

IDeA Taste of Italy

DeA Capital Alternative Funds developed an **ESG roadmap for each main type of investment fund**.

Encouraging its portfolio companies to **make sustainability a priority** by requesting a greater disclosure of key ESG risks and metrics and by assisting and supporting the companies in the process of undertaking major sustainable improvements.

IDeA Taste of Italy, launched in 2014 is the company's **first fund entirely focused on investments in the food & beverage sector** and all the industrial supply chains that specifically serve it.

The fund focuses on Italian SMEs, looking for investments with a mix of **"made in Italy", technological excellence and potential for growth**.

The fund's underlying strategy was mainly based on the **enormous potential** in terms of the number of investments offered by the **agri-food sector in Italy**, also fragmented into dozens of highly specialized sectors.

In addition, the strategy sought to identify **small or medium-sized companies with a leadership position** in their respective market niche, that would facilitate future aggregations and a possible increase in size.

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IDEA TASTE OF ITALY ROADMAP

- ✓ Achieved
- ⚙ Work in progress
- 🕒 To be started

Pre-investment

- ESG checklist drafted and approved
- 100% ESG DD performed on majority investments
- Questionnaire to assess ESG risks and opportunities for target investments drafted and approved
- Draft Investment Memorandum ESG info template
- 100% Investment Memorandum containing ESG information
- Draft ESG clauses template for investment documentation
- 100% investment documentation containing ESG clauses

- 2019 ✓
- 2019 ✓
- 2019 ⚙
- 2019 ⚙
- 2020 ✓
- 2019 ⚙
- 2020 ✓

Ownership

- 100% portfolio companies with ESG reference person identified and corporate governance minimum requirements
- Data collection tools developed for both majority and minority investments
- 100% portfolio companies with data annually collected
- 100% majority investments with approved ESG Action Plans

- 2020 ✓
- 2019 ✓
- 2020 ✓
- 2021 ✓

Exit

- 100% exit memorandum/data room including ESG information for majority investments

- 2021 ⚙

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ESG highlights based on KPIs



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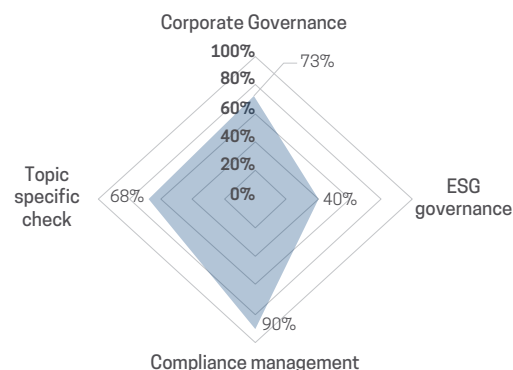
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IDeA Taste of Italy

DIRECT FUNDS - IDeA Taste of Italy

IDeA Taste of Italy is a closed-end investment fund dedicated to the food & beverage industry. The fund invests in mid-sized companies that have proved good profitable growth potential, with solid and focused operational models.

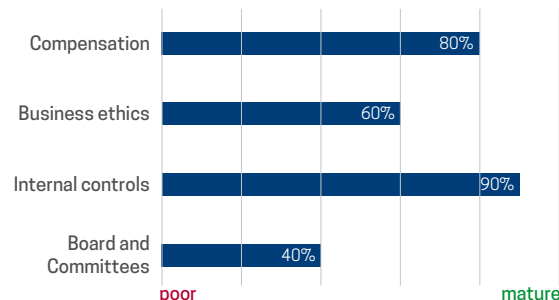
SUMMARY RESULTS OF OVERALL MATURITY CHECK*



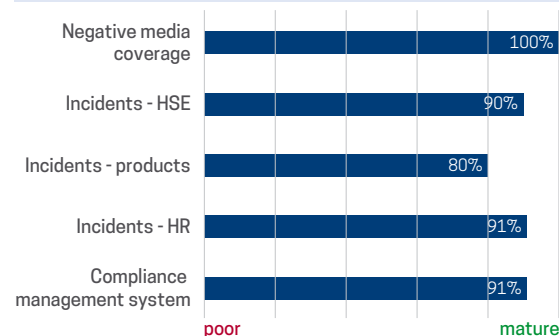
- **Corporate Governance:** the Governance structure adopted by the Investment and the related tools and system implemented to improve the management and reduce risks.
- **ESG Governance:** Investment maturity in terms of sustainability programs and risk management tools.
- **Compliance management:** Investment maturity to ensure compliance. Tools in place and incidents, violations, sanctions and negative media campaigns.
- **Topic specific check:** how the Investment manages the ESG specific topics: findings from the due diligences, management systems and certifications, monitoring systems and improvement plans in place.

* The chart defines the maturity of the fund in terms of Corporate Governance, ESG Governance and Compliance Management. Maturity is the difference between the aggregate data of the single portfolio companies and the respective best practice in each area and KPI, assuming a different ranking among the KPIs.

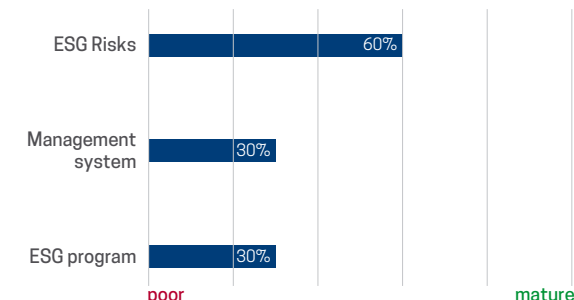
1. CORPORATE GOVERNANCE DETAILS



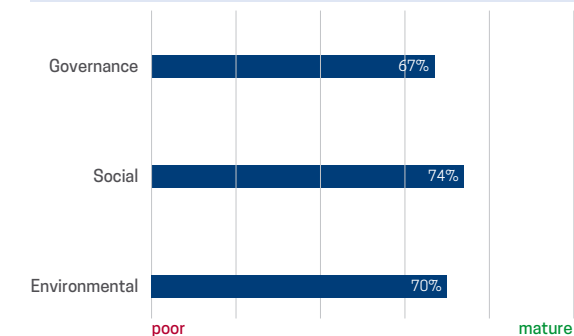
3. COMPLIANCE MANAGEMENT DETAILS



2. ESG GOVERNANCE



4. TOPIC-SPECIFIC CHECK



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Alice PIZZA

Alice Pizza is a primary food retail chain with more than 170 stores in Italy offering sliced pizza. Founded in 1990 in Rome, the company expanded in Italy mainly through franchising until the acquisition of IDeA Taste of Italy with the aim of boosting Direct Stores opening mainly in Northern Italy.



Investment:
March 2019

The most relevant Alice Pizza's ESG facts & figures in 2021 were:

- Adoption of an organizational model by appointing new managers in each critical function. The Company aims at adopting a L.231 Model in 2022.
- The introduction of a welfare system involving all in-store employees in order to increase the brand loyalty and the average compensation based on selected monthly KPIs.

Retail Store



Sliced Pizza Selection

Launch of Project Welcome in cooperation with **Welcome. Working for refugee integration**, an international association rewarding companies that have hired asylum seekers and beneficiaries of international protection or have favored their job placement through internship and training programs (7 new hires so far).

The **plastic free conversion** of all disposable items in the store.

The **adoption of a waste sorting system** through dedicated bins in each store.



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Turatti Group, located in the Italian region of Veneto, is a world-leading designer and manufacturer of machinery and complete processing lines for the food industry, specifically for fresh cut vegetables.

Investment:
December 2019

Turatti's ESG activity was particularly intense in 2021, especially following an ESG action plan implemented in 2020.

A new organizational and Management model was launched (based on Legislative Decree 231, 8 June 2001) as part of a broader corporate governance policy, sensitive towards the ethical principles of corporate management.

In addition to 231 Model, Turatti's most relevant ESG facts & figures in 2021 were:

Replaced all the old euro **1-2-3-4 cars and trucks.**

Completed all the **safety training** for all employees.

Set up continuous learning and **training on soft and hard skills** for all employees.

Kick off the Lean Manufacturing set up (to be completed by June 2023).

Fresh cut complete lines



Reduced the scrap of the steel in production by **40%.**

New website and communication plan with the sustainability at the center of all communication (Go live by December 2021).

Introduced the electro polishing technology reducing **90%** of the acid used.

Dismissed obsolete machine tooling, parts and component.

Introduced the **new Vortex H and 1050 v.21** with upgraded Hygienic design.

Completed the cleaning of the backyard with the recycling of all the recyclable material (**180** tons) and properly disposal of **9** tons of special waste not recyclable.



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wisecap[®] WISECAP

Founded in 1977, Wisecap is a leading European producer of closures for the beverage industry. The company operates in five production facilities located in Italy, Spain, Czech Republic and Poland. It produces over 11 billion closures annually.

Investment:
March 2017

On the Governance side, since IDeA Taste of Italy inception, CDS has adopted an **Organizational and Management model** (based on Legislative Decree 231, 8 June 2001) as part of a broader corporate governance policy, sensitive towards the ethical principles of corporate management.

Wisecap[®] was able to **significantly reduce the energy consumption per tons** of transformed resin over the last 10 years, with a 60% reduction of CO₂ emissions. Wisecap has also focused its investments on sustainable caps and closures such as extra-small caps, reducing materials and emissions.

Example of sustainable caps



Furthermore, Wisecap supports **collection, recycling** and **circular economy initiatives**, partnering with customers and industry associations to promote a wise use of plastic.

Wisecap's most relevant ESG facts & figures in 2021 were:

The substitution of two older production lines with a new more efficient one, with **65%** of energy saved.

An annual incentive and welfare plan involving **30** employees implemented.

The **launch of a new fully recyclable** product line in aluminum.

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GELATO D'ITALIA

Gelato d'Italia is a primary producer of private label ice-cream mainly distributed in modern trade chains in Italy and co-developer for major international player in the ice-cream market. Based in Reggio Emilia, the production site covers an area of 25,000 sqm, with more than 20 state-of-the-art production lines.



Investment:
June 2016

Gelato d'Italia has adopted an Organizational and Management model (based on Legislative Decree 231, 8 June 2001) as part of a broader corporate governance policy, sensitive towards the ethical principles of corporate management. Gelato d'Italia is compliant with the rigorous International Food standards (IFS) and the British Food Standard (BRC) for the English market.

Headquarter and production site in Reggio Emilia



Gelato d'Italia's most relevant ESG facts & figures in 2021 were:

acting as a CMO/CDMO, the company is always required to keep up with both the production lines (e.g. production efficiency, lower power consumption, less production waste) and the packaging (e.g. new environmental friendly solutions, single materials packaging). The company already purchases **100%** of energy from renewable energy sources.

Several investments completed in 2021 allow to address some key ESG issues:

The semi-automation of two new mixing systems for ice-cream and ice-based products allows raw material savings due to **perfect dosage and less risks** related to human movement of big boxes.

New ammonia cooling system for the entire production site which allows an increase in capacity, eliminating nitrogen cooling tunnels replaced with a much cheaper form of energy.

New extrusion line replacing the old one (installed before 2000) with energy savings in the range of **€20k** per year.

New HQ with best building technologies allowing heating and electrical saving (e.g. full LED lighting to reduce energy consumption).



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ABACO GROUP

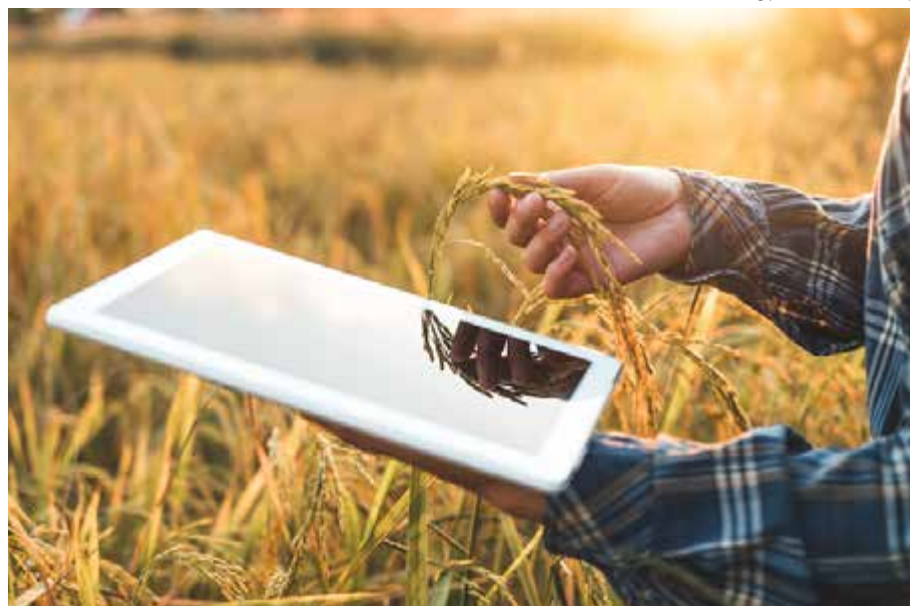
Founded in 1990, Abaco Group is a leading European player in software for agriculture. Company solutions include software for managing public grants to the farmers, precision farming and supply chain control and product traceability for the F&B industry. The company has offices in Italy and England and generates 50% of revenue abroad.



Investment:
June 2019

Abaco has adopted an Organizational and Management model (based on Legislative Decree 231, 8 June 2001) as part of a broader corporate governance policy.

Monitoring product traceability



Innovation in agriculture

In 2021 Abaco Group continued its virtuous ESG path:

Implementing a long-term incentive plan for employees. The plan is currently available to **10%** of the workforce and has a total value of €1 million at a money multiple of 2x at exit (growing for larger values of the exit money multiple).

Holding an advanced course on "leadership and management" for **50%** of total employees.

Developing a software for **tracking organic waste in agriculture**.

Developing a software for **tracking areas undergoing deforestation**.

Developing a software for **tracking and reducing plastic at sea**.



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Taste of Italy 2

Taste of Italy 2 fund invests in the **food & beverage sector and its production chain**. Target companies have between €20 and €200 million in turnover, with good fundamentals, implicit sustainability principles and generally need an anchor investor to make the dimensional leap. The fund aims to invest in 9 to 12 majority or minority positions in companies with

positive EBITDA. The management team considers of greatest importance a **very active stewardship with the portfolio companies**.

Taste of Italy 2 aims to invest up to 30% in other European markets, in particular in Spain. The fund is classified under **Article 8 of the SFDR**.

In fact, on the one hand, it invests in a sector that allows the **identification of investments that largely fall within the sustainable principles**, sensitive towards stakeholders and with strong elements of circularity of production factors. Many of the identified target companies has already **integrated** these principles **into their business models**. On the other

hand, the management team's objective and commitment is **to continue improving the KPIs of the investments** and the fund identified on both a specific and aggregate basis over time.

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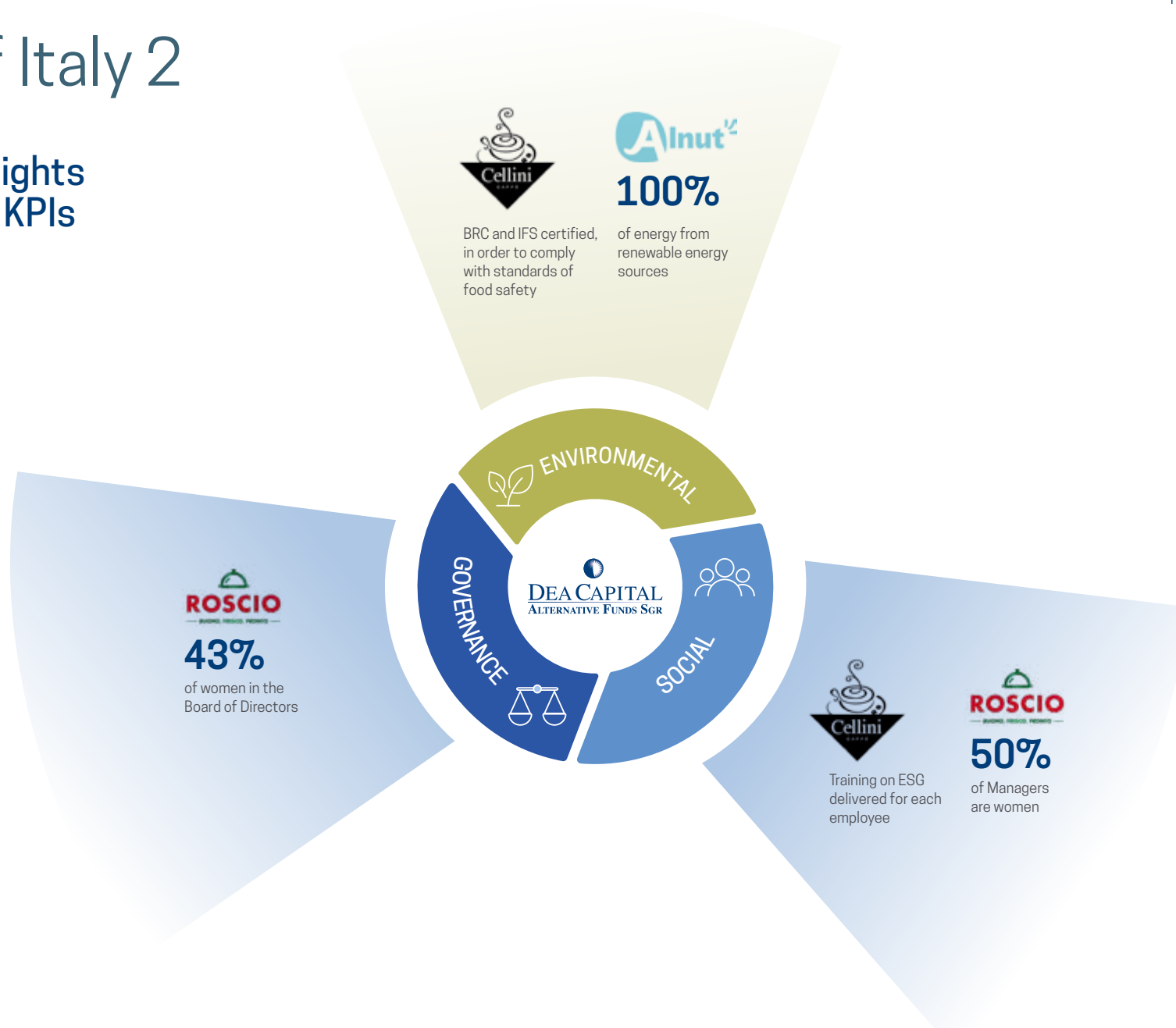
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Taste of Italy 2

ESG highlights based on KPIs



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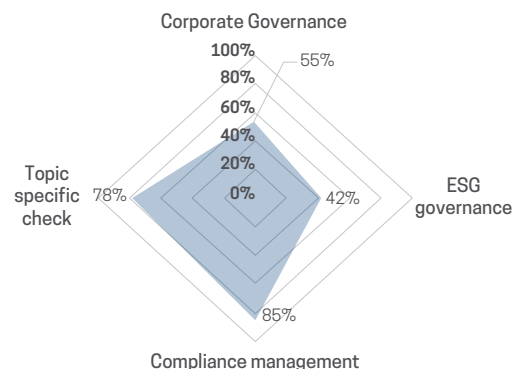
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Taste of Italy 2

DIRECT FUNDS - Taste of Italy 2

Taste of Italy 2 ("Tol 2") is a closed-end investment fund dedicated to the food & beverage industry. The fund invests in mid-sized companies that have proved good profitable growth potential, with solid and focused operational models. The fund is classified as Art.8 under SFDR Regulation.

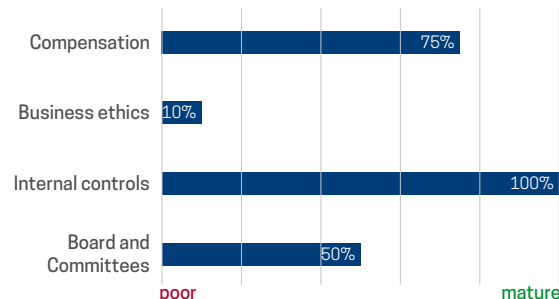
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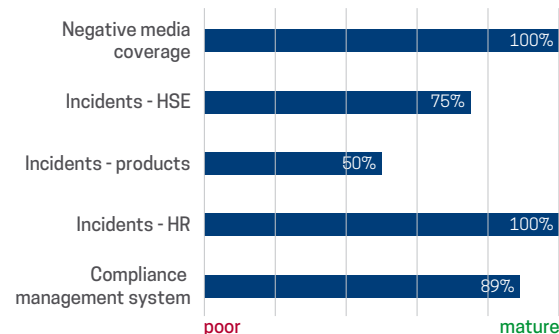
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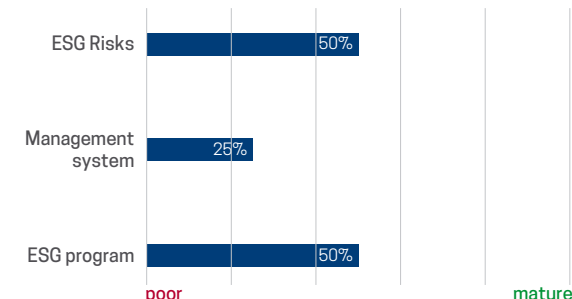
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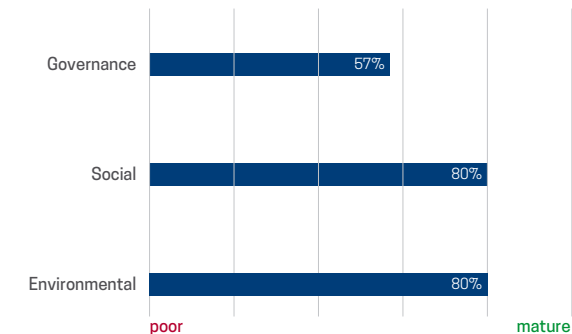
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2. ESG GOVERNANCE



4. TOPIC-SPECIFIC CHECK



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Taste of Italy 2



EKAF

Ecaf Group produces and distributes roasted coffee, coffee capsules and pods.
The company is well balanced in its product range, sale channels and geographic areas.

Investment:
February 2021

Software monitoring of production



Ecaf Group with the help of DeA Capital Alternative Funds' management team is implementing a series of actions, such as:

ESG linked financing: subscription with Intesa Sanpaolo of an S-Loan ESG, created by the bank to support mid-market companies intended to improve their sustainability profile. The company is free to select 2 KPIs out of 6 in the "E" "S" "G" areas.

Amount **€2 m.**

Duration: **84 months.**

Margin impact: **25bps**

reduction based on the achievement of the selected KPIs:

- Environment: introduction of a **Green Procurement Policy** in terms of purchasing
- Governance: hours of **training for each worker on environmental/ social sustainability** issues per year.

Solar panels: under evaluation project to build new coverage structures for current parking lots and install solar panel on top for photovoltaic energy production.

Trash compactors: to comply with the requirements of ISO 14000 certification the company is buying 3 different trash compactors for trash differentiation.



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Taste of Italy 2



ALNUT

Alimentación y Nutrición Familiar S.L. ("Alnut")
produces and sells different varieties of baby food.



Investment:
December 2020

The company is in line with the principal "mega-trends" of the market and approximately **50% of its SKUs are BIO certified**. In 2021 Alnut made in revenues, mainly in Spain (70%) and through private label (90%), serving leading retailers, both Spanish (mainly Mercadona) and international (such as Carrefour and E. Leclerc). Moreover, Alnut produces under its own brand, "Sun&Vegs", focused on the European market, and "Byba", focused on the APAC region.

Alnut's action plan has been implemented in 2021.

The plan included the construction of an internal framework with the ESG Policy approved by the Board of Directors as the main document.

Operationally, various activities have been implemented, especially in the environmental and social fields, to ensure maximum protection of the products given the very high sensitivity of the industry, such as:

Baby food production



• **ESG POLICY IMPLEMENTATION:** elaboration of an ESG plan. Nomination of a responsible manager in the company, also in charge of quality assurance, and a set of managers involved in the project, with quarterly meetings and a member of the investment team from DeA Capital Alternative Funds accompanying in the implementation of the ESG plan.

• ESG ACTION PLAN / FACTS & FIGURES

Innovation: **78%** of new SKUs in BIO products.

Substitution of lightning by **LEDs**.

Auto-consumption (**110 kw**) capex approved to be installed in **2021-22**.

Increase the **electricity and water** meters to detect leaks.

Add ISO 50001.

100% energy purchased comes from renewable energy sources.

New protocol for luminaries, to reduce energy consumption, including stickers in the office serving as friendly reminders to personnel.

Re-audited (internal) for **ISO 14001**.

Risk prevention and **food-defense trainings**.

Coil exchange process improvements to **reduce risk** for employees.

New draft plan for equality.



Our first investment in Spain

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ROSCIO

A market-leading player in the production and distribution of ready-to-eat meals. Its product portfolio includes fresh and frozen ready-to-eat meals.



Investment:
November 2020

The company's clients include Italian and international retailers, as well as market-leading foodservice operators. Roscio has also worked for many years as a **co-packer for renowned international brands**, developing and producing ready-to-eat meals.

Thanks to these long-established relationships, the company has developed **strong R&D skills**, enabling cross-selling towards modern trade and foodservice clients.

Gastronomica Roscio was the first fund's portfolio company to implement an **ESG action plan**. The plan was finalised in May 2021.

Fresh vegetables during the pre-frozen stage



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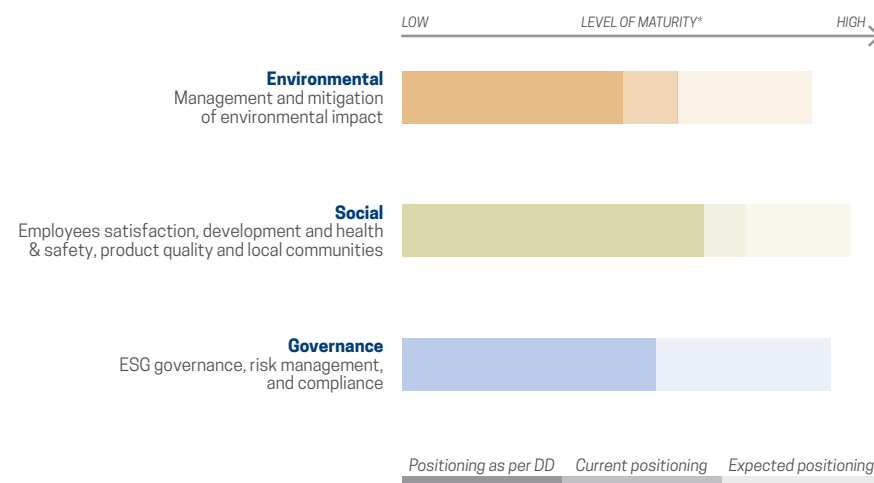
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* On the maturity scale, low represents 0% and high 100%.

Taste of Italy 2

✓ Achieved ⚙ Work in progress ▶ To be started



FOCUS ON - GASTRONOMICA ROSCIO ACTION PLAN (2022 – 2024)

BUSINESS ETHICS	231 Model and Code of Ethics	Legislative Decree no. 231 developed and implemented	2022	▶	Tol
		Company Code of Ethics and whistleblowing procedure developed and approved.	2022	▶	
	Business Ethics training	Training contents on 231 Model. Code of Ethics. Whistleblowing	2023	▶	
SUSTAINABILITY GOVERNANCE	Sustainability management and reporting system	ESG reference person responsible and sustainability related activities appointed.	2021	✓	SS AGRO CCR FOF NPL
		Sustainability reporting and monitoring system for ESG KPIs to track and evaluates company's annual performance full implemented.	2022	⚙	
		Include company's sustainability performance and initiatives in Board of Directors agenda.	2022	▶	
	Sustainability policy	Sustainability policy drafted and approved.	2023	▶	
SUPPLY CHAIN MANAGEMENT	Sustainability communication on website	Sustainability section on Gastronomica Roscio's website describing main ESG performance, results and company's overall commitments created.	2022	▶	
		Inclusion or sustainability criteria into suppliers' management	2023	▶	
		Draft and share the Suppliers' Code of Conduct with all group suppliers.	2024	▶	
ENVIRONMENTAL MANAGEMENT	Environmental Responsibilities	Appoint a person responsible for Environmental aspects.	2023	▶	
	Environmental Management System	Development of an environmental management system (e.g. Policy, Procedures, Risks & Opportunities: Assessment.etc.).	2023	▶	
		Management system certified according to ISO 14001 standard.	2024	▶	

Taste of Italy 2



FOCUS ON - GASTRONOMICA ROSCIO ACTION PLAN (2022 - 2024)

✓ Achieved ⚙ Work in progress ▶ To be started

ENVIRONMENTAL MANAGEMENT	Energy Management	Assess company's energy sources and consumption to identify energy consumption reduction initiatives and related target (e.g. old machinery revamping, LED lighting substitution, etc.)	2022	▶
	Environmental Training	Training contents on environmental management system and related procedures defined.	2023	▶
PACKAGING	Definition of sustainable packaging alternatives	Identify alternative packagings and start testing them on Gastronomica Roscio's branded products to proactively address potential clients and incoming regulatory pressures.	2023	▶
RESTRICTED SUBSTANCES	Phase-out of gas R-22	Complete the phase out of R-22 gas among all the machineries.	2026	⚙
EMPLOYEES MANAGEMENT, DEVELOPMENT AND WELL-BEING	HR Responsibilities	Appoint a person responsible for HR aspects (verifying compliance with legal threshold, development of hiring plans, manage training needs, collect relevant KPIs).	2022	✓
	Employees' performance evaluation system	Update procedures to extend the performance evaluation system to all the employees.	2023	▶
		All employees covered by the performance evaluation system.	2024	▶
	Employees' training needs	Procedure to collect employee's training needs drafted and approved; This could be done integrating a set of training needs during the performance system.	2023	▶
		Define training programs based on the performance evaluation system provided.	2023	▶
	Welfare initiatives	Smart-working procedure drafted and approved.	2022	⚙
		Assessment of employees' need, wellbeing & satisfaction and smart-working effectiveness through an ad-hoc survey.	2023	⚙
STRUCTURES AND MACHINERIES	Machines safety	Plan a technical evaluation to identify deficiencies and actions to address them.	2020	✓
		Implement the action identified during the technical evaluation.	2021	▶

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