregnant employees and mums returning to work) and Easy Park (for staff temporarily needing a convenient parking space near the entrance);
- Paternity leave extension;
- Ability to bring children to work in the event of an unexpected disruption in care arrangements;
- Info meetings on topics not related to work also open to family members (after work, at the company’s premises);
- Discounts for company employees (travel agencies, airport parking, etc.).

REMOTE WORK

Introduced in 2018, remote work has been used consistently since 2019. Along with the introduction of this new work mode, our employees received training focused on optimising individual work management, intensifying trust-based relationships among colleagues, as well as sharing objectives.

3 CONTRACTUAL BENEFITS PROJECTS SINCE 2018

- Company BENEFITS PLAN;
- Online platform to manage the provision of goods and services according to our benefits plan (including relevant tax breaks);
- Ability to convert annual bonuses, if any, in benefits.
We are an open company. To sharing ideas and experiences. To our region, to schools, visitors and virtuous companies.

COMMUNITY ENGAGEMENT

We believe in sharing ideas, experiences and competencies to enable personal and professional growth. We organise visits for residents, local associations and public officials, and also events for our employees’ families. Cooperating with schools is essential to share the values our activities are based on. We therefore welcome school groups, offer dual vocational training opportunities and internships.

Our company’s involvement in the local community also shows in a number of projects aimed at establishing productive and meaningful relationships, supporting projects and promoting cooperation with groups and organisations engaged in social and community work.

GOALS FOR 2020/2021

- Offering services that meet our employees’ needs, making their workplace increasingly more supportive and motivating;
- Promoting flexible work, favouring remote work, while maintaining sound relationships and an efficient personnel management;
- Growing by setting the example, promoting knowledge and awareness on sustainability issues, through actions concerning the environment, ethical responsibility and social justice, by directly engaging employees;
- Keep focusing on constantly improving work-life balance, committing to maintaining the Family Audit certification.

2090 VISITORS IN 2019

185 students

Dual vocational training program now in its 2nd year: a student of a local ITS (Istituto Tecnico Superiore) is doing his apprenticeship at the company (2 days a week)

2 additional dual vocational training placements

Donations

Cooperation with local municipalities in work reintegration projects

Special agreements and employee discounts at local health centres and shops through membership in Assindustria Venetocentro

For our Christmas gift baskets, we partnered with several local associations, engaged in social projects or in the environmental restoration of the areas affected by storm Vaia
The Galdi Village is a space that fosters relationships, creativity and innovation, an incubator of ideas and talent. It’s a holistic project that looks at the present, but also reveals our vision for the future.

Construction work on the facility - located a few steps away from Galdi’s production plant - began in 2018 and will end in 2020.

From the very beginning, we wanted to have a place designed to ensure a high standard of body and mind well-being for Galdi’s employees, as we believe that a flexible and healthy work environment, based on open discussion, is essential to significantly improve the quality of life of each employee.

The Galdi Village is going to be a green building, a multifunction centre for employee well-being and community engagement, built in compliance with LEED® Certification standards.

Since our goal was to obtain the Gold LEED® Certification, the project was designed to meet specific requirements.

Here are some of its distinctive features:

- Ginko Biloba
- Fitness area
- Indoor and outdoor relax areas
- Diffused natural light
- Outdoor areas
- Electric car charging stations
- Garden plants do not require irrigation systems
- Photovoltaic system
- Quality materials for furniture
- New company canteen service
- Acoustic and lighting comfort, humidity control
The inspiration for the architectural project was Galdi’s world: the upper section of the building, with its smooth and sleek lines, represents the liquid flowing into the square-shaped ground floor, reminiscent of a Gable Top carton.

The architecture also conveys what our Galdi Village is, namely a place filled with creativity, innovation and talent.
GALDI VILLAGE
A place to fill