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Sustainability report
Logicompany 3

2022

A year of
sustain**ability**



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Chapter 01

Letter to shareholders and stakeholders

Sustainability, a value that transcends transport

This edition of the 2022 sustainability report, the second in our history, shows above all in numbers the consolidation and positioning of Logicompany3 as a leading company of the sustainable transition in road transport. 2022 was a complicated year in many ways, not least due to the high costs of energy procurement, during which we were still able to preserve our economic sustainability. In such a tough scenario, LC3 still confirmed its abundance of innovation, guided by strategic and bold choices. This document illustrates our ability to translate them into concrete and measurable results.

Those who are able to present figures and behaviours on such an important and actual issue like sustainability are few and far between. Dispatching heavy goods vehicles means emitting large quantities of CO2 and consequently fine particles too. This currently remains unmodifiable, however, we have always prioritised our commitment to reducing emissions and are determined to continue and boost it even further, to the benefit of the environment. This is one of our missions, pursued since 2020 through innovations and investments in new strategies, also thanks to the inception of B.E.S.T. 2030.

Very soon 10% of our fleet will be powered by Full Electric vehicles. We are convinced that the market will reward us and allow this to happen. This means achieving the zeroing of emissions for 10% of the fleet and using this alternative form of power to build a new and fully sustainable heavy proximity transport supply chain.

Thanks to the use of bio-fuel powered vehicles, we already manage road transport over medium and long distances with HVO and Bio Methane, with close to zero impact.

The next step will be the use of electric vehicles with these solutions, including in highly urbanised and restricted traffic areas.

But there's more; we have also optimised the use of HVO, Bio Methane and Full Electric vehicles, based on use choices that yield better results than single performance levels achieved by each option alone. We have called this Best Mix.

While on the subject of numbers, we can't help but mention one in particular: in 2022 we spearheaded our target of 100 million kilometres travelled with alternative fuel-powered vehicles: "we went to Mars and back", we like to quip at LC3!

This report also highlights an extraordinary commitment to social sustainability: attention to health, quality of life and the safety of all our human resources. All this is concretely palpable in our new welfare program and the new interactive satellite system, which has further enriched the platform. Inaugurated in 2022, it is called "Noi LC3".

In the next few pages you will find a document rich in contents, both in terms of form and substance: Full Electric, Best Mix, Smart Driver, Noi LC3, all arising from this innovation pathway undertaken step by step and which distinguishes us.

In taking stock of 2022 I must above all thank everyone at the company and its majority shareholder in particular, for supporting the company, while also expressing my pride and gratitude, together with everyone else at LC3, as part of a team that has successfully navigated last year's complexities while unflinchingly upholding values that transcend transport.

Michele Ambrogio
Chairman of LC3



Chapter 02

The company in numbers

| GRI 2-6 | GRI 2-7 |



	YEAR 2021	YEAR 2022
NUMBER OF EMPLOYEES	277	288
EMPLOYEES WITH PERMANENT CONTRACT %	99.30%	99.30%
STAFF VARIATION COMPARED TO PREVIOUS YEAR %	9%	3%
FLEET (NO. VEHICLES)	201	224
DISTANCE TRAVELLED WITH OWN VEHICLES (IN KM)	24,928,537	22,506,752



Chapter 03

A note on methodology

| GRI 2-2 | GRI 2-3 | GRI 2-4 | GRI 2-5 | GRI 2-14 | GRI 2-26 |

This document is the second Sustainability Report of the company Logicompany 3 S.r.l. and illustrates its commitment and attention to the integration of sustainability issues in its business.

To this effect, it should be noted that this document has been prepared on a voluntary basis, given that the company is exempt from mandatory reporting in the form of Non-Financial Statements, as set forth in Italian legislative Decree 254/2016, currently in force.

The Sustainability Report, approved by the company's BoD on 28/04/2023, is prepared in compliance with GRI Standards, on an "in accordance with" basis. The GRI Standards were published by the Global Reporting Initiative (GRI) in 2016 and were then updated until established, as of 2023. To date these principles are the most highly recognised and globally widespread non-financial reporting standards. More specifically, the Report refers to the GRI Standards indicated in the correlation table "GRI Content Index" in the appendix of the document and where for each significant aspect ("material"), explicit reference is made to the section of the report or other company documents, where relative contents can be found.

This document considers the latest version of the GRIs that came into force in 2023, with particular reference to the first three, GRI 1, GRI 2 and GRI 3. These updated principles gave rise to a more articulated process for defining materiality, which starts from the organisation's context analysis and then proceeds with the identification and assessment of actual and potential impacts of its activities on economic activities, the environment and people, and lastly defines a scale of priorities in order to define material issues. In addition to this fundamental supplementation, GRI2 puts forward a series of topics for investigation, in order to broaden the analysis of governance, above all consisting of activities linked to sustainability requiring the indication of allocated and involved figures, the process and practices for implementing strategies, sustainability reporting and a description of actions and measures taken to remedy negative impacts. During the definition phase of impacts and material issues the centrality of the stakeholder engagement process is reiterated as a moment of verification and detailed study of analysis activities and relative results.

Information in the Report pertains to the company Logicompany 3 S.r.l. and the reference time frame spans from 1st January 2022 to 31st December 2022, just like the 2021 Sustainability Report.

In line with the forecast of the new cited GRIs, data refer to the three year period 2020-2022. All indicators and information provided have been reported, irrespective of relative positive or negative trends, in order to provide a transparent, reasonable and balanced representation of contents.

Following impact assessment and further discussion with stakeholders, the Company decided to confirm the same material issues as those of the previous financial year.

For now Logicompany 3 S.r.l. has decided not to avail itself of external assurance, despite having followed principles to this effect, both in the preparation of the document and the "framing" of used GRIs.

Request further information on this Document or share comments and observations by writing to: bds@lc3trasporti.com



A large, stylized silhouette of a kangaroo in shades of purple and pink, positioned behind the chapter title.

Chapter 04

Logicompany 3 and the group

Logicompany 3 (hereinafter also Lc3) was first incorporated in 2009 as a limited liability company and soon distinguished itself due to its rapid growth, underpinned by important initiatives and inspired by sustainability right from the outset.

**GRI 2-1 | GRI 2-2 | GRI 2-3 | GRI 2-4 | GRI 2-5 | GRI 2-6 | GRI 2-14 |
GRI 2-22 | GRI 2-26 |**

LC3. A PATH OF SUCCESS.

2009

Year in which the company LC3 was founded in Gubbio, Umbria.

2010

LC3 develops the B.E.S.T. project (Better Environment & Sustainable Transport).

2011

LC3 receives the support of IVECO for LNG powered vehicles.

2012

LC3 presents the project for Italy's first liquid methane station, built by Eni in Piacenza, two years later.

2013

Enters the container sector.

2014

Activation of first 5 LNG vehicles - FIRST COMPANY IN ITALY

2015

Purchase of a further 35 LNG powered vehicles.

LC3 is partner of the Blue Corridor, the EC project for encouraging the use of LNG heavy duty vehicles.

Signing of the appeal of Green Economy Italian enterprises for the 2015 Paris Conference (COP21) and representation of Italy.

2016

LC3 commissions 30 more new generation LNG vehicles, with 400 cv power.

2017

LC3 organises the event "Costruiamo il futuro INBLUE" (Building the INBLUE future) in Gubbio, where it presents achieved results and future projects.

2018

LC3 inaugurates the first LNG and liquid nitrogen fleet fuelling station in Piacenza. LC3 continues to grow, updating its fleet with another 37 latest generation LNG vehicles, including 12 ones with 460 cv.

2019

The arrival of RevolutionN2, the first liquid nitrogen refrigerated zero emissions semitrailer: the addition of 20 semi-trailers to the fleet.

2020

The first 14 BIOMETHANE powered vehicles, 100% sustainable, make their début on the road, in addition to the first CRYOGENIC CISTERN for the supply of LNG and in the short term, also of BIO-LNG for fleet vehicles.

2021

Commissioning of the first BIO-LNG powered vehicles, activation of two warehouses, in Verona and Perugia, and commissioning of the first electric trucks with nitrogen refrigeration in Italy.

During the year the company also commissions the first full electric industrial vehicle and becomes an accredited partner at The Climate Pledge.

2022

The year rich in innovations and confirmations:

01. The company is **hosted in New York on occasion of The Climate Pledge Week;**
02. presents its **1st Sustainability Report;**
03. presents **the new project B.E.S.T 2030;**
04. receives the **Felix Industrial Prize;**
05. inaugurates the **first logistics warehouse;**
06. signs an important **agreement with Mercedes Truck** for the first 30 e-Actros electric trucks;
07. signs an important **agreement with IVECO/NIKOLA** for 5 electric trucks and 5 FCEL hydrogen trucks.



VISION

In order to achieve the above mentioned objectives, the Company implements an effective Integrated Management System - Quality and Safety in Road Transport - in line with rules established and agreed to by the entire organisation, transferred to documentation and procedures, which are a reference point for staff in the pursuit of their daily duties.

MISSION

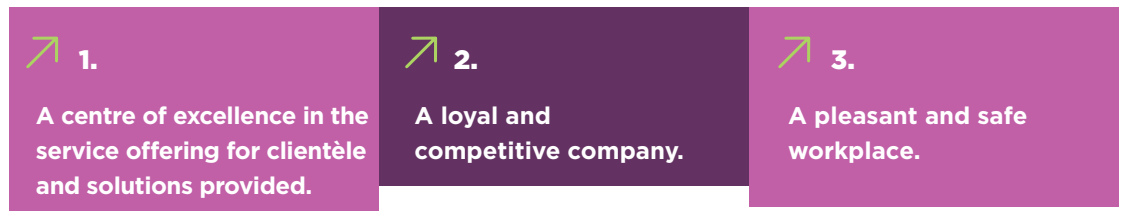
LC3 aims to satisfy the requirements and expectations of its Clientèle by identifying needs and applying the best solutions to the transport of goods, perishable or otherwise, with particular focus on compliance with requested service levels, attention to staff health, safety and the completeness of transported goods, environmental protection, the containment of consumptions and incurred costs.

Tirelessly committed to enhancing the skills of human resources and the adoption of new technologies, by remaining constantly Customer-focused, the Company ensures the optimal fulfilment of requests in terms of quality, promptness and safety.

"A vision driven by a trailblazing and innovative spirit, with the capacity to anticipate solutions that not only satisfy customer expectations, but also open the way for sustainable progress. "

THE PILLARS OF COMPANY POSITIONING

LC3 Trasporti characterises its positioning along three trajectories, which will be increasingly **reinforced** over time:



A CENTRE OF EXCELLENCE IN THE SERVICE OFFERING FOR CLIENTÈLE AND SOLUTIONS PROVIDED

The customer is always the centre of attention, with an offering of value-generating solutions that are measurable to the greatest possible extent, in terms of quality, efficiency and pragmatism, against those of top competitors.

In order to achieve this result, LC3 has established a business model that optimises synergies between the company's different business units, with emphasis on the transversality of skills. At the same time it also spreads the image of a leading company with a service offering in institutional contexts to which it belongs and the markets in which it operates.

Human resources are a fundamental lever in the pursuit of indicated purposes. Organised into business units based on their areas of expertise, they are an integral part of the service and nurture customer relations to ensure value. LC3 increasingly intends to prioritise the individual skills of its staff, such as initiative, flexibility, innovation and leadership, forging solid and credible professional figures. A new generation of transport professionals: organised, responsible and active in the Company's growth.

Proof of this can be seen in a work environment where the prestige of clients and professional growth opportunities attract people of quality and talent, making human resources the Company's prime asset.

A LOYAL AND COMPETITIVE COMPANY

The first fundamental point of behaviour for all company resources is full legislative compliance in Italy and all countries where LC3 operates, operating in accordance with internal company regulations, rules of fair competition, good technical and administrative practices and the principles expressed in the Ethical Code. Under no circumstances does pursuit of the company's interests justify conduct that is out of line with specified regulations.

Simultaneously, the Company engages in continuous dialogue with the market (customers, competitors, suppliers), in order to constantly improve its offer system and seek the best value for money for its services, by optimising market positioning.

In order to maintain its sustainability in the long term, LC3 pursues an adequate level of profitability in single projects/ services, balancing service quality expectations and competitive economic conditions for the customer, with a return on invested capital.

The company pays great attention to costs and more in general, nurtures individual empowerment, the elimination of waste and all things superfluous, the pursuit of maximum efficiency, also through its technological leverage of central factors in its operations. At the same time the quality of staff and a result-oriented approach ensure maximum productivity.



A PLEASANT AND SAFE WORKPLACE

The workplace LC3 provides for its staff is suitable for the pursuit of required activities: good levels of brightness and air circulation are ensured; interiors are sufficiently ergonomic, hygienic and clean.

Adopted safety measures ensure operations take place with the least risk of damage to things or persons; personal protective equipment is provided for staff, the use and operation of which is also illustrated.

A PLACE WHERE EVERYONE'S PROFESSIONALISM AND COMPETENCE CAN GROW.

Success is underpinned by skills, which is why the Company aims to forge and support them from within, by building a rich and articulated curriculum to enable the gradual growth of younger resources. The development of skills, through experience on the field and activities like training and job rotation, shape the fundamental pathway towards professional growth.

Such internal growth of resources in terms of their role must be based on merit, with clear and transparent assessment rules and processes, which starting from the performance level, consider everyone's contribution towards the company's success.

Hiring practices and employment must never present elements of discrimination, for example: in terms of geographic provenance, religion, gender, civil status, maternity, age, political affiliation, nationality, disability, health or sexual orientation.

This is why ideas, suggestions and entrepreneurial initiatives, promoted by employees at all levels, are highly valued.

LC3 believes that success belongs to those who contribute towards it. Thus the Company pursues and promotes team work, where the end result and the growth of talent are a common good. The wealth of knowledge and experience is the company's and not just of single individuals: as such it must be available to everyone as a key element for the development of skills and the effectiveness of operations. Everyone must contribute towards creating and maintaining this intangible asset of immense value for the company.

Quality is an orientation that inspires all company operations, it must be palpable and visible in the preparation of an offer, courteous relations and interactions between colleagues and external persons.

Honest and loyal operation at all levels is a fundamental value for the Company.

Understanding and valuing the aforementioned diversities, understanding and balancing business and personal requirements, transparent communication and the ability to listen in particular.

ETHICAL CODE

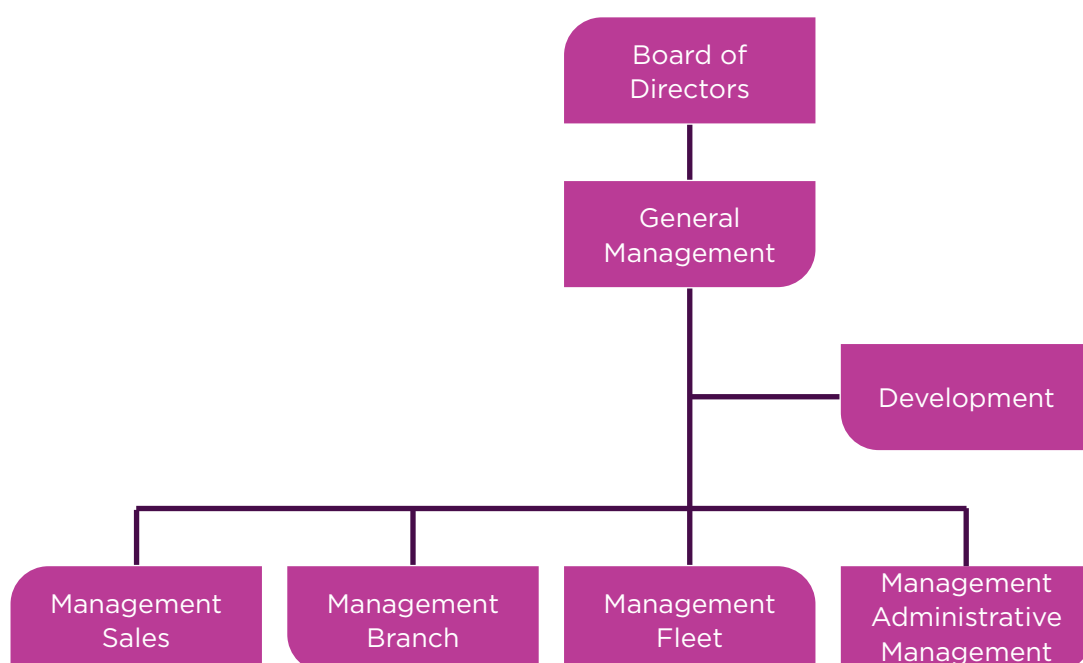
In order to trace and make the described Company Pillars objectively visible, the Company has included these guidelines in the Ethical Code, introduced in 2015, which includes the obligation to promptly notify management upon coming into the knowledge of potential or actual breaches of the Code. In order to facilitate communications for company parties (directors, auditors and employees) and external professionals, despite as yet not having introduced the organisation, management and control model pursuant to Italian legislative Decree 231/01, the company has activated the electronic mail address codiceetico@lc3trasporti.com. To this effect, the Code reiterates that the Company does not exercise, support or permit any form of harassment or abuse of workers in the workplace or in private life, and is committed to ensuring that those who submit a report are not subjected to retaliation, discrimination or penalisation, meaning the adequate confidentiality of such persons (except for any statutory obligations requiring otherwise). The Ethical Code establishes a sanction system that constitutes an integral part of the contractual obligations of employees pursuant to articles 2104, 2105 and 2106 of the Civil Code and can lead to disciplinary action and compensation for damages, which constitutes a condition of the effectiveness thereof.

ORGANISATIONAL STRUCTURE

The structure of Logicompany 3 is articulated and consists of several territorial sites which in organisational terms, avail themselves of the Waysped Consortium, of which the company is the main associate member and parent.

A PERFECT SYNERGY OF ROLES AND SKILLS

The company's organisational units are coordinated by General Management and include main line and staff functions and the Secretariat/ Staff Office, which tends to relations with Waysped and executes all activities pertaining to the management of resources, directly interfacing with branches as the company's front-end, with employees of peripheral offices.



Sales Management operates in different transport channels, major ones being MASS RETAIL, CONTAINERS, LIQUID FUELS and LINE SERVICES, CONTROLLED TEMPERATURE OR OTHERWISE.

Branch Management manages branches, both in terms of staff and relations with external professionals, mainly subcontractor carriers.

Fleet and Development Management conduct research and development of the best solutions on the market for the sectors in which LC3 operates.

Development is also tasked with maintaining high level relations with major suppliers, accompanying them in sustainable vertical projects.

Fleet management manages the entire fleet in circulation and the technical structure available to it, together with the purchase function. Repair garages distributed nationwide to serve branches also report to this management. The quality and purchase office also reports to this management.

Administrative Management follows the day-to-day book keeping of company activities, manages financial, asset, statutory and fiscal requirements of the period, prepares intra-year reports culminating in the preparation of the financial statements for the financial year, supervises financial planning, and cooperates with the management control function.

The structure includes a centralised support system that also coordinates peripheral functions across various branches.

COMPANY MACRO-PROCESSES

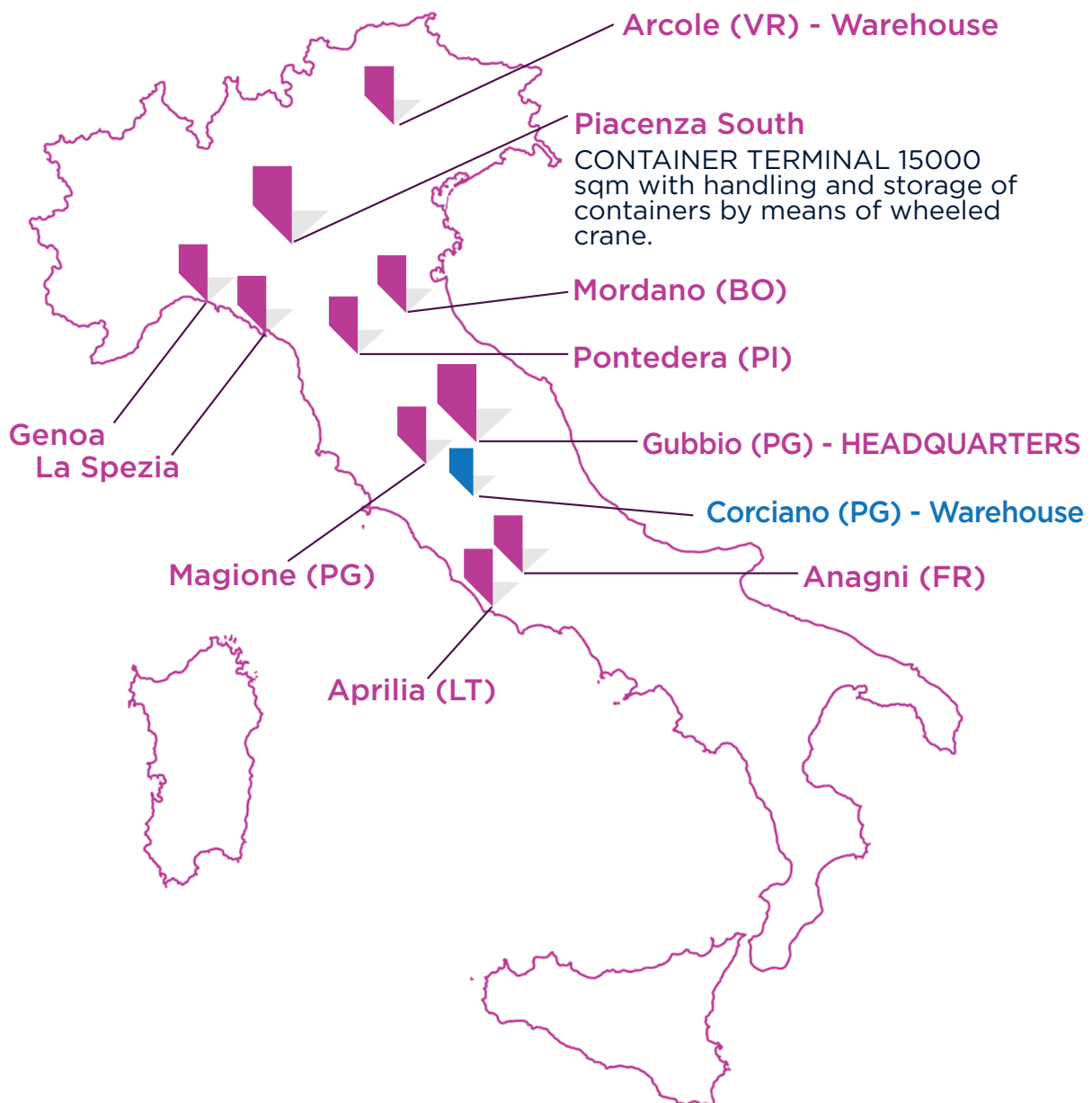


TERRITORIAL STRUCTURE

In addition to the Gubbio headquarters, each branch operates with its own traffic office, which has full control over major activities:

- Management of customer orders
- Management of drivers and branch staff
- Management of vehicles and relative structure.
- Management of local partners.

Branches manage facilities that report to them, with reference to the management of human, technical, infrastructural resources and relations with local suppliers. They have autonomous parking facilities for all allocated vehicles.



THE BRANCHES

HEADQUARTERS

GUBBIO (PG)

Via Tifernate 204
info@lc3trasporti.com
Switchboard tel: 075923611 | 075923601

BRANCHES

Aprilia (LT)

Via Del Frassineto 1
traffico.aprilia@lc3trasporti.com
Tel. +39 0759236159

Genoa Voltri PSA-VTE

Torre Distripark, 3rd Floor, no.9
traffico.genova@lc3trasporti.com
Tel. +39 010693223

Anagni (FR)

Via Anticolana 100
traffico.anagni@lc3trasporti.com
Tel. 075923611

Magione (PG)

Via Santa Giuliana
traffico.magione@lc3trasporti.com
Tel. +39 0759236153

Mordano (BO)

Via Cavallazzi, no. 1525
traffico.mordano@lc3trasporti.com
Tel. +39 0759236158

Piacenza

Via Coppalati 15
traffico.piacenza@lc3trasporti.com
Tel. +39 0523623068

Pontedera (PI)

Via Calabria 1
traffico.pontedera@lc3trasporti.com
Tel. +39 058757994

Vezzano Ligure (SP)

Via Vincinella (Zona Industriale)
traffico.laspezia@lc3trasporti.com
Tel. +39 0759236161

Arcole (VR)

Via Macia 11
Arcole (VR)
traffico.verona@lc3trasporti.com
Tel.0759236036

WAREHOUSES AND TERMINALS

Corciano (PG)

Via Anna Maria Mozzoni 20
traffico.magione@lc3trasporti.com
Tel. +39 0759236153

Arcole (VR)

Via Macia 11
Arcole (VR)
traffico.verona@lc3trasporti.com
Tel.0759236036

Piacenza Terminal

Via Coppalati 15
Piacenza (PC)
traffico.piacenza@lc3trasporti.com
Tel. +39 0523623068

Moreover, in order to satisfy the specific logistics requirements of clients, support the fleet and ensure service continuity, some branches also perform specific additional activities:

MAGIONE: has its very own logistics warehouse, a DIESEL distributor, a mechanics workshop and a structure of service area operators at the service of the main customer.

VERONA: has its very own logistics warehouse.

PIACENZA: has a terminal container, a nitrogen LNG distributor and mechanics workshop.

PONTEDERA: has a mechanics workshop

MASSA LOMBARDA: has a mechanics workshop

LA SPEZIA: has a container depot service area.



THE SUSTAINABLE FLEET

To date LC3 has operated with its own fleet of 220 trucks; approximately 58% are powered by liquid methane (LNG - BIO LNG - BIO CNG) and 2 % electric BEV.

The company was the first to believe and invest in LNG as a concrete solution in the ecological transition of road haulage.

A trailblazing decision which, according to experts of the sector, constitutes a valid fuel model, a winning choice in the face of the decarbonisation challenge against climate change in order to improve air quality.

(1) kg/km; (2) g/km; (3) mg/km.
 (*) Data sources:
 Transics satellite system.
 IVECO Stralis LNG technical data sheet
 Handbook Emission Factors for Road Transport 3.1.



DIESEL EURO5
 CO₂⁽¹⁾ 0.914
 NO_x⁽²⁾ 1.477
 PM⁽³⁾ 19.9



DIESEL EURO6
 CO₂⁽¹⁾ 0.836
 NO_x⁽²⁾ 0.200
 PM⁽³⁾ 7.644



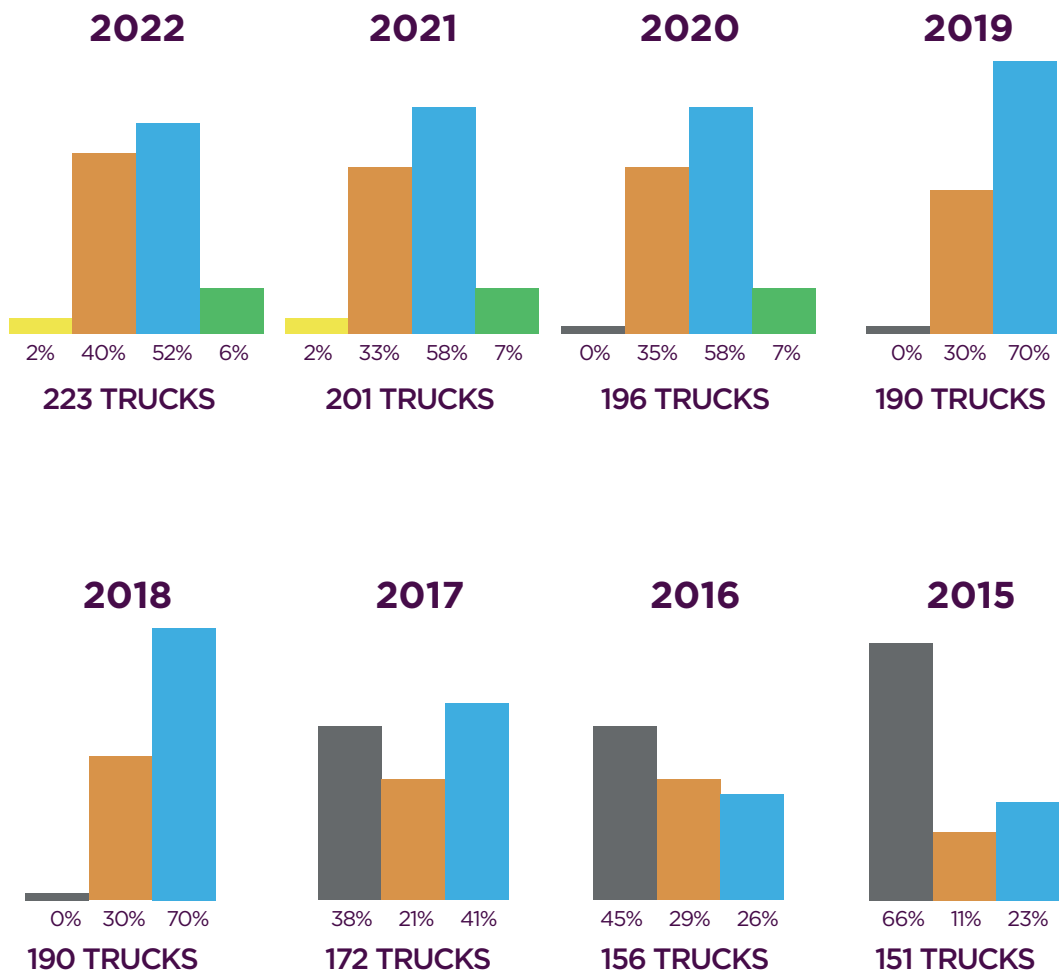
LNG
 CO₂⁽¹⁾ 0.708
 NO_x⁽²⁾ 0.058
 PM⁽³⁾ 0.363



BIO-CNG
 CO₂⁽¹⁾ 0.209
 NO_x⁽²⁾ 0.058
 PM⁽³⁾ 0.363



FULL ELECTRIC
 CO₂⁽¹⁾ 0
 NO_x⁽²⁾ 0
 PM⁽³⁾ 0





Chapter 05

**What does sustainability
mean for LC3 and the B.E.S.T.
2030 project**



BEST 2030

BETTER EARTH SUSTAINED by TRANSPORT



SUSTAINABILITY FOR LC3

"2022 was the first year for B.E.S.T. 2030 following the conclusion of a decade-long pathway in 2021, first undertaken in 2011 following the previous BEST project: Ten years in which the Company produced concrete and measurable results. In this document the sustainability of LC3 translates into figures that build the picture of a Company that has achieved excellence across the board. Logistical choices, investment strategies, service quality and staff training".

"LC3 is the first Italian company to use LNG vehicles and has maintained its pole position in the sustainable transport sector. Firstly, with initiative and courage, it believed and invested in this technology as a concrete solution in the ecological transition of road haulage. A trailblazing decision which, according to experts of the sector, constitutes a valid fuel model, a winning choice in the face of climate change that improves air quality."

WE LOOK AHEAD AND BEYOND

In this document the sustainability of LC3 translates into figures that build the picture of a Company that has achieved excellence across the board.

Logistical choices, investment strategies, service quality and staff training.

"Beyond transport."

THE PATH TO PROGRESS LIES AHEAD OF US.

As the pioneers of sustainable transport, at LC3 we have known this for some time.

Which is why we first introduced alternative energy resources in 2010. Today, anticipating tomorrow's world of transport: B.E.S.T. 2030 is the pathway that will guide us over the next 10 years.

THERE ARE MANY ROADS TO FOLLOW:

- New fuels and innovative technologies.
- More strategic and shared logistics
- The training of a new generation of competent and experienced transport professionals.

A CHALLENGE WE WILL COMMIT TO AS A KEY PLAYER.

With concrete objectives, with our best women and men, with the awareness of having the technology, means and resources to invest, with the pride of being a leading company, while also having a sense of responsibility for being an active part of a project that goes beyond transport.

THE PATH OF PROGRESS CANNOT BE TRAVELLED ALONE.

B.E.S.T. 2030 is a mission which turns us into players of a global challenge.


We made a commitment to the environment, anticipating the European Union's mission of achieving "zero" emissions by 2040. The Climate Pledge is the project involving us and over 200 of the world's most important companies.

The future of LC3? The transporting of ideas and solutions, bringing them to companies and society, delivering them to new generations so that they use and improve it.



B.E.S.T. 2030 is the journey that will lead us to the target for the next 10 years...next stop, Paris 2040.

CONCRETE RESULTS:
reduced emissions of our traction systems.

	km: +100000000			
CO ₂	-21,303,808 kg	LNG <small>Calcolo WtW</small>	BIO <small>LNG + CNG Calcolo WtW</small>	BEV <small>ELETTRICO Calcolo WtW</small>
NO _x	-10,643,341 gr	CO ₂ - 22%	- 87%	- 100%
PM	-6,501,750 gr	NO _x - 60%	- 60%	- 100%
		PM - 96%	- 96%	- 100%

The B.E.S.T. 2030 project shifts attention to all components of transport, both technological and organisational in nature. The LC3 commitment to sustainability has inspired a project that transcends the transport dimension and sets important targets towards the achievement of zero emissions and comprehensive sustainability.



TEAMING UP TO SHARE AND SUPPORT EACH OTHER

We constantly engage with the world of associations nationally and internationally, to keep up to date with best practices, seek inspiration and inspire through future developments.



THE SUSTAINABILITY PATHWAY AND DIALOGUE WITH STAKEHOLDERS

In 2021 LC3 adopted a reporting system regarding its activities and operations in three fields: Environment, Social, meaning actions on internal employees, external non-employed staff, bodies and associations linked to social, assistance and cultural activities, and Governance, with reference to organisational and control measures and the risk management system.

Most impacts to which the company is subjected and in turn may exert upon different classes of its stakeholders in the three identified fields, are described in the Sustainability Report in terms of how they manifest themselves, their perimeter of intervention and, for all measurable ones, a value is given in the unit of calculation that best represents their entity.



BEST



MIX

B.E.S.T. 2030: TOWARDS THE **DECARBONISATION OF HEAVY TRANSPORT.**

The transition for decarbonisation in heavy commercial transport will not come in the form of a single, distinct solution, rather it will consist of a mix of applications culminating in the implementation of the best choice based on service characteristics, completed by selecting a combination of fuels and technologies.

Both are rapidly evolving, with the aim of cutting emissions as much as possible along the entire cycle (highlight WtW).

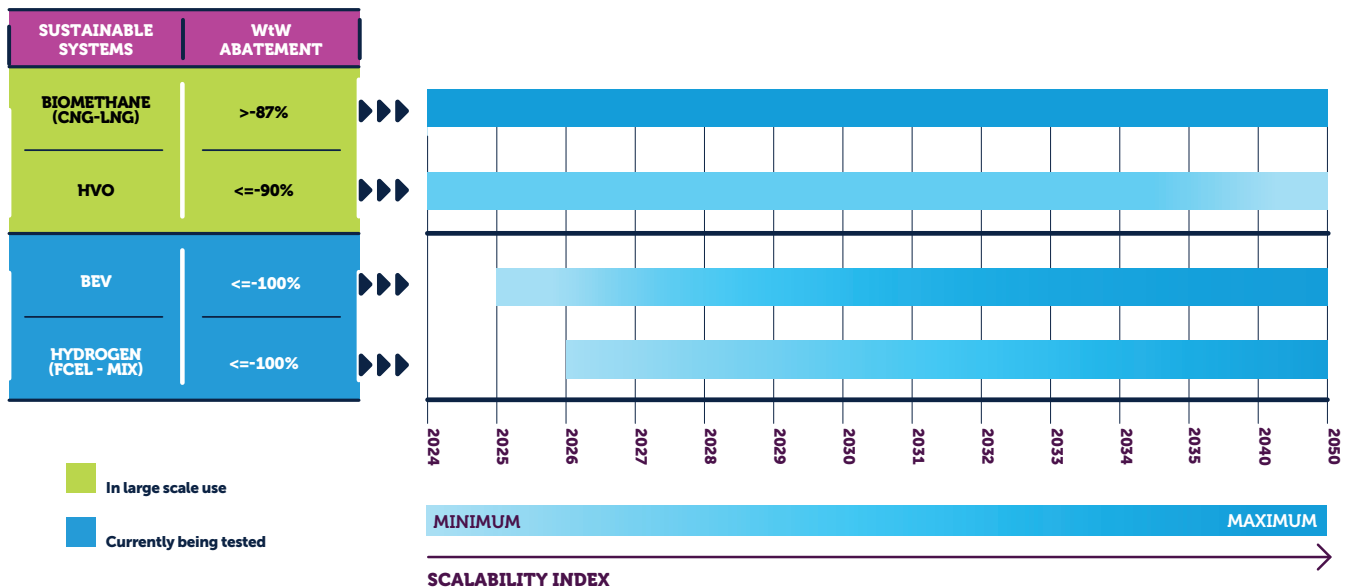
Assessing and understanding the advantages and disadvantages of each technology and fuel under each aspect places us in a position of neutrality, from which we consider not just the effectiveness of the deployed technology, but also the connection and correlation with fuel and other variables at play.

A SUSTAINABLE, POSSIBLE AND MEASURABLE TRANSITION.

Comparing different propulsion technologies. (Well to wheel - WtW Analysis)

Well-to-Wheel is the first step to comparing the efficiency of different solutions to greenhouse gas (GHG) emissions, which cause drastic climate changes (climate-altering emissions), along with CO₂.

Well-to-Wheel, WtW analysis enables the comparison of energy vectors and energy, right from generation/ extraction, as well as their use as HGV fuel, in an energy analysis that quantifies environmental impact within the entire cycle. The primary aim of this analysis is to compare different propulsion technologies and relative fuels required. This comparison is made by measuring the efficiency of the means of transport according to the performance of the technology, fuel or energy vector used, starting from fuel supply chain emissions, right up to direct emissions from its use.



The WELL-TO-WHEEL system consists of two systems:

1

WELL-TO-TANK

*WtT, from well to tank
DEFERRED EMISSIONS.*

2

TANK-TO-WHEEL

*TtW, from tank to wheel
DIRECT VEHICLE EMISSIONS.*



Data updated January 2023

EUROPEAN LEGISLATION EMISSIONS LIMITS (TRUCKS) EU REGULATION 2019/631

YEARS	2030	2035	2040	2050
EMISSIONS REDUCTION	-40%	-65%	-90%	-100%

SUSTAINABLE SYSTEMS	APPLICATION	LCA	REFUELLING TIMES	AUTONOMY	AVAILABLE INFRASTRUCTURE	WtW ABATEMENT	TWt ON SITE EMISSIONS
BIOMETHANE (CNG-LNG)	MEDIUM/ LONG RANGE	GOOD	SHORT	HIGH	SUFFICIENT	>-87%	-22%
HVO	MEDIUM/ LONG RANGE	GOOD	SHORT	HIGH	EXCELLENT	<-90%	-0%
BEV	SHORT RANGE	NO GOOD	LONG	LOW	INSUFFICIENT	<=-100	-100%
HYDROGEN (FCEL + MIX)	SHORT/ MEDIUM LONG SERVICES	GOOD	SHORT	HIGH	TO BE DEVELOPED	<=-100	-100%



In large scale use



Currently being tested

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Chapter

06

Corporate governance and the risk management system

| GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-12 | GRI 2-13 | GRI 2-14 | GRI 2-15 |
GRI 2-16 | GRI 2-17 | GRI 2-18 | GRI 2-19 | GRI 2-20 | GRI 2-21 | GRI 2-22
| GRI 2-23 | GRI 2-24 | GRI 2-25 | GRI 2-26 | GRI 2-27 | GRI 2-28 | GRI
403-1 | GRI 405-1 |

MEMBERS, PROXIES AND REMUNERATION SYSTEM

The Board of Directors holds all-encompassing powers for the Company's ordinary and extraordinary management; it has been granted full faculty to implement and achieve corporate purposes that are not conferred upon the Meeting by the law or Bylaws. The Chairman Michele Ambrogi and Managing Director Rocco Girlanda are currently vested with mandates. Directors serve for a term of three years and may be re-elected. The Board of Directors currently in force was appointed by the Shareholders' Meeting on 23rd June 2022, consists of 5 members and will remain in office until the approval of the 2024 Financial Statements. The Chairman of the Board is also a Company director.

There are no internal board committees.

The remuneration of members of the Board of Directors is defined by the Shareholders' Meeting and does not require the Company to provide forms of retribution different to those established for directors. The Board currently in office does not receive remuneration.

Moreover, there is no remuneration in relation to control and intervention on environmental impact, the economy and people.

The ratio between the remuneration of the top Company management figure and total annual average remuneration of all employees, except for the aforementioned person was 4.5 in 2022.

With reference to the ratio of annual percentage variations of both amounts, the variation for the first is 0 and 2.65% for total average annual remuneration of all employees. If data for the years 2020 and 2021 are considered, the retribution ratio appears in line with a slight reduction between 2020 and 2022, whereas in terms of ratio of variations, that of the top management figure remains constant, also in the two previous years, while the average staff figure has slightly increased.

Board of directors remuneration is as resolved by the Shareholders' Meeting.

The Company governance structure as at 31/12/2022 consists of a Board of directors of five members, and the Statutory Board of Auditors.

Composition of the Board of Directors

SURNAME	NAME	ROLE	YEAR OF BIRTH	GENDER
Ambrogi	Michele	Chairman	29/06/1986	M
Ambrogi	Mario	Director	04/10/1958	M
Girlanda	Rocco	Director	31/01/1966	M
Mignosa	Bartolo	Director	13/02/1962	M
Panfili	Fabrizio	Director	08/06/1962	M

Members of the board have an average age of 56 years.

Members of the Board of Statutory Auditors

SURNAME	NAME	ROLE	YEAR OF BIRTH	GENDER
Gallina	Alfredo	Chairman	08/10/1944	M
Bartoletti	Enrico	Statutory Auditor	23/12/1958	M
Pannacci	Maximum	Statutory Auditor	08/01/1971	M



The Company holds ISO 9001:2015 Quality Certification, valid until 30/05/2023, which has aided the development of procedures in numerous company areas, ensuring the monitoring of major processes. Other certifications have been added to these, in order to cover major company micro-processes, with particular reference to the environment, staff and supply chain (Table 1). Those due to expire in 2023 have all been renewed.

TABLE 1: IMPLEMENTED AND CERTIFIED MANAGEMENT SYSTEMS	REFERENCE STANDARD	YEAR OBTAINED	YEAR OF EXPIRY	YEAR OF RENEWAL
Quality Management System	UNI EN ISO 9001:2015	2014	2023	2023
Environmental Management System	UNI EN ISO 14001:2015	2014	2023	2023
Occupational health and safety system	UNI ISO 45000:2018	2014	2023	2023
Safety system for the supply chain	ISO 28000:2007	2019	2025	-

THE COMPANY RISKS SYSTEM AND RELATIVE MEASURES

Due to the sector in which it operates and an external context characterised by extensive changes and, in these last few years, by exceptional events that have challenged communities and companies, LC3 is subject to a system of potentially high impact risks.

This is why over time it has put in place and reinforced a series of provisions, also with the help of external entities, to prevent, mitigate and manage possible implications of such exposures. With reference to the main types, the characters and perimeters are summarised and the risk management measures identified by LC3 are indicated as follows:

A. RISKS LINKED TO THE GENERAL CONTEXT

Before referring to specific risk categories it is highlighted how a scenario of political crisis has arisen, as reported by the World Economic Forum in the “Global Risks Report 2023” of January this year.

This context includes a multitude of catastrophic events, often interconnected and sometimes as triggering elements for later events, like the Russia- Ukraine war followed by consequential energy price hikes. The panorama of short term risks is dominated by energy and food price rises, debt and catastrophe; the long term scenario will in turn be characterised by tough choices regarding social, environmental and safety issues. According to these experts, investments in human development and green technologies are undelayable, an analysis that confirms the Company’s far-sightedness in undertaking sustainable transport well in advance and continuing its partnerships with major partners, consolidating its trailblazing position.

B. RISKS TO RESPONSIBILITIES

Through its subsidiary Waysped, the Company continues with Management supervision, the assessment and management of insurance issues, relying on the professionalism of a qualified broker for the analysis of risks linked to and a consequence of the company structure and its operations, the identification of the most suitable forms of coverage, the management of relative contracts and any claims. To date the Company has not been held liable for any facts and events not covered by insurance guarantees.



In the year 2022 and through its subsidiary Waysped, the Company has continued its partnership with a specialised external facility in order to confirm compliance with regulatory provisions and obligations set forth in the GDPR, confirming the organisational model adopted for personal data protection and the appointment of an external professional as D.P.O. (data protection official).

In relation to various aspects linked to the specificity of its line of business, the Company may be exposed to legal risks of various nature. The organisational structure adopted and implemented, as well as the organisation and efficiency of the operative structure, ensure that such events can be considered as linked to the Company's normal pursuit of business and relative relations with third parties, of little significance.

C. FINANCIAL RISKS

With reference to financial risks, there is focus on the interest rate risk and in particular on the risk of medium/long term financial exposure, as the company was expected to make little use of the self-liquidation of trade receivables and not resort to current account overdraft credit facilities at all.

In this context, it is acknowledged that the financial policy adopted by the Company, also in the years in which interest rates were close to zero, was characterised by the utmost attention and prudence, with the aim of pondering medium/long term financial risk.

This attitude was upheld during 2022, with a balanced and prudent policy for loans and capital, on the one hand satisfying the financial needs of management and on the other, of maintaining stable relations with the banking system.

The risk linked to trade receivables is mitigated to the greatest possible extent due to continuous management and monitoring, also through the production of periodic reports on due credit. To this effect, the company first began using specific software for such functions many years ago, in order to optimise its structure's operations.

D. OPERATIVE RISKS ALSO LINKED TO OTHER TYPES OF DESCRIBED EXPOSURES

In addition to the category of risks described until now, just like all businesses, the Company is also exposed to operative ones, i.e. malfunctions and impacts linked to computerised processes and systems, and human behaviour. To this effect LC3 has put in place a series of procedures, checks and responsibilities in the hierarchical chain, and company authorisation processes based on the principles of the Ethical Code, which includes guidelines to ensure the compliance of the company and those operating on its behalf.

These include procedures and measures for the protection of staff, vehicles, headquarters and other assets held and owned by the Company for which it may be called to respond. There is reference to obtained certifications, relative monitoring procedures and systems, the company's roles and responsibilities in ensuring supervision within the scope of set rules regarding the correct operation of company management.

THE RISK MANAGEMENT SYSTEM

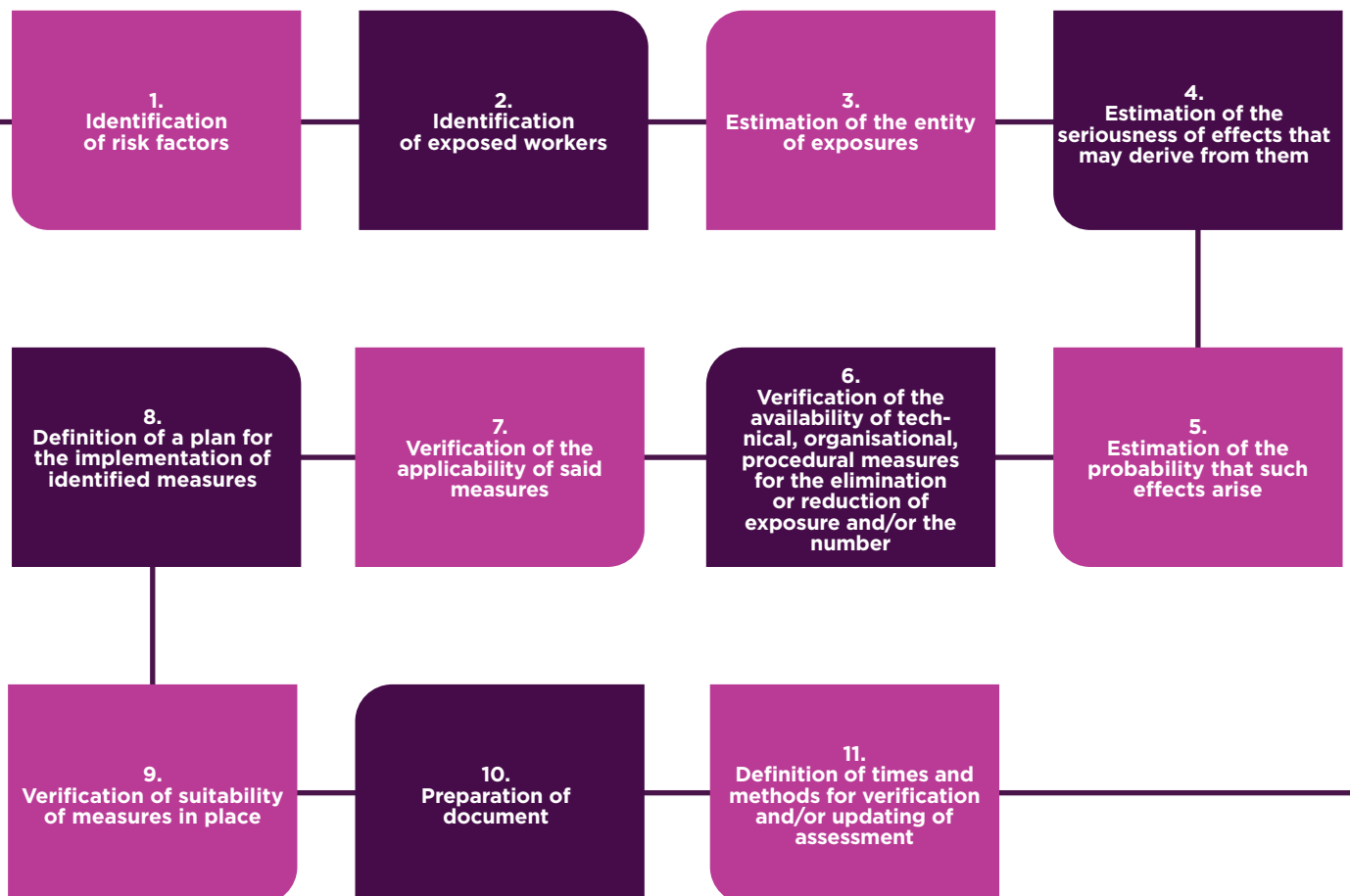
Logicompany 3 complies with the provisions set forth in Italian Legislative Decree no. 81 on Health and Safety. Since 2009 it has implemented safety management systems, obtaining certification for the Road Transport Safety Management System practice code, one of the first in Italy to do so. Said code was discontinued in 2015 in favour of OHSAS 18001:2017, later amended to become ISO 45001 in 2021.

In addition to safety certification, LC3 obtained ISO 9001 and ISO 14001 certifications and in 2018, ISO 28000:2007 applied to carriage on behalf of third parties of container loads of various furnishing products and items. Weighing process of containers for international transport by sea and by rail.

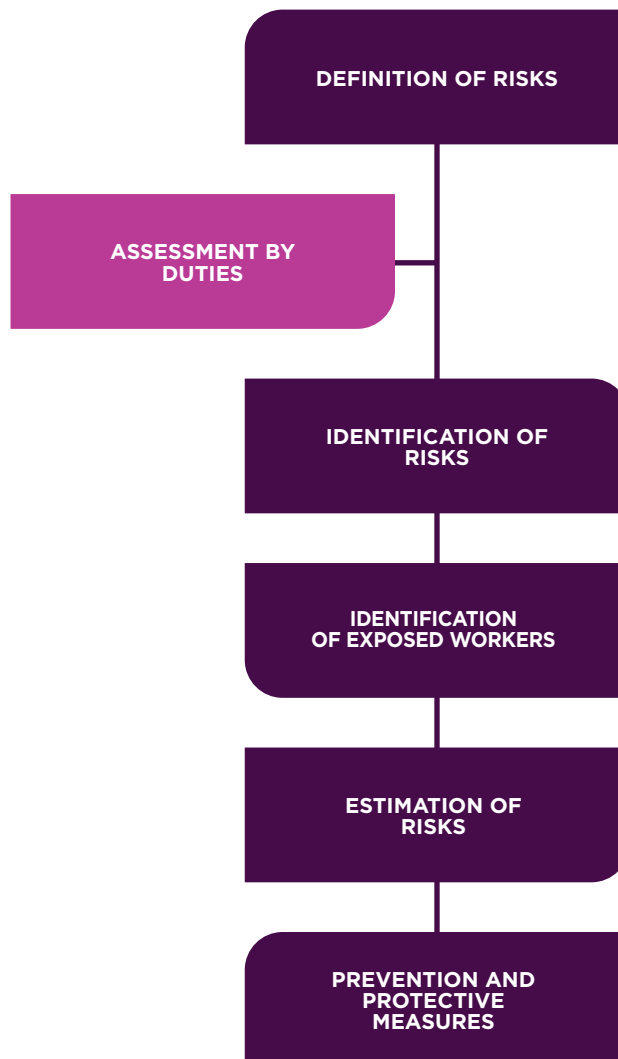
Verification of the health and safety management system requires the assessment of actual implementation and effectiveness. It consists of surveillance, measurement, auditing, observation activities as well as the analysis of incidents, accidents and hazardous situations, all conducted internally and by external certification bodies (current certifier: SQS).

Logicompany 3 has mapped all risks arising from its professional activities, in cooperation with Occupational Health Doctors, Supervisors and Workers' Health and Safety Representatives. This mapping has enabled precise risk assessment, in order to reduce or eliminate risks where possible, the selection of technological updates for equipment used and the identification of PPE suitable for the company's professional activities. . Risk assessment was prepared and shared with all the company's professional figures.

RISK ASSESSMENT AND MAPPING PROCESS



FLOW OF RISK ASSESSMENT ACTIVITIES



All necessary activities for compliance with obligations set forth in Italian Legislative Decree 81/08 are directly executed by the Gubbio headquarters.

The Supervisor, tasked with the site's operative management, supports the Employer and the Health and Safety Officer in the pursuit of activities linked to Italian legislative Decree 81/08, indicating any critical issues and assisting with organisation (scheduling of medical examinations, planning of training courses, P.P.E. management).



COMPANY FUNCTIONS INVOLVED IN THE MANAGEMENT OF HEALTH SURVEILLANCE AND THEIR RESPONSIBILITIES

THE VALUE OF HEALTH

The Health and Safety Officer is tasked with:

- monitoring due medical check-ups and organising them at least 3 months in advance;
- notifying the traffic office of those who are due for a medical examination;
- requesting confirmation of fitness to work from the occupational health doctor;
- delivering certification of fitness to work to the payroll office, or directly to the worker in case of fitness to work, fitness to work subject to temporary prescriptions and suspensions.

The traffic office is tasked with:

- notifying workers on the list provided by the Health and Safety Officer by WhatsApp on the company telephone;
- awaiting/ soliciting a response from the driver regarding the confirmation, or otherwise, of the availability on the indicated date for the medical examination;
- notifying the Health and Safety Officer of the driver's confirmation, or their request to re-schedule the appointment with the occupational health doctor.

The Supervisor is tasked with:

- notifying the Health and Safety Officer of the driver's confirmation or their request to re-schedule the appointment with the occupational health doctor if they are unable to contact the traffic office.

The diver is tasked with:

- confirming the appointment with the occupational health doctor or otherwise, on the date scheduled by the Health and Safety Officer;
- turning up for their medical examination if they confirm they are able to attend;
- notifying the traffic office or Supervisor of the Piacenza site if unable to attend the appointment even after confirming it.

The Occupational Health Doctor is tasked with:

- examining the worker;
- notifying the Health and Safety Officer of any need for other categories of workers to undergo health surveillance examinations;
- on occasion of the examination, they inform the worker of identified risks to their health and suggest consequent behaviours;
- promptly informing the Health and Safety Officer of examination results and any prescriptions;
- in agreement with the Health and Safety Officer, propose procedures deemed necessary to modify and/or adjust the worker's duties based on prescriptions;
- notifying the Health and Safety Officer or Safety Technician if the worker does not show up for the examination.

New hires must complete the medical examination before starting work.

Communications to workers of any nature, linked to Italian Legislative Decree 81/08, are the exclusive competence of the Health and Safety Officer. The Health and Safety Officer:

- receives employee certification of fitness to work from the occupational health doctor and notifies workers concerned;
- organises medical examinations and, with the support of logistics staff, invites workers to attend scheduled appointments;
- organises mandatory training courses, which workers must attend;
- acquires PPE and supplies it to the Piacenza site.

A fitness to work certification is submitted together with the payslip. After signing certification, the employee returns it to the office together with a signed copy of their payslip. Notice of certification of fitness to work subject to temporary prescriptions, or failure to pass the examination, is directly submitted to the Health and Safety Officer.

In case of fitness to work with prescriptions, temporary suspensions or failure to pass the examination, the Health and Safety Officer issues service orders/ communications regarding the management of duties based on the outcome of the medical examination. In addition to the driver, such service orders/ communications shall also be sent to the traffic office and site supervisor, who will be tasked with monitoring compliance with provisions set forth therein.

THE STRATEGY AND GOVERNANCE OF SUSTAINABILITY

GRI 2-12 | GRI 2-13 | GRI 2-14 | GRI 2-16 | GRI 2-17 | GRI 2-18 | GRI 2-22 | GRI 2-23 | GRI 2-24 | GRI-25|

The Board of Directors and, by means of specific company functions of the Chairman Michele Ambrogi and Director Rocco Girlanda are vested with all powers, however to date there are no specific appointments regarding the development, approval and updating of declarations of purpose, value or the organisation's mission, strategies, policies and objectives with reference to sustainable development, or control of economic and environmental impacts, as well as those on people. The guidelines of this pathway are shared and declared, including the parts regarding: "Letter to stakeholders and shareholders", "Mission and Vision", "What sustainability means to LC3 and the B.E.S.T. 2030" Project.

Control of the organisation's due diligence and other processes for identifying and managing impacts, as well as the review and approval of information referring to the analysis of work undertaken, including material issues, are the responsibility of the Managing Director Rocco Girlanda, who involves the first hierarchical line and main stakeholders (see paragraph "Impact assessment and materiality analysis") in preparatory analysis activities.

To date no Board Induction sessions have been scheduled on the specific issue and the BoD has recently taken office. As of last year the Company prepares the Sustainability Report with the BoD's involvement in analysis and approval.

With reference to performance assessment of the highest governance body in the control of the management of economic and environmental impacts, as well as those on people, a measurement system has not yet been put in place.

The company has established an Ethical Code and selection procedures explicitly requiring respect for people and diversity. Currently the Company is yet to define and declare a specific policy for responsible corporate conduct and so it cannot be said that commitments have been integrated in terms of the policy.

The company implements a process and measures for the collection and management of complaints from users/ customers, as well as customer satisfaction monitoring systems. Statistics and findings that emerge are used to implement remedial actions and mitigate impacts.

CONFLICTS OF INTEREST

|GRI 2-15 |

The Chairman Michele Ambrogi own 15% of company shares, whereas the director Mario Ambrogi owns 7.5% of total shares.

Here follow the offices held by the company's directors:

- a. The Chairman Michele Ambrogi is Chairman of the board of Waysped Group AT2 Logistica a Limited Liability Company;
- b. the director Mario Ambrogi is Member of the board of Directors of Icotrans S.r.l.;
- c. The director Girlanda is Chief Executive Officer of Icotrans S.r.l.;
- d. The director Mignosa does not hold other governance offices;
- e. The director Panfili does not hold other governance offices;





Chapter 07

The system of Stakeholders and value distribution

| GRI 2-29 | GRI 201-1 |

Logicompany 3 operates within a system of stakeholders, i.e. entities that hold an interest in the company and in turn influence its results and positioning on the market.

Since its inception, the Company has always pursued a sustainability process that has translated into investments and strategic partnerships, both with suppliers and its clients. Dialogue and consonance with its stakeholders is based on the Company's capacity to transfer value along the supply chain, in monetary, service and sustainability terms. In its materiality analysis, LC3 focused on priority stakeholders believed to be strategic in the achievement of aforementioned objectives.

These include clients of the Company, which will be the topic of focus in another section of this document, the business partners who are one of the fundamental levers for implementing the continuous improvement of human relations, internal and external processes underpinning the company's operations, suppliers, a central element of the supply chain that reaches the end customer and internal resources, decisive in the spearheading of short and medium-long term objectives.

To this effect, employees have been taken into consideration as some of the first stakeholders involved. Over the next few years the company will direct significant investments towards one of its most important intangible assets, for training and diversity, in order to enrich skills and forge a stimulating environment, congenial to success.

In addition to its employees, LC3 has also focused its attention on business partners. In the Company's value chain they include big automotive and utilities companies with whom the Company has piloted pioneering and innovative solutions, as highlighted in last year's report, in order to contain fuel consumptions and ensure cleaner, lower impact emissions into the environment. Through these partnerships LC3 affirms itself as a lever of innovation and sustainable development. As will be seen further on, the introduction of these discontinuities has significantly impacted the entire supply chain, influencing the practices of some of the biggest players in mass retail.

LC3 places great focus on its customers, also thanks to its competencies and proven spirit of partnership. This enables the Company to deliver an increasingly customised offering of initiatives and services, resulting in a win-win effect for both parties.

Another central aspect of the LC3 supply chain are its partners, who reinforce and supplement the Company's fleet, a central element in reaching out to the end customer.

The Company has worked extensively on awareness of and alignment with strategic targets and operating methods. This alignment process is implemented with a systematic approach adopted by LC3 in all interactions with its suppliers, giving rise to a series of concrete and significant initiatives, which the Company delivers to enhance operations and optimise economies of scale within the LC3 network, thus consolidating loyalty.

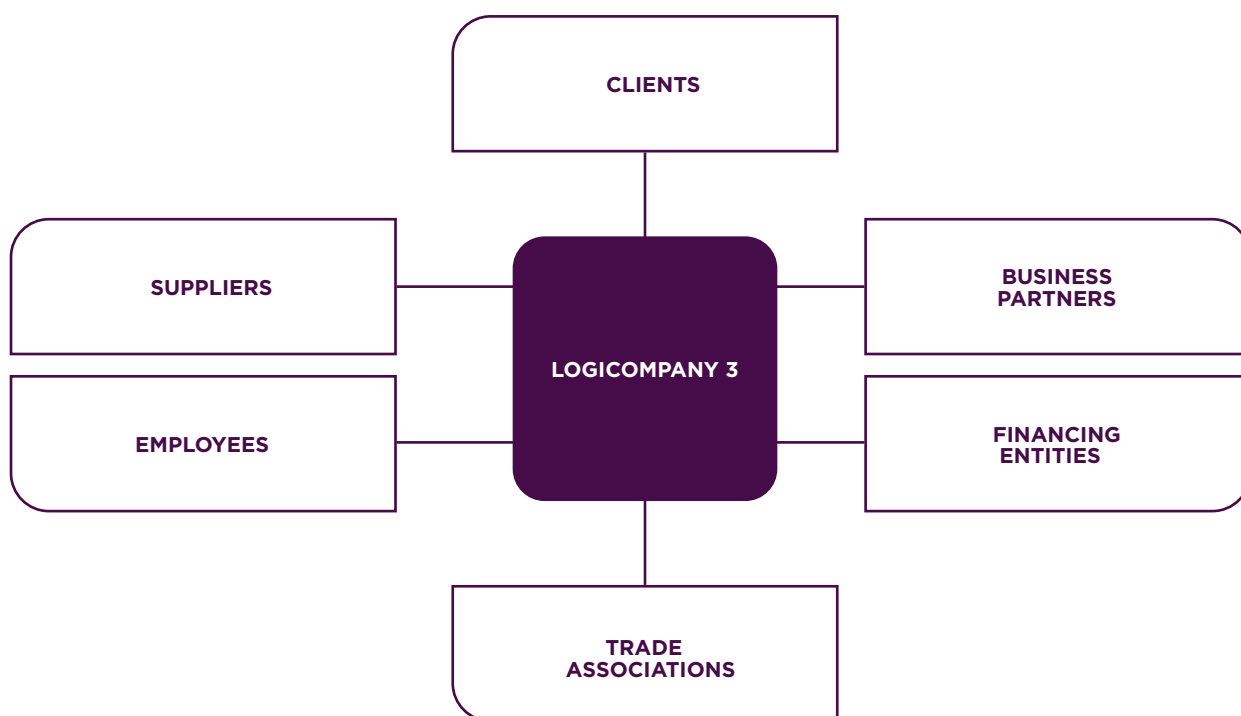
Other Company suppliers are also considered stakeholders, for whom a qualification and monitoring process has been implemented in order to highlight their social and environmental impact and with which LC3 aims to create a long term partnership, also through support actions described in other sections of this document.

Financing entities are also significant for the company as they provide necessary financial resources in addition to those generated by company operation.

Here follows the map of stakeholders.



MAP OF COMPANY STAKEHOLDERS



Last but not least, LC3 is a member of the trade association FEDIT and other associations that focus on specific issues at different levels and which are an important lever for development and relations in the industry. Specifically, SOS Logistica, Drive Sweden, The Climate Pledge, Fondazione per lo sviluppo, NGV Italy.

The capacity to generate economic value is a fundamental prerequisite in the achievement of this result.

A significant improvement in economic growth is palpable in the analysis of the results achieved by Logicompany 3, with positive economic trends, increased production value and main profitability margins and consequently, net equity; investments also confirm the trend of previous years.

TABLE 2: INCOME STATEMENT AND MAIN INDICATORS	U.M.	2020	2021	2022	VAR 22/21	VAR 22/21%
Sales and services revenues	€	63757527	79022844	95469347	16446503	21%
External costs	€	47563395	59860580	74135883	14275303	24%
Labour costs	€	12172533	13812561	14664532	851971	6%
Gross operating margin	€	4021599	5349703	6668932	1319229	25%
Uncharacteristic incomes/ expenses	€	587763	78703	840825	762122	968%
Amortisations, write-downs and other provisions	€	1412044	2132243	2614133	481890	23%
Operating Profit	€	3197318	3296163	4895624	1599461	49%
Financial incomes and expenses	€	-123776	-165185	-205816	-40631	25%
Ordinary profit	€	3073542	3130978	4689808	1558830	50%
Income taxes	€	255118	99840	300355	200515	201%
Net profit	€	2818424	3031138	4389453	1358315	45%

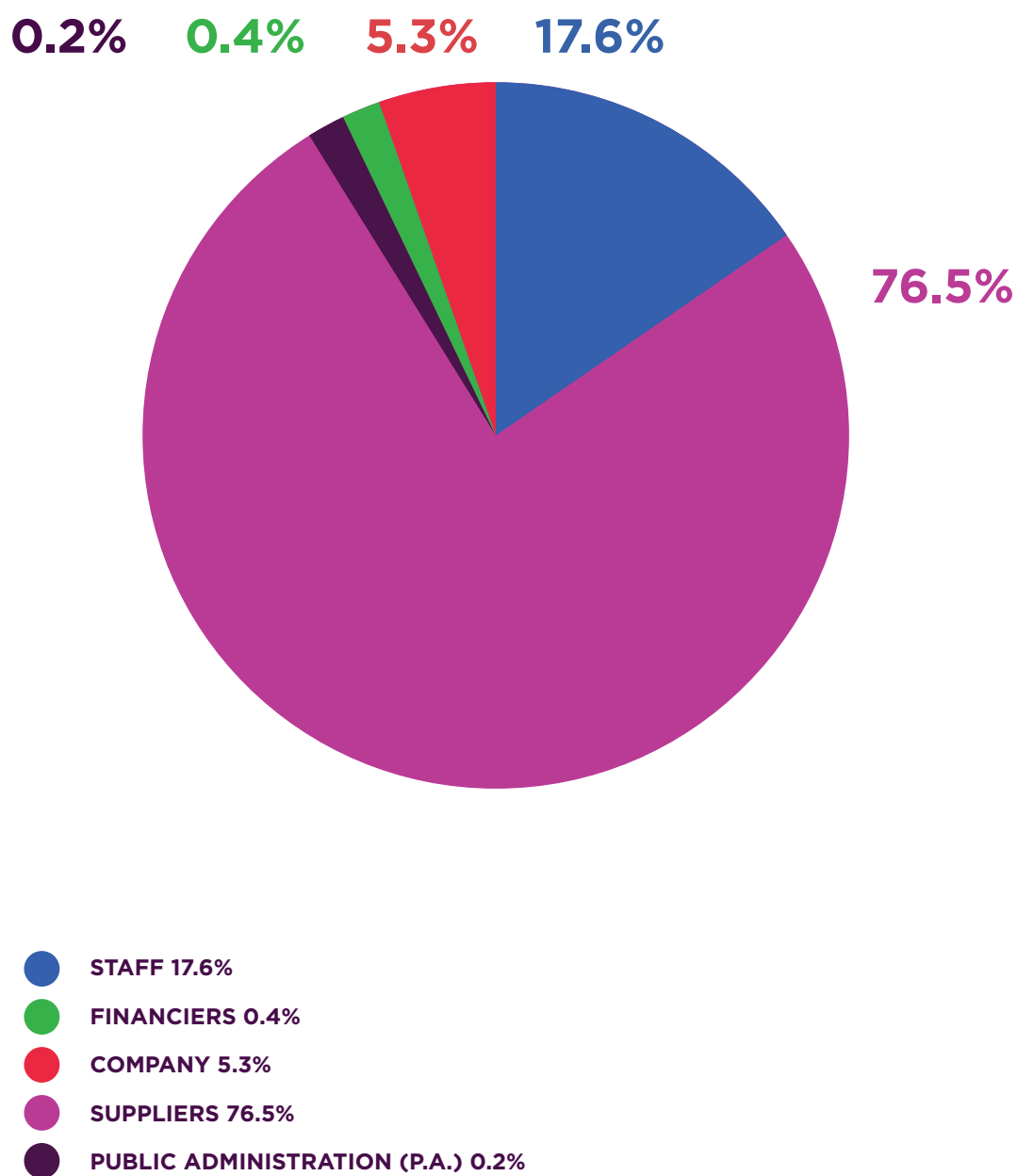
In light of these premises, the Company has succeeded in generating added value, i.e. wealth net of costs incurred for the purchase of goods/ services directly used in its business, which is growing fast. All main stakeholder categories have benefited from this: after subtracting the part withheld in order to reinforce the company (amortisations and provisions, etc.), the report indicates a significant value distribution, up by around 20%.

TABLE 3: CREATION AND DISTRIBUTION OF VALUE	2020	2021	2022	VAR 22/21	VAR 22/21 %
Sales and services revenues	63757527	79022844	95469347	16446503	21%
other revenues and income	2636592	2129544	4968168	2838624	133%
purchase of goods	-4883450	-7332193	-13185466	-5853273	80%
added value	61510669	73820195	87252049	13431854	18%
withheld value	2228715	2866533	3970300	1103767	39%
value to be distributed	59281954	70953662	83281749	12328087	17%
distribution to staff	12172533	13812561	14664532	851971	6%
distribution to suppliers	43912103	53844938	63721593	9876655	18%
distribution to financiers	123776	165185	205816	40631	25%
distribution to p.a.	255118	99840	300355	200515	201%
distribution to company	2818424	3031138	4389453	1358315	45%

Specifically, suppliers were the main recipients of distributed value, proof of the strategic alliances the Company has developed over time and pursued through its employees. It should be highlighted that the shareholders' choice was not to distributed profit generated by the company, thus reinforcing its future with an eye to financing investments in growth and innovation that have always characterised Logicompany 3. The graph below illustrates a breakdown of added value distribution.



VALUE DISTRIBUTION AMONG STAKEHOLDERS IN 2022





Chapter 08

Impact assessment and materiality analysis

|GRI 3-1 |GRI 3-2 |GRI 2-14|

As stated in the chapter "Methodological note", for the purposes of preparing the second Sustainability Report, LC3 updated its materiality analysis in 2022, adopting the new GRI 3, which came into force on 1 January 2023, implementing the preliminary phases required by the standard and following the established process for defining material issues.

Specifically, the following phases were developed:

- a. understanding of the context and organisation;
- b. identification of potential and actual impacts;
- c. assessment of the importance of impacts;
- d. prioritisation of the most significant impacts to be reported.

The company has scrutinised the actual, potential, positive, negative, required or unnecessary, reversible and irreversible impacts of its processes and operation in three fields defined by GR3: environment, economy, people, also by means of involving key stakeholders and company reference persons for each sector.

Upon completing these analyses, LC3 identified 6 material issues, in line with those of the previous financial year.

The definition of this issue arises from the analysis of processes, the industry and the service offering, in light of the vision, mission and balance scorecard system defined by the Company in the Industrial Plan and strategic lines defined for each business area. All aspects have been covered and summarised in this document. The process and results that led to material issues were supervised, reviewed and approved by the Managing Director, Rocco Girlanda.

The following material issues were identified by LC3, based on impact assessment results: Here follows the impact assessment for each material issue.

The following material issues were identified:

- 1. The development and training of human resources:** the definition and execution of initiatives to enable the growth of skills and improve social life at the company, as well as the work-life balance.
- 2. Workers' health and safety:** definition and monitoring of systems to protect workers' health through the provision of prevention and protection devices and equipment, the safety of facilities and vehicles used, as well as the checking of handled materials, protection and crisis management procedures and protocols.
- 3. Business partnerships and innovation:** promotion and development of partnerships with top operators of the automotive world and energy players in order to support and execute initiatives for the planning and application of new solutions to improve environmental impact performance levels of vehicles used.
- 4. Sustainable and responsible supply chain:** development of a partnership relationship with suppliers of the supply chain, also through initiatives to support and optimise their management activities, thus creating a "distinctive LC3 approach" consistently focused on improving the quality of the service for the end customer.
- 5. Environmental protection:** design and implementation of all actions and procedures to reduce the environmental impact of LC3 both in core logistics activities as well as supply chain processes up and downstream from transport.
- 6. Service quality:** tireless pursuit of customer satisfaction by promptly and adequately responding to requests and constantly seeking new solutions to improve the performance of their production chains.

Each material issue has been covered in specific chapters of this document in order to represent management methods and relative impact.

Here follows the impact assessment for each material issue:

MATERIAL ISSUES	DESCRIPTION	IMPACTS	CHARACTERISTICS	SIGNIFICANCE	GRI
Business partnerships and innovation	For some time now LC3 has implemented different forms of partnerships with its suppliers and clients in order to reduce the impact of its vehicles, improve customer service and reduce the risk of accidents for its drivers and staff in general	Improvement of customer safety	Positive	Moderate	416
			Potential		
		Emissions reduction	Positive	Significant	305
			Real		
		Improvement of staff safety	Positive	Significant	403
			Potential		
Environmental protection	In the pursuit of its direct activities and those of its suppliers towards customers, the Company tirelessly pursues the reduction of emissions, the improvement of quality and the containment of consumptions and waste.	Impact of emissions	Negative	Significant	305
			Real		
		Reduction of waste and consumptions	Positive	Moderate	302 306
			Real		
Service quality	LC3 pursues the continuous improvement of its customer services by acting on the efficiency of transport and deliveries, flexibility in responding the needs of customers and proactively reacting to their requirements	Damage to customers' goods	Negative	Significant	NO GRI
			Potential		
		Damage to the safety of products supplied to own customers	Negative	Moderate	416
			Potential		
Occupational health and safety	The Company implements procedural and monitoring systems for on site staff and in particular for drivers, also through driving style improvement processes.	Potential injuries	Negative	Very Significant	403
			Potential		
		Risks to the safety of clients	Negative	Moderate	416
			Potential		
		Potential economic damage for the Company	Negative	Significant	NO GRI
			Potential		
Staff development and training	LC3 aims to significantly boost the capacities and skills of its staff so that they are able to embrace new professional challenges and handle requests from clients, also in order to improve company climate.	The need to boost staff capabilities and skills	Negative	Moderate	403 404
			Real		
Sustainable and responsible supply chain	The Company focuses its commitment by ensuring the reliability of its chain suppliers, checking them beforehand and monitoring compliance with environmental impact and service continuity requirements over time, also by supporting them and nurturing their loyalty.	The potential impact of vehicle suppliers on transport safety and the continuity of relations with customers and supplies	Negative	Significant	414
			Potential		
		Environmental assessment of suppliers	Negative	Significant	308
			Potential		



Chapter 09

Human resources development and health protection

GRI 2-7 | GRI 2-8 | GRI 2-19 | GRI 2-20 | GRI 2-30 | GRI 3-3 |
GRI 401-1 | GRI 403-1 | GRI 403-5 | GRI 404-1 | GRI 405-1 |

PRESENTATION OF COMPANY STAFF

The Company is staffed by 288 resources, including 283 men and 5 women. This breaks down into 2 managers, 2 middle managers, 17 clerks and 267 workers. Compared to 2021, staff has been boosted by 4%.

All staff are hired in accordance with National Transport Collective Agreements, except for managers, who are hired with a management contract.

Also in light of prevalent activities linked to transport and business travel, the number of women is rather limited, albeit slightly on the rise.

TABLE 4: TOTAL NUMBER OF EMPLOYEES PER QUALIFICATION	2020				2021				2022			
	men	women	total	% total	men	women	total	% total	men	women	total	% total
Managers	2	0	2	0.8%	2	0	2	0.7%	2	0	2	0.7%
Middle Managers	2	0	2	0.8%	2	0	2	0.7%	2	0	2	0.7%
Clerks	7	2	9	3.5%	13	3	16	5.8%	14	3	17	5.9%
Workers	241	0	241	94.9%	256	1	257	92.8%	265	2	267	92.7%
Total employees	252	2	254	1	273	4	277	1	283	5	288	1
							Delta	9%			Delta	4%

In terms of age, the 2 managers are evenly distributed between two age groups, 30-50 and over 50; 1 middle manager is in the 30 to 50 age group and 1 in the over 50 age group; workers are mostly in the 30 to 50 age group, 58% in total.

TABLE 5: TOTAL NUMBER OF EMPLOYEES BY AGE AND QUALIFICATION	AGE GROUPS	2020			2021			2022		
		men	women	total	men	women	total	men	women	total
Managers	< 30 years	0	0	0	0	0	0	0	0	0
	30 - 50 years	1	0	1	1	0	1	1	0	1
	< 50 years	1	0	1	1	0	1	1	0	1
Middle Managers	< 30 years	0	0	0	0	0	0	0	0	0
	30 - 50 years	0	0	0	0	0	0	1	0	1
	< 50 years	2	0	2	2	0	2	1	0	1
Clerks	< 30 years	2	0	2	2	1	3	2	1	3
	30 - 50 years	4	2	6	9	2	11	9	2	11
	< 50 years	1	0	1	2	0	2	3	0	3
Workers	< 30 years	19	0	19	20	0	20	16	0	16
	30 - 50 years	148	0	148	158	1	159	165	2	167
	< 50 years	72	0	72	78	0	78	84	0	84
Total		250	2	252	273	4	277	283	5	288

Significantly, a breakdown according to type of contract reveals that 99.3% of personnel is employed with a permanent contract, and just 2 resources were employed with a fixed term contract in 2022 as at 31/12/2022.

TABLE 6: TOTAL NUMBER OF PEOPLE PER CONTRACT TYPE	2020				2021				2022			
	men	women	total	%	men	women	total	%	men	women	total	%
Permanent staff	251	2	253	100.0%	272	3	275	100.0%	282	4	286	99.3%
(of which) part-time staff		0	0		0	0	0		0	0	0	
Staff with fixed-term contract	1	0	1		1	1	2		1	1	2	0.7%
Staff with professional apprenticeship contracts	0	0	0		0	0	0		0	0	0	
Total	252	2	254	100.0%	273	4	277	100.0%	283	5	288	100.0%

There are 5 non-employed workers, all male, with an average age of nearly 58 years.

HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

LC3 operates with a heterogeneous team of staff, in which the drivers of vehicles play a central role. In its Best 2030 program the Company identifies the development of staff skills as a key issue and has already implemented a procedure to provide training based on required competencies that emerge from periodic assessments conducted by function managers.

Two options are weighed up in the needs analysis, linked to different roles: the use of an external figure, or the reinforcement of those already operative at the Company. In the latter case, training intervention is organised and effectiveness is verified at a later stage.

The former option is part of a broader resources addition procedure, which starts with a meeting with supervisors in order to identify the reinforcement needs of organisational units, followed up by a process consisting of various phases and relative administrative activities requiring execution. It is important to note how in this phase formalised company procedures (Administrative Management of Personnel, Rev. 29/06/2018), in line with provisions set forth in the Ethical Code, precisely indicates the verification of new hire characteristics, precludes child labour in any form and/or, night work in the induction phase of internships or in the employment of young people, their exposure to situations that are risky or hazardous for their physical and mental health and for their development at the work place and beyond. With reference to child labour prevention and monitoring, the company has adopted a specific procedure (Procedure against child labour, Rev. 30/11/2017), also in line with the policies of one of its major international clients.

Once more in line with its Ethical Code, the Company declares it neither adopts or supports any form of discrimination in terms of remuneration, access to training, the promotion, dismissal or retirement of personnel, nor does it interfere with the exercise of personnel rights, and that it does not follow principles, practices or satisfy needs linked to any condition that may give rise to discrimination.

All personnel is warned that they shall incur disciplinary sanctions as per National Labour Collective Agreements for any threatening, offensive, exploitative or sexually harassing behaviour, including gestures, language or physical contact, at the company and beyond.

The company climate is also confirmed by the observation of inbound and outbound flows of personnel, with a positive inbound flow of resources compared to outbound ones in the three-year period 2020-2022, despite a drop in this trend in 2022.

TABLE 7: OUTGOING PERSONNEL AND OUTBOUND TURNOVER RATES BY GENDER AND AGE GROUP	BY AGE	2020			2021			2022		
		men	women	total	men	women	total	men	women	total
Hired staff < 30 years 30 - 50 years	< 30 years	9	0	9	6	1	7	4	0	4
	30 - 50 years	39	0	39	51	1	52	40	1	41
	< 50 years	4	0	4	11	0	11	12	1	13
Total		52	0	52	68	2	70	56	2	58
NUMBER OF DEPARTED EMPLOYEES										
Departed staff < 30 years 30 - 50 years	< 30 years	1	0	1	2	0	2	3	0	3
	30 - 50 years	24	0	24	31	0	31	34	0	34
	< 50 years	8	0	8	11	0	11	13	1	14
Total		33	0	33	44	0	44	50	1	51
TOTAL DEPARTURES										
Retirement		0	0	0	0	0	0	0	0	0
Voluntary resignations		23	0	23	40	0	40	47	1	48
Dismissals		10	0	10	3	0	3	3	0	3
Other (occupational mobility to other companies, incapacitated)		0	0	0	1	0	1	0	0	0
Inbound Turnover Rate		20.47%	0%	20.47%	24.55%	0.72%	25.27%	19.72%	0.70%	20.42%
Outbound Turnover Rate		12.99%	0%	12.99%	15.88%	0.00%	15.88%	17.61%	0.35%	17.96%

A breakdown of total training hours according to qualification and gender indicates a significant reduction compared to previous years. In terms of total hours, the highest concentration has been for workers.

TABLE 8: TOTAL EMPLOYEE TRAINING HOURS BY QUALIFICATION AND GENDER	2020			2021			2022		
	men	women	total	men	women	total	men	women	total
managers			0			0	0	0	0
middle managers			0			0	0	0	0
office staff	168	24	192	16	8	24	38	0	38
workers	428		428	2500	0	2500	1646	22	1668
Total	596	24	620	2516	8	2524	1684	22	1706

In terms of average hours per qualification, also in view of lower numbers, the hour of hours delivered for the clerk category is higher, although still down compared to previous years.

TABLE 9: AVERAGE EMPLOYEE TRAINING HOURS BY QUALIFICATION AND GENDER	2020			2021			2022		
	men	women	total	men	women	total	men	women	total
managers			0			0	0.0	0.0	0
middle managers			0			0	0.0	0.0	0
office staff	12.0	12.0	24	8.00	8.00	16.00	7.60	0.00	7.60
workers	11.89		11.89	10.29		10.29	11.70	11.70	23.40
Total	23.89	12.00	35.89	18.29	8.00	26.29	19.30	11.70	31.00

In terms of average hours per qualification, on average workers clocked up higher numbers compared to previous years

From an analysis based on type of training intervention, it can be noted how a significant part attended safety training, and the highest number was for professional and technical training (around 68.5% in total).

TABLE 10: TOTAL EMPLOYEE TRAINING HOURS BY TYPE AND GENDER	2020			2021			2022		
	men	women	Total	men	women	Total	men	women	Total
Managerial /leadership			0			0	0	0	0
Anti-corruption training			0			0	0	0	0
HSE safety	588	24	612	1668		1668	526	12	538
Professional and technical training	8		8	848	8	856	1158	10	1168
Total	596	24	620	2516	8	2524	1684	22	1706

Almost all safety training hours were delivered to worker categories, in line with overall numbers.

TABLE 11: TOTAL HSE SAFETY TRAINING HOURS BY CATEGORY AND GENDER	2020			2021			2022		
	men	women	total	men	women	total	men	women	total
managers			0			0	0	0	0
middle managers			0			0	0	0	0
office staff	168	24	192			0	38	0	38
workers	420		420	1668		1668	488	12	500
Total	588	24	612	1668	0	1668	526	12	538

REMUNERATION SYSTEM

With reference to variable remuneration, in addition to fixed remuneration established by the reference National Labour Collective Agreement, managers also receive an individual super-minimum and MBO bonus linked to target values of EBITDA and FOCF indicators, also taking into consideration assessment by the Board of Directors.

OCCUPATIONAL SAFETY AND PRESENCE

From data on absence and work in hours, it emerges that hours of absence have increased, both in total and those attributable to sickness and injury, especially in 2022.

Therefore after falling in 2021, absenteeism rates increased in 2022 and sickness rates have been rising in the three year period.

TABLE 12: HOURS WORKED AND MISSED HOURS OF WORK	2020			2021			2022		
	men	women	Total	men	women	Total	men	women	Total
Total missed hours	91873	1805	93678	86643	742	87385	104263	1078	105341
of which absent due to sickness and injury	15608	125	15733	20187	31	20218	26308	180	26488
Of which strike	-	-	-	-	-	-	9	-	9
Of which other	76265	1680	77945	66353	711	67064	77946	898	78844
AR - Absenteeism rate (hours missed/ workable hours)	15.91	45.28	16.11	13.76	11.48	13.74	18.00	13.31	17.94
Sickness rate	2.70	3.14	2.71	3.21	0.47	3.18	4.54	2.22	4.51
Workable hours	577543	3986	581529	629625	6466	636091	579163	8102	587265
Hours worked	557903	2212	560115	587213	5877	593090	601785	8431	610216
of which overtime	18525	59	18584	21320	149	21469	22287	250	22537

An in-depth analysis of occupational health and safety conditions, of statistics and incident rates indicate that total worked hours have increased compared to the previous year, and that the frequency rates fell from 2020 to 2021, only to rise once more in 2022; the seriousness rate gradually fell between 2020 and 2022 (from 0.9 in 2020 to 0.3 in 2021 and 0.23 in 2022). The incidence rate decreased between 2020 and 2021 (from 7 in 2020 to 3.2 in 2022), and increased slightly in 2022 (3.52).

All incidents involved men and no women.

TABLE 13: ACCIDENT RATES	2020			2021			2022		
	men	women	Total	men	women	Total	men	women	Total
Accidents (> 1 day)	5		5	9		9	10	0	10
Accidents on site (> 1 day)			0	1		1	0	0	0
Occupational diseases	1		1	1		1	0	0	0
Death			0			0	0	0	0
Hours worked (including overtime)	557903	2212	560115	587213	5877	593090	601785	8431	610216
IR - Frequency rate (No. total accidents/hours worked x 1,000,000)	29.30		29.30	15.10		15.10	16.62	0.00	16.39
Days of absence due to injury	98		98	207		207	138	0	138
LDR - Seriousness rate (days of absence due to injuries/ hours worked x 1,000)	0.9		0.9	0.3		0.3	0.23	0.00	0.23
Incidence rate (total no. injuries/ no. employees x 1,000)	7		7	3.2		3.2	3.58	0	3.52
Average duration of injuries (days of absence due to injury /no. total injuries)	26		26	23		23	13.80	0	13.80



Chapter 10

Business and innovation partnership

| GRI 3-3 | GRI 305-1 | GRI 403-1 | 416-1 |

A STORY OF INNOVATION, STRATEGIC PARTNERSHIPS, AND SUSTAINABILITY

Since its inception LC3 has pursued an innovation process through which it aims to boost the efficiency of its processes, the quality of its service offering for its customers, while also reducing the impact of vehicle consumption and emissions.

As also indicated in the 2021 Sustainability Report, over time the Company has forged partnerships with major players of the automotive market and big energy players in order to implement emission-reducing solutions. Specifically, in 2022 a new crane was purchased for the container terminal at the Piacenza site.

These actions have gone hand-in-hand with the gradual transformation of its own fleet of vehicles, with a significant rise in vehicles with a lower or almost no environmental impact.

Once more, through a process of attention and continuous innovation, over time the Company has developed partnerships with its biggest suppliers, in order to increase safety for its staff on the road, and its vehicles.

YEAR	AREAS OF INTERVENTION	OPERATING MODES	PARTNERS
2022	Purchase of a new crane with top market standards	Replacement of pre-existing crane to increase the sustainability of the customer container terminal park service at the Piacenza terminal.	Konegranes
2021	Commissioning of an on site minifleet of electric 0 emissions vehicles for short distance journeys. The first vehicle capable of transporting goods at controlled temperature with the total abatement of CO ₂ , particulate matter and NO _x emissions was achieved by combining a double-temperature cold box refrigerated with liquid nitrogen.	Partnership with Scania to respond to a top customer of the Company, for low emissions in the city or suburban areas.	Scania is the automotive partner
2020	Introduction of liquid bio-methane BIO-LNG fuelled vehicles, a sustainable fuel from renewable sources with the same performance levels as traditional methane.	Partnership with Vulcangas at the Rimini plant.	Vulcangas energy player
2020	Introduction of liquid bio-methane BIO-CNG fuelled vehicles, a sustainable fuel from renewable sources with the same performance levels as traditional methane.	Partnership with Edison for a specific plant in Piacenza.	Edison is the supply partner
2019	Adoption of liquid nitrogen for semitrailer cooling in order to achieve 0 environmental and noise emissions. This technology has already been implemented in other countries and the first private liquid nitrogen distributor was installed in house in Piacenza.	Plant installed at our Piacenza site.	SOL



2018	Inauguration of the first fleet LNG distributor. Thanks to the new refuelling station, LC3 was able to develop sustainable transport projects in spite of the scarcity of LNG refuelling points in Italy.	Through its partnership with Liquigas it was able to find a win-win solution for both players. The international experience of the energy player specialised in LNG refuelling installations perfectly matched the willingness of LC3 to develop low environmental impact projects, ensuring investments and the growth of consumptions over time.	LIQUIGAS
2014	The first to pilot liquid methane powered vehicles, for lower emissions and longer journeys.	Partnership with Iveco, which built the first 5 prototypes, and Eni, which built the first liquid methane distributor, in Piacenza. Blue Corridor was involved in the operation, the EC project for SNL in heavy duty transport. LC3 signed the appeal of Green Economy Italian enterprises for the 2015 Paris Conference (COOP21) and represents Italy.	Iveco, ENI partner suppliers, major clients in the Piacenza area at the time
2013	Increased efficiency, less vehicle downtime, reduction of emissions and waste requiring disposal.	Service agreement with manufacturers.	Major manufacturers and their authorised facilities
2009	Increased staff and vehicle safety.	Agreement with major tyre company for spares linked to mileage.	The supply partner is Michelin.

A JOURNEY TOGETHER

"The challenge of the future is faced by adding values like the sharing of objectives and the exchange of technologies to the mix, based on a virtuous model of circular economy. Projects in which everyone contributes innovations and investments, transcending their respective core businesses, with focus on the achievement of a green economy and an increasingly sustainable future. This is why we have chosen travel companions who embrace our philosophy and are deeply committed to generating tangible progress, respect for the planet and human well-being."



Chapter

11

Sustainable supply chain

| GRI 3-3 | GRI 308-1 | 414-1 |

LC3 also achieves its goals and delivers the service to its clients through a network of transport partners who apply its policies in transport, logistics and customer service.

The Company has implemented a Transport Safety Management System (TSMS) in compliance with the ISO 28000 standard, regulations of the industry and applicable mandatory requirements, involving internal staff and critical suppliers, ensuring the pursuit along the entire supplier-customer chain, of full alignment between service quality, efficiency, regulatory compliance expectations, with reference to Organisational and Management models and the Ethical Codes of clients, simultaneously ensuring full safety for internal and external resources, vehicles, customer goods and relative information.

To this effect LC3 is committed to strategic stakeholders involved in the supply chain, and specifically:

- to customers: in order to provide safe, punctual and reliable transport services;
- to suppliers: in order to transfer established safety requirements and give rise to a fruitful "alliance" so as to identify the most suitable technical-organisational solutions for the improvement of performance and service characteristics, also in terms of safety;
- to employees and professionals: for fruitful and peaceful relations, by ensuring a safe work environment and nurturing a spirit of initiative to improve operating procedures and safety aspects of the supply chain.

In order to ensure transport and supply chain safety, LC3 implements the following provisions and areas of intervention:

- adoption of an integrated supply chain risk management system, to reduce residual risk to a minimum, with the implementation of a suitable risk management system for the requested transport service;
- preparation of a structured system for listening to the indications, suggestions and sensitivities of the customer, also through "on site" activities of professionals (internal and external);
- prior identification of safety aspects in relation to the transport of the customer's goods, in order to adapt operating procedures to requested safety standards;
- adoption of technical and organisational technical tools that boost the reliability, safety and efficiency of processes involved in the supply chain
- development and consolidation of safety procedures aimed at critical supply chain partners to ensure higher value, safer, more reliable transport services for customers, at competitive prices;
- spread throughout the entire organisation of a culture of safety and the development of appropriate methodologies, so that everyone is constantly in a position to comply with safety standards established with the customer;
- focus on a high level of satisfaction of all employees, through their full involvement in company growth processes, to nurture maximum loyalty and a sense of responsibility.

SUPPLIER QUALIFICATION

A procedure is also in force and applies to hauliers operating on behalf of LC3 and mechanics workshops tasked with the maintenance and repair of vehicles used by the Company. This process involves the prior assessment of this type of supplier, whereas providers of goods and services that do not influence the quality of the LC3 product and service offering, or any conditions contractually set by clients, are exempt from this type of verification.

The first phase for the identification of New Suppliers involves the acquisition of Information from promotional documents submitted by Suppliers, or by visiting the website and requesting catalogues and/or price lists, contacting sales managers, visiting stands on occasion of any attended trade fairs of the industry. Other information on the supplier can also be acquired by collecting data in the "Supplier Qualification" sheet; the initial verification phase is completed with the results of at least two sample purchase orders in order to test compliance with times, commercial conditions and in general, the supplier's capacity.

Once the decision is made to add the supplier, audit validity never exceeds two years and reassessment is based on the following criteria: a) partnership or strategic cooperation; b) adequateness, or otherwise, of supplied documentation; c) number of recorded conformities (based on defined rules).

The list of qualified supplies is periodically updated.

PROPRIETARY AND EXTERNAL PARTNERSHIP FLEETS

In 2022 LC3 operated with a fleet consisting of 62 companies, with a 7% increase in partners compared to the previous year.

In terms of available vehicles, the majority of partners operated with a fleet of 1 to 5 vehicles (65%), of which 31% with 2 to 5 vehicles, although the most significant aspect refers to the fact that partner companies operating with more than 10 vehicles accounted for nearly 20% of the total in 2022, from just 3 companies to 12 companies in 2022.

TABLE 14: CLASSIFICATION OF SUPPLY CHAIN PARTNERS	2020	COMPOSITION % 2020	2021	COMPOSITION % 2021	2022	COMPOSITION% 2022
Number of partners with 1 vehicle	19	36.5%	21	36.2%	9	14.5%
Number of partners with 2 to 5 vehicles	19	36.5%	23	39.7%	17	27.4%
Number of partners with 6 to 10 vehicles	11	21.2%	11	19.0%	20	32.3%
Number of partners with more than 10 vehicles	3	5.8%	3	5.2%	16	25.8%
Total partners	52	100.0%	58	100.0%	62	100.0%

The strategic approach of LC3 consisted of building a veritable partnership with its own subcontractors, creating a services centre through the Waysped consortium, of which many are members, a services centre up to the task of supporting the LC3 network with a comprehensive range of services in different fields.

Currently Waysped provides member companies with fuel distribution services, including DIESEL, LNG and ADBLUE.

It also provides administrative services, anticipating institutional information, also from the association world, as well as direct administrative support, with the preparation of invoices and other administrative documentation.

The Consortium and LC3 provide direct access to forms of reverse factoring, linked to the issuing of invoices to LC3, enabling hauliers to obtain immediate financial liquidity, which is crucial for ensuring the continuity of their services.

In the future the consortium aims to expand its service offering into other fields, including insurance, the hire or purchase of movable assets, like tractors and trailers, the hire/ purchase of pallet trucks, and shared contracts with internal and external workshops up and down the country.

Through this partnership network of practices and common services, and the creation of team spirit and shared objectives, LC3 clients have peace of mind as to service quality, compliance with contractually agreed standards, stability and sustainability in collections and deliveries, even in unstable or problematic situations.

With the progressive expansion and consolidation of such a range of common services, LC3 clients will benefit from increasingly efficient and comprehensive service and performance levels.

The table below illustrates agreements already in force, in which 2022 new membership numbers are aligned with those in 2021, with over a third of Consortium members having resorted to forms of reverse factoring, while 40% of suppliers use other services provided.

TABLE 15: CLASSIFICATION OF SUPPLY CHAIN PARTNERS ACCORDING TO SERVICE AGREEMENTS	2020	2021	2022
Number of partners with financial agreements promoted by LC3	15	19	20
% of partners with financial agreements promoted by LC3 in total	29%	33%	32%
Number of partners who use other services promoted by LC3	18	24	25
% of partners who use other services promoted by LC3 in total	35%	41%	40%
Total subcontracted carriers	52	58	62

Indicated partnerships and the loyalty-inducing approach of LC3 also have the fundamental objective of ensuring continuity and qualitative service levels for clients, resulting in stable and solid relations with suppliers. To this effect, the duration of partnerships is a value the Company pursues with determination, as part of the aforementioned continuous monitoring system. From an initial survey conducted on 2022 it emerged that out of a total of 62 partners that year, 58% had been in a relationship with the Company for over 6 years and for over 10 years in the case of nearly 26% of these.



Chapter 12

Environmental protection

GRI 302-1 | GRI 3-3 | GRI 305-1 | GRI 306-3 | GRI 306-4 |
GRI 306-5 |

In this chapter environmental impacts are analysed with reference to emissions and waste generated by LC3, also according to type.

The pursuit of lower and better quality emissions in terms of their lower environmental impact has been a top priority for LC3 since its inception.

As previously stated, the vehicle fleet has been constantly reviewed in order to shift a significant portion of vehicles towards lower environmental impact options.

Before all else, consumption trends were analysed according to use and in reference to the fleet of trucks and cars, heating and electricity use; a rise in major categories was noted.

TABLE 16: TYPE CONSUMPTION ENERGY (GJ)	2020	2021	2022	2020	2021	2022	2022 (u.m. TEP)
Car petrol	0	0	0	0	0	0	0
Diesel per car	24956	31650	33550	1044858	1325122	1404671	28853
Car fleet consumption	24956	31650	35572	1046878	1327143	1491600	28853
Diesel per truck	2122913	2281870	2521853	88882121	95537333	105584941	2168794
Methane per truck	3946166	4402451	4066426	165211128	184302936	170235699	4391741
Truck fleet consumption	6069079	6684321	6588279	254093249	279840269	275819471	6560534
Fuel oils for heating	0	0	0	0	0	0	0
Natural gas for heating	336	451	0	0	0	0	0
Fuel consumption for heating	336	451	0	0	0	0	0
Purchased electricity	112	136	193	403200	489600	693000	36
Electricity generated by the photo-voltaic system	0	0	0	0	0	0	0
Electricity consumption	112	136	193	403200	489600	693000	36
Electricity from renewable sources	0	0	0	0	0	0	0
Total energy consumed	0	0	0	0	0	0	0

Scope 1 emissions are concentrated on company fleet vehicles.

TABLE 17: TYPE OF EMISSIONS (SCOPE 1)	U.M.	2020	2021	2022
Company fleet emissions	t CO2)	13685062	14749770	14211266
Company fleet emissions (cars)		0	0	
Natural gas emissions for heating		750	750	750
Fuel emissions for heating		0	0	
Total Scope 1 Emissions		13685812	14750520	14212016

Company fleet greenhouse gas emissions decreased in terms of absolute values in 2021-2022 and in proportion to travelled kilometres, the intensity rate rose in 2021-2022, from 0.59 to 0.63.

TABLE 18: ABSOLUTE VALUE AND INTENSITY OF FLEET EMISSIONS	2020	2021	2022
Truck fleet emissions	13685062	14749770	14211266
Total KMs travelled	20198196	24928537	22506752
Intensity of greenhouse gas emissions	0.68	0.59	0.63

Subcontractor fleet emissions showed an 8% increase in 2021-2022.

TABLE 19: SUBCONTRACTOR CARRIER EMISSIONS	U.M.	2020	2021	2022
Annual trend	t CO2	n.a.	34525557	37271599

With reference to waste generated by LC3, in 2020-2021 there was a total overall reduction, with a significant increase of the portion of hazardous waste in 2021-2022, from 2% to 52.5% of the total.

TABLE 20: AMOUNT OF WASTE PRODUCED PER TYPE	U.M.	2020		2021		2022	
		ABSOLUTE VALUE	%	ABSOLUTE VALUE	%	ABSOLUTE VALUE	%
Hazardous waste	tons	2.543	9.5%	0.723	2.0%	11.572	52.5%
Non-hazardous waste		24.369	90.5%	35.660	98.0%	10.456	47.5%
Total waste production		26.912	100.0%	36.383	100.0%	22.028	100.0%

Lastly, in terms of end use, recovered waste constitutes the lion's share, 76.3% in 2021 and 95.9% of total waste in 2022.

TABLE 21: WASTE CLASSIFICATION ACCORDING TO END USE	U.M.	2020		2021		2022	
		ABSOLUTE VALUE	%	ABSOLUTE VALUE	%	ABSOLUTE VALUE	%
RECOVERY	tons	23.902	100.0%	29.725	76.3%	27.309	95.9%
DISPOSAL		0.000	0.0%	9.210	23.7%	1.165	4.1%
TOTAL		23.902	100.0%	38.935	100.0%	28.474	100.0%

SUSTAINABLE DRIVING OF DRIVERS

This important LC3 initiative was first launched in 2022 and in 2023 it will be fine-tuned and systematised. It consists of creating the "driver's sustainable driving assessment sheet" and its use in monitoring and the self-assessment of each driver.

With a series of items, like acceleration speed, conduct and driving control, types of braking, the vehicle handling when idle and in neutral, areas with room for improvement are identified for each driver to ensure continuous improvement and generate positive impacts on consumptions, emission levels including noise, and safety for drivers behind the wheel.



Chapter 13

Service quality

| GRI3 -3 | GRI 416 - 1 |

All LC3 operations are centred around the customer, with whom the company often builds partnerships involving the entire supply chain, leading up to final delivery.

LC3 continuously monitors and verifies customer satisfaction, focusing above all else on continuous dialogue in all interactions. It is also highly focused on continuous research into increasingly improved and flexible solutions, which anticipate the customer's requirements.

This relationship is characterised by quality services, maximum attention to the reliability of transport, collections and deliveries. All this was identified through the quantitative analysis of certain items that are indicative of such services, like the total number of transport assignments successfully completed, the total number of transport assignments with negative effects on transported goods, by identifying any service penalties, the percentage of negative events on transported goods.

Specifically, such numbers are small, with a percentage of negative effects on transported goods and a percentage incidence value on turnover that has mostly remained constant in the three year period, despite the rise in the total number of transport assignments.

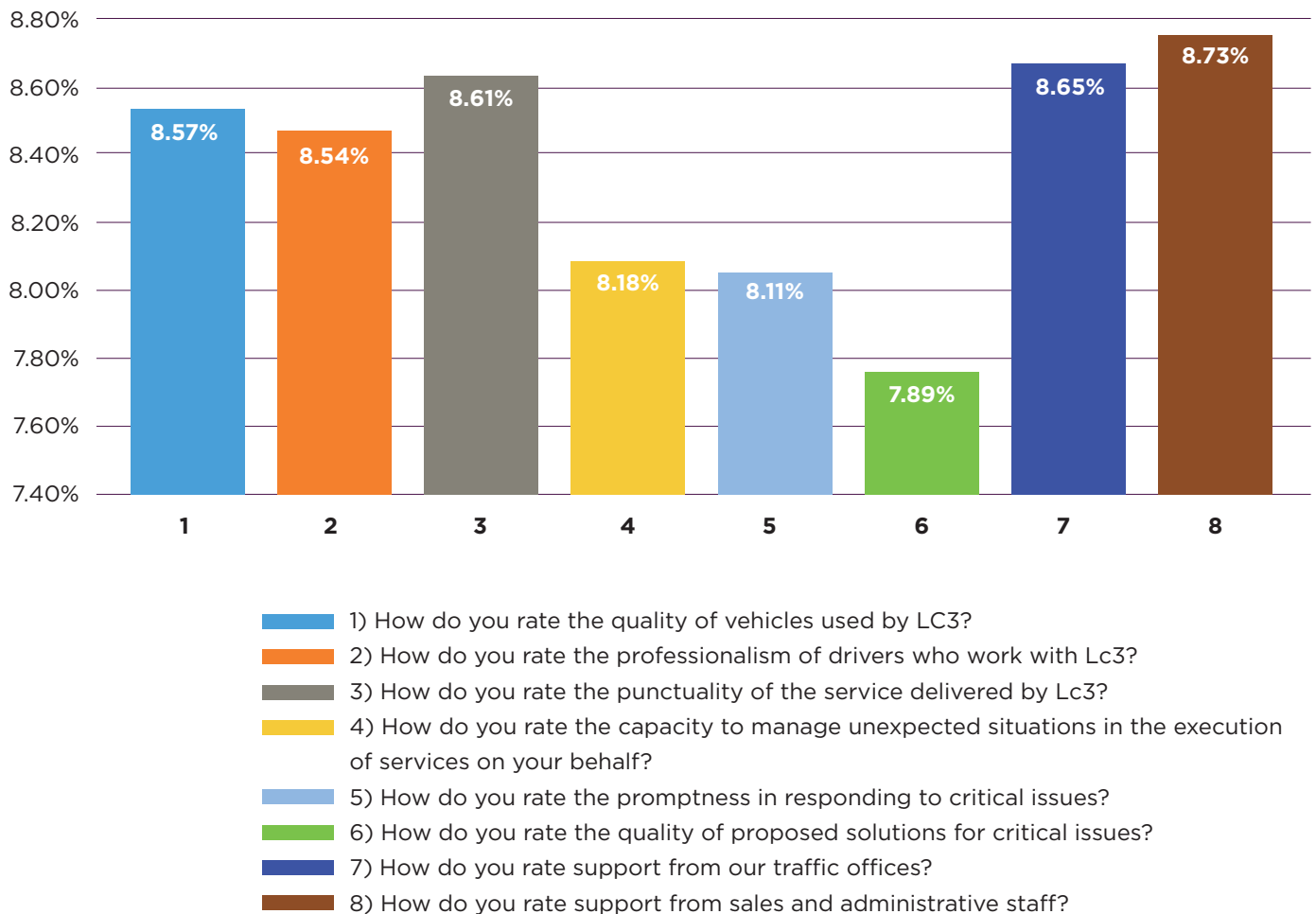
TABLE 22: EVENTS WITH NEGATIVE IMPACTS ON TRANSPORTED GOODS	2020	2021	2022
Total number of journeys completed	161138	194739	203829
Total number of journeys with negative effects on transported goods	36	43	45
- Number of events with damage or loss of transported goods	4	4	6
- Number of service penalties	na	na	na
Percentage of events with negative effects on transported goods	0.0223%	0.0221%	0.0221%



CUSTOMER SATISFACTION

A customer satisfaction survey with 8 items was conducted, in continuity with the previous year and with reference to different parts of the service: customers were requested to rate each one with a score of 1 - 10.

All items received an average score of around 7.9 out of 10. In 5 cases it exceeded 8.5. The highest were "support from sales and administrative figures", "support from the traffic office" and "promptness of response upon the emergence of critical issues". The lowest, albeit still very close to 8/10, was "the quality of solutions proposed for critical issues".



28 clients replied out of a total of 191 recipients, with a response rate of 14.7%

LC3 then submitted two benchmark questions to clients regarding value for money and payment methods, from which greater homogeneity of market terms and conditions emerged, whereas, with reference to value for money, there was a more pronounced differentiation. The Company presents a 42% share of respondents who see LC3 as being better positioned than its competitors.

**TABLE NO.27:BENCHMARKS
COMPARED TO COMPETITORS
(% RESPONDENTS PER ITEM)**

Assigned assessments	1) Compared to other hauliers, how do you rate the value for money of services provided by LC3?	2) Compared to other hauliers, how do you rate the payment methods and terms of LC3?
Better than	42%	27%
Equal to	50%	65%
Worse than	8%	8%



Chapter

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Correlation table

MATERIAL ISSUES	GRI
Business partnerships and innovation	GRI 416 2016
	GRI 305 2016
	GRI 403 2018
Environmental protection	GRI 302 2016
	GRI 305 2016
	GRI 306 2020
Occupational health and safety	GRI 403 2018
	GRI 416 2016
Staff development and training	GRI 401 2016
	GRI 403 2018
	GRI 404 2016
	GRI 405 2016
Sustainable and responsible supply chain	GRI 414 2016
	GRI 308 2016
Service quality	GRI 414 2016



Chapter 15

GRI CONTENT INDEX

1) ANNEX

GRI CONTENT INDEX

DECLARATION OF USE	Logicompany 3 S.r.l. presented a report with reference to GRI Standards for the period 01.01.2022 -31.12.2022
USE GRI	GRI 1 – Fundamental Principles 2021

Indicator	Description	Chapter	Paragraph / notes
GRI 2: GENERAL INFORMATION STATEMENT 2023			
THE ORGANISATION AND ITS REPORTING PRACTICES			
2-1	Organisational details	Chapter 4	Logicompany and the Group: Vision, mission, organisational and territorial structure
2-2	Entities included in the organisation's sustainability reporting	Chapter 3	Methodological notes
2-3	Reporting period, frequency and contact point	Chapter 3	Methodological notes
2-4	Review of information	Chapter 3	Methodological notes
2-5	External assurance	Chapter 3	Methodological notes
ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business reports	Chapters 2 and 4	The Company in numbers Logicompany and the Group: Vision, mission, organisational and territorial structure
2-7	Employees	Chapter 9	Human Resources Development and Health Protection
2-8	Non-employed workers	Chapter 9	Human Resources Development and Health Protection
GOVERNANCE			
2-9	Structure and composition of governance	Chapter 6	Company and sustainability governance, and the risk management system
2-10	Appointment and selection of the highest governance body	Chapter 6	Company and sustainability governance, and the risk management system
2-11	Chairman of the highest governance body	Chapter 6	Company and sustainability governance, and the risk management system
2-12	Role of the highest governance body in controlling impact management	Chapter 6	Company and sustainability governance, and the risk management system
2-13	Delegation of responsibility for impact management	Chapter 6	Company and sustainability governance, and the risk management system
2-14	Role of the highest governance body in sustainability reporting	Chapter 6	Company and sustainability governance, and the risk management system
2-15	Conflicts of interest	Chapter 6	Company and sustainability governance, and the risk management system
2-16	Communication of critical issues	Chapter 6	Company and sustainability governance, and the risk management system
2-17	Collective knowledge of the highest governance body	Chapter 6	Company and sustainability governance, and the risk management system
2-18	Assessment of the highest governance body's performance	Chapter 6	Company and sustainability governance, and the risk management system
2-19	Remuneration regulations	Chapter 9	Human Resources Development and Health Protection

Indicator	Description	Chapter	Paragraph / notes
GRI 2: GENERAL INFORMATION STATEMENT 2023			
2-20	Procedure for establishing remuneration	Chapter 9	Human Resources Development and Health Protection
2-21	Total retribution report	Chapter 6	Company and sustainability governance, and the risk management system
STRATEGY, POLICIES AND PRACTICES			
2-22	Declaration on the sustainable development strategy	Chapters 1, 4 and 5	Letter to shareholders and stakeholders Logicompany and the Group: Vision, mission, organisational and territorial structure What sustainability means to LC3 and the Best 2030 project
2-23	Commitment in terms of policy	Chapter 1	Letter to shareholders and stakeholders
2-24	Addition of commitments in terms of policy	Chapter 6	Company and sustainability governance, and the risk management system
2-25	Processes to resolve negative impacts	Chapter 6	Company and sustainability governance, and the risk management system
2-26	Mechanisms for requesting clarifications and raising concerns	Chapter 6	Measures for managing a responsible business: Our governance
2-27	Compliance with legislation and regulations	Chapter 4	Company and sustainability governance, and the risk management system Our governance With reference to the current reporting period there are no non-conformities with respect to legislation and/or regulations.
2-28	Association memberships	Chapter 7	The stakeholders' system, value creation and distribution
INVOLVEMENT OF STAKEHOLDERS			
2-29	Approach to stakeholder involvement	Chapter 3	The stakeholders' system, value creation and distribution
2-30	Collective agreements	Chapter 9	Human Resources Development and Health Protection
MATERIAL ISSUES			
Indicator	Description	Chapter	Paragraph / notes
GRI 3	MATERIAL ISSUES 2021		
3-1	Process for determining material issues	Chapter 8	Impact assessment and materiality analysis
3-2	List of material issues	Chapter 8	Impact assessment and materiality analysis
Business partnerships and innovation			
GRI 3: Material issues 2021	3-3 Management of material issues		
GRI 305: EMISSIONS 2016			
305-1	Scope 1 Emissions	Chapter 10	Business and Innovation Partnership
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1	Occupational health and safety management system	Chapter 10	Business and Innovation Partnership
GRI 416: CLIENTS' HEALTH AND SAFETY			
416-1	Assessment of health and safety of product and service categories	Chapter 10	Business and Innovation Partnership
Environmental Protection			

Indicator	Description	Chapter	Paragraph / notes
GRI 2: GENERAL INFORMATION STATEMENT 2023			
GRI 3: Material issues 2021	3-3 Management of material issues		
	GRI 302: ENERGY 2016		
302-1	Consumption of energy within the organisation	Chapter 12	Environmental Protection
	GRI 305: EMISSIONS 2016		
305-1	Scope 1 Emissions	Chapter 12	Environmental Protection
	GRI 306: WASTE 2020		
306-3	Generated waste	Chapter 12	Environmental Protection
306-4	Waste not conferred for disposal	Chapter 12	Environmental Protection
306-5	Waste conferred for disposal	Chapter 12	Environmental Protection
Human resources development and health protection			
GRI 3: Material issues 2021	3-3 Management of material issues		
	GRI 401: EMPLOYMENT 2016		
401-1	New recruitments and turnover	Chapter 10	Human Resources Development and Health Protection
	GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	Chapter 10	Human Resources Development and Health Protection
403-5	Occupational health and safety training of workers	Chapter 10	Human Resources Development and Health Protection
	GRI 404: TRAINING AND EDUCATION 2016		
404-1	Hours of annual training per employee	Chapter 10	Human Resources Development and Health Protection
	GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016		
405-1	Diversity in governance bodies and among employees	Chapters 6 and 10	Company and sustainability governance, and the risk management system Our governance Human Resources Development and Health Protection
	GRI 416: CLIENTS' HEALTH AND SAFETY 2016		
416-1	Assessment of health and safety of product and service categories	Chapter 7	Environment Sustainable energy efficiency enhancement of networks

Indicator	Description	Chapter	Paragraph / notes
GRI 2: GENERAL INFORMATION STATEMENT 2023			
Sustainable supply chain			
GRI 3: Material issues 2021	3-3 Management of material issues		GRI 3: Material issues 2021
GRI 308: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS			
308-1	New suppliers who have been selected using environmental criteria	Chapter 11	Sustainable supply chain
GRI 414: SOCIAL ASSESSMENT OF SUPPLIERS			
414-1	New suppliers who have been selected based on social criteria	Chapter 11	Sustainable supply chain
Service Quality			
GRI 3: Material issues 2021	3-3 Management of material issues		
GRI 416: CLIENTS' HEALTH AND SAFETY 2016			
416-1	Assessment of health and safety of product and service categories	Chapter 13	Service Quality

***A REPORT STANDS ON NUMBERS. HOWEVER SOME
THINGS CANNOT BE CALCULATED.***

***THE PASSION AND SPIRIT WITH WHICH WE COMMIT
OURSELVES TO A MORE SUSTAINABLE WORLD.***



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