

REPORT 2020





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GOALS FOR THE FUTURE

We are delighted to present the fifth edition of Galdi's Sustainability Report, our Green Report, which is an opportunity to share with you our commitment to the future. In this document you will find the results we achieved in this extraordinary year, largely marked by the pandemic, together with our goals for the future.

We believe that looking ahead and setting clear objectives is important, especially in the most difficult times, and that it is precisely in these times that driving action towards sustainable innovation is a key strength for businesses.

We coped with the difficulties of recent times without ever losing sight of growth and continuous improvement for us and our stakeholders, as we are committed to provide constant support to our entire supply chain.

On the positive side, it should be emphasised that social distancing has further accelerated Galdi's digital transformation and new virtual services have enabled us to ensure that work continued uninterrupted, even remotely.

2020 was a challenging year in many ways, but we found in sustainability issues - and particularly in the Sustainable Development Goals at the core of the 2030 Agenda - a tool to build an increasingly cohesive team with a strong sense of belonging.

Through this Green Report we would like to showcase our commitment throughout 2020 in this regard, presenting our projects focused on sustainability and the wellbeing of our employees.

Galdino Candiotto Antonella Candiotto



THANK YOU to all Galdi employees, our Customers, Suppliers and Stakeholders for believing in our company and supporting it in this extraordinary and difficult year

OUR SUSTAINABILITY JOURNEY

2010

The introduction of **Lean Pro- duction** leads to waste reduction and better resource
allocation

2012

Galdi obtains the Environmental Management System 14001:2004 certification, which provides evidence of a company's management system focused on monitoring the environmental impact of business operations and on continuous improvement, also in view of sustainability



2016

2018

The company carries out an analysis of the Carbon Footprint and Water Scarcity Footprint of its filling solutions.

Reflecting its focus on sustainability, Galdi publishes the first **Sustainability Report**



To meet the requirements of the new UNI EN ISO 14001:2015

standard, Galdi updates its Environmental Management System, obtaining certification in line with the new norm.

Construction work for the 'Galdi Village, a place to fill' begins, following the highest standards of sustainability and occupant wellbeing



THE GALDI GROUP



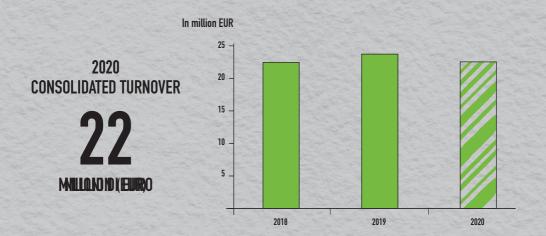


WE INVEST IN HUMAN CAPITAL & VALUE OUR PEOPLE

124 EMPLOYEES

108
IN ITALY

16 ABROAD





SUSTAINABLE G DEVELOPMENT



















ALS





















GALDI'S PEOPLE IN ITALY



20 **9**

79₀

39 AVERAGE AGE

+2 Production

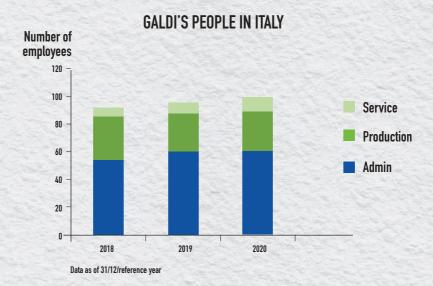
+2 Innovation LAB

+5 Field Service Engineers 14 NEW HIRES +2 Marketing and Sales

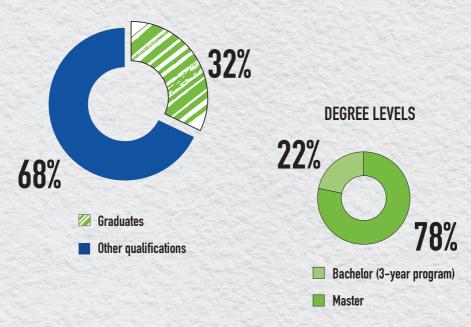
+1 Technical office

+1 Procurement

+1 Health and Safety



GALDI ITALIA / EDUCATION LEVELS





CONTINUING EDUCATION



HOURS

1366

Improving marketing & sales skills and strategies



632

Corporate development and social responsibility, finance and funding competencies 500

Expanding technical expertise in mechanical and software design

50

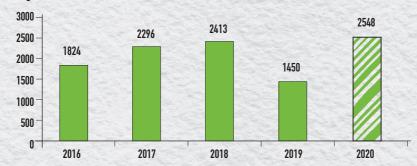
Soft skills, HR management, remote work



OUR FOCUS ON PEOPLE TRANSLATES INTO CONTINUING PERSONAL AND PROFESSIONAL EDUCATION

Attending training sessions has become easier thanks to new course delivery options and the growth in the number of webinars in 2020.

Training hours



2 THESIS PROJECTS

1 Bachelor's thesis in Mechanical Engineering

1 Master's thesis in **Product** innovation engineering

1 APPRENTICESHIP PROJECT

involving a student of a local **technical** high school (ITS). The training had to be interrupted due to the pandemic, but later the company hired the trainee



ENVIRONMENTAL SUSTAINABILITY















230,766

373,868 kWh were produced

kWh were used on site

143,102 kWh fed into the grid

314,026

kWh bought from renewable sources

105 t

CO, avoided



Energia proveniente dalle centrali idroelettriche delle Dolomiti



Abbiamo compensato tutta la CO2 prodotta dall'utilizzo di gas naturale

100% CO₂- free gas

70 t CO₂

were compensated by the supplier through environmental projects



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



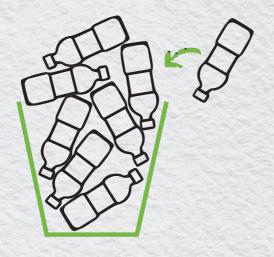
747m³ water consumption

Average annual water consumption was over 1,000m³ until 2016



About 25,000 fewer plastic bottles in less than a year

Thanks to the installation of a water dispenser





190 t WASTE 99.7% recycled solid waste

4.2% mixed waste



MACHINE CLEANING

- Oil-absorbent mats
- Clothes used for cleaning are washed and reused
- Detergent-free, enzyme parts washer machine avoids production of liquid waste



LIFE CYCLE OF GALDI'S USED FILLERS
Recycling and reconditioning of old filling
machines

27 Cartons used for testing were recycled and transformed into recycled paper



RECYCLED PAPER

Wipes, napkins, toilet paper and towels for internal use are bought from companies specialised in recycling and giving new life to Gable Top cartons



FSC PAPER

More sustainable packaging for sending spare parts to customers



LASER PRINTERS WERE REPLACED WITH NEW HEAT-FREE **INKJET PRINTERS**

- We print on recycled paper only
- Energy savings
- Better air quality

We are eliminating the use of paper for collaboration on technical projects in our production departments, installing digital screens instead.

TREEDOM

Treedom is an environmental and social sustainability project, which aims at planting and growing trees in a number of African countries, enabling local farmers to start a profitable business that guarantees a source of sustenance and income.

-47,110 KG DI CO₂ SAVED

2016

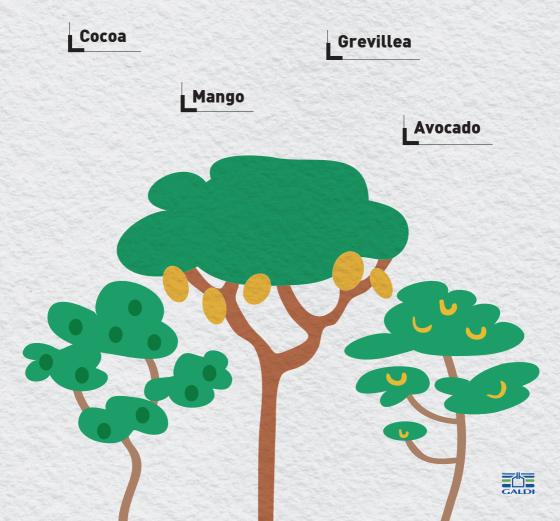
Galdi joins the Treedom project

Cameroon 202 trees

Kenya 53 trees

Planted trees absorb an amount of CO₂ equivalent to the load of 245 trucks.

GALDI'S TREES



RESEARCH AND INNOVATION





LESS WASTE, LESS CONSUMPTION: IT ALLS STARTS WITH CAREFULLY DESIGNED FILLING SOLUTIONS

Galdi's design philosophy is aimed at reducing the fillers' direct and indirect energy consumption and the water needed for cleaning cycles, which also results in a reduction of operating costs

CARBON FOOT ARIZ

GALDI ECO-DESIGN



The cooperation with a network of research institutes also contributes to Galdi's innovation. We work with them to develop specific projects, stay up to date and learn new skills

RESEARCH BODIES INVOLVED



UNIVERSITY OF PADUA





UNIVERSITY OF UDINE



PARTNERSHIP













INNOVATION LAB: GENERATING INNOVATION AND EXPERIMENTATION

This project aims at optimising and streamlining the design and development process of Galdi's filling solutions. It is a space to test new technologies and make innovation happen.

GOALS

Testing new prototypes

Developing new functions

Testing and optimising current functions: improving performance levels

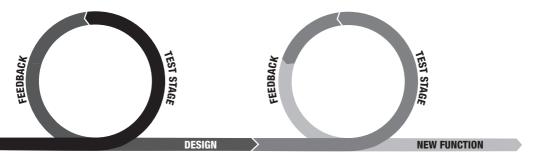
Checking component life (reducing downtimes and consumption)

Through the adoption of the Agile method, our design mindset has changed.

We test.

We learn.

We design.



BENEFITS

With this approach, we learn, gain experience and get training on specific projects, optimising resources during the design phase, both inside and outside Galdi's Innovation LAB.



DIGITAL SERVICES AND MACHINE INTELLIGENCE

E-Portal

An **innovative digital system** designed to simplify the ordering process for spare parts.

- Swifter order handling
- One-click item selection, thanks to 3D drawings
- It saves paper, as there is no need to print customer orders

MaSH

This is our **advanced performance and alerts monitoring system** to guarantee an accurate overview of the fillers' performance levels.

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



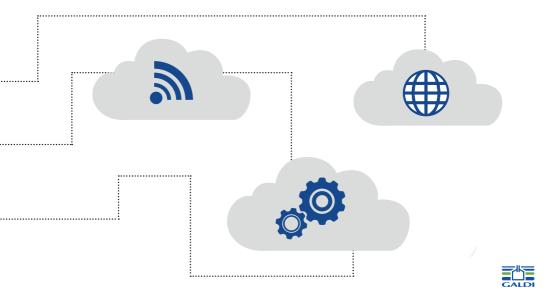
Remote assistance

Customers get real-time assistance thanks to our **Teleservice** and **Through Your Eyes** (TYE) systems.

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

Web-FAT

The events of 2020 sped up Galdi's digitisation process, leading to the activation of a service we had already been working on for some time. Galdi's customers can now watch **Web Factory Acceptance Tests** live with the guidance of an experienced technician. No need to come to our headquarters!



COMPANY BENEFITS











STRIKING A
SUSTAINABLE
BALANCE BETWEEN
THE COMPANY'S
GROWTH OBJECTIVES
AND THE NEEDS OF
OUR EMPLOYEES:
THESE ARE THE IDEAL
CONDITIONS TO
TACKLE AMBITIOUS
CHALLENGES!



Our goal is to develop innovative work-life balance initiatives, engaging our employees.

In 2020, Galdi maintains Family Audit certification and also increases the size of the internal reference group, in order to have a wider forum for discussion and debate.



Galdi continues to work on the projects undertaken in previous years aimed at family-work reconciliation and promoting wellbeing:

Flexible working times and contracts

Time-saving offerings (car wash, tyre change, car service, agencies) and for the wellbeing and leisure time of employees (physiotherapy, travel agencies, etc.)

Company canteen service

Pink Park and Easy Park

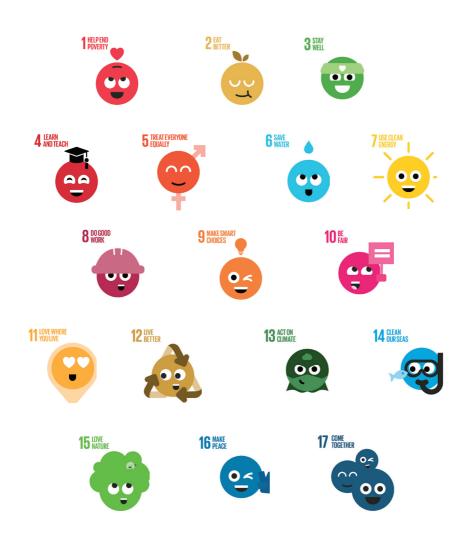
Paternity leave extension

Possibility to **bring children to work** if difficulties with childcare arrangements arise



A GOOD LIFE GOAL FOR A BETTER WORLD

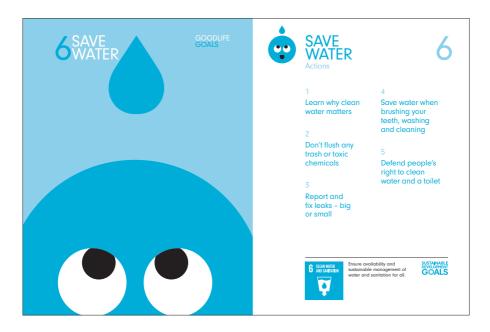




Galdi initiated and carried out this project to raise awareness among employees about the sustainability themes at the core of the UN's 2030 Agenda.

All Galdi Group employees were asked to actively participate in the contest, taking concrete actions to contribute to the fulfilment of the Sustainable Development Goals and spread knowledge on these issues.

This is a project with **people** in mind, focused on the **desire to share** daily life with colleagues, and is also an opportunity to get to know each other better, creating an **informed community**, united around the **issues of sustainability**.



OUR SOCIAL COMMITMENT

We also organised a fund-raiser in favour of a local association engaged in social work.



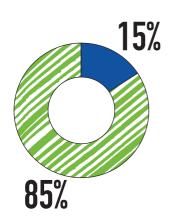
GALDI ITALIA: REMOTE WORK



ADOPTING NEW INTERNAL COMMUNICATION TOOLS HAS CHANGED THE WAY WE WORK

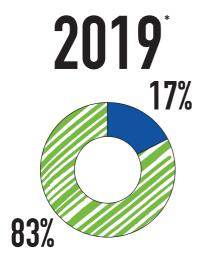
The pandemic has accelerated the digital transformation that at Galdi had been underway for several years. This means that we were already ready for change and trained in the use of new communication tools.

2018°



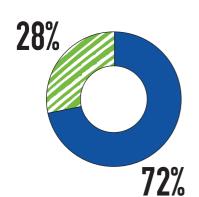
The first "mobile work stations" were introduced and fixed work stations were gradually replaced with laptops.

Beginning of a **pilot project** for Galdi employees to start working remotely



A **remote work policy** is implemented; all employees received a portable device, the number of staff working from home increases

2020°



From February on, the company implemented the necessary measures to make remote work accessible to all employees, acting before mandatory measures were taken at national level.

Particular attention was paid to the equipment of our design engineers to make sure that design activities could continue uninterrupted.

Throughout 2020, our Field Service Engineers team ensured full assistance to customers remotely

- Employees working remotely
- Employees not working remotely

^{*}Calculation was made on a yearly basis, considering company's turnover for each year



COMMUNITY ENGAGEMENT











FOCUS ON THE LOCAL COMMUNITY

Galdi has always paid special attention to our region. In 2020 we made some changes to the way we interact with schools and university students and started offering virtual visits. The goal is to help young people develop their professional identity, providing guidance on their path to growth, even in challenging times.

GUIDED VISITS ON SITE VIRTUAL TOUR VIRTUAL EXPERIENCE SHARING



The company reaffirms its commitment to the local area, supporting organisations engaged in social and community work.

Donations and sponsorships

Cooperation with local municipalities on work reintegration projects

The products for our Christmas gift baskets come from businesses engaged in social projects; all Galdi employees received vouchers to be redeemed for benefits on our online platform

Special agreements and discounts at local health centres and shops, thanks to membership in Assindustria VenetoCentro



SUSTAINABILITY GROUP





2014

Sustainability Group is created within Assindustria VenetoCentro. The goal of the project, which involves companies across different sectors, is to share sustainable development models through the exchange of experiences and best practices. Learning from each other and comparing different realities is vital to innovation.

It also provides a networking opportunity to discuss not only economic, social and environmental sustainability issues, but also to exchange real-life business experiences. Every year, groups of member companies are created and guided visits to the premises of businesses in each group are organised

2016

Galdi joins the Sustainability group for the first time. Participation in several project editions has been an added value for Galdi and was a catalyst for continuous innovation on sustainability issues

2020

The project continues with virtual visits to member companies



SUPPLY CHAIN AGREEMENT PROJECT



WE STRIVE TO SUPPORT LOCAL SMALL AND MEDIUM-SIZED ENTERPRISES LINKED TO GALDI'S SUPPLY CHAIN. WE WANT THEM TO REMAIN STRONG, EVEN IN THE MOST DIFFICULT TIMES



In 2020, Galdi signed a cooperation agreement with Intesa San Paolo Group to participate in the "Supply Chain Development Program" project, aimed at enhancing and supporting production chains.

'CONFIRMING' PROGRAM

This is a **Supply Chain Finance** program to advance payment of receivables due from a customer (buyer) through a web-based platform, optimising cash flows and facilitating access to credit for suppliers.

The program benefits both suppliers, who can request advanced payment of their invoices to the bank, and customers, who can enjoy an additional payment term extension, besides the one agreed with suppliers.

SUSTAINABLE SUPPLY CHAIN



TOTAL N. OF SUPPLIERS 204

183

ABROAD 21



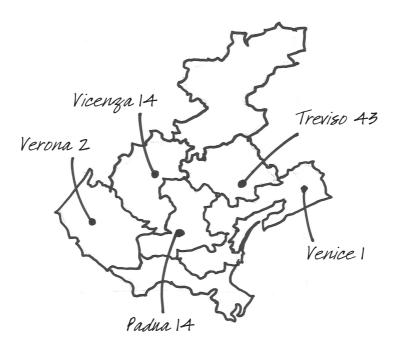
LOCAL SUPPLIERS

Galdi remains committed to giving priority to local suppliers, both to support the local area and to receive supplies as quickly as possible to better serve its customers.

Galdi checks new suppliers through an initial audit, ensuring that they meet the desired ethical standards

74 IN VENETO

BREAKDOWN BY PROVINCE:





SAFETY CERTIFICATIONS





SAFETY IS PARAMOUNT AT GALDI

2009

Galdi gets certification to British Standard OHSAS 18001

2020



The company updates its standards in line with the new international UNI ISO 45001:2018 standard, which specifies requirements for an occupational health and safety management system.

Safe and healthy workplaces
Prevention of work-related injuries
Prevention of occupational diseases

Galdi has started the certification process to UNI ISO 45001:2018, reaffirming its commitment to protecting the safety and health of its employees.

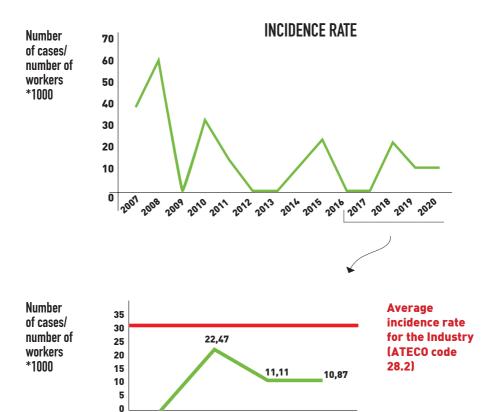
GOAL

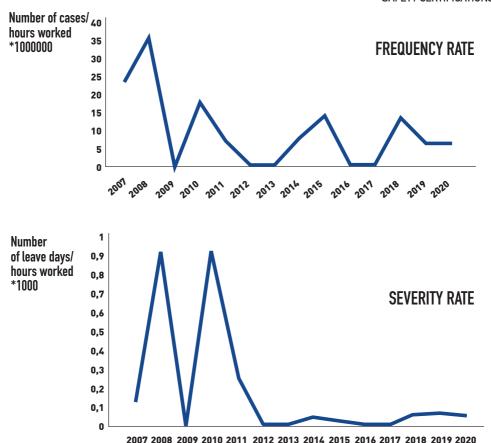
Raising awareness among workers through the development of an occupational health and safety culture to encourage them to actively participate in the creation and development of a healthy and safe workplace.





Our injury incidence rates are lower than the average for the sector (ATECO 28.2) and the accidents recorded over the years resulted in minimal injury.





SAFETY DURING THE COVID-19 PANDEMIC: GALDI'S RESPONSE

Remote work was encouraged before government-imposed measures went into effect

Plexiglas screens between workspaces were installed

Spaces across all company areas were rearranged to minimise contacts

Staggered meal breaks to ensure social distancing while eating



GABLE TOP CARTONS AND SUSTAINABILITY





A GREEN, ENVIRONMENT-FRIENDLY PACKAGING CHOICE, DESIGNED TO REDUCE FOOD WASTE



Gable Top cartons are renewable and recyclable; their recycling rate continues to grow year after year and is now at 51%

They provide excellent protection against air and light for food products

Their ergonomic design results in less product waste compared to other types of packaging

Their shape optimises transport and storage, reducing costs too

FSC CERTIFIED PAPER

75%



We help you find the right Gable Top cart for each product. The composition of the packaging material varies according to the specific requirements of the product being packaged.

Galdi also offers a microbiological consultancy service to ensure the best solution for your product.



CUSTOMS AUTHORISATIONS





GALDI IS A RELIABLE EXPORTER AND WAS GRANTED 'APPROVED EXPORTER' STATUS BY CUSTOMS

BENEFITS FOR CUSTOMERS

Preferential tariff rates, resulting in cost savings on imported goods wherever a Free Trade Agreement is in place

Expenses to issue EUR1 Certificates and related handling costs are removed Shorter transport times, with fewer stops at Customs to issue paper-based EUR1 certificates

Relationship with a reliable, efficient partner, with proven experience in export activities We have in-depth expertise to handle the rules of origin of products and operate in accordance with the procedures set down in the Free Trade Agreements with the countries we export to all over the world.

JUNE

Galdi is granted Registered Exporter status (REX), which is the new system of certification of origin of goods that the European Union is progressively introducing for the purpose of its preferential trade arrangements. Galdi obtained REX status for as many as 52 tariff headings and 2 TARIC chapters

OCTOBER

Galdi is granted Approved Exporter status, proving it is knowledgeable about and able to implement correctly the regulation on preferential agreements and the rules of origin that apply to exported products. One of the requirements to become Approved Exporter is proof of regular trade activities abroad over the last 3 years. Galdi obtained Authorised Exporter status for 42 countries



GALDI VILLAGE, A PLACE TO FILL



















GALDI VILLAGE
A PLACE TO FILL.
A PLACE WHERE
INNOVATION,
CREATIVITY,
WELLBEING
AND SUSTAINABILITY
COME TOGETHER

Construction work was completed in 2020







A SPACE ENTIRELY DEDICATED TO PERSONAL AND PROFESSIONAL GROWTH. THROUGH WELLBEING AND PRODUCTIVITY, SHARED KNOWLEDGE AND NEW IDEAS





GOALS FOR THE FUTURE

ENVIRONMENT, WELLBEING AND SAFETY

- Opening of the Galdi Village, a place to fill
- LEED® Gold certification for the Galdi Village, a place to fill
- The following tools are used: B-impact Assessment and SDG Action Manager
- Safety awareness project for Galdi operatives
- Creation and implementation of a prevention plan/project for Galdi's employees

COMMUNITY

 Cooperation with social cooperative Sol.CO.; training and support project so that the cooperative can manage and service their machinery autonomously

INNOVATION

- Developing new digital services to help customers reduce food waste
- Developing technologies that enable us to provide customised maintenance plans.

EXPORT

 Galdi was granted AEO certification; internal procedures were reviewed to check that the company was compliant to be recognised as a trustworthy partner by Customs authorities





Via E. Fermi, 43/B 31038 Paese (TV) Italia Tel.: +39 0422 482211 Fax +39 0422 482230









