



GREEN REPORT 2019



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.

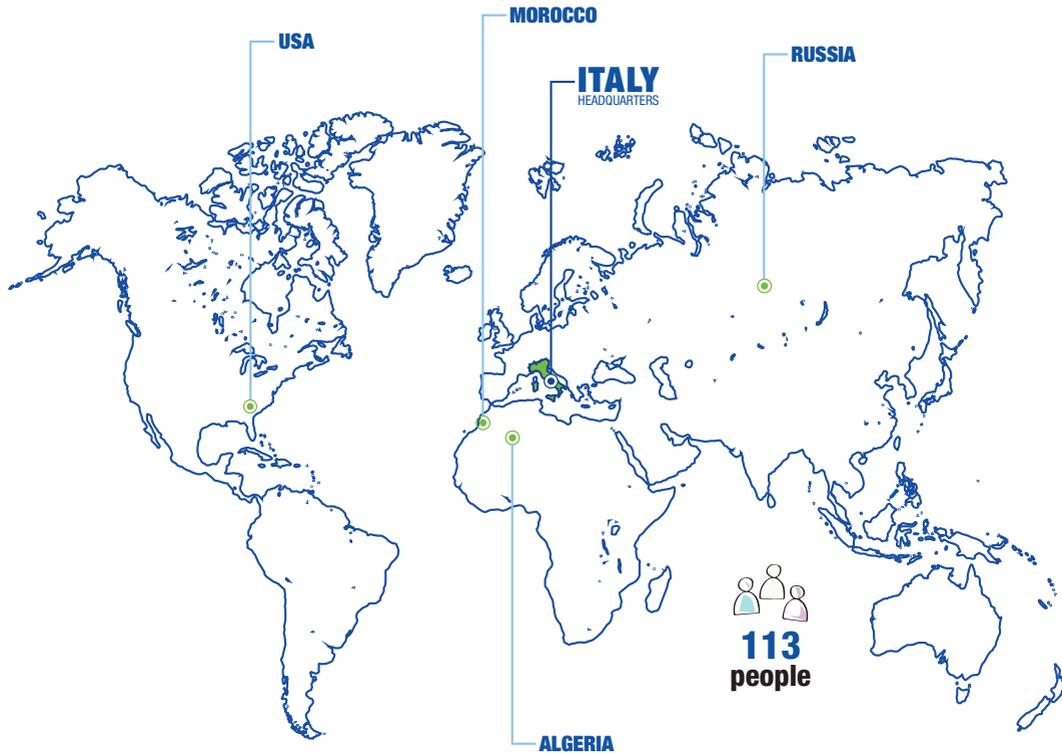
2018

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.

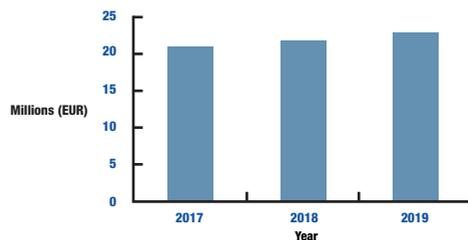




THE GALDI GROUP



2019 CONSOLIDATED TURNOVER €23 MILLION

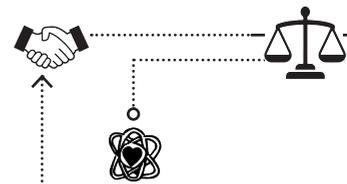


ETHICAL COMMITMENT



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**.



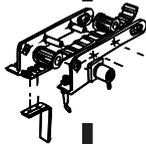


ECO DESIGN



“ 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.**

FOCUS ON

- Hydrogen peroxide emissions;
- Production waste;
- New study on ergonomics.



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!**



LOWER ENVIRONMENTAL IMPACT



LOWER OPERATING COST FOR THE CUSTOMER

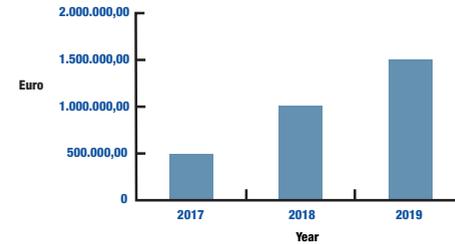


INNOVATION AND DIGITALIZATION



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**.

INVESTMENTS IN INNOVATION



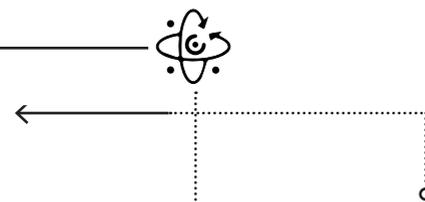
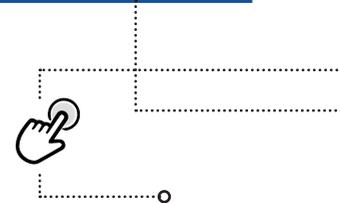
NEW SOLUTIONS FOR NEW PRODUCTS

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

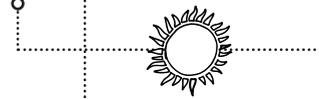
FOOD SAFETY: best hygiene performance and full compliance with regulatory FCM standards (Food Contact Materials)

“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.



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.



RESEARCH BODIES INVOLVED



UNIVERSITIES OF PADUA, UDINE AND VENICE



PARTNERSHIP



GOALS FOR 2020/2021

By implementing the **IIoT (Industrial Internet of Things)** infrastructure Galdi so strongly supported and monitoring machine health status through our MaSH system, we will be able to **customise 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.



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.



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.

Industry 4.0



CORPORATE SUSTAINABILITY



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.





ENERGIA

Avoided 175 tons CO₂ emissions

PV system

357,162 KWh (equalling the average consumption of 140 families) were produced, of which:

203,163 were used on site

153,999 were injected into the grid (average consumption of about 57 Italian families)

196,155 KWh purchased electricity

Clean energy

Galdi uses energy produced exclusively from **renewable sources**

100% CO₂-free GAS: CO₂ is compensated by the supplier through environmental projects



WATER

901 m³ water used (average family consumption in Italy: about 200 m³ per year).

100% of the water used for machine tests is recovered and reused through a filtering system

A drinking water fountain was installed at our premises to promote the use of reusable water bottles.



MACHINE CLEANING

Use of oil-absorbent mats to avoid leaks on the floor; Clothes to clean the machines are washed and reused;

Detergent-free, enzyme-based parts washer, avoiding production of liquid waste.



WASTE

Galdi implements a separate waste disposal policy in both administrative and production departments:

91.40% recycled waste

5.87% non recycled waste destined to thermal treatment facilities (for the production of electricity)

31 tons of carton boards

used for testing were sent to a paper factory specialized in recycling them to make **TISSUE (FIBERPACK BY LUCART)**: wipes, napkins, toilet paper and hand towels, later used at our premises.



LIFE CYCLE OF GALDI'S USED FILLERS

We **recover and regenerate old Galdi fillers**, which would otherwise end up in the scrap yard.



PAPER

Internally we use **FSC-certified paper**.



A SUSTAINABLE SUPPLY CHAIN

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.

190 SUPPLIERS IN TOTAL

21 BASED ABROAD

169 IN ITALY

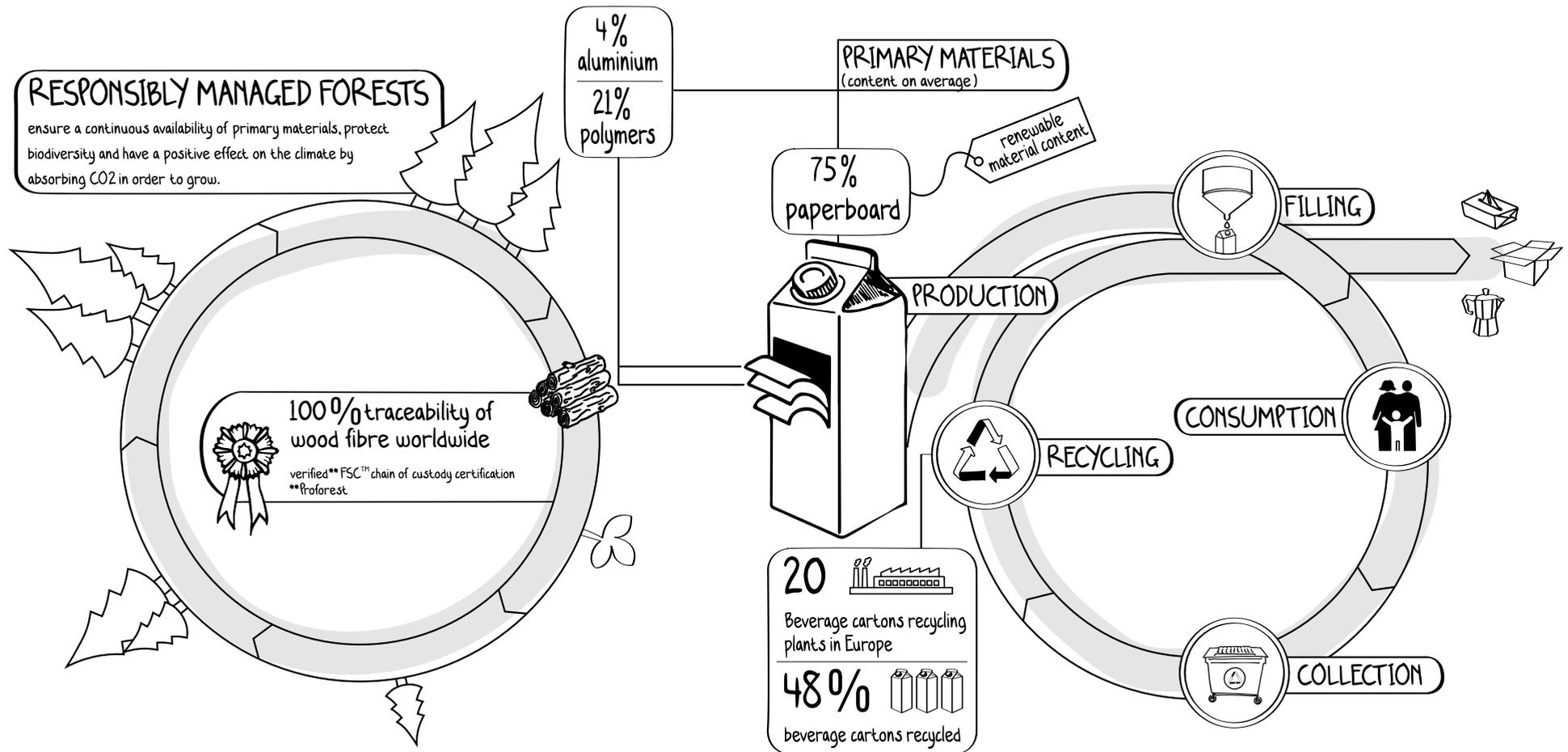


Resources and processes

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 Kartonverpackungen für Flüssige Nahrungsmittel e.V.) & Federal Environmental Agency (UBA)



HUMAN CAPITAL



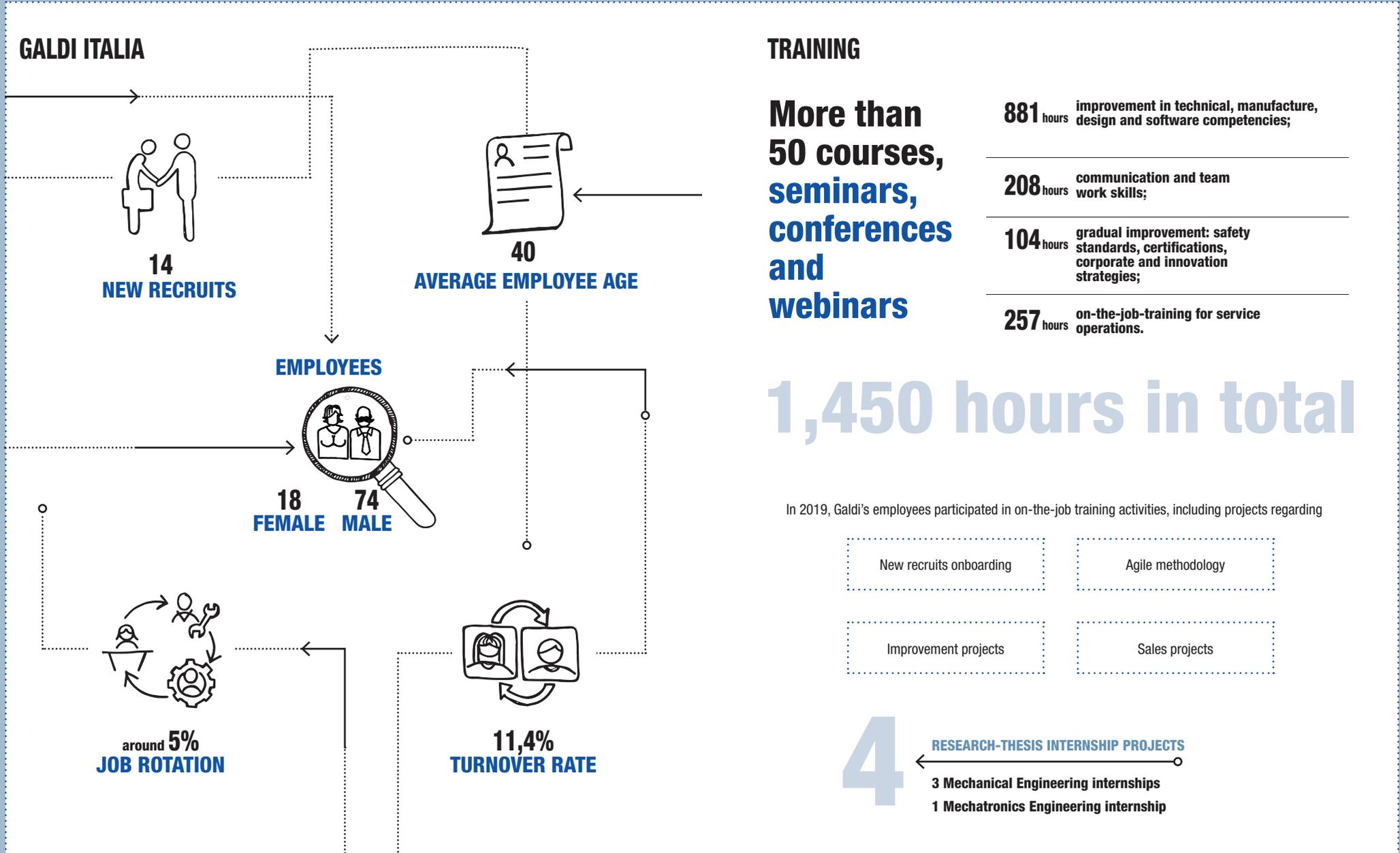
Flexibility, thinking outside the box and passion are the key elements that define Galdi's team

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.

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.



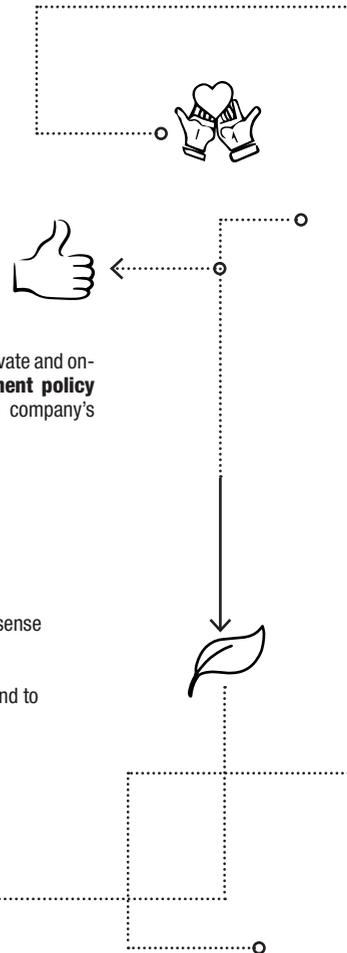




GALDI'S BENEFITS PROGRAMME



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



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.



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.

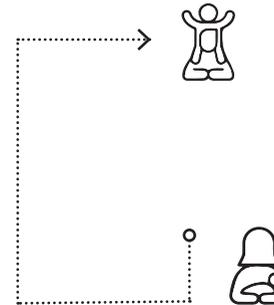
2019

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.

Family & Work

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.).



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.



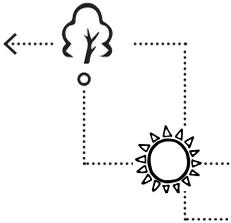
We are an open company. To sharing ideas and experiences. To our region, to schools, visitors and virtuous companies

COMMUNITY ENGAGEMENT

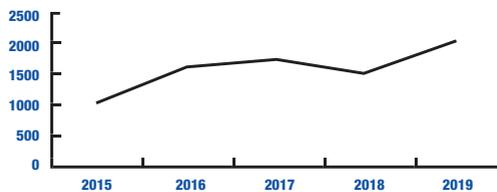
We believe in sharing ideas, experiences and competencies to enable personal and professional growth. We organise visits for residents, local associations and public officials, and also events for our employees' families. Cooperating with schools is essential to share the values our activities are based 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.

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



2090 VISITORS IN 2019



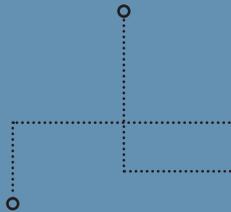
185 students

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

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.



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



15 LIFE ON LAND



A SPACE OPEN TO THE FUTURE



THE GALDI VILLAGE

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.

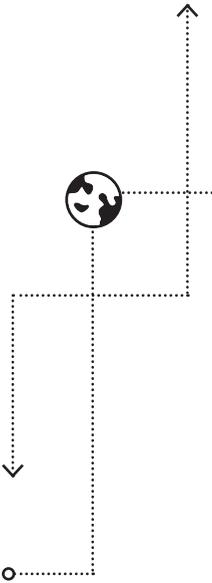
From the very beginning, we wanted to have a place designed to ensure a high standard of body and mind well-being for Galdi's employees, as we believe that a flexible and healthy work environment, based on open discussion, is essential to significantly improve the quality of life of each employee.

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.

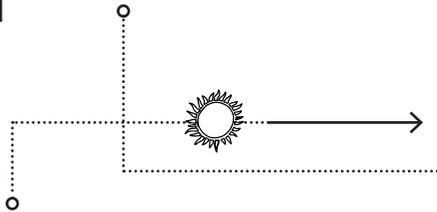
Since our goal was to obtain the Gold LEED® Certification, the project was designed to meet specific requirements.

Here are some of its distinctive features:

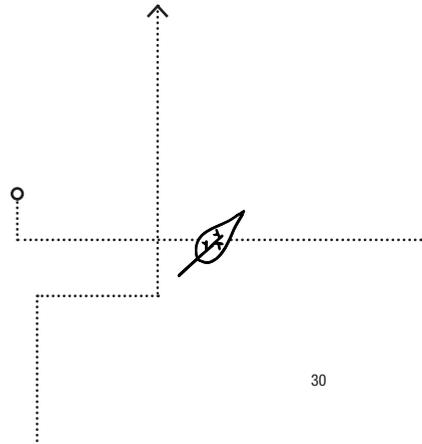
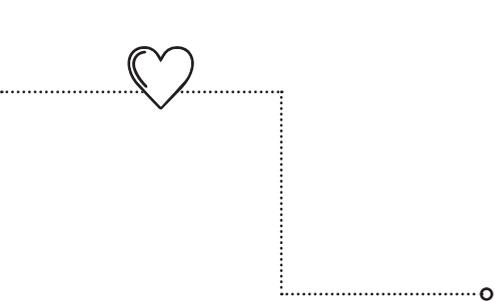
Ginko Biloba	Garden plants do not require irrigation systems
Fitness area	Photovoltaic system
Indoor and outdoor relax areas	Quality materials for furniture
Diffused natural light	New company canteen service
Outdoor areas	Acoustic and lighting comfort, humidity control
Electric car charging stations	



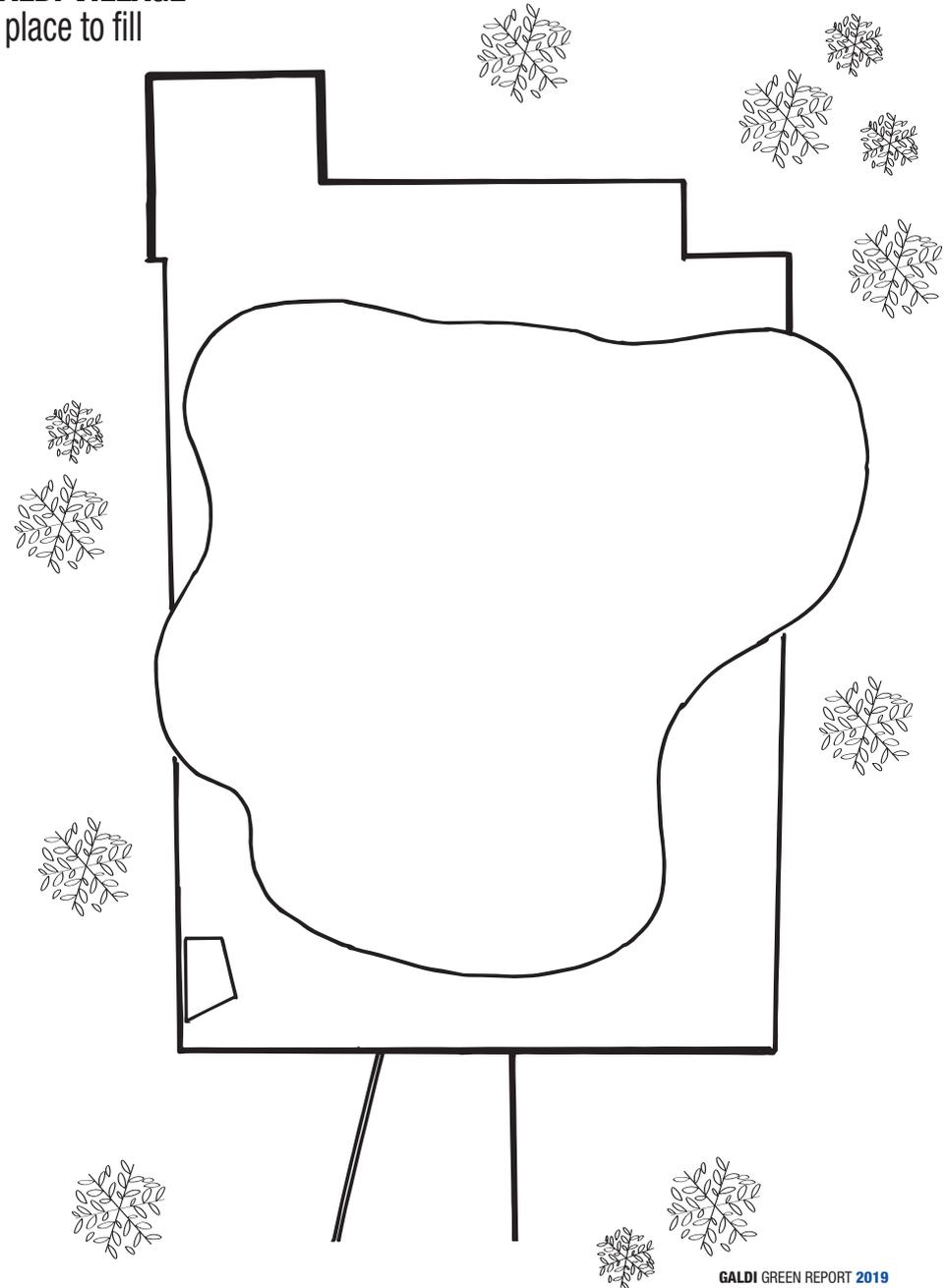
The inspiration for the architectural project was Galdi's world: the upper section of the building, with its smooth and sleek lines, represents the liquid flowing into the square-shaped ground floor, reminiscent of a Gable Top carton.



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

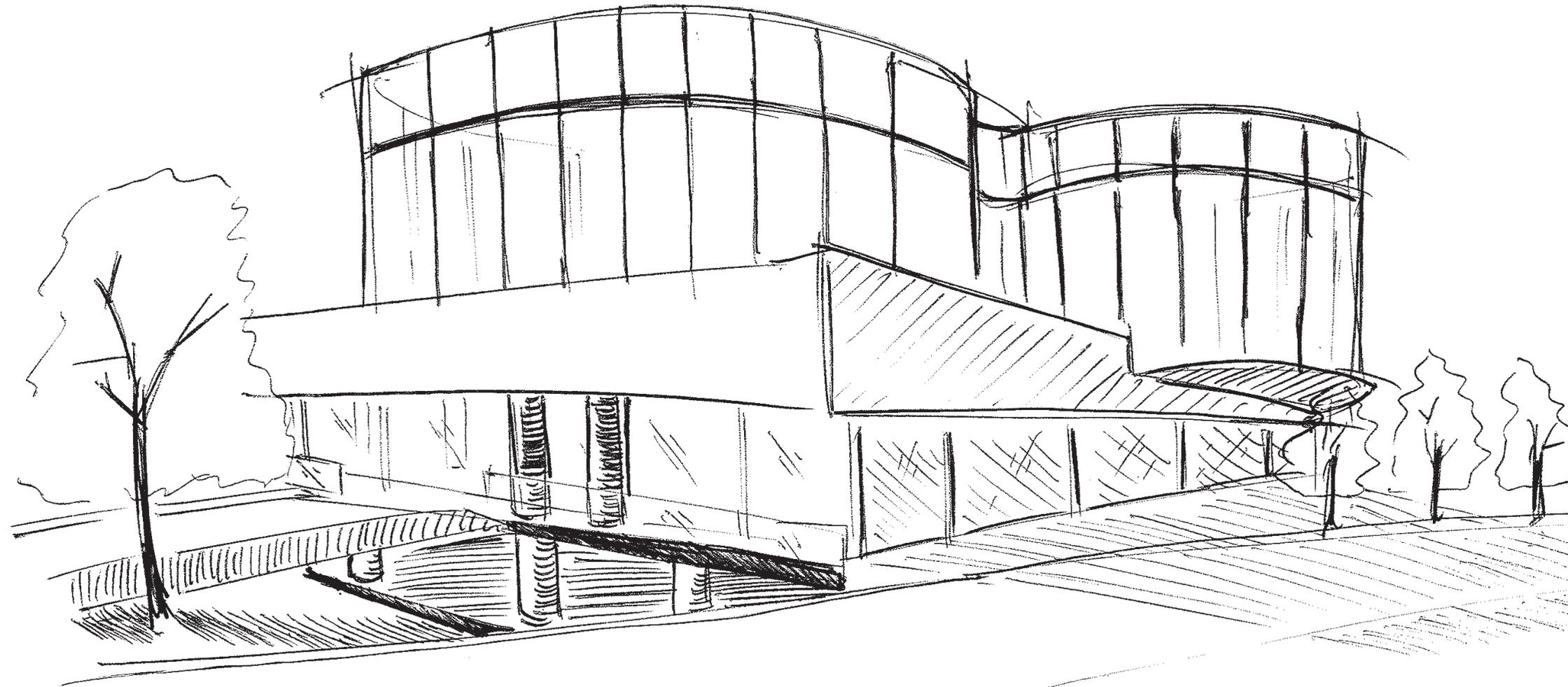


GALDI VILLAGE A place to fill



GALDI VILLAGE

A place to fill



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