



SUSTAINABILITY REPORT

2021



INALCA Group Sustainability Report 2021

Prepared in accordance
with the GRI-STANDARDS
"In accordance-core" option

INALCA GROUP
Sustainability Report 2021

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Luigi Cremonini
Founder

Letter from the founder

// Dear members, collaborators and partners,

2021 was in some ways a year more difficult than the previous one, which was also characterised by the explosion of the Covid-19 pandemic. As a consequence, the economic context in which we operated was extremely uncertain, with the illusion of the pandemic's end and the frenzied rise in the prices of raw materials and energy, which reached its peak in the last quarter of the year. In this difficult, variable and unpredictable situation, INALCA has recovered and surpassed 2019's economic results, fully demonstrating the validity and resilience of its business model.

A model based also on constant investments in technological innovation, safety, research & development and sustainability. In this last area, contextually and in compatibility with the period of extraordinary difficulty, we also continued in 2021 to develop important and strategic projects. After completing the installation of solar panels on the roofs of the Italian plants, in partnership with Enel X, we initiated the construction of similar systems for the various agricultural and industrial plants recently acquired in Lombardia, Emilia Romagna, Veneto and Calabria.

In order to make the circularity of our supply chain even more efficient, we have accelerated the project to convert biogas plants into the production of liquid biomethane.

An important agreement was signed with Hera, which led to the establishment of a NewCo for the transformation of organic waste and agri-food wastewater into 100% renewable methane and compost, thanks to a plant also powered by waste deriving from INALCA's meat transformation processes. The expected production, when fully operational, is 3.7 million cubic meters of biomethane per year, which will be emitted into the gas network. The environmental benefits that will derive from saving fossil fuel and reducing CO₂ emissions into the atmosphere are important.

In 2021, another important investment in the circular economy has been consolidated. In the Castelvetro di Modena plant, a food system will be implemented for the treatment of residues from meat processing activities, that are, fats and bones previously destined for disposal and destruction. Thanks to the new structure, food products (greaves, components for flavourings and other ingredients) and by-products suitable for feed, pet food, and the pharmaceutical industry will be obtained. In addition to the best economic valorisation generated by the food use of these products, the new plant will represent an excellence in the control of environmental impacts and energy consumption.

As we close this Report, a new global emergency has erupted due to the war in Ukraine, with prospects that will not be easy to manage. However, I would like to conclude these lines with a note of hope: in 2023 we will celebrate the 60th anniversary of the foundation of our company and, considering that food production cannot be stopped, this anniversary will spur us to look forward with renewed commitment, also on issues of sustainability, as demonstrated by the results and objectives certified by this new Sustainability Report edition.

I conclude by sincerely thanking all the employees and all the stakeholders who have allowed us to achieve these results and who encourage us to plan future commitments.

Luigi Cremonini
Founder

//

Methodological note

This Sustainability Report, which represents the eighth of INALCA Group, refers to the period 1st January – 31st December 2021 and was prepared in compliance with the “Sustainability Reporting Standards” defined by the GRI - Global Reporting Initiative, according to the “In accordance - Core” option.

The Group Sustainability Report is subjected to a limited review (“limited assurance engagement” according with the criteria indicated by the ISAE 3000 Revised) by Deloitte & Touche S.p.A.

The Report is published annually. The selection of the aspects and indicators useful for defining the contents to be reported was carried out through a materiality analysis which considers the issues relevant to the INALCA Group and its stakeholders, for details on the materiality analysis conducted by the Group, please refer to Chapter 2 - Sustainability for INALCA.

INALCA drafted this report adopting the following geographical classification in territories where the Group operates with production plants, logistic infrastructures and commercial offices: Italy, Europe, Africa, Asia, Australia and America. The geographical aggregation identifies macro-areas where INALCA experienced historic growth in line with their adopted business model. Starting from this Report, the reporting boundary has been extended, therefore the data refer only to 2021 financial year. The perimeter of the economic-financial data and information corresponds to that of the Consolidated Financial Statements as of 31st December 2021 of the INALCA Group. The perimeter of data and information relating to human resources is made up of companies consolidated with the integral method within the Consolidated Financial Statements, while the perimeter of data and information relating to health and safety include all the companies consolidated in the Consolidated Financial Statements excluding 35 companies*.

Environmental data and information include 36 companies of which: 21 production plants, 4 breeding farms, 20 distribution platforms, 2 coordination companies, 1 transport company, 1 agricultural waste recovery centre and 1 fat into energy transformation station.

The perimeter of environmental data and information does not include 26 Group companies consisting mostly of distribution platforms and commercial offices (3 service companies, 8 distribution centres, 2 offices, 3 processing, 2 breeding farms, 2 livestock trading companies, 2 for coordination, 2 for managing points of sale, 1 for engineering and 1 holding company) as they are not considered significant with respect to environmental impacts.

During 2021, in relation to significant changes that occurred in the reporting period considered, the changes that occurred in the consolidation perimeter are reported below.

Companies that left the scope of consolidation:

- Cibo Sapiens S.r.l. following the completion of the liquidation process.

It should also be noted that no significant changes in the ownership of the organisation and the supply chain have occurred. To ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if any, are appropriately reported and based on the best available methodologies.

*For specific details concerning included societies, please consult the chart at pages 10-11



1. Group's identity



INALCA - Ospedaletto plant (LO)

1.1

The values and roots of the Group

The founding principle of the INALCA Group is identified in the millenary Italian agricultural tradition that inspires and supports its development model. In fact, the company recognises itself in the heritage of values linked to an agricultural civilisation and the social and cultural value that the land and food have always constituted for the Italian nation. In this scenario, INALCA is focused on creating an increasingly integrated and sustainable beef supply chain, particularly attentive to the social context, environmental protection and the demands of the agricultural world.

These issues have entered directly into the value chain of the company and represent its competitive and identity levers. The success of the company derives from the ability to combine efficiency and economic results, which guarantee growth and employment, along the entire supply chain, with a close link to the territory in which the company operates, also contributing to the global challenge of producing food, accessible and safe for all.



“ This is my land. From here everything originated.
We are all children of the same land. ”

Corticella - Spilamberto Farm (MO)

1.2

Our history

Continuous growth since 1963

In-depth study:
the most significant moments
in Inalca's history



1963

YEAR OF FOUNDATION
of IN.AL.CA (Industria Alimentare Carni - Food Meat Industry), Castelvetro di Modena (MO)

1969

Expansion of the Castelvetro plant: 1,000 head per week

1971

Acquisition of the Corticella Farm - Spilamberto (MO)

1976

Acquisition of the Montorsi cured meat factory in Mirandola (MO)

1981

Beginning of commercial activities with Russia

1982

Expansion of the Castelvetro plant: 3,000 head per week

1985

Burghy is born, the first Italian fast-food chain

1986

Acquisition of the Icar plant in Rieti

1990

Acquisition of the historic Montana brand

1999

- INALCA is the first company in Italy to have a meat traceability system
- Inauguration of the Ospedaletto Lodigiano plant: the largest in Europe

2001

Construction of a distribution platform in Russia

2002

Acquisition of the Ibis cured meat plant in Busseto (PR) and the plant in Postalesio (SO) for bresaola

2004

Inauguration of the plant in Avellino (AV)

2006

Opening of the first plant in Africa in Luanda (Angola)

2009

Agreement with McD for the production and supply of hamburgers in Russia

2010

- Acquisition of the plant in Capo d'Orlando (ME)
- Inauguration of a modern hamburger production plant in Moscow

2012

Inalca Food & Beverage (IF&B) is born: specialised in the international distribution of Made in Italy products

2013

The Cremonini Group celebrates 50 years since INALCA's foundation

2014

Inauguration of the integrated slaughter and deboning plant in Russia - Orenburg

2015

INALCA is the protagonist at Expo 2015, with a large stand in the "Cibus è Italia" pavilion

2016

- Acquisition of the historic Manzotin brand
- Acquisition of Unipeg, the second largest Italian group in the beef sector;

2017

INALCA and CDP announce a letter of intent for the development of the food industry in Angola (CNA);

2018

Evaluated the environmental impact of Montana Frozen Hamburgers (EPD): 1° in Italy

2019

Agreement with the Russian sovereign fund RDIF for the construction of bovine breeding farms in Russia;

2020

Acquisition of Calstelfrigo in Castelnuovo Rangone (MO): INALCA becomes 5th player in the Italian pork sector

2021

Opening of a new cured meat slicing plant in New Jersey - USA;



1.3

Corporate structure

LIST OF GROUP COMPANIES INCLUDED IN THE SUSTAINABILITY REPORT	
Company	Legal head office
ITALY	
INALCA INDUSTRIA ALIMENTARI CARNI S.p.A.	Via Spilamberto, 30/C - Castelvetro di Modena (MO)
ITALIA ALIMENTARI S.p.A	Via Europa, 14 - Busseto (PR)
GES.CAR S.r.l	Via Spilamberto, 30/C - Castelvetro di Modena (MO)
SARA S.r.l	Via Spilamberto, 30/C - Castelvetro di Modena (MO)
FIORANI & C.	Via Federico Coppalati, 52, 29122 Piacenza
TREERRE FOOD S.R.L.	Via 1 Maggio, 21B - Gerenzago (PV)
TECNO-STAR DUE S.r.l.	Via dei Marmorari, 88 - Spilamberto MO
SOCIETÀ AGRICOLA CORTICELLA S.r.l.	Via Corticella, 15 - Spilamberto (MO)
GUARDAMIGLIO S.r.l	Via Coppalati , 52 - Piacenza (PC)
INALCA FOOD & BEVERAGE	Via Modena, 53 - Castelnuovo Rangone (MO)
CREMOVIT S.R.L.	Castelvetro di Modena (MO)
CASTELFRIGO LV S.R.L.	Via Salvador Allende, 6 - Castelnuovo Rangone (MO)
REALBEEF S.r.l	Località Tierzi, Zona Asi - Flumeri (AV)
PARMA SERV S.r.l.	V. I. Mari - Pontetaro, 6 - Noceto (PR)
INA TEN S.r.l.	Via Spilamberto, 30/C - Castelvetro di Modena (MO)
DOLFEN S.r.l.	Via Zarotto, 86 - Parma
MACELLO DI PARMA S.R.L.	Str. del Taglio, 6 - Parma
UNITEA S.r.l.	Via Taliercio, 3 - Mantova (MN)
EUROPEAN UNION	
MONTANA ALIMENTARI GMBH	Kirschstrasse 20 80999 - Monaco - Germania
ZAKLADY MIESNE SOCH Sp.Z.o.o.	Jana Pawła II n. 80, Varsavia, Polonia
COMIT COM. ITALIANA DE ALIMENTACION	Camino Real de la Orotava, 215, El Hortigal -La Laguna Snata Cruz de Tenerife - Spagna
HOSTERIA BUTTARELLI S.L.	Calle Herraie s/n Neve 29, Sector P3 Norte Poligono industrial de Arinaga 31119 Aiguimes Las Palmas Spagna
MSP TRANSPORT Sp. Z.o.o.	Kazimierza Gierdziejewskiego 7
MILLE SAPORI DUE sp.z.o.o.	ul. Gierdziejewskiego, 7, 02-495 Warszawa POLAND
MILLE SAPORI PLUS Sp. Z.o.o.	ul. Gierdziejewskiego, 7, 02-495 Warszawa POLAND
PARMA CAPEL Sas	Saint Jal - 19700 Le Pradel
PARMA FRANCE Sas	13, Rue Claude Chappe-Le Parc de Crecy - 69370 - St Didier Au Mont D'Or
TECALI S.L.	Camino Real de la Oratava 215, El Ortiga - La Laguna Tenerife
AFRICA	
INALCA F&B Cabo Verde Lda	Cidade de Santa Maria Ilha do Sal, Rua Amilcar Cabral 1º Andar do Predio Argos Cabo Verde
INALCA ANGOLA L.t.d.a.	Rua Dom Manuel Nunes Gabriel s/nº, Bairro Palanca, Município do Xilamaba Kiaxi, Luanda
INALCA ALGERIE S.a r.l.	08, Rue Chérif Hamani 16000 Algeri
INALCA BRAZZAVILLE S.a r.l.	Avenue Cote Mondaine BP8410 Pointe Noire
INALCA KINSHASA S.p.r.l.	Avenue Poids Lourds n. 935 Ndolo-Commune Gombe Kinshasa

■ Companies not included in the health and safety data perimeter.
■ Companies not included in the scope of environmental data.

INTER INALCA ANGOLA Ltda.	Lda Rua Dom Manuel Nunes Gabriel s/nº, Bairro Palanca, Município do Xilamaba Kiaxi, Luanda
IN.AL.CAR. MOCAMBIQUE	Av. De Mocambique n. 9400 km 9,5 Bairro do Zimpeto Maputo
CI SARL – COTE D’IVOIRE	Bld Carde - 3ème étage Immeuble Les Harmonies 04 B.P. 225 Abidjan 04
AMERICA	
INALCA F&B NORTH AMERICA	5 West 19th Street, New York, NY 10011 USA
INALCA F&B HOLDING	5 West 19th Street, New York, NY 10011 USA
ITALIA ALIMENTARI CANADA LTD	Brampton, Ontario – Canada 116, Nuggett Court
FRATELLI D'ITALIA SA DE CV	Calle11sur mza248 late 1 zona 1 Col Ejido sur, local 9 “PalmeirasBusinessCenter” Playa del Carmen, Quintana Roo, cp 77712, Mexico
ASIA	
AGROSAKMARA LLC	Dorozhnaya str.50, Chernyi Otrog – Orenburg – Russia
AGROSAKMARA Bashkiria LLC	Via Admiral Makarov,26 (b. 2, office 16) Ufa, Republic of Bashkortostan
ORENBEEF LLC	Ul.Pionerskaya, 2 Campagna Cherniy Otrog, Saraktashskiy Reg. 462100
KASKAD TPF LLC	Vostochnaia,5 143000 Odintzovo, Mosca
MARR RUSSIA LLC	Ul.Vostochnaia, 5 143000 Odintzovo, Mosca
INALCA F&B MALAYSIA	151B, Jalan Batu Tiga Lama, Taman Rashna, 41300 Klang, Selangor Malaysia,
INALCA F&B SDN BHD	151B, Jalan Batu Tiga Lama, Taman Rashna, 41300 Klang, Selangor Malaysia,
INALCA F&B CHINA HOLDING	Room 2807, No 1277 Dingxi Road, Changning District, Shanghai, P.R.C.
INALCA FOOD & BEVERAGE HONK KONG LTD	Room 701, Blok 2, 7/F Golden Industrial Building, 16-26 Kwai Tak Street, Kwai Fong, N.T., Hong Kong
IF&B Beijing Holding Ltd.	Unit A 5/F Max Share CTF King's RD North Point - Hong Kong
IF&B Beijing Co. Ltd.	Beijing Logistics Center,2 Beihoujie,Louizhuang, Chaoyang District - Beijing - Cina
ZHONGSHAN INALCA F&B CO. LTD	No. 16-1 A, Tong Xing Rd., Dongsheng Town, Zhongshan, Guangdong, P.R.C.
TOP BEST INTERNATIONAL HOLDING	Room 701, Blok 2, 7/F Golden Industrial Building, 16-26 Kwai Tak Street, Kwai Fong, N.T., Hong Kong
TOO INALCA FOOD SERVICE KAZ	Bekmakhanova street, 96/2 - Almaty - Republic of Kazakhstan
INALCA F&B SHANGAI	Room 2807, No 1277 Dingxi Road, Changning District, Shanghai, P.R.C.
INALCA F&B THAILAND	No.333/2 Moo 9 Tambol Bangpla, Amphur Bangplee, Samutprakarn, 10540 - Thailandia
BRIGHT VIEW TRADING HK Ltd	Chai Wan, Wah Shing Centre, 5 Fung Yip Street, Hong Kong
ROYI WINE & SPIRIT (CHINA) LIMITED	4fl,N158 Xuxiang Road Qingpu District, Shanghai
ROYI FINE WINE (SHANGAI) LTD	4fl,N158 Xuxiang Road Qingpu District, Shanghai
AUSTRALIA	
INALCA F&B QUEENSLAND PTY Ltd	Dom Social, Calle Perez Galdos S/N Au
ITAUS PTY LTD	in Unit E1A, 35-39 Bourke Road Alexandria NSW 2015, AUSTRALIA
FRESCO GOURMET PTY LTD	in Unit E1A, 35-39 Bourke Road Alexandria NSW 2015, AUSTRALIA

1.4 INALCA Group's business model

The business model developed by INALCA is based on the historical development process that the company has in Italy and which consists in the realisation of an integrated and sustainable meat supply chain according to a “Downstream” model (defined as “From Farm to Fork”) which starts from the breeding farms (upstream), extends to the slaughtering and processing of the meat, down to the distribution (downstream), thus controlling all the phases of the supply chain, with full and profitable integration of the local territories and of all the operators in the system. The abroad development of INALCA, on the other hand, was initially based on penetration into emerging economic regions, in particular the Russian Federation, the Euro-Asian republics and Africa. This “Upstream” model (“From Fork to Farm”) initially envisages the barn and continuous sale of food products to local operators, in a B2B context and mainly in Catering and Ho.Re. Ca. segments with the support of local sales offices. This first phase is followed by the creation of logistic and distribution infrastructures, in particular cold storage, warehouses and transport vehicles.

Having developed a deep knowledge of the reference markets, the company proceeds with the construction of industrial plants dedicated to the on-site production of processed products designed for the typical consumption styles of the local communities. After this phase, the company progressively carries out the “Upstream” industrial activities, up to the transformation and primary production, understood as slaughtering and breeding of cattle. The development model therefore has as its unifying element the progressive integration of the supply chain. At the end of the process, the company is completely integrated from a production point of view and definitively inserted in the local social context. A business model based on a long-term vision and strong territorial integration that has proved effective in fighting the Covid-19 pandemic, thanks to the high flexibility shown by the Group's plants that have been able to adapt production to the sudden demands of the supply chain ensuring continuity in production during every phase of the crisis.

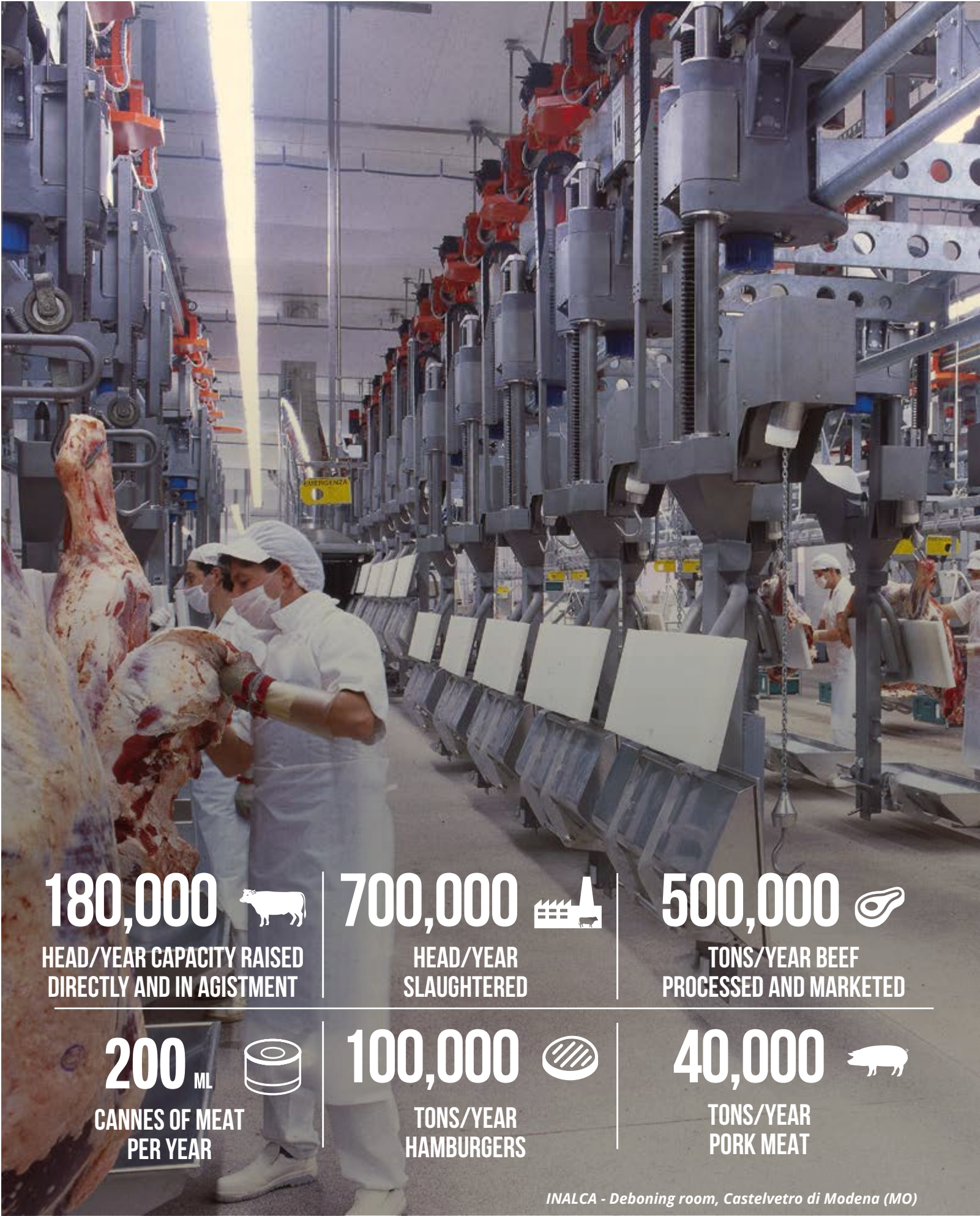
EVOLUTION OF INALCA'S SUPPLY CHAIN IN ITALY

FROM FARM TO FORK



EVOLUTION OF INALCA'S SUPPLY CHAIN ABROAD

FROM FORK TO FARM



1.5 The Group in Italy

INALCA, with over 6,000 employees, is the absolute leader in Italy and one of the major European players in the beef sectors, and ranks among the leading Italian operators in the pork, bacon, cured meats & snacks sector. In addition, the company operates in a leadership position in the distribution of food products abroad with its own distribution platforms in various emerging countries. In Italy, the industrial structure of the company consists of 17 plants specialised in types of processing, 12 of which are dedicated to meat processing (slaughtering, deboning, processing, packaging and distribution) and 5 dedicated to the production of cured meats, snacks and bacon. With reference to agricultural companies,

the Group has further consolidated its presence in the area through directly controlled breeding farms, both through Azienda Agricola Corticella S.r.l., with headquarter located in the province of Modena and Reggio Emilia, and thanks to Agricultural Company Cremovit S.r.l., owners of the bovine head located at the Recovato headquarter. Furthermore, thanks also to breeding farms in agistment, the Group is able to accommodate an annual capacity of 180,000 head reared.

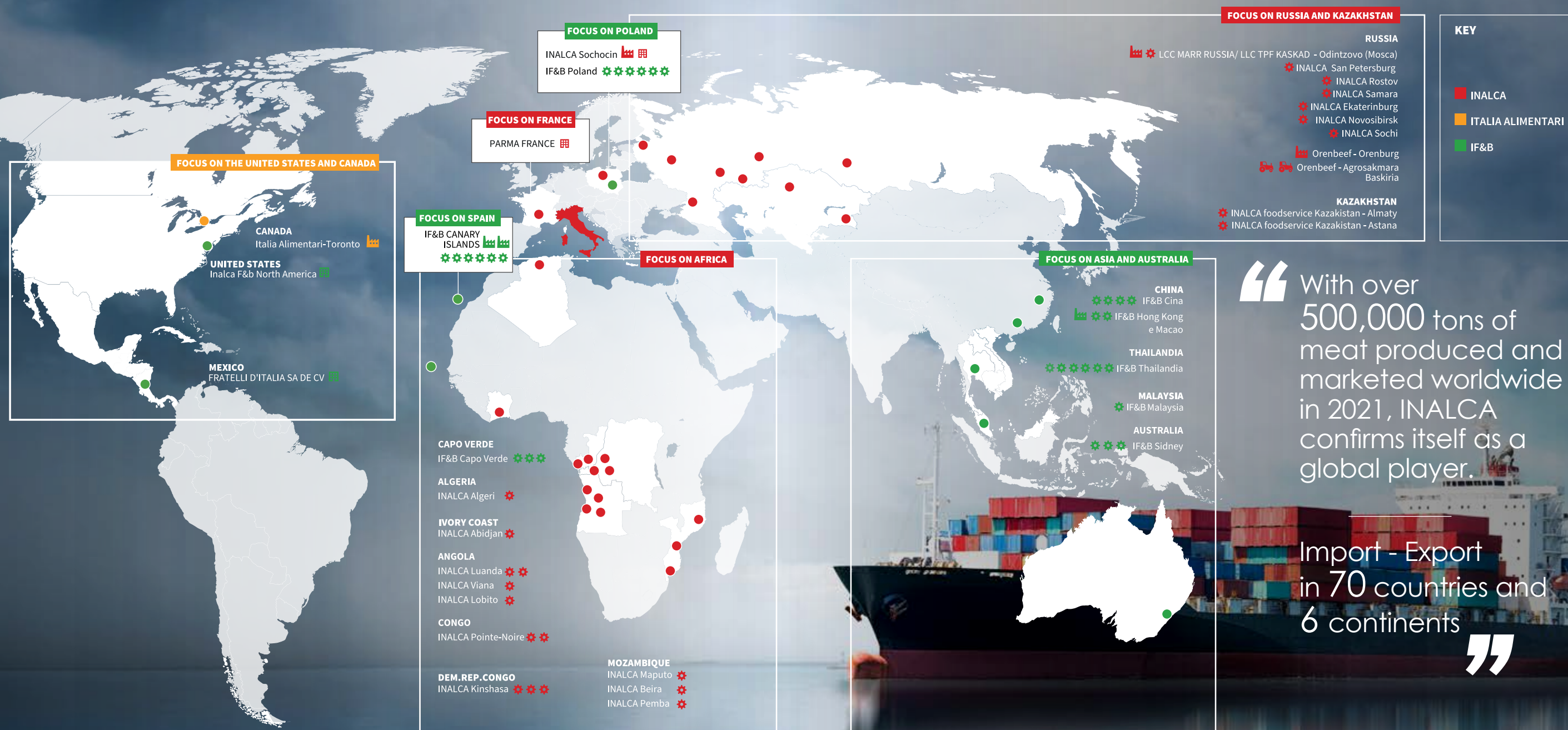
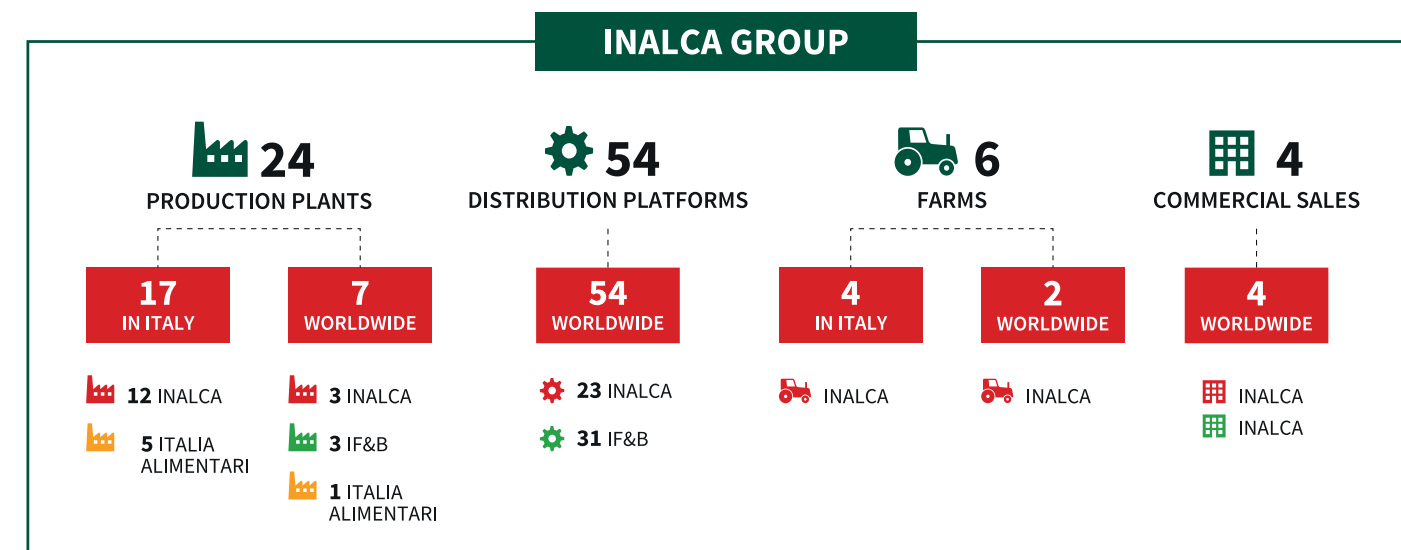
“ Our facilities are located in areas where 65.4% of the Italian bovine heritage is concentrated ”



1.6 The Group in the World

INALCA is present abroad with 7 production plants in 6 countries: Russia (2), Poland, Canada, United States, Canary Islands (2) and Hong Kong. Through its own network of 54 distribution platforms, INALCA directly manages 23 distribution centres located in Russia (Moscow, Saint Petersburg, Ekaterinburg, Novosibirsk, Rostov, Samara and Sochi), in Kazakhstan (Astana, Almaty) and in Africa

(Algeria, Angola, Congo, Democratic Republic of Congo, Mozambique and Ivory Coast). The other 31 platforms of the Group are managed by the subsidiary Inalca Food & Beverage (IF&B), which specialises in the sale and distribution of Made in Italy food products around the world. In 2021, construction work continued on the plant in Poland - INALCA Sochocin.

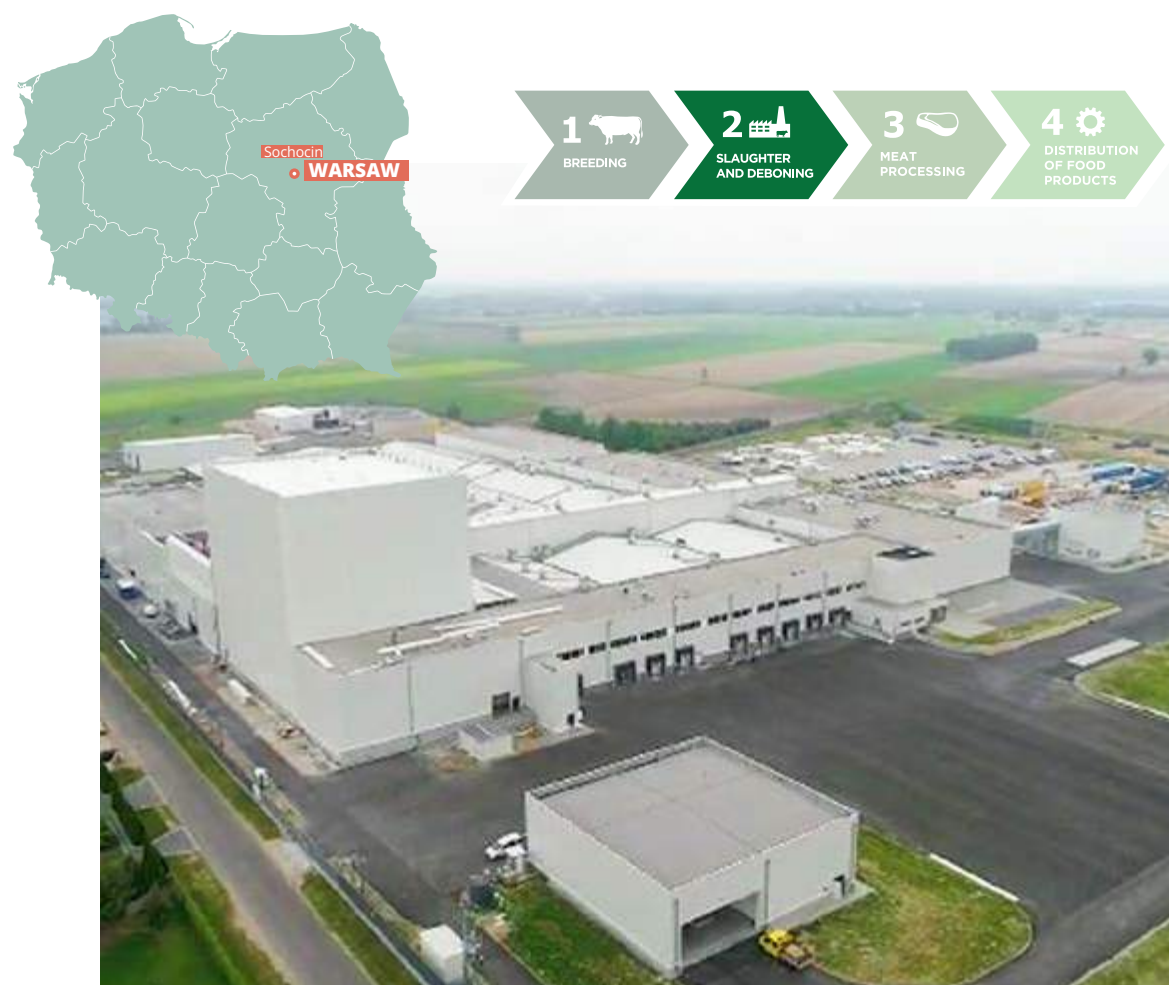


1.7 Europe: Poland

focus

Poland is a country with a strong tradition and productive vocation in bovine husbandry, characterised by identity values linked to the agricultural world. Precisely for these characteristics it has been identified by INALCA as an ideal and strategic place for the location of a production plant currently under construction. The plant is located in the middle eastern region of the country, in the municipality of Sochocin. The plant will carry out the slaughtering of local animals and related processing, including the production of hamburgers for the local market in this new production centre, centralising orders and activities previously managed by the Group's

Italian plants. In parallel with the development of the new production plant, INALCA is building its own local livestock supply chain, stipulating long-term supply chain agreements with local farmers, allowing the local agricultural fabric to overcome a traditional model based on commercial intermediaries, with direct transfer from breeding to industry and with the guarantee of a certain yield thanks to the optimal positioning of each part of the animal in the local or Community market, including Italy itself, a strong consumer of Polish meat, especially in the catering sector



1.7 Russia and Euro-Asian republics

focus

In the Russian Federation, the Group has been operating for over 40 years in the sectors of food distribution and industrial production of meat. Recently, with the development of the livestock sector, it has actually completed the integration of the "Upstream" supply chain. The distribution activity is carried out through an articulated system of platforms and logistic infrastructures, that covers most of the country, whose main operating base is located in Odintsovo, in the Moscow metropolitan area. Industrial production is organised according to an integrated supply chain that includes the production plant in Orenburg, in the homonymous region with a strong agricultural vocation, responsible for the primary activities of slaughtering and separation, production of anatomical cuts for local distribution and industrial processing. The second plant of Odintsovo (Moscow) produces anatomical cuts for local distribution and industrial processing. In this production site, in addition to the aforementioned food storage and distribution activity, the production of hamburgers and bacon is carried

out mainly for the catering sector (pork for the processing of bacon is fully procured from local suppliers). The productive and commercial integration between the two plants has allowed an increase in the share of locally produced meat, reducing dependency on international imports, made difficult by the strong geo-political instability and complexity. It is an important result that contributes to the development of the territory and to the rationalisation of the local agricultural supply chain. During the development of the local beef supply chain through the Agrosakmara company, the livestock sector in the area has been expanded. Through this company, the production of Hereford cattle was started in the Chelyabinsk region, and then replicated in other areas of the Orenburg region and in the Tatarstan region (provinces of Sollesk, Saraktash, Piervamaika, Sharlik, Novoorsk, Buinsk and Kukmor). The construction of one of the most important feedlots in the Republic of Bashkortostan (or Bashkiria) is also planned.



1.7 Africa

focus

INALCA started its business in Africa over 30 years ago and today operates in several countries: Algeria, Angola, Ivory Coast, Mozambique, Republic of Congo and Democratic Republic of Congo. Equipped with 14 distribution platforms, with modern refrigerated warehouses and food storage areas, the company has started a process of business diversification by investing in industrial infrastructures for on-site processing, transformation and packaging of meat products; in particular in Algeria, where a modern cutting and deboning room for bovine and sheep has been implemented, as well as in Angola, where an advanced processing and packaging room for beef and pork is underway.

During the 2021, INALCA placed about 64,000 tons of food products on the African market including beef, pork, poultry, fish and canned food products, guaranteeing product quality at affordable prices to the widest segment of the population. In all the countries in which it operates, INALCA is committed to respecting the Sustainable Development Goals (SDG), aiming in particular to end poverty, defeat hunger, fight against inequality and develop the social and economic fabric. In the countries where it is present, INALCA is committed to protecting the rights of workers, not resorting to any form of child labour and promoting a healthy and safe working environment for all its employees and at all levels of the supply chain, from production to processing and distribution of products.

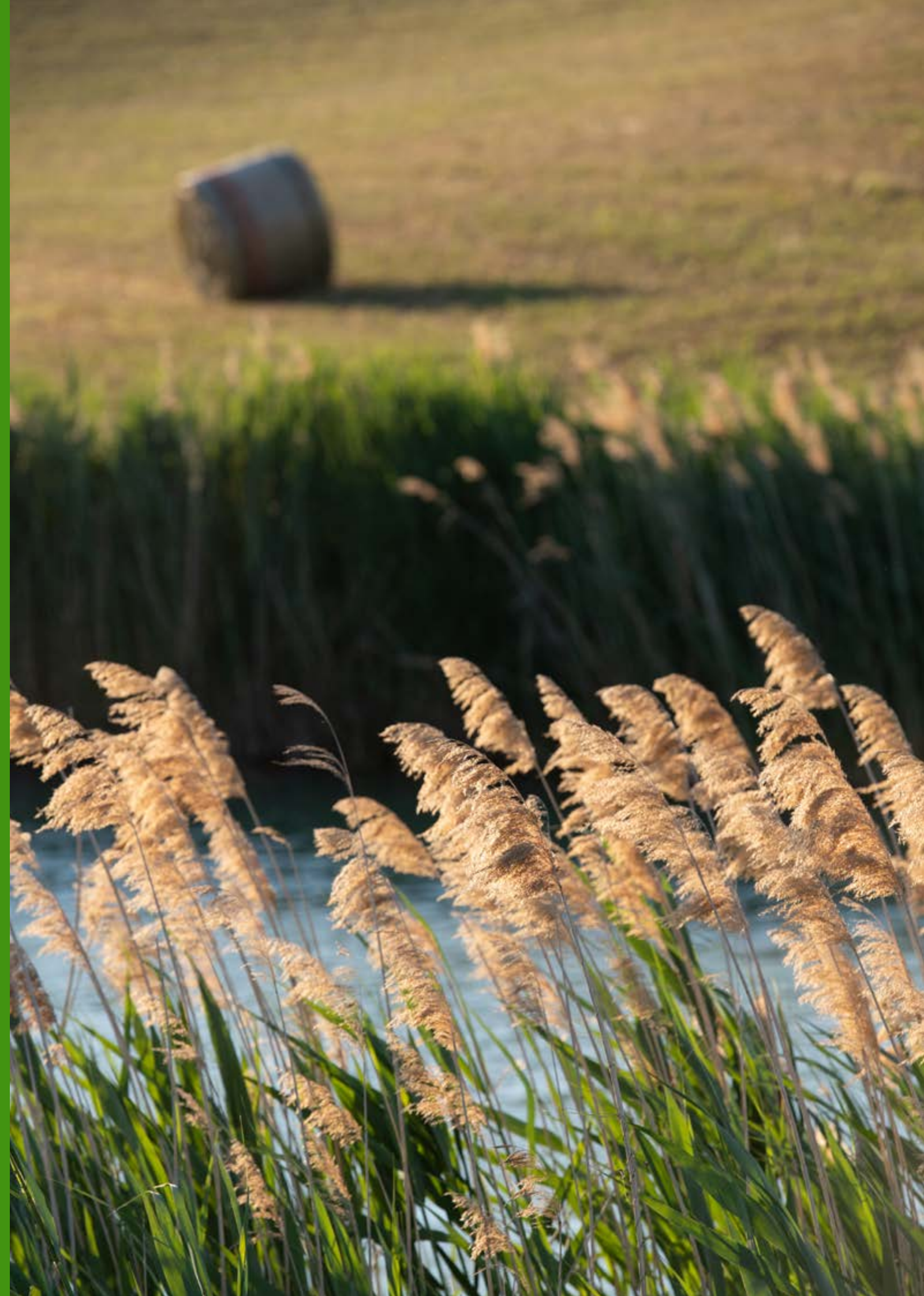
INALCA, first of all, ensures a dignified and lasting remuneration to its employees. The business model developed in Africa by INALCA allows more than 344 employees to have regular employment contracts, as well as to hold a bank account or similar, thus helping to improve the working conditions of the population as well as contributing to social and economic stability. INALCA offers all its employees' full access to medical insurance,

private care and dedicated services in terms of health and prevention. INALCA has promoted and subsidised to its employees and collaborators the administration of the anti-Covid-19 vaccination cycle in particular in Angola, Mozambique and the Republic of Congo.

INALCA also places particular importance on the development of local communities through direct support, in the form of donations, to social and emergency entities including the Cuerama Association in Angola, the Kimbondo paediatric hospital in the Democratic Republic of Congo, the National Agency for Emergency Management (NEMA) in Nigeria. In terms of economic sustainability, the investments that INALCA is making on the Continent represent an innovative model, potentially replicable in other countries. INALCA's future commitment, through its investment projects aimed at improving the local economic fabric and creating wealth for all the operators involved, is to encourage internal self-sufficiency, developing an integrated and sustainable supply chain and concentrating its efforts on the stages of industrial production, local transformation, as well as the development of the distribution network, infrastructures and refrigeration systems, thus increasing employment and the resulting training and transfer of know-how. INALCA therefore proposes itself as a promoter of sustainable development models, models that are even more fundamental in areas of the world where many economic, social and environmental parameters require important efforts to reach acceptable levels.



2. Sustainability for INALCA



2.1

The 4 pillars of INALCA sustainability

For the INALCA Group, sustainable development is represented by all the business activities and processes put into practice with the aim of constantly improving management and the economic, environmental and social impacts that develop along the entire supply chain. INALCA's commitment is based on the identification of operational interventions aimed at reducing these impacts and their progressive alignment with the expectations of stakeholders and the Sustainable Development Goals (**SDG**) adopted by the United Nations.

The Sustainability Report therefore represents the tool for synthesis and shared communication, in a transparent and inclusive way, with the various Stakeholders of the company. INALCA's sustainable development is based on the following 4 pillars, in line with the **SDGs** 2, 3, 7, 8, 9, 12, 13.

INTEGRATED AND SUSTAINABLE SUPPLY CHAIN

The company's goal has always been the creation of an integrated meat supply chain where each link is managed and monitored in terms of productivity, efficiency, economies, impacts and economic value generated and distributed among all operators in the supply chain. This is whether the "downstream" model (from farm to fork) is developed in Italy and Europe or the "upstream" model (from fork to farm) in non-European countries, which has allowed the stable development of the company in the countries in which it operates, fully integrated with the territory and local communities (**SDGs 8,12**).

SHARING VALUE WITH THE AGRICULTURAL WORLD

Based on an integrated supply chain approach, INALCA believes that the knowledge and sharing of the key factors of sustainability with agricultural production represents the first factor of success and long-term growth. Therefore, for the company the foundation of sustainable development is embodied in a progressive functional and economic integration with agricultural activities, based on the exchange and transfer of the best available techniques (**SDGs 2, 3, 8,12,13**).

CONTROL OF CONSUMPTIONS AND IMPACTS

The control of consumption and impacts, the use of clean and renewable energy, the commitment to fight climate change represent challenges that involve citizens, businesses and institutions.

INALCA has placed these commitments at the centre of its business activity, promoting best practices for optimising the environmental performance of processes and products throughout the supply chain (**SDGs 7,12,13**).

MANAGEMENT AND TRANSPARENCY IN COMPANY PROCESSES

Through the extensive adoption of international technical standards in the fields of quality, safety and social responsibility, INALCA ensures competence, transparency and accessibility to stakeholders and consumers, to enable increasingly informed and aware food consumption (**SDGs 9,12**).



2.2

Listening to stakeholders

Aware of the complexity of the beef supply chain, the media debate and the evolution of stakeholder sensitivity on issues relative to the meat sector, INALCA carried out a new priority analysis (so-called "materiality analysis") in order to identify the Group's intervention priorities, the issues to be explored and the stakeholder engagement activities to be strengthened. The analysis of priorities is based on the international standard AA1000 Stakeholder Engagement Standard; INALCA has completed the new materiality analysis in the first half of 2021. Organised listening to stakeholders on issues of priority interest is the main tool through which the company defines and directs its own trajectories of sustainable development. During 2021, the team of stakeholders with whom INALCA had a dialogue was re-evaluated and is listed below. INALCA has started the identification of further stakeholders and the enlargement of the geographical areas involved in the new dialogue and listening process. During 2022, INALCA plans to launch an internal communication campaign to inform and involve its community on the activities carried out in relation to the Global Goals (4). In 2021, INALCA developed specific comparisons with breeders' Associations and organisations active in the field of animal welfare. A substantial contribution derives from INALCA's active participation in debates and working groups in the trade and sectoral Associations of which it is a member at national and international level. Among these, a particular importance was placed in the participation in technological platforms that deal specifically with the sustainability of the bovine sector on a regional and global scale, as well as in agricultural producer organisations and institutional tables for the analysis and evaluation of new regulations. Among these, GRSB, ERBS, SAI Platform and Coldiretti, with which INALCA dialogues and actively participates, are the most authoritative and qualified. Technology platforms

are entities that, by aggregating industry leaders, the scientific world and stakeholders, identify guiding values and sustainable production techniques in the beef sector, promoting their adoption at all levels of the supply chain. For the analysis of priorities, INALCA identified the topics to be submitted to its external and internal stakeholders and collected them in a checklist. The identification of topics for comparison and discussion with stakeholders was carried out taking into consideration the GRI standard and the knowledge deriving from INALCA's participation in sectoral Associations and technological platforms as the technical basis of reference.

The stakeholders involved were identified taking into account the following principles:

- **Influence:** stakeholders who have direct influence on INALCA's decision-making processes;
- **Proximity:** stakeholders with whom INALCA interacts most and directly;
- **Collaboration:** stakeholders who collaborate effectively with INALCA in economic or financial terms;
- **Representativeness:** stakeholders who, through the regulation of representation, or by custom, can legitimately submit a request.

Further references in the dialogue and listening process are the codes of conduct and sustainable development policies signed by INALCA in the context of its supply chain. After identifying the topics to be addressed with the stakeholders, dedicated questionnaires were prepared and sent out to them, grouping and weighing the results of the discussion on a scale of 5 classes of importance, attributed by the stakeholder to each topic. The details of the stakeholders identified during the process described are provided below.



(1) <https://www.globalgoals.org/>

2.3 Materiality analysis

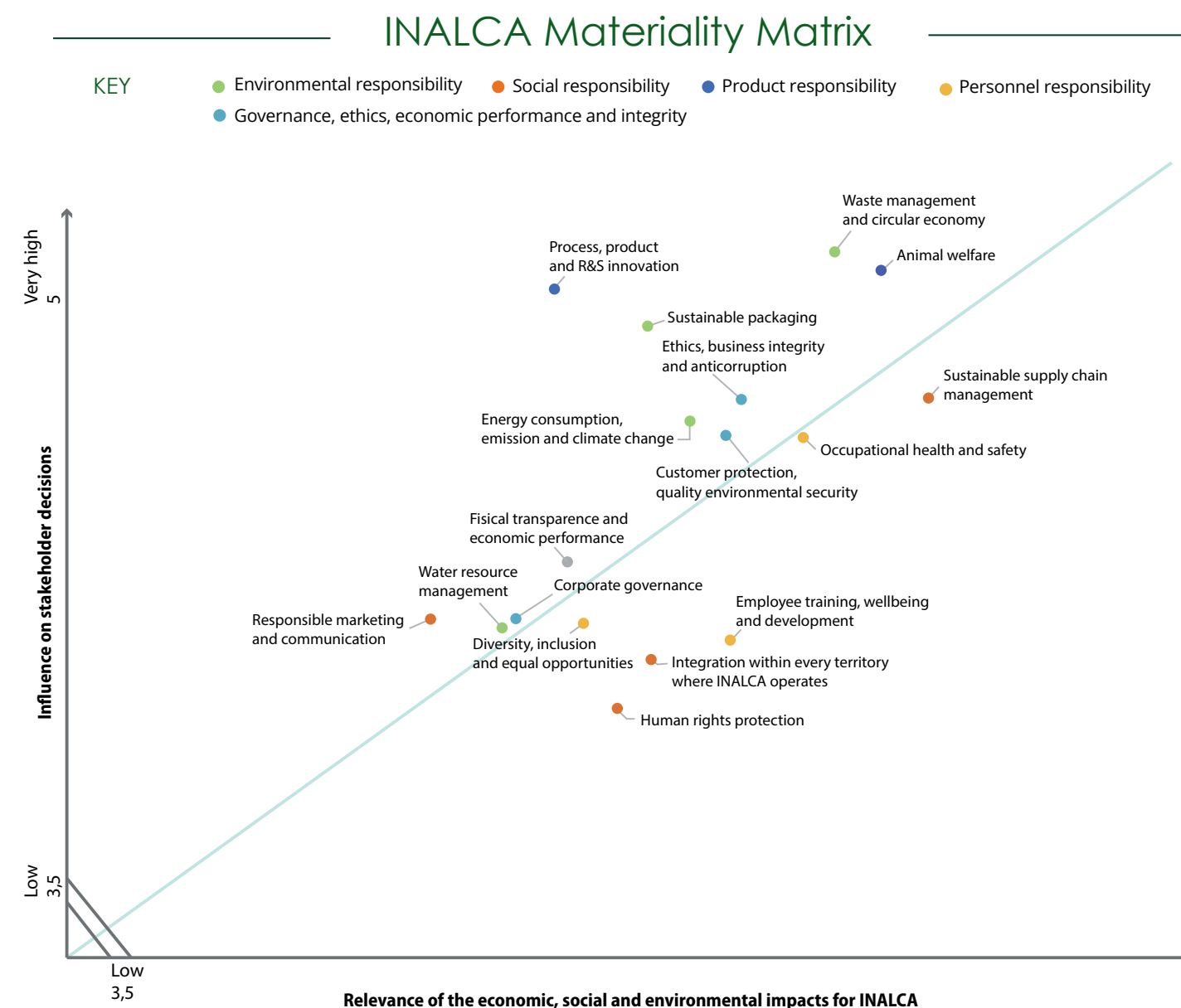
The materiality analysis carried out in the first half of 2021, was based on an analysis of the context and of the main trends in the sector which led to the identification of the topics that were subjected to evaluation by the Group and its stakeholders in terms of relevance, through direct involvement of both internal and external stakeholders.

The activities for assessing the relevance of the issues were carried out through:

- A workshop with INALCA's top management to define the sustainability issues relevant to the Group through a voting process. The results were discussed and carefully assessed by top management and the entire working group involved in the process.
- An online survey aimed at a sample of stakeholders relevant to the Group for the identification of stakeholder priorities and to collect their medium to long-term expectations.

In the geographical areas of Africa and Russia, stakeholder engagement activities were entrusted to the directors of the local companies and production plants, supported by the project manager.



The results that emerged from the stakeholder engagement activities, together with the assessment of the issues by top management, led to the definition of the INALCA materiality matrix which was shared with top management and with the entire working group involved. The relevant topics with their descriptions and the materiality matrix of the Group are reported below. The topics considered "material" were those that received an evaluation of more than 3.5 among the interviewees (see graph "INALCA materiality matrix") and appear in the box at the top right. All the issues in fact obtained a score higher than 3.5 therefore with "High" and "Very High" relevance both for INALCA and for the stakeholders; among these the company has selected 10 themes to which it has given priority for intervention. During 2021, no significant structural changes occurred such as to modify the strategic and operational approach of the Group and the issues that emerged as material from the analysis conducted were found to be in line with the priorities of the Group and its stakeholders.



2.4



Material topics for INALCA
and development areas

SDG's (sustainable development goals)	TEMATIC AREA OF MATERIAL'S REFERENCE	MATERIAL TOPICS	DESCRIPTION
	WELLNESS, HEALTH AND SAFETY OF EMPLOYEES AND COLLABORATORS	Corporate governance	Definition of the structure and composition (also in terms of diversity) of the governing bodies, of the system of appointment, separation of powers, remuneration.
		Ethics, business integrity and anticorruption	Ethics, integrity and transparency in business activity which includes the adoption of policies and procedures to support compliance with current regulations and any other specific rules and in the fight against active and passive corruption (e.g., Code of Ethics, Model 231). Presence of policies and mechanisms for reporting critical issues relating to unethical or illegal conduct at the level of the Parent Company and subsidiaries. Adherence to national and international principles and guidelines that include areas of social and environmental responsibility, where the Group operates or related to business activities. Identification, assessment and management of the economic, social and environmental risks, present and potential, to which INALCA is exposed.
	BUSINESSES, INNOVATION AND INFRASTRUCTURE	Economic performance and fiscal transparency	Effective and efficient allocation of resources, in order to pursue positive economic and financial results in the short term and ensure an economic balance in the medium to long term. Redistribution of the value created to stakeholders with a view to generating value throughout the supply chain. Approach to taxation that includes a strategy that complies with regulatory compliance, linked to the business strategy and that is integrated into risk management. Policies and mechanisms for reporting critical issues relating to unethical or illegal behaviour in fiscal matters.

SDG's (sustainable development goals)	TEMATIC AREA OF MATERIAL'S REFERENCE	MATERIAL TOPICS	DESCRIPTION
	RESPONSIBLE CONSUMPTION AND PRODUCTION	Consumer protection, food quality and safety	Commitment to the assumption of responsible and ethical behaviour for the protection of consumers, based also on compliance with national and international standards and codes. Production of products with high quality characteristics and safe in terms of health for the final consumer. Management systems to guarantee the quality and traceability of products and implementation of control practices and processes on raw materials and supplies in order to guarantee the highest quality and product safety. Implementation of a non-compliance reporting system dedicated to customers and consumers.
	BUSINESSES, INNOVATION AND INFRASTRUCTURE	Process, product and R&D innovation	Process innovation for the minimisation of environmental impacts. Research and development activities aimed at developing new, more sustainable products.
   	RESPONSIBILITY TOWARDS THE ENVIRONMENT	Energy consumption, emissions and climate change	Efficient energy management through actions, programs and management systems that favour the reduction of energy consumption deriving from fossil sources and the promotion of self-production and the purchase of energy from renewable sources. Implementation of technologies and systems capable of making production energy efficient. Monitoring, prevention and reduction of greenhouse gas emissions (GHG) and other polluting emissions such as: ODS substances (Ozone Depleting Substances), NOx, SOx and VOC. The topic includes the management of any risks, opportunities and financial implications related to climate change.

SDG's (sustainable development goals)	TEMATIC AREA OF MATERIAL'S REFERENCE	MATERIAL TOPICS	DESCRIPTION
 	RESPONSIBILITY TOWARDS THE ENVIRONMENT	Water resource management	Conscious and efficient management of water resources and definition of efficiency strategies for the use of water. Practices for monitoring the quality of water discharges and implementation of actions that favour the improvement of the chemical, physical and biological quality of discharges.
	RESPONSIBILITY TOWARDS THE ENVIRONMENT	Waste management and circular economy	Responsible management of hazardous and non-business-related waste, dissemination of a corporate culture aimed at the correct and responsible management of waste, promoting methods and practices such as reuse, differentiation and recycling of waste. Promotion of circular economy and waste recovery activities. Development of knowledge, tools and solutions to make normal production practices more efficient in order to optimise the use of raw materials in terms of yield and reduce the amount of waste.
		Sustainable packaging	Attention to the sustainability of product packaging, with a view to minimising non-recyclable materials and promoting the recovery of materials. Use of innovative materials that guarantee a lower environmental impact. Development of an "intelligent" packaging in order to educate the final consumer to optimise its disposal.
	RESPONSIBILITY TOWARDS PEOPLE	Occupational health and safety	Policies, practices and programs that promote the protection of health and safety in the workplace that include periodic monitoring of the main indices. Adoption of certified voluntary technical standards and promotion of specific training on employee health and safety.

SDG's (sustainable development goals)	TEMATIC AREA OF MATERIAL'S REFERENCE	MATERIAL TOPICS	DESCRIPTION
 	RESPONSIBILITY TOWARDS PEOPLE	Diversity, inclusion and equal opportunities	Development of inclusion policies, enhancement of diversity for minorities (e.g., disability, gender, age, ethnicity, sex, religion) and promotion of equal opportunities, including equal pay for equal roles.
 	RESPONSIBILITY TOWARDS PEOPLE	Training, development and worker well-being	Paths of professional growth, training and retention of talents aimed at enhancing the technical, managerial and organisational skills of employees and at consolidating the professionalism required by the role covered. Policies, benefits (economic and otherwise) and actions aimed at improving the well-being of employees, capable of creating a comfortable working environment and promoting a reconciliation between private and professional life. Respect and promotion of workers' rights in Group operations and in the supply chain, monitoring of the activities of employees and suppliers relating to the protection of workers' rights, also with reference to relations with trade unions.
	SOCIAL RESPONSABILITY	Responsible marketing & communication	Adoption of policies that guarantee transparent and responsible communication towards all targets, which promote and support healthy lifestyles of customers and consumers. Development of any corporate reputation analysis with a specific focus on sustainability issues. Development of policies for the transmission of information and responsible commercial communication.
  	SOCIAL RESPONSABILITY	Protection of human rights	Respect and promotion of human rights within the Group and throughout the supply chain, especially with regards to suppliers. Adoption of monitoring systems for the protection of human rights within the Group's activities and by suppliers.

SDG's (sustainable development goals)	TEMATIC AREA OF MATERIAL'S REFERENCE	MATERIAL TOPICS	DESCRIPTION
	SOCIAL RESPONSABILITY	Integration in the territory in which Inalca operates	Support of local communities through the distribution of the generated value (e.g., wages, local purchases, contributions to socio-cultural development initiatives, etc.). Organisation and promotion of socio-economic, cultural and sporting development initiatives, through the provision of donations and collaboration with local organisations and Associations.
		Sustainable management of the supply chain	Responsible management of procurement processes along the entire supply chain, with particular attention to the selection of suppliers according to social and environmental criteria. Monitoring systems of suppliers with respect to issues of social responsibility (e.g., protection of human and workers' rights) and environmental issues and promotion of social responsibility behaviours and practices also through the selection of certified raw materials. Preference in the selection of local suppliers.
	ANIMAL WELFARE	Animal welfare	Protection of animal welfare in all industrial processes, in breeding and slaughtering, along the entire supply chain, respecting EU regulations and promoting the adoption of recognised voluntary technical standards. Guarantee all animals access to fresh water and a healthy diet, to have an adequate physical environment, as well as guaranteeing the manifestation of their behavioural characteristics, with conditions and care that do not lead to psychological suffering (e.g., the "five freedoms").



2.5

Sustainability goals and objectives

Among all the topics considered “material”, identified as those that received an evaluation higher than 3.5 among the interviewees (see graph “INALCA materiality matrix”), INALCA has selected 10 topics to which it has given priority of intervention and which are discussed in the following chapters of this Report. Among these, INALCA has planned specific activities for the 2022-2026 time period, expressly aimed at realising its commitment to secure and planned objectives, on which the company intends to focus its work and investments in the coming years. These objectives were selected following a careful analysis of possible areas for improvement, such as the protection of resources - energy and climate change and its own supply chain, taking as a reference the Key Performance Indicators (KPI) as reported by specific GRI indices, in line as well with the requirements of the Carbon Disclosure Project (CDP).

As regards the protection of resources - energy and climate change, the first objective that INALCA set itself was to carry out a screening and effective calculation of the indirect emissions of its supply chain, also known as “Scope 3”, completed and documented in this Report. Subsequently, again in the same context and in line with the requirements of current regulations and the Paris Agreement of 2015, INALCA has set itself the objective of further improving efficiency from the point of view of energy resources from renewable sources, as evidenced by the will to extend its share of self-produced energy from photovoltaic panels, as well as the conversion from biogas to biomethane of its anaerobic digestion plants, and finally the transformation from cogeneration to trigeneration of some existing plants, as well as the further new installations of other units.

ENVIRONMENTAL RESPONSIBILITY

- Sustainable packaging
- Waste management and circular economy
- Climate change emissions

GOVERNANCE, ETHICS, INTEGRITY IN BUSINESS AND ECONOMIC PERFORMANCE

- Process, product and R&D innovation
- Ethics, business integrity and anti-corruption
- Economic performance and value creation
- Animal welfare

PRODUCT LIABILITY

- Product safety, traceability and quality
- Responsible use of antibiotics

SOCIAL RESPONSIBILITY

- Consumer protection and responsible labelling

Sustainability Objectives Planned for 2022-2026

PROTECTION OF RESOURCES: ENERGY-CLIMATE CHANGE

- **Scope 3:**
Calculation of overall indirect CO₂ emissions of the Group
- **Photovoltaic:**
new installations and expansion of existing ones
- **From Biogas to Biomethane:**
Conversion with eventual input into the grid or LNG for automotive
- **Trigeneration:**
Conversion from cogeneration to trigeneration of some existing plants and installation of new plants

SUPPLY CHAIN

- **Blockchain:**
New IT infrastructure for data sharing within the supply chain

TRAINING, DEVELOPMENT AND WORKERS WELFARE

- Increasing training hours on sustainability to Top Management

3. Governance



3.1

Corporate governance and organisational model

COMPANY CORPORATE STRUCTURE

INALCA S.p.A., with registered office in Castelvetro di Modena, is 71.6% controlled by Cremonini S.p.A. based in Castelvetro di Modena and since 2014 owned with a 28.4% stake by IQMIIIC (IQ Made Italy Investments Company S.p.A.) a special purpose vehicle (SPV) company based in Milan, itself owned in equal parts by CDP Equity S.p.A. (Cassa Depositi e Prestiti) and by FSI-Qatar Holding (Sovereign Fund of Qatar). The Corporate Governance Model adopted by the INALCA Company foresees the presence of a Board of Directors, a Board of Statutory Auditors, a Supervisory Body, Compliance and Internal Audit offices.

BOARD OF DIRECTORS

The Board of Statutory Auditors is the body responsible for supervising compliance with the law and the Articles of Association, compliance with the principles of correct administration and, in particular, the adequacy of the internal control system, the organizational and administrative structure and accounting adopted by the Company, as well as on the correct functioning.

POSITION	MEMBER
President	Serafino Cremonini (dal 30/04/2021)
CEO	Luigi Pio Scordamaglia
CEO	Paolo Boni
Counselor	Gianluca Ricci (dal 30/04/2021)
Counselor	Riccardo Zani (dal 30/04/2021)
Counselor	Davide Luigi Vimercati (dal 30/04/2021)
Counselor	Giosuè De Nigris (dal 30/04/2021)

The Board of Statutory Auditors was appointed on 04/30/2021 and will remain in office for 3 years until the shareholders' meeting for the approval of the financial statements as at 12/31/2023.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors is the body responsible for supervising compliance with the law and the Statute, respect for the principles of correct administration and, in particular, the adequacy of the internal control system, the organisational and administrative structure and accounting adopted by the Company, as well as on its correct functioning.

POSITION	MEMBER
President	Alberto Baraldi
Statuary Auditor	Mario Lugli
Statuary Auditor	Claudia Mezzabotta
Alternate Auditor	Eugenio Orienti
Alternate Auditor	Giuseppina Manzo

The Board of Statutory Auditors was appointed on 04/30/2021 and will remain in office for 3 years until the shareholders' meeting for the approval of the financial statements as at 12/31/2023.

SUPERVISORY BODY

The Supervisory Body (SB) has the task of supervising the functioning and effective application of the Organisation, Management and Control Model of Legislative Decree 231/2021 adopted by the company. The INALCA SB is a collegial body.

POSITION	MEMBER
President	Marcello Elia
Internal Member	Raffaello Ascensionato Carnà
Internal Member	Giovanni Mario Lugaresi Sorlini

AUDITING FIRM

The Auditing Firm is the external body, appointed by the Assembly, which is entrusted with the statutory audit of the accounts. INALCA has appointed Price Waterhouse Coopers (PwC) S.p.A to audit the financial statements and consolidated balance sheet.

COMPLIANCE OFFICE

The Compliance Office aims to add value to INALCA and its subsidiaries, strengthening Corporate Governance, through an independent assessment of internal controls flanked by recommendations and advice on what appropriate improvements to be undertaken in order to reduce risks in the processes of the companies themselves. Chairman of the Board of Directors - Chief Executive Officer - Director - Chairman of the Board of Statutory Auditors - Standing Auditor - Substitute Auditor.



INALCA - Ospedaletto Lodigiano plant (LO)

3.2

Company policies and Codes of conduct

ETHICAL CODE

In addition to respecting the laws and regulations in force in all the countries in which it operates, INALCA intends to observe high ethical standards in the daily conduct of its work. These standards, and their inspiring principles, are collected in the Code of Ethics (hereinafter the "Code").

The Code is an integrative tool of the rules of conduct dictated by the legislator: simple compliance with the law, although a fundamental condition, is often not sufficient for INALCA, which requires all company decisions and the behaviour of its personnel be based on ethical rules, even in cases where they should not be codified by law.

The Code expresses the commitments and ethical responsibilities assumed by those who, in various capacities, collaborate in the achievement of INALCA's objectives, and includes: shareholders, employees, collaborators, external consultants, suppliers, customers and other subjects. Subjects who, as a whole, are defined with the term stakeholder, as bearers of interests linked to the company's activities. Each person who works in INALCA, as well as in the entities controlled by it, to which the application of the Code extends, is required to always act in compliance with the provisions contained in the Code. The value and importance of the Code are strengthened by the provision of a specific liability of entities, as a result of the commission of crimes and administrative offenses relevant for the purposes of Legislative Decree 231/2001. INALCA is responsible for divulging the Code of Ethics to all new employees, suppliers and customers, external consultants and other subjects.

CODE OF ANTI-CORRUPTION BUSINESS CONDUCT

One of the key factors of INALCA's reputation is the ability to conduct its business with loyalty, correctness, transparency, honesty and integrity, in compliance with laws, regulations, international standards and guidelines, both in Italy and internationally, which apply to the Group's business. The Code of Commercial Conduct is adopted in order to provide a systematic reference framework for the rules and procedures on Anti-corruption, which the Group has designed and implemented over time. The Code of Commercial Conduct is inspired by the principles of conduct set out in the Code of Ethics and aims to provide all INALCA Personnel with the rules to follow to ensure compliance with the Anti-Corruption Laws.



ORGANISATION, MANAGEMENT AND CONTROL MODEL 231/2001

The Organisational Model drawn up by the Compliance Office pursuant to Legislative Decree 231/2001 is a system of principles, rules, procedures and controls that the Company, on the basis of an assessment of the existing risks, adopts to prevent the perpetrate of the offenses listed in the aforementioned.

The Company has adopted a structured procedural system to which the reference Offices and all INALCA Personnel must comply. The application of the Model provides for training activities, internal and external auditing and allows free and anonymous reporting of any non-compliance or negligence in its correct application. The Supervisory Body, together with the Compliance Office, evaluates the reports and any corrective actions.

WHISTLEBLOWING

In order to allow all INALCA Personnel to report conduct that is not in line with the Code of Ethics, the Anti-Corruption Code of Business Conduct, the Organisation, Management and Control Model 231/2001, a Whistleblowing system has been introduced which consists of dedicated communication channels. The methods and operating instructions on the use of the reporting channels are set out in a specific Whistleblowing policy which regulates the methods of managing reports, ensuring the confidentiality of the identity of the whistle blower and information at each stage relating to the management of the report.

INALCA HAS COMPANY POLICIES AND CODES OF CONDUCT IN THE FOLLOWING SECTORS:



- Ethical code
- Code of Business Conduct
- Adoption of the principles of the "Modern slavery Act"
- Adoption of EU Reg. 679/2016 (GDPR-Privacy) Politica Qualità-Ambiente-Sicurezza-



- Video surveillance
- Fraud prevention
- Management of audits and unannounced controls



- External Social Media Policy Management
- Internal Social Media Policy Management
- Internal Social Media Policy for employees/ contacts, department managers involved in the opening and management of Web Sites and Social Media



- Quality-Environment-Safety-Social Responsibility Policy
- Sustainable procurement and protection of the Amazon rainforest
- Good hygiene, health, safety and environmental practices of all the plants
- Quality policy of INALCA laboratory for food safety



- Good Breeding Practices
- Animal welfare during transport
- Animal wellbeing in the slaughterhouses
- Conscious use of drug
- Control of animal wellbeing from breeding to slaughter
- Good health and hygiene practices for coronavirus (SARS-CoV-2) prevention

3.3

Risk management activities

INALCA has developed systems for analysis, evaluation and mitigation of main risks interconnected to its corporate activities within every geographic areas into which it operates. Such risks are periodically verified within corporate governance.

TYPE OF RISK		MEASURES
FINANCIAL	RISKS ASSOCIATED WITH INTEREST RATES	LOW To cope with this risk, INALCA has stipulated hedging “derivative contracts” that cover part of the medium/long-term debt. These contracts provide for the exchange of the differential between the variable rate and one or more fixed rates relating to the pre-established reference rate aligned with the financial amortisation plan; alternatively, these contracts set a maximum limit on the variable rate. The Mark to Market value of each transaction is constantly updated and accounted for as part of the Group's Net Financial Position.
	CURRENCY EXCHANGE RISKS	LOW The risk is mainly present in the Angolan market, whose currency has suffered heavy and continuous devaluations until the middle of 2021, due to the difficulty of quickly transferring the money to the Parent Company which is the sole supplier of the subsidiary in Angola. Hedging the cash surplus is impossible unless investments are made in securities linked to the performance of stronger currencies (usually the US dollar), the risk in inventories is recoverable through sales price adjustments. However, since mid-2020 the conditions of the local internal market as well as external factors (oil price increase) have given rise to an important revaluation of the Angolan currency and the persistence of this situation is reducing the possibility of this risk occurring. Exchange rate risk in Russia relating to supplies in currencies other than the local currency is managed through forward exchange contracts. All financial credit lines are in local currency (Rouble) and therefore not subject to exchange rate risk.
	RISK ARISING FROM THE BREACH OR DETERIORATION OF THE CREDIT QUALITY OF CUSTOMERS	LOW Credit risk is first of all managed through the analysis of customer reliability also carried out through external sources of information, as well as constant monitoring of the economic and financial situation of the main customers. The Group has also set up processes for the continuous monitoring and control of credit and the prompt start of recovery actions. In particular in Italy and in the EU market, but if required also for non-EU countries with specific requests, insurance policies are stipulated to cover the credit and factoring operations without recourse are also carried out. The credit risk is also mitigated by the fact that commercial relationships mainly concern well-known and reliable customers, in particular the main retail chains, which represent a significant share of the exposure. In cases where risks are identified on specific customers and/or international countries in which the Group operates with very short payment terms, in addition to credit control, the Administration and Finance Department with the Commercial Department has set up a structure dedicated to the management of any customer complaints, allowing faster feedback for faster dispute resolutions.

TYPE OF RISK		MEASURES
FINANCIAL	RISK ASSOCIATED WITH THE POTENTIAL INSUFFICIENCY OF FINANCIAL RESOURCES TO COVER THE BONDS CONTAINED IN PRE-ESTABLISHED AGREEMENTS AND RELATED DEADLINES	LOW The risk is managed by optimising financial resources to obtain an adequate level of liquidity, based on a combination of short-term lines of credit and medium-long term loans. Constant monitoring of current and expected liquidity by the Group's treasury function which carries out a check based on the budget and multi-year planning. Medium/long-term loans are linked to the maintenance within certain limits of specific financial and economic performance indicators, based on Ebitda, net debt, equity, financial burden, etc. as defined by the specific contracts. These indicators are periodically monitored in order to maintain the financial stability of the Group.
	CREDIT ISSUED WITH UNFAVORABLE BENEFITS	LOW The Sustainability Report is an effective tool to improve the decision-making process of organisations and, in turn, reduce risk along the entire supply chain, as well as being useful in reducing waste produced within the process, leading to enormous savings on costs. The choice to adopt this management and communication tool produces a double series of advantages for the company: internal advantages, which are reflected in a better organisation and internal management of business processes, and external advantages, which translate into better visibility, greater reliability and transparency for external interlocutors. In addition, the use of new methodologies and technologies in the various production processes offer companies the opportunity to approach new forms of financing and investment, as well as explore new activities related to sustainability, such as “green finance”. The concept of “green finance” includes sustainable investments through various tools, built according to sustainability metrics, such as ESG ratings and the various KPI stated within the Sustainability Report itself.
NATURAL	EARTHQUAKES STRUCTURAL RISKS DUE TO EARTHQUAKES	LOW After the earthquakes (2012 Modena and 2016 Rieti) the plants were thoroughly monitored for seismic risk and further improved in older parts but no risk was highlighted.
	EPIDEMICS (EG. COVID-19) RISK RELATED TO LACK OF STAFF	MEDIUM The company has implemented well-structured procedures for the safety of workers on all production sites in order to constantly monitor the potential spread of any health risks. The flexibility of the business model made it possible to redistribute processes in the various production plants.
	CLIMATE CHANGE RISK RELATED TO THE GOAL OF LIMITING THE INCREASE IN GLOBAL TEMPERATURE	MEDIUM The increase in the concentration of greenhouse gases can favour further extreme climatic phenomena (storms, cyclones, hurricanes and floods) which could damage the Group's structures. In addition to this, indirect risks are linked to the redefinition of business models, the obsolescence of corporate assets, regulatory compliance and the sudden acceleration of technological innovation. The company has implemented improvement plans, with a view to greater efficiency in the use of resources and the consequent cost savings; the conversion of fossil energy sources into clean technologies; the economic return generated by the innovation process of the product and services offered; access to new markets or repositioning in existing markets.

TYPE OF RISK		MEASURES	
SOCIAL	INSTITUTIONAL CRISIS	MEDIUM	INALCA's business is mainly carried out in countries with a solid political structure and there are strong relationships with the government, institutions and local Associations in the main markets. A limited part of the activity is carried out in developing or emerging markets but the low concentration of this activity, also widespread in several countries, limits the overall risk.
	STRIKES RISK RELATED TO LACK OF STAFF	MEDIUM	Company policies always envisage maintaining an adequate stock of finished products in the event that there is a need to cover temporary production blockages. Furthermore, the company management and the personnel departments have always maintained good relations with the trade unions.
	BUSINESS CONTINUITY IMAGE DAMAGE	MEDIUM	The organisation is committed to establishing and maintaining constant collaboration with trade union organisations and internal employee representatives, on the basis of principles of fairness and transparency, within the framework of the legislative provisions and those contained in the National Collective Labour Agreement.
	REPUTATIONAL DAMAGE BY TERRITORIAL COMMITTEES ADVERSE TO THE DEVELOPMENT OF THE ORGANISATION	MEDIUM	Provide full cooperation to local communities and competent bodies, ensuring complete transparency in information and communication to the outside.
	RISK OF PROCUREMENT OF RESOURCES LINKED TO GEOPOLITICAL INSTABILITY	MEDIUM	Diversification of energy sources and suppliers connected to particularly sensitive goods and services.
COMPETITIVITY	FAILURE TO COMPLY WITH CONTRACTUAL CONSTRAINTS: REPUTATIONAL DAMAGE / ECONOMIC DAMAGE	MEDIUM	Reliability of quality and food safety management systems, production planning and product stock management. Macroeconomic scenario analyses regarding the supply of animals, meat and subsidiary products of particular importance.
	INTERRUPTION OF BUSINESS CONTINUITY LOSS OF MARKET SHARE		

TYPE OF RISK		MEASURES	
COMPETITIVITY	INTERRUPTION OF BUSINESS CONTINUITY REPUTATIONAL DAMAGE FAILURE TO COMPLY WITH AUTHORISATIONS / REGULATORY REQUIREMENTS FOOD FRAUD RISK, RELATING TO SOPHISTICATION OF VOLUNTARY PRODUCT COUNTERFEITING	LOW	The organisation carries out continuous checks on the actual and appropriate supply of the requested products. The organisation carries out checks on Suppliers through periodic audits scheduled annually. The organisation operates by scheduling arrivals ensuring that a critical threshold (so-called under stock) is not exceeded. Assessment and prevention of direct and indirect risk related to food fraud through the company procedure of Food Fraud Pg-50.
	INTERRUPTION OF BUSINESS CONTINUITY ECONOMIC REVALUATION HEALTH AND SAFETY. REPUTATIONAL DAMAGE	MEDIUM	The organisation carries out checks on contracts through periodic audits. Collection of mandatory documentation in accordance with Article 26 of Legislative Decree 81/08. Involvement of the executing companies, stimulating them to correctly manage risks, organising periodic meetings to identify potential risks during activities.
INFORMATION AND IMPACTS ON PRIVACY	RISK RELATED TO SECURITY BREACH, EQUIPMENT / SOFTWARE FAILURE	MEDIUM	Risk assessment and mitigation through company procedure and external consultants dedicated to IT security. Specific training on Cyber Security. Strengthening of anti-intrusion information systems. Sending test phishing emails to test the system. Server backup capacity enhancement with differentiation of backup types.
	RISK RELATED TO THE CORRECT DRAFTING OF A SINGLE HEALTH PROTOCOL	MEDIUM	Organisation of all Specialist Doctors (after consulting them) operating on the Italian territory to standardise the health protocol as far as possible, also for privacy aspects.
	FOOD DEFENCE: RISK RELATING TO VOLUNTARY SABOTAGE OF PLANTS AND FINISHED PRODUCTS	MEDIUM	The organisation has implemented a task/risk correlation matrix to make the application of the shared protocol intuitive to each Specialist Doctor, thanks also to a grouping of homogeneous tasks.
	FOOD DEFENCE: RISK RELATING TO VOLUNTARY SABOTAGE OF PLANTS AND FINISHED PRODUCTS	LOW	Food Defence Pg-45. The plants have dedicated risk analysis and management procedures.

TYPE OF RISK		MEASURES	
PHYSICAL	HEALTH RISKS RELATED TO NON-COMPLIANCE WITH FOOD SAFETY REGULATIONS	MEDIUM	INALCA plants comply with voluntary food safety standards such as IFS - International Food Standard. The company actively participates in platforms and institutions related to food safety in order to prevent emerging problems in food safety. Animal welfare and the prudent use of antibiotics are considered the main emerging problems. INALCA has established a strong relationship with NGOs, active in the issue of animal welfare, aligning its policy with those of its stakeholders. INALCA has an internal laboratory, ISO 17025 accredited for most of the microbiological analyses performed on finished products, semi-finished products and by-products.
	RISKS RELATED TO INCORRECT LABELLING AND ADVERTISING OF THE FINISHED PRODUCT	LOW	INALCA adopts the precautionary principle in product labelling and advertising. Each label undergoes an internal authorisation process. All advertising campaigns are covered by legal control or verification by an independent third party.
COMPLIANCE	RISK OF SANCTIONS AND CONVICTIONS, CONSEQUENT FINANCIAL LOSS AND IMAGE DAMAGE FOR NON-COMPLIANCE WITH THE LAW	MEDIUM	To prevent these risks, a system of procedures, a code of ethics, a code of commercial conduct, internal audits and internal surveillance (compliance and internal audit office) and independent third parties (board of statutory auditors, auditors and ODV) are in place. There are also anonymous complaints and whistleblowing mechanisms.
	RISK ARISING FROM CRIMES COVERED IN THE CATALOGUE OF Legislative Decree 231/2001	MEDIUM	Presence of dedicated company staff, external control through SB, dedicated procedures and organisational model pursuant to ex Legislative Decree 231/2001.



3.4

Fiscal transparency

The Board of Directors of INALCA, in full agreement with its shareholders, and in particular with the parent company Cremonini S.p.A, has defined the guidelines for the management of fiscal matters for the entire Group, through adequate policies, organisational structures and communicational tools so that management is uniform among all the companies concerned, inspired by the logic of correct and timely determination and settlement of due taxes, implementing correct risk management.

The Governing Bodies of the Group companies are required to implement this fiscal strategy, thus assuming the responsibility of ensuring its application within the respective entities, together with the specific task of disseminating the underlying culture and values.

Therefore, all the concerned companies pursue the objective of ensuring uniform fiscal management, which is inspired by the following logic:

- correct and timely determination and settlement of due taxes by law and execution of the related obligations;
- containment of tax risk, understood as the risk of incurring the violation of tax laws or the abuse of the principles and purposes of the tax system.

PRINCIPLES OF THE FISCAL STRATEGY

The principles of the fiscal strategy are an integral part of the objectives that the Group intends to pursue, they inspire company operations in the management of the tax variable and require the adoption of suitable processes that can guarantee their effectiveness and application.

Values	The Group, in line with its sustainability strategy, acts according to the values of honesty and integrity in the management of fiscal activities, being aware that the revenue deriving from taxes is one of the main sources of contribution to economic development and social policy of the countries in which it operates.
Legality and transparency	In order to satisfy the interests of all stakeholders, the Group pursues a conduct oriented towards compliance with the tax laws applicable in the countries in which it operates and to interpret them in such a fashion as to responsibly manage tax risk. The Group's Board of Directors ensures the application of such comportment, thereby assuming the role and responsibility of guiding the dissemination of a corporate culture based on the values of honesty and integrity and the principle of legality.
Shareholder value	The Group considers taxes as a business activity cost, which as such must be managed, in compliance with the principle of legality, with the aim of safeguarding corporate assets and pursuing the primary interest of creating value for shareholders in the medium to long term.

GUIDELINES FOR THE IMPLEMENTATION OF THE FISCAL STRATEGY

To ensure the concrete implementation of the general principles outlined above, the Group's fiscal strategy is set out in the following guidelines;

- correct application of tax legislation;
- adoption of the principle of legality through the timely application of the tax legislation of the countries in which the Group is present, to ensure that the spirit and purpose, that the law or legal system provides for interpreting the subject, being are observed.

INTERCOMPANY TRANSACTIONS

Intercompany transactions are illustrated in the Parent Company's Masterfile which is drawn up annually taking into account: the information provided by the Italian tax authorities and the OECD Guidelines on transfer pricing ("OECD Guidelines"). These transactions take place at normal market prices, considering that all companies operate with permanent establishments in the various countries in which they are based. In consideration of the Group's values of transparency and to avoid risks in the dynamics of intercompany transactions, the companies based in the Italian territory, which meet the legal requirements, adhere to the Italian tax consolidation of the parent company Cremonini.

FULL COLLABORATION WITH TAX AUTHORITIES

The Group guarantees transparency and fairness in relations with the tax authorities, even in the event of audits relating to both Group companies and third parties. The Group adheres to the provisions on Transfer Pricing Documentation, in accordance with the indications of the OECD Transfer Pricing Guidelines (so-called three-tiered approach, divided into Master File, Local File, Country-by-Country Report).

ORGANISATION

The Parent Company's fiscal department, coordinated by the Tax Manager, guarantees:

- in agreement with the CFOs of the subsidiaries, an adequate sizing of the necessary skills (internal to the organisation and making use of qualified external professionals), able to perform, in addition to the role of overseeing compliance, that of a decision analysis centre included in the governance and business;
- ensure uniformity in the management of taxation with prudential criteria, making use of the collaboration of consultants.

RISK ANALYSIS

The fiscal risk is controlled according to two legislative measures: the law L. 262/2005 and the Legislative Decree 231/2001. As part of the approach to tax compliance, the main types of risk have been identified (compliance, financial reporting, operational, external) to which an assessment is attributed for each of the sensitive functions and processes. The risk matrix is constantly updated through periodic monitoring with the ordinary audit processes related to the voluntary audit of the financial statements.

REPORTS

For INALCA, tax compliance is considered as one of the fundamental aspects of an ethical and responsible management of the Company. In this sense, the violations that can be communicated through the Company's internal channels also include those of fiscal significance. The Code of Ethics, adopted by the Group, represents the instrument of "Ethical supervision" with which the Group operates and in which context the fiscal strategy is also fully registered. The provisions relating to violations of the Code of Ethics are suitable for ensuring the effectiveness of the provisions contained therein and must be understood as extended to the provisions of the fiscal strategy.

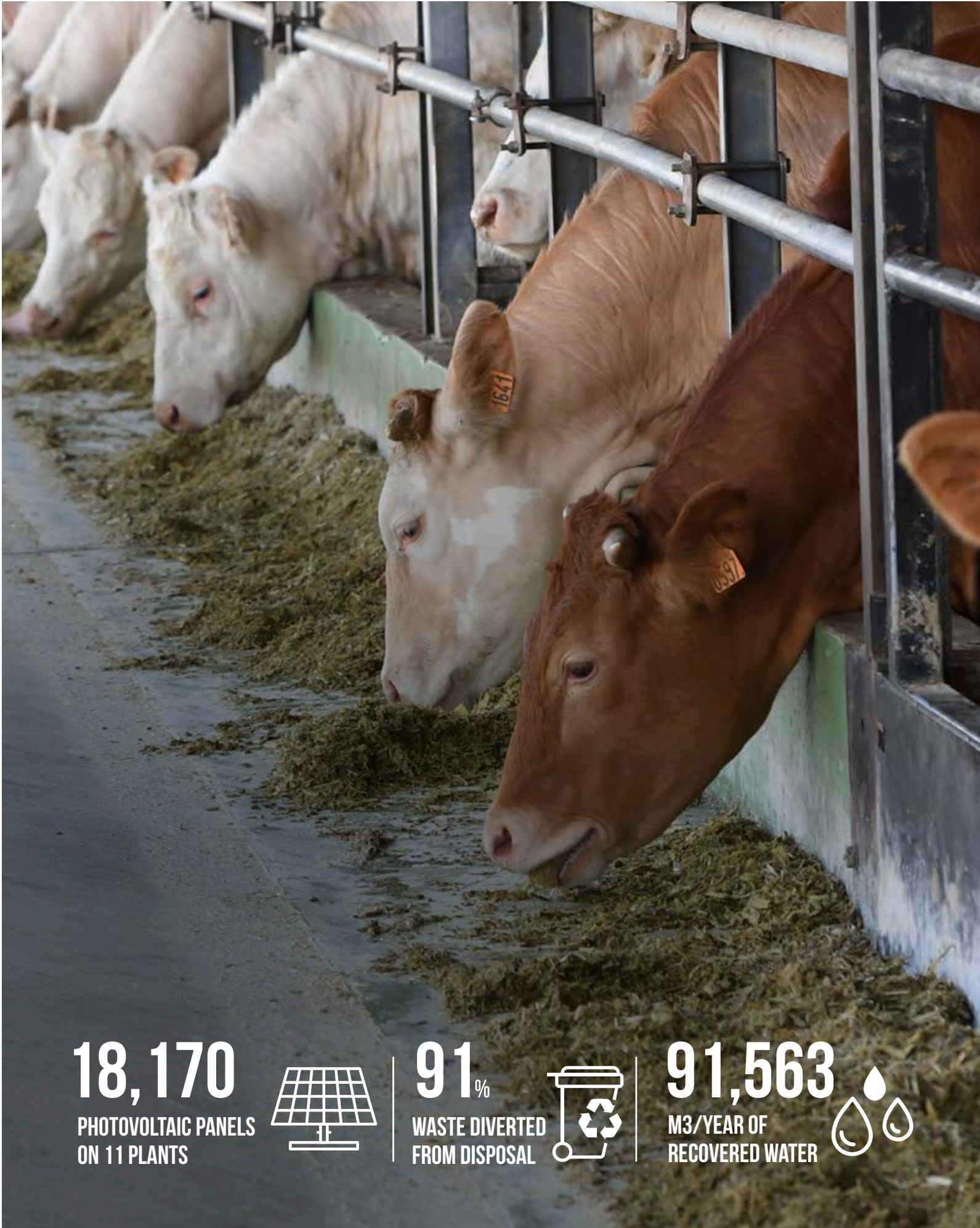
4. Environment



4.1 INALCA's commitment

Fight against climate change and poverty, responsible production and consumption models, clean and accessible energy, conscious use of natural resources are just some of the 17 objectives defined by the UN in the 2030 Agenda for sustainable development, based on the integration and correct balance between three different dimensions: **environmental, economic and social.** Achieving them represents a challenge that unites states, institutions, companies, firms and individuals. INALCA has been pursuing its commitment to the environment for almost 30 years, thanks to a company policy that provides for self-production of energy, development of renewable sources, recycling and reuse of materials. The next goal will be to generate biomethane to power means of transport and

agricultural machinery, renouncing fossil fuels. One of the best possible examples of circular economy, considered among the most effective solutions for the protection of the planet, comes from the Italian beef supply chain, in which no component constitutes a mere waste. Every part of the bovine, not just the meat, is in fact used, making it possible to create leathers for the world of fashion, (furniture and automotive, etc.), pet food, fertilisers and biomedical products, just to name the main examples. For this to be possible it is necessary that companies, such as INALCA, are equipped with modern and efficient systems, with a strong integration of industrial processes, particular attention paid to energy saving and the use of renewable sources.



4.2

Cogeneration, photovoltaic and self-production of energy

Thanks to a self-production energy process that began in the mid-90s, today INALCA independently generates of the needs of its plants, characterised by the production of energy renewable sources (photovoltaic panels, anaerobic digestion and endothermic combustion).

This result was achieved through various systems located in the production plants and farms of INALCA:

- *methane cogeneration systems* (powered by natural gas)
- *renewable source cogeneration systems* (powered by biogas and animal fats)
- *anaerobic digestion/biogas plants* (food from purification sludge and manure)
- *anaerobic digestion from slaughter by-products*
- *solar panels*

Cogeneration systems represent the main tool for INALCA to improve its energy performance. To date, INALCA has 6 natural gas-fired cogeneration engines located in 4 of its main Italian plants (Castelvetro di Modena, Ospedaletto Lodigiano, Rieti and Busseto) for a total natural gas cogeneration power of **14.1 MW**. To these are added **2 cogeneration engines** which include the joint participation, together with the Tea Group of Mantua, of a large plant fuelled by animal fats with a power of **4.8 MW** as well as other **3 biogas plants** of the food group using sewage sludge and manure for a further **1.83 MW**. The cogeneration technology is combined with another virtuous technology consisting of anaerobic digestion present both in industrial plants and on farms. In industrial plants, this technology allows the recovery of slaughterhouse waste and by-products with the production of biogas (such as the 1 MW Ospedaletto Lodigiano and 0.53 MW Pegognaga plants) which allows for the energy recovery of otherwise non-exploitable biomass – this is organic waste such as sewage sludge and non-edible animal by-products,

such as manure deriving from slaughtering and animal transport which significantly contributes to the production of electricity and heat, in addition to the related reduction in the consumption of fossil fuels in the same establishments. In breeding farms, the production of green energy is based on the use of manure and waste from agricultural processes, also contributing in this case to the reduction of fossil fuel consumption (an example is the plant located in Spilamberto di Modena at the Corticella farm S.r.l. with a power of 0.3 MW).

Anaerobic digestion systems produce biogas which can be used for the production of heat, electricity and, in the future, bio-methane. **The residual digestate is a fertiliser** capable of enriching the agricultural soil with organic matter and reducing the use of chemical fertilisers. The next challenge for the Group is represented by bio-methane: an advanced fuel obtained from the refining of biogas capable of powering **agricultural machinery and road vehicle fleets for meat transport**, or to be redistributed through direct emission into the grid. In fact, the adaptation and modification of the current biogas plants is underway in order to convert them into bio-methane and start production around 2022-2026. Finally, INALCA has developed green energy through photovoltaic panels, specifically thanks to the initiation of a 1.3 MW system in the **Ospedaletto Lodigiano (INALCA)** and **0.63 MW in the Gazoldo degli Ippoliti (Italia Alimentari)** sites. During 2021, the following were installed: **7 photovoltaic systems destined to officially start in 2022**, respectively in Castelnuovo Rangone (MO) - Fiorani & C S.p.A., Busseto (PR) - Italia Alimentari S.p.A., Rieti (RI) - INALCA S.p.A., Stienta (RO) - INALCA S.p.A., Flumeri (AV) - Realbeef S.r.l., Nonantola (MO) - SARA, Spilamberto (MO) - Tecno-Star Due S.r.l. (MO). INALCA has built solar panels on its production plants and breeding farms for a total of **11 photovoltaic** systems, so as to significantly contribute





Biogas Plant (MI)

INALCA' SELF-PRODUCTION SYSTEMS OF ELECTRICITY FROM RENEWABLE SOURCES ARE SHOWN BELOW:

ENERGY PRODUCTION FROM RENEWABLE SOURCES					
PLANT LOCATION	COMPANY NAME	PRODUCTION TECHNOLOGY	MW POWER	PRODUCTION 2021 (MWH)	ENERGY SOURCE
Ospedaletto Lodigiano (LO)	INALCA S.p.A.	Anaerobic digestion	1	6,671.88	Slaughterhouse waste
Pegognaga (MN)	INALCA S.p.A.	Anaerobic digestion	0.526	4,217.14	Slaughterhouse waste / Food waste
Spilamberto (MO)	Soc. Agr. Corticella S.r.l.	Anaerobic digestion	0.3	2,512.784	Livestock slurry
Pegognaga (MN)	Unitea S.r.l.	Endothermic combustion	4.8	2,4611.792	Cast fat
Capo d'Orlando (ME)	INALCA S.p.A.	Photovoltaic	0.13	143,874	Solar energy
Piacenza (PC)	Fiorani & C.	Photovoltaic	0.52	475,364	Solar energy
Castelnuovo Rangone (MO)	Fiorani & C.	Photovoltaic	0.301	from 2022	Solar energy
Ospedaletto Lodigiano (LO)	INALCA S.p.A.	Photovoltaic	1.3	36.99	Solar energy
Gazoldo (MN)	Italia Alimentari S.p.a.	Photovoltaic	0.63	52.6	Solar energy
Busseto (PR)	Italia Alimentari S.p.a.	Photovoltaic	0.95	from 2022	Solar energy
Rieti (RI)	INALCA S.p.A.	Photovoltaic	0.397	from 2022	Solar energy
Stienta (RO)	INALCA S.p.A.	Photovoltaic	0.05	from 2022	Solar energy
Flumeri (AV)	Realbeef S.r.l.	Photovoltaic	0.186	from 2022	Solar energy
Nonantola (MO)	Sara S.r.l.	Photovoltaic	0.95	from 2022	Solar energy
Spilamberto (MO)	Tecno-Star Due S.r.l.	Photovoltaic	0.07	from 2022	Solar energy

- INALCA, by 2026, foresees the completion of the energy transition towards biomethane of the group's biogas plants;
- Development of the composting plant in an anaerobic digestion plant;
- Strengthening of production of solar energy.



4.3 Regeneration of waste and food by-products

All INALCA production processes are based on the principles of circular economy. This strategy includes the investment in a new food system, within the Castelvetro di Modena plant, for fats cast and bone processing, i.e., by-products deriving from the slaughtering and processing of meat, which previously had other uses than food and sent to disposal and destruction. The new plant went into operation during 2021, and allows the raw material (fat and bones) to be enhanced both as by-products for the feed industry and pet food, and for food use (for the production of greaves, ingredients and flavours), as well as pharmaceutical (collagen for medicinal capsules). The plant consists of two independent lines, intended for cooking and shredding fats and bones. Specifically,

from the processing of fats we obtain greaves (crunchies of fat typical of the peasant food tradition), tallow (product suitable for feed and pet food), and a component that can be used for food use (aromas, ingredients, etc.). From the processing of the bones, dried and ground, a flour suitable for feed is obtained, as well as a useful base for the production of collagen to be used in the pharmaceutical industry for the production of protective capsules for medicines. The plant is highly efficient: it has an hourly processing capacity of **4 tons of fat and 6.4 tons of bones**, and a production capacity of **4.1 tons/h of tallow, 2.6 tons/h of flour, and 0.6 tons/h of greaves**.



*Food plant dedicated to fat and bones processing.
Castelvetro di Modena plant (MO)*

4.4

Reduction of the carbon footprint

The development of a correct corporate strategy in the matter of decarbonisation cannot be separated from the implementation of consistent emission measurement systems recognised in the international context in order to set up adequate corporate strategies; there is an increasing need to carry out a quantitative calculation of the carbon footprint emitted at company level. Along with the LCA methodology, there are other ways to monitor one's environmental impact, such as the **Greenhouse Gas Protocol Standard** (GHG Protocol). GHG Protocol was born in the late 1990s as an international standard for reporting greenhouse gases, specifically developed by the World Resources Institute (WRI) in response to the evolution of international policies on climate change. The standard represents a reporting system that provides calculation tools, as well as other methodologies for measuring and quantifying greenhouse gas emissions.

To measure its Carbon Footprint, the INALCA Group has collected for the year 2021, all the data necessary to estimate greenhouse gas (GHG) emissions. These are calculated using the **IPCC** (Intergovernmental Panel on Climate Change) **methodology** and are all indicated in terms of tons of CO2 equivalent, by applying the coefficients of the **Global Warming Potential** (GWP) of each compound considered over a 100-year horizon. The result is expressed through three indicators: **Scope 1**, which includes respectively all the **direct emissions** of the Group, such as those deriving from the use of fuels for the production of energy, for company vehicles, for the production process and emissions deriving from farm animals owned by the farm; **Scope 2**, representative indicator of **indirect emissions** resulting from the use of purchased electricity and by their nature not directly produced within company boundaries.



Biogas Plant - Corticella Farm (MO)

From this year INALCA has decided to also introduce the **Scope 3** indicator, which includes all emissions which, although connected to the core and business activity, **are not controlled directly by the Group** but are produced in the INALCA value chain both upstream and downstream. For all three Scopes, the emissions were divided into four macro groups, including farms, slaughtering/processing centres, logistics platforms and "other", which includes the two companies of the Group

involved in compost activities (SARA S.r.l.) and **energy generation from cast fat** (UNITEA S.p.A.). As foreseen by the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard guidelines*, Scope 3 is further divided up to 15 different sub-categories, from which it is possible to select the most important ones in the value chain. INALCA decided to quantify its emissions of categories reported within the chart below.

RELATING TO THE CATEGORIES OF REPORTED IMPACTS, SCOPE 3 OF INALCA IS DIVIDED INTO:

REFERENCE BOUNDARIES	CATEGORY	CATEGORY DESCRIPTION
UPSTREAM SCOPE 3 EMISSIONS	Purchases goods and services (category 1)* * Materials	Emissions related to the extraction, production and transport of goods and services purchased or acquired by the Group. Some examples are slaughtered animals that do not come from the farms owned by the Group, the packaging used, chemicals and sanitisers.
	Fuel and energy related activities not included in Scope 1 and 2 (category 3)* ** Fuels (net of the combustion process)	Emissions related to the extraction, production and transport of fuels and energy purchased or acquired by the Group, net of that under consideration in Scope 1 and 2. For example, emissions downstream of the energy purchased and any losses related to the transport/distribution of the same.
	Upstream transportation and distribution (category 4)* *Inbound transport (raw materials)	Emissions resulting from the transport and distribution of products purchased in the reference year, between the Group's Tier 1* suppliers and its operations on vehicles not owned or managed by the same. In addition, emissions deriving from inbound logistics (e.g., items delivered to slaughterhouses) and outbound logistics are included, such as transport and distribution by third parties between the Group's structures.
DOWNSTREAM SCOPE 3 EMISSIONS	Waste generated in operations (category 5)* *Waste + wastewater	Emissions deriving from the disposal and treatment of waste by third parties generated in operations owned or controlled by the Group. This category includes emissions from the disposal of both generated waste and waste water.
	Downstream transportation and distribution (category 9)* *Outbound transport (waste)	Emissions relating to the transport and distribution of products sold outside the "gate" in vehicles and facilities not owned or controlled by the Group.

*Tier 1 suppliers are companies with which the company has a purchase order for goods or services (for example, materials, parts, components, etc.).

DISCLOSURE 305-1: DIRECT (SCOPE 1) GHG EMISSIONS

DIRECT GHG EMISSIONS					
	Breeding	Slaughterhouses/Processing	Logistic	Other	TOTAL
Natural gas (methane)	94.3	75,184.6	1,246.8	-	76,525.8 ton CO ₂ eq
LPG	-	82.2	-	-	82.2 ton CO ₂ eq
Diesel - generator st	-	13.3	232.9	1.6	247.8 ton CO ₂ eq
Gas oil - boiler	-	21.7	-	-	21.7 ton CO ₂ eq
Diesel - company fleet*	340.0	1,856.6	1,550.6	21.2	3,768.5 ton CO ₂ eq
Petrol	-	188.5	174,8	-	363.3 ton CO ₂ eq
Biogas	41.7	184.9	-	-	226.6 ton CO ₂ eq
Cast fat	-	6,241.5	-	-	6,241.5 ton CO ₂ eq
Emissions from animals**	10,926.8	-	-	-	10,926.8 ton CO ₂ eq
Total emissions	11,402.9	83,773.4	3,205.1	22.8	98,404.1 ton CO₂eq
"OUTSIDE OF SCOPE" EMISSIONS (Scope 1)					
Biogas	5,295.6	23,499.8	-	-	28,795.5 ton CO ₂ eq
Cast fat	-	35.6	-	-	35.6 ton CO ₂ eq
Total emissions	5,295.6	23,535.4	-	-	28,831.1 ton CO₂eq

DISCLOSURE 305-2: ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

INDIRECT GHG EMISSIONS					
	Breeding	Slaughterhouses/Processing	Logistic	Other	TOTAL
Consumed electricity (market - based)	205.2	53,901.4	8,107.0	66.2	62,874.8 ton CO ₂ eq
Consumed electricity (location - based)	116.7	30,671.3	4,613.1	376.2	35,777.4 ton CO ₂ eq

DISCLOSURE 305-3: OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

INDIRECT GHG EMISSIONS					
	Breeding	Slaughterhouses/Processing	Logistica	Altro	TOTAL
Materials	2,791,056.0	242,392.8	45.0	996.2	3,034,490.0 ton CO ₂ eq
Fuels (net of the combustion process)	129.0	30,243.2	3,032.7	167.1	33,572.0 ton CO ₂ eq
Inbound transport (raw materials)	-	-	88,958.0	-	88,958.0 ton CO ₂ eq
Waste	-	4,968.5	52.3	419.2	5,440.0 ton CO ₂ eq
Outbound transport (waste)	0.5	1,572.2	4.1	8.9	1,585.7 ton CO ₂ eq
Scope 3 - TOTAL	2,791,185.6	279,176.7	92,092.0	1,591.5	3,164,045.8 ton CO₂eq
TYPE OF SCOPE 3 EMISSIONS*					
				Fossil + Land use	1,909,002 ton CO ₂ eq
				Gas of biogenic origin (emissions and absorptions)**	1,255,044 ton CO ₂ eq
				TOTAL	3,164,046

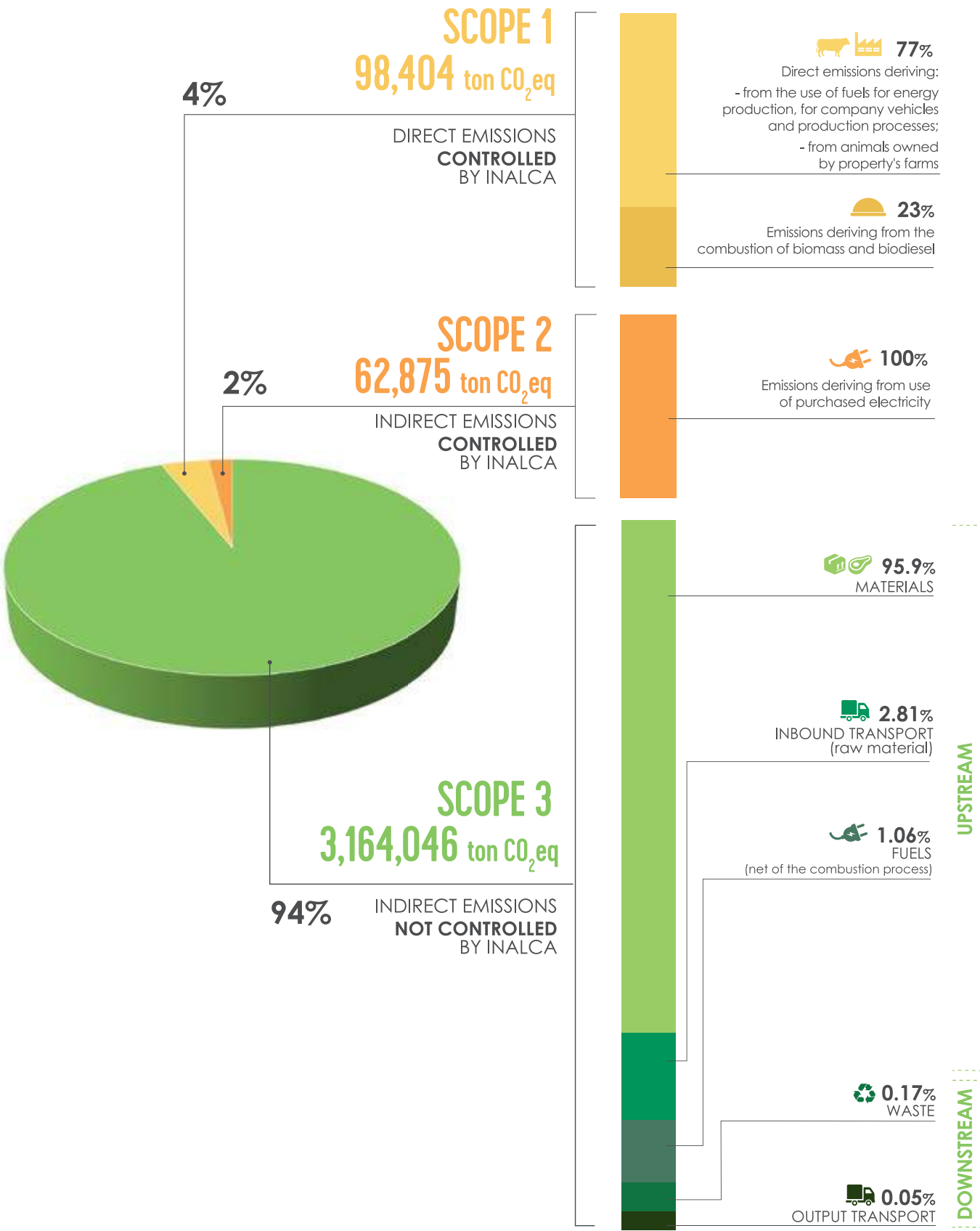
■ In 2021, INALCA launched an in-depth study of emissions at some of the Group's production plants in order to carry out the first data collection on climate change, deforestation, water security and supply chain through the CDP (Carbon Disclosure Project) platform which will be published for the first time in scope 3 in 2022.



* The table shows the emissions of Scope 3 divided into "Fossil + Land use" that fall into "Inside of Scope", and into "Gas of biogenic origin (emissions and absorptions)", i.e., biogenic emissions and CO2 seizures from the atmosphere, which fall "Outside of Scope". The values shown in this table represent the breakdown by type of emission of the table "DISCLOSURE 305-3: Other indirect GHG emissions (Scope 3)".

** Greenhouse gases of biogenic origin (and, as such, outside of scope) include: CO2 emissions (from the combustion process or from the biodegradation of biomass), biogenic CH4 emissions (attributable, for example, to methane from enteric fermentation), the absorption of CO2 by biological processes (CO2 uptake). The calculation method currently adopted does not allow the three components to be quantified separately. The methodology will be refined in the coming year in order to include biogenic CH4 in the "Inside of scope" emissions entry and isolate the other two components, to be counted as "Outside of scope".

DIRECT AND INDIRECT GREENHOUSE GAS (GHG) EMISSIONS



4.5 Water recovery and recycling

INALCA, aware of the value of water resources, has been pursuing improvement objectives for some time, both in terms of reducing consumption and increasing recovery and reuse. In accordance with the provisions of the Ministerial Decree 185/2003, within which the reference framework for the reuse of recovered water is established, however, it is not permitted, to date, usage of the same for uses that would involve contact with food. For its production sites INALCA largely uses water resources from groundwater, which offer greater guarantees in terms of quality. Over 90% of water supplies are also managed directly by INALCA, both

for the phase of withdrawal from the groundwater, and for the distribution, use and purification phases. The water cycle, completely managed by INALCA, ensures “waste-free” management of the water resource as the distribution network is particularly manned and controlled. Furthermore, water discharges have a chemical-physical composition that makes them easily purified, given a balanced relationship between the so-called chemical oxygen demand (COD) and the biological oxygen demand (BOD).



GREEN, BLUE AND GRAY WATER

The scarcity of resources is one of the main challenges that humanity is now facing.

But among all the assets that will increasingly be at the centre of problems related to their scarcity, and also fears of conflicts to procure them, water certainly stands out. Basic element for life on this planet, it is also used in every production process, including that of meat, generally accused of exploitation in excessive measures. Although the use of water to produce meat is certainly important and actually higher than that necessary to produce other foods, it is fundamental to make some clarifications. The methodology used to measure the indicator was developed by the Water Footprint Network, a reference non-profit organisation that operates internationally to standardise the calculation and use of this impact indicator.

However, the Water Footprint of a product is given by the sum of three components which correspond to a different impact on the environment:

1. green water: volume of rainwater evapo-transpired from the soil and cultivated plants;

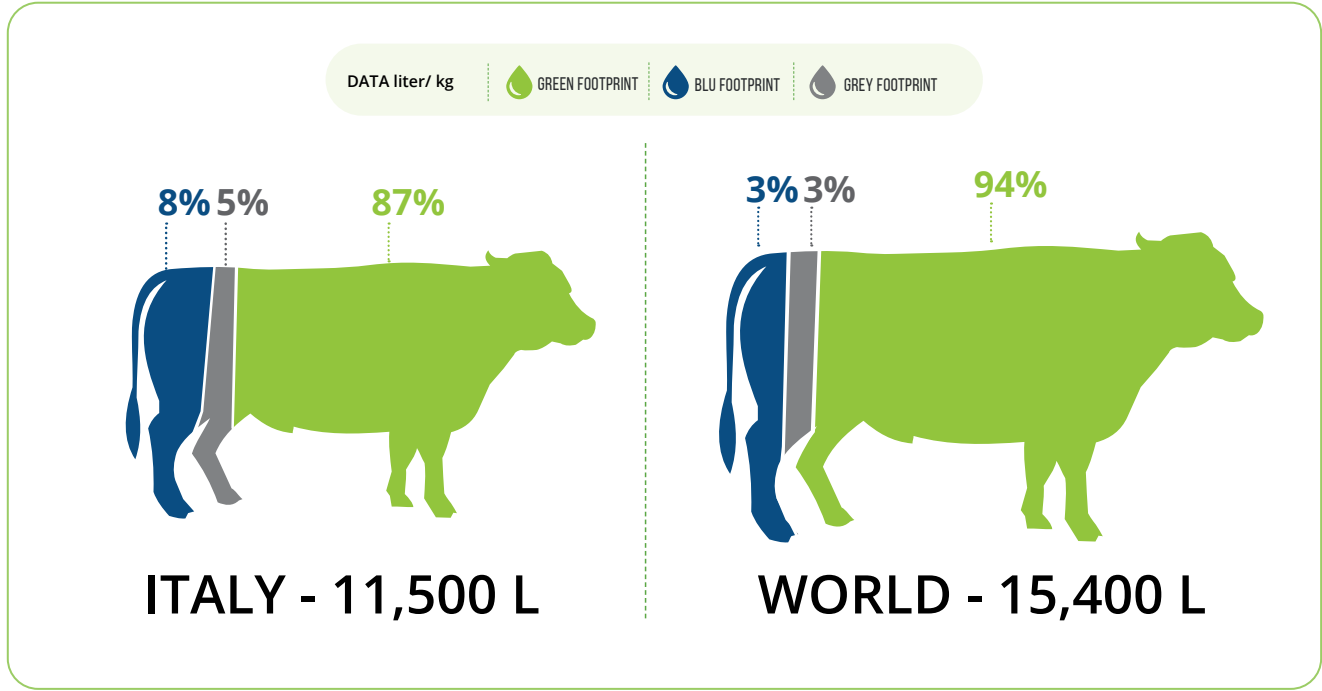
2. blue water: volume of water from surface courses or underground strata, used along the production chain but which is not returned to the sampling basin (includes both irrigation and process water);

3. grey water: volume of water possibly polluted during production and measured as the volume of water theoretically required to dilute the pollutants to bring the water back to availability.

These indicators show an overall water footprint value of approximately 15,400 l/kg, of which 94% is green, 3% is blue and only 3% is grey. This value refers to one kilogram of meat produced globally, averaging the values relating to the different farming systems (pasture, industrial, mixed) in the different regions of the world. The data is obtained, therefore, by comparing extremely different production systems and climatic regions: in fact, it goes from over 26,000 litres per kg from grazing cattle in India to 3,000 litres in the Argentine or US industrial systems.

This great variability in the overall value also corresponds to a high variability in the composition: while in the case of grazing animals 99% of the water is green, when the system is of the industrial type this value can drop to less than 90%. As for Italy, the data indicate an average value of 11,500 litres of water per kg of meat produced, of which 87% green, 5% blue and 8% grey.

Therefore, if we exclude green water in Italy, approximately 1,495 litres of water are needed to produce 1 kg of beef, which in the most efficient systems can even reach 790 litres per kg.*



Source: Mekonnen, M.M., Hoekstra, A.Y. The Green, Blue and Grey Water Footprint of Farm Animals and Animal Products. Value of Water Research Report Series no.48, UNESCO-IHE, Delft, the Netherlands, 2010e.
*Atzori A.S., Canalis C., Dias Francesconi A.H., Pulina G., 2016. A preliminary study on a new approach to estimate water resources allocation: the net water footprint applied to animal products. Agric. and Agricult. Sci. Procedia, 8, pp. 50-57.

4.6

Packaging and subsidiary materials: reduction, recovery and recycling

INALCA uses various types of packaging: the main ones are made of plastic, paper, cardboard for the packaging of fresh and frozen meats, tins and aluminium are used instead for canned meats; the goal is to use the least amount of plastic by type of packaging, to promote, where technology allows, recyclable mono-material packaging, to encourage the replacement of disposable secondary packaging with reusable packaging.

During 2021, particular attention was paid to the increasingly widespread use of mono-material packaging, and to actions aimed at reducing thickness and implementing the use of materials with a high content of recycled plastic. In 2021, OTHER 7 thermoforming materials used for offal packaging were replaced with recyclable LDPE 4 materials in all plants; in the Reggio Emilia plant, the thickness of the bottom PET 1 film, used for the packaging of minced meat, was reduced from 500 to 450 microns, saving 3.4 tons of plastic. The range of trays was also expanded with a minimum of 70% recycled plastic compared to the previous 50%, for a total of 20 tons of virgin PET saved. Another line of development is to use materials suitable for promoting recovery and recycling processes downstream of the supply chain: aluminium and steel for cans, PET for trays and films, PE for films and bags, recycled paper for secondary packaging. Packaging production is a complex technology and the partnership with the supplier is a fundamental requirement for the pursuit of improvement results.

For this purpose, INALCA adopts a criterion for the selection of packaging suppliers based on 3 principles:

- *Technical competence;*
- *Ability to provide assistance and technological innovation;*
- *Consolidated experience with large industrial groups.*

Italia Alimentari, has been pursuing a strategy in recent years aimed at the responsible and conscious use of packaging material. The first project, which started in 2018, involved reducing the thicknesses and weights of plastic packaging with a saving of 45,000 kg in 2020, to which are added a further 17,500 kg thanks to optimisation and efficiency operations in the packaging of internal semi-finished products. These are for the most part trays for sliced salami, packaged in PET-PE, a safe material for the preservation of the food product, to which the company has combined the PET-1 mono-material in 2020, promoting, in both cases, the presence of a percentage of recycled compound which is respectively up to 70% in PET-PE and from 45 to 65% in PET-1. Furthermore, Italia Alimentari has carried out a feasibility study to involve alternative materials to plastic in the packaging; in particular, the development of paper trays, with FSC and Aticelca B certified material. In the development of all packaging projects, up to the technology of the packaging systems, suppliers are fundamental partners, selected through qualification and evaluation using the same criteria adopted by INALCA.



4.7

Reduction, recovery and recycling of waste

Sara S.r.l., a company controlled by INALCA, is the owner of a composting plant that has been operating for years, located in the municipality of Nonantola (MO), which carries out the recovery of non-hazardous waste with a maximum daily capacity of biological treatment which is higher than the reference threshold of 75 t. The waste treated is the organic fraction from municipal separated waste collection (OFMSW) and lignocellulosic waste, the latter mainly consisting of greenery and pruning, and finally digested, suitable for their conversion into a quality compost. The compost is mainly used by Azienda Agricola Corticella farm, which is also part of INALCA, as well as by fertiliser production plants and other farms in the province of Modena. The combination of biogas and composting treatments therefore allows INALCA the complete and integrated management of its waste: from the production of waste to its complete reuse and regeneration into products for sustainable agriculture.

During the two-year period 2019 - 2021 the plant was renovated and modernised: the complete revamping of the air treatment system was carried out, with the installation of 4 "scrubber" washing towers and two biofilters of about 400 m2 each, and 8 bio cells and 5 maturation beds were created for the aerobic treatment of the organic material. Finally, with a view to improving the energy efficiency of the plant, a photovoltaic system was built for a total power of approximately 1 MW, thanks to the collaboration with ENEL-X. Starting in 2021, and with finalisation in the second half of 2022, INALCA and Herambiente (Hera Group), have signed a partnership for the establishment of a NewCo ("BIORG"), with the aim of producing **bio-methane**, a 100% renewable fuel, and compost from the separate collection of organic and agri-food waste. Thanks to a major investment in a site owned by Herambiente in Spilamberto (MO), using the best available technologies that will be associated with the existing and functioning composting plant of Sara S.r.l.



In partnership with a leading company in the fertiliser sector, INALCA has launched a project for the enhancement of digestates for quality fertilisers (target 100% digestate production initiated for recovery processes for quality fertilisers). This product is formulated with about 30% of dried digestate produced by INALCA and 70% with transformed manure. This project has been admitted to European funding in the context of the EIT Food platform. The production cycle takes about 6 months in order to obtain a matrix in equilibrium with the soil, without further fermentation, mould formation or ammonia fumes. Having a high content of organic carbon, it becomes a useful product for soil preparation for

all crops and situations in which the soil requires the addition of organic matter.



Composting plant
Sara S.r.l. - Nonantola (MO).

5. Social



5.1

Group's people

The overall personnel context is essentially stable in employment: 6,255⁽¹⁾ employees of which 4,219 in the INALCA Italy Group and affiliates and 2,006 in international branches. In 2021 the Group increased its number of staff due to the acquisition of new pork processing plants in Italy.

The following graphs show the indicators adopted:

- Breakdown of personnel by professional classification;
- Breakdown of personnel by gender;
- New employees and their breakdown by age.

Where present, the INALCA Group applies national sector employment contracts for the sector to which the individual company belongs. Collective sector agreements also contain precise references to the health and safety aspects of workers. Collective bargaining is also applied to workers operating under an outsourcing regime.

INALCA'S GROUP PERSONNEL 2021 ⁽²⁾	
Breakdown by type and category	
EXECUTIVES	129
MANAGERS	149
EMPLOYEES	1,248
INTERMEDIATES	145
WORKERS	4,520
OTHER CATEGORIES ³	33
TRAVELLERS	1
TOTAL EMPLOYEES	6,225



⁽¹⁾ The data relating to the total number of human resources of the INALCA Group as at 31st December 2021 differs from the figure in the Consolidated Financial Statements as at 31st December 2021, due to differences in the methodology for collecting the data.

⁽²⁾ The representation of the breakdown of personnel by professional classification of INALCA S.p.A. at 31st December 2021 differs from the breakdown present in the Consolidated Financial Statements at 31st December 2021 due to differences in the methodology for collecting the data.

⁽³⁾ Personnel represented within "other categories" are collaborators considered as conventional employees for INALCA, due to the fact that they are equalized from contracts point of view to the rest of the personnel.

TOTAL NO. OF EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA AS AT 31st DECEMBER			
2021			
Geographic region	MEN	WOMEN	TOTAL
ITALY	3,243	976	4,219
EUROPE	256	91	347
EXTRA-EEC	1,112	547	1,659
TOTAL EMPLOYEES			6,225

TOTAL NUMBER OF EMPLOYEES BY GENDER AND EXTRA-EEC GEOGRAPHIC AREA AT 31st DECEMBER			
2021			
Geographic region	MEN	WOMEN	TOTAL
AFRICA	283	61	344
ASIA	804	470	1,274
AUSTRALIA	21	6	27
AMERICA	4	10	14
TOTAL EMPLOYEES			1,659



5.2

Decent growth and economic development

Where present, the INALCA Group applies national sector employment contracts for the sector to which the individual company belongs. These cover 100% of employees in Italy and over 16% of those abroad. Collective sector agreements also contain precise references to the health and safety aspects of workers.

Collective bargaining is also applied to workers operating under an outsourcing regime. The benefits provided for by national collective bargaining that full-time employees can take advantage of are also disbursed without distinction to part-time employees or employees with a fixed-term contract.

INALCA wants to contribute to the contrast of all forms of labour exploitation, in the agricultural sector in particular, and to guaranteeing stable employment and access to young people. The training, safety and protection of workers are fundamental pillars for their development in full respect of human rights and equal opportunities. The Group, in the management of employment relationships, wants to guarantee the protection of diversity by trying to prevent any possible discrimination, in full consistency with its Code of Ethics. Regarding the protection of human rights, INALCA places human and worker rights at the basis of its personnel management and recruitment procedures. These issues are communicated to 100% of new employees in all Group branches, through the company Code of Ethics and management and recruitment procedures in the human resources area. INALCA carries out a systematic training activity at all company levels. Training is entrusted to expert teams operating in various business areas. The topics on which the training activities focus are essentially:

- *the insertion of new employees, combining training and education actions;*
- *health, safety at work and environmental protection;*
- *processing hygiene and quality principles;*
- *ethical principles, codes of conduct adopted within the corporate organisational model and human rights.*

In 2021, a total of 18,524 training hours were carried out in Italy and 25,933 at the group's plants in Russia*. In the course of 2022, the collection of this data is expected to be extended to other companies included in the scope of this report. Furthermore in 2022, an increase in the Sustainability training hours provided to the INALCA Top Management is expected.

“ 18,524 hours of training in Italy ”

INALCA carries out a systematic activity in the field of health and safety at work, managing health surveillance and safety of workers also through the maintenance of the ISO 45001 certification standard on all INALCA plants in the Italian area.

*The companies concerned are OOO MARR Russia, Orenbeef L.L.C. e L.L.C. TPF KASKAD.

HEALTH IN THE WORKPLACE

Health surveillance includes a series of medical examinations aimed at identifying and eliminating hazards and minimising risks at work and in the workplace. Preventive medical examinations are carried out to ascertain the absence of contraindications to the labour for which the worker is intended, in order to assess his suitability for the specific job. Periodic medical examinations resulting from a health protocol are established to regularly check the health of workers and express a judgment of suitability for the specific job. The frequency of these tests is established by the occupational Specialist Doctor on the basis of the risk assessment implemented by the employer. If the Specialist Doctor, following the assessments that emerged, expresses a judgment of partial or temporary or total unfitness of the worker, the employer, with the collaboration of the company prevention and protection service, implements the measures indicated by the Specialist Doctor to assign the worker, where possible, to another job compatible with his state of health. Furthermore, each worker can specifically request a medical examination, if it is considered by the Specialist Doctor to be related to occupational risks or health conditions. Medical examinations and checks are carried out on occasion of job changes and return to work after prolonged periods of absence, to verify suitability for work and the job performed. The employer also addresses the issue of the absence of drug addiction or the use of narcotic or psychotropic substances in workers assigned to tasks that involve particular risks for the

security, safety and health of third parties through preventive and educational actions on these issues. The health and risk records of the worker subjected to health surveillance are kept according to professional secrecy safeguarding and are delivered to the worker at the time of termination of the employment relationship, or when he expressly requests it. With a view to continuous improvement, the INALCA management, through a periodic review, undertakes to update the needs and objectives on the subject of health and safety in the workplace, establishing the commitment and activities of the Top Management and Management in Quality, Environment, Health and Safety systems. The reviews are carried out at least once a year, based on the quarterly reports received from the company management systems in the environmental, quality and health and safety fields. The purpose of these management reviews is to verify whether the management systems are and continue to be appropriate, adequate and effective and whether the results obtained are effective and consistent with the pre-established Quality, Environment, Health and Safety policy and objectives. INALCA promotes employee access to forms of supplementary medical assistance with respect to the services provided by the national health system in the Group's Italian establishments. These supplementary services also include services not inherent to activities related to the workplace, in order to promote the health of workers and family members, where possible.



5.3

INALCA and trade Associations and Organisations

INALCA is an active member of the main international meat producers' organisations. Trade Associations represent a fundamental element for the acquisition of technical knowledge and standards regarding the international markets in which the company operates. The complex economic and health regulation of the meat markets, the continuous evolution of sector regulations and the specific peculiarities of each country, in fact require interfacing structures with local institutions, capable of addressing specific problems of producers in compliance with the roles and the institutional dialectic. The purpose of these Associations is therefore to strengthen and develop organic public-private relations and to establish a transparent and effective system of exchange between economic operators and institutions.



ASSOCARNI, the main trade Association, belongs to the Confindustria network.

<https://www.assocarni.it>



Through Assocarni, INALCA is part of the International Meat Secretariat (IMS), which represents the meat and livestock sector globally and of the related European Association Clitravi.

<https://www.meat-ims.org>



In the Russian Federation, INALCA participates in the Russian North-West Meat Association (NWMA), which includes the main producers of meat and agricultural products in the North-West Federal District of the Russian Federation.

<https://www.nwmeat.org>



INALCA is a member of the Russian National Meat Association, which includes the main meat producers of the entire Russian Federation.

<https://www.natmeat.ru>



ASSICA, the Industrial Association of Meat and Cured Meats, is the national trade organisation that, within Confindustria, represents the production companies of cured meats (processed pork and beef products) and pork slaughtering.

<https://www.assica.it>



FEDERALIMENTARE represents, protects and promotes the Food and Beverage Industry in Italy, the second manufacturing sector in the country. Federalimentare is committed alongside the institutions in promoting a food model based on safety and quality requirements, guiding entrepreneurial skills to seize the best business opportunities in Italy and abroad by promoting Made in Italy food excellence.

<https://www.federalimentare.it>



FILIERA ITALIA is an alliance to protect and represent the true distinctiveness and excellence of Italian agri-food production. The two priority objectives of the Association are the fight against Italian sounding and the defence and promotion of the Mediterranean Diet.

<https://www.filieraitalia.it>



5.4

INALCA and local communities

INALCA's economic activity in a given area is fully integrated with the social dimension of the community, starting with the direct contribution in terms of employment and payment of local taxes.

Social responsibility also necessitates the direct support of institutions or initiatives of a social nature, in the logic of the objectives **SDG 4** (Quality education), **10** (Reducing inequalities) and **11** (Sustainable cities and communities): the main initiatives implemented during 2021 are summarised here.

ITALY



RONALD MC DONALD FOUNDATION - The Ronald McDonald Children's Foundation is an international non-profit organisation founded in 1974, to offer hospitality and assistance to children and their families during their hospital stay. In 2021, McDonald's through the Ronald McDonald Children's Foundation, with the collaboration of Banco Alimentare, the franchisees and suppliers, including INALCA, with the "Always ready to donate" project, gifted 140,000 hot meals to facilities that offer welcoming people and families in difficulty.

<https://www.fondazioneronald.org/it-it>



ANT - Foundation - ANT is the largest non-profit organisation in Italy for free home health and social care for cancer patients. Since 1985, ANT has assisted over 138,000 patients, completely free of charge, with multi-disciplinary teams present in 31 provinces in 11 regions. Every year 10,000 people are assisted throughout Italy. INALCA has been supporting the Association for more than 20 years and, in 2021, it contributed to the "Basket of Excellence" project to support the free activities of specialised home assistance for cancer patients, cancer prevention and accompanying services in the area.


<https://ant.it>



LILT - INALCA has been supporting the activities of LILT - the Italian League for the Fight against Cancer - for years and in the course of 2021, it made a significant donation of food parcels to contribute to the activities of the Association and for volunteers' lunches


<https://www.lilt.it>

ITALY




Banco Alimentare Emilia-Romagna - The Banco Alimentare Foundation is an Italian ONLUS that deals with the collection of foodstuffs and the recovery of food surpluses from agricultural and industrial production and their redistribution to charitable structures scattered throughout the territory that carry out assistance activities towards the most destitute. INALCA has been collaborating for years with Banco Alimentare throughout the Italian territory.

<http://bancoalimentare.it>




Portobello - Emporio Sociale di Modena - Since 2017, the Porta Aperta Association has coordinated the activities of the Emporio Sociale Portobello, a community project that involves numerous local Associations, the Municipality of Modena and various local and national companies. It is a special supermarket, where families in temporary economic difficulty can shop, selected by the social services of the Municipality of Modena, using a budget of points associated with a tax code. INALCA contributed various product donations during the year.




Eko Emporio Solidale - Vignola - Eko is the solidarity emporium of the Unione Terre di Castelli where people in socio-economic difficulty can shop, choosing basic necessities from the shelves. INALCA contributed with a significant supply of canned meat products and ragù sauce.

<https://eko.terredicastelli.mo.it>



Pubblica Assistenza Vignola - In 2020, during the Covid-19 Pandemic, the company donated a special ambulance equipped with advanced tools for the transport of infected patients to the ONLUS. The vehicle is highly bio-contained, i.e., equipped with a negative and positive pressure "capsule bed" for the protection of both patients and operators. At the time of the donation, it was the only ambulance equipped with these characteristics in the entire province of Modena and also in 2021, it continued its important activity throughout the territory.

<https://www.pavignola.org>



Fondazione Exodus Onlus - Exodus was born in 1984, in a park on the outskirts of Milan, Parco Lambro. Today it is present in Italy and in the world with about forty realities. Their action branches out into areas and sectors ranging from the historic reception in structures, to the recovery of social disadvantaged linked mainly to substance abuse, to the Cooperatives that support children at the end of the program in their work activities. INALCA made a significant donation of food packages to support their initiatives.

<https://www.exodus.it>

ITALY



Hope Onlus Associazione - Hope Onlus is a non-profit, secular and independent organisation that helps children and communities in need in Italy and the Middle East by carrying out humanitarian aid and sustainable development interventions to protect health and education. Among the initiatives to support the poor there is "Operation 2.000 Christmases in poverty" to which INALCA has joined through a significant supply of canned ragù sauce.

<http://hopeonlus.org>



Don Gino Rigoldi Foundation - The Foundation is aimed at young people, especially girls and boys who are on the margins, excluded for social, economic and cultural reasons from the possibility of having a planned life. INALCA contributed with a significant supply of canned meat products and ragù sauce.

<http://fondazionedonginorigoldi.it>



Don Bosco Parish of Modena - The Don Bosco Parish through the parish priest and the volunteer work of the parishioners, works every day with charitable activities in favour of people in difficulty. To contribute to these initiatives, INALCA has made a significant donation of food parcels.

<https://www.parrocchiasangiovannibosco.it>



Caritas Modena - In Modena, Caritas Italy, the pastoral body of the CEI, works every day to promote an authentic dimension of citizenship in favour the down and out and fragile, through support, care and, above all, the construction of strong bonds that know how to enhance the resources of each individual. INALCA contributed with a significant supply of canned meat products and ragù sauce.

<http://caritas.mo.it>



Caritas Maria Ausiliatrice of Turin - Caritas Maria Ausiliatrice was born in Turin in September 2018, supported by benefactors who help by donating offerings. The service is carried out by a group of volunteers through a reception centre and a food distribution service. INALCA contributed with a significant supply of canned meat products and ragù sauce.

AFRICA



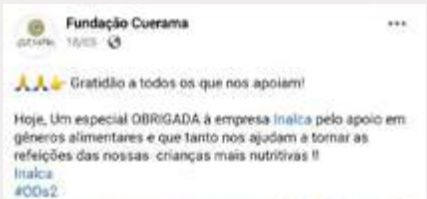
Nema - The National Emergency Management Agency is Nigeria's national agency that deals with the management of disasters within the country. Founded in 1999, it addresses problems related to calamities and poverty through the creation of concrete aid structures. INALCA contributed with a significant supply of canned meat, which the agency distributed to people in need.

<https://nema.gov.ng>



Cuerama - The Cuerama foundation is located in Aldeia Cuerama, a town 353 km southeast of Luanda, Angola. Cuerama works to enhance local knowledge, creating the basic structures to stimulate human rights, integral development and the quality of life of people and communities in conditions of extreme poverty, through the promotion of education, health and mechanisms of income generation and entrepreneurship at all stages of life. INALCA contributed to the project making a significant donation of food packages.

<https://www.cuerama.org>



5.5

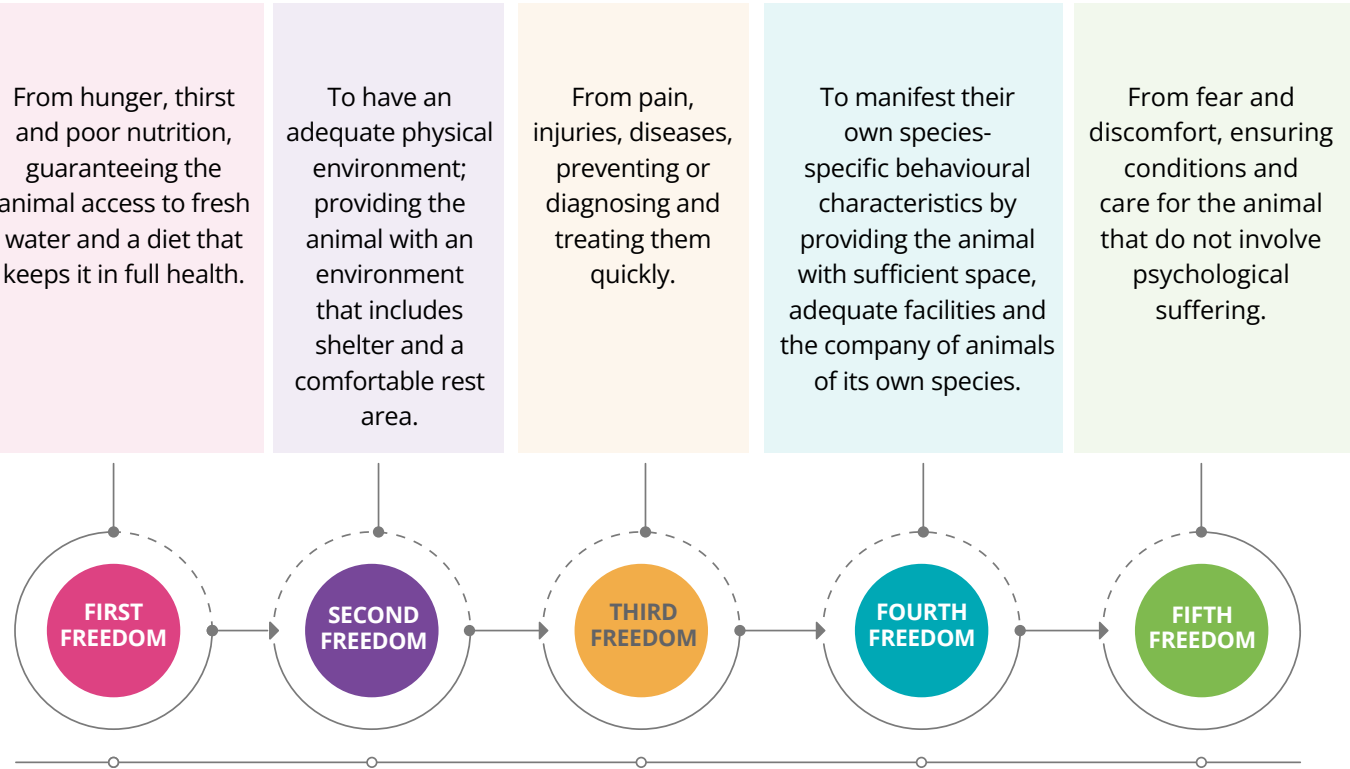
Health and well-being “one health”

ANIMAL WELLBEING

The control and improvement of animal welfare conditions on farms is an element of growing sensitivity and attention on the part of consumers and stakeholders.

INALCA has developed a series of principles, values and operational rules aimed at controlling and measuring the conditions of animal welfare in its farms where the guiding principle and basic criterion of inspiration is represented by the 5 Freedoms. The main criteria established so far to ascertain the welfare of an animal are:

- *Absence of hunger*
 - *Absence of thirst*
 - *Possibility of accessing a comfortable rest area, with a suitable ambient temperature and possibility of movement*
- *Absence of trauma, injury or pain resulting from incorrect management practices*
 - *Expression of the typical behaviour of the species, good relationship with humans, absence of negative emotions.*



Based on these general principles of inspiration, INALCA has developed its own techniques in the field of animal welfare using a group of veterinarians engaged in the updating, development and control along the entire supply chain: breeding, transport and slaughter.

It is a set of procedures and indicators that constitutes a complete system of management and evaluation of animal welfare, documented and accessible, which is shared with farmers through the website and activities in the field of training and auditing, in coordination with agricultural Associations.

<https://www.inalca.it/en/animal-welfare/>

To these are added further indicators defined as “objective”, which are used to judge how the breeding environment is suitable for ensuring full compliance with the animal’s welfare conditions: for this purpose, the main structural, technological and managerial parameters are taken into consideration that characterise the breeding. In fact, the study of animal welfare does not aim only to evaluate behaviour in relation to a more or less hospitable environment, but above all to understand the way in which animals interpret and live the environment in which they are raised, with objective criteria and evaluating each of the various factors that

can positively or negatively affect animal welfare (benefits and dangers). The concept of well-being is the result of a good interaction between animal and environment, of respect for the 5 freedoms; it is therefore the result of positive, fulfilling and satisfying experiences capable of producing positive and effective responses of adaptation in the animal. Animal welfare is also communicated to the consumer through the voluntary system provided for by Regulation (EC) no. 1760/2000 relating to the labelling of beef and beef-based products, which ensures transparency, technical consistency and independent control. For the assessment of animal welfare in breeding INALCA adopts the official standard promoted by the Ministry of Health and developed by the National Reference Centre for Animal Welfare (CReNBA) based at the Experimental Livestock Institute of Lombardy and Emilia Romagna, Brescia section. On this basis, INALCA in 2020, published its own “**Manual of the Good Breeder**” for the assessment of animal welfare in the meat sector, adopted by its entire supply chain and now also translated into English.

For the assessment of animal welfare in breeding INALCA adopts the official standard promoted by the Ministry of Health and developed by the National Reference Centre for Animal Welfare (CReNBA) based at the Experimental Livestock Institute of Lombardy and Emilia Romagna, Brescia section.

<https://www.classyfarm.it/>

INALCA has prepared, together with the University of Milan and the CRPA Research Studies Foundation of Reggio Emilia, additional systems for assessing animal welfare in the beef and pork sector:

- **By the year 2022, the definition of a blockchain system is expected to track the use of drugs in the farm for the supply chains dedicated to veal, heifers and pork.**



SCAN ME

Insights on the manual of the good breeder

RESPONSIBLE USE OF ANTIBIOTICS ON FARM

Antibiotics are essential drugs for the health of humans and animals, and their correct use is a basis of therapy and therefore also of the well-being of farm animals. Antimicrobial resistance (AMR) is a natural biological phenomenon of adaptation of some microorganisms, which, following genetic mutations or acquisition of resistance genes from other microorganisms, become capable of surviving and growing in the presence of an antimicrobial agent. The phenomenon of antibiotic resistance has reached worrying levels due to the uncontrolled use of antibiotics in humans, pets and production animals; it poses a threat to health, both for humans and for the animals themselves.

In order to combat the phenomenon, INALCA has identified some guidelines that it considers applicable at all levels and in every geographical area in which it operates, first of all the commitment to spreading correct drug use practices. INALCA also promotes the adoption of agricultural practices aimed at reducing the use of antibiotics in quantitative terms, with particular reference to the categories defined as critical in human medicine by the WHO (World Health Organisation).

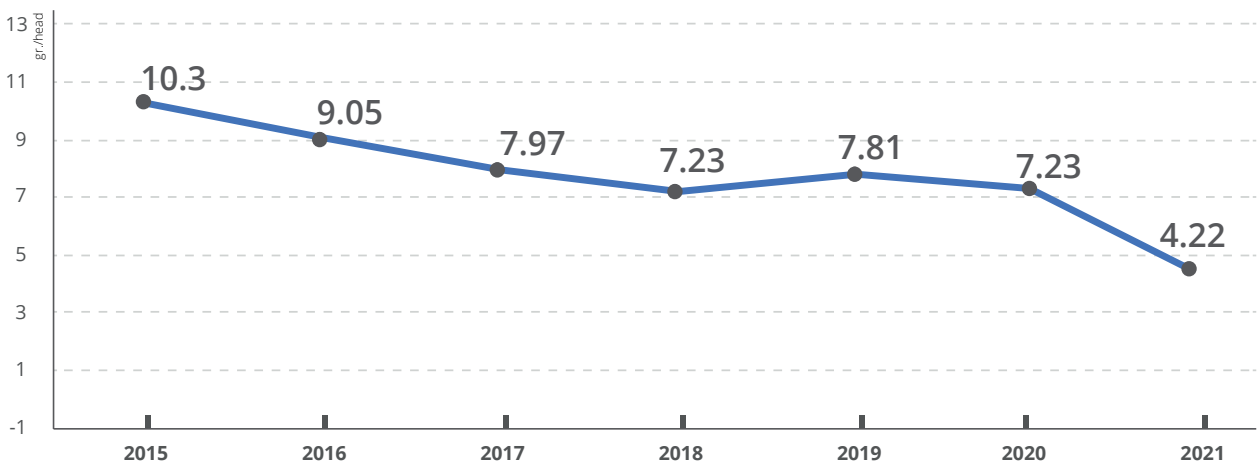
Regarding the criteria for use, INALCA requires:

- That the antibiotic and the chosen drug are used exclusively according to the specific indications provided by the pharmaceutical company;
- It is purchased only following a veterinary prescription;
- It is used in the quantities and times expressly indicated in the package leaflet.

Different methods of use can only be indicated by the company veterinarian. In addition to technical rules and controls, INALCA promotes processes for the transfer of scientific knowledge in farms, cases of excellence and concrete evidence of model farms that have launched successful paths in this field. To this end, INALCA considers it important to collaborate with institutions engaged in the search for alternative animal care solutions to antibiotics.

- Based on the experience acquired, INALCA has: created production chains in which the absence of the use of antibiotics is guaranteed in the last 4 months of breeding. It is the result of a long process of implementing good practices in the use of drugs, professional growth of company management and maintaining high conditions of well-being and biosecurity within the farms. In the course of 2022, it plans to extend the period of interruption of the use of antibiotics, from weaning to the entire fattening period;
- The new professional figure of the Company Veterinarian was promoted in supplier farms as a tool to increase the level of health and safety of the farms;
- Reduced the use of antibiotics in its own supply chain by 30%;
- Developed the data collection system on the use of antibiotics in its own supply chain;
- Promoted the use of vaccination protocols in breeding prescribed by the veterinarian.

AVERAGE TREND OF DRUG ADMINISTRATION GRAMS/HEAD*



* Data relating to a sample of high conferring INALCA farms.



5.6

Focus on breeding farms

BREEDING FARMS: AN EXAMPLE OF CIRCULAR ECONOMY

INALCA's challenge is focused on adopting sustainable agricultural practices capable of increasing production while reducing the environmental impact and the pressure on natural resources. The promotion of new models of livestock production with a high intensity of scientific and technological knowledge represents the main path to respond to this challenge, based therefore on the model of integrated supply chain development, together with the use of the best scientific and technological knowledge in the agricultural field. In this context, the key element is INALCA's support for IBF Servizi: a company born in partnership between Bonifiche Ferraresi S.p.A. and ISMEA - Institute of Services for the Agri-food Market - to provide precision agriculture services to Italian agricultural enterprises in order to increase their competitiveness in terms of cost reduction, product quality improvement and overall environmental impact. **Bonifiche Ferraresi** based in Jolanda di Savoia (FE), today represents the largest farm in Italy with **3,500 hectares of land and a cattle breeding capacity of 9,000 barns**, it is the largest livestock centre in northern Italy.

BF represents a virtuous example of agriculture 4.0, or rather precision, able to enhance the Italian agri-food excellence with the protection of the territory thanks to computer mapping systems (drones) that analyse the land and manage irrigation without wasting water, where the feeding of the animals is produced on the same farm and natural fertilisers are used thanks to the bovine presence.

In the breeding farms, therefore, everything is recovered, even what would be a waste. A new way of conceiving agriculture, a modern and innovative system that within the same company is able to produce food for animals, biogas for the energy needs of livestock and biomethane to be used for means of transport.

Farming therefore represents a perfect example of a circular economy: thanks to the presence of bovine, the land is nourished in a sustainable way, using elements from the same farm. An example of concrete circularity, self-sufficiency and great Italian breeding capacity.



SUSTAINABLE BREEDING FARM PROJECT

A further effort in this direction is constituted by the **"Sustainable Breeding"** project of which INALCA is sponsor: it was born in 2017, from the collaboration between **Inalca, McDonald's Italia, Coldiretti and AIA - Italian Breeders Association** - who shared the vision and planning of a path of sustainability within the Italian beef supply chain. The project was inspired by the sustainability principles of **ERBS - European Roundtable for Beef Sustainability** - a multi-stakeholder platform focused on improving the sustainability of beef in Europe that has set itself the following objectives:

ENVIRONMENT

Reduction of greenhouse gas emissions;

VETERINARY MEDICINAL PRODUCTS

Reduction in the consumption of antimicrobial drugs;

HEALTH AND WELL-BEING OF ANIMALS

Improvement of welfare conditions on the farm;

FARM MANAGEMENT

Improvement of the technical and managerial skills of agricultural entrepreneurs. The Italian working group has a software dedicated to data collection on the farm to evaluate company performance and define activities and improvement objectives in each area of intervention. The project obtained a representative sample of 800 farms on which the data collection activity was started. The project created for dairy cow farms is being evaluated for application to the INALCA supply chains relating to beef and heifer calves.



5.7

Restocking Southern Italy's bovine heritage

To counteract the abandonment of rural areas in the Southern Italy, **INALCA together with Coldiretti has launched a project to relaunch animal husbandry that involves farmers in the regions of Calabria, Sicily and Sardinia.** A model that can also be replicated abroad, in particular in the territories located in Russia and Africa where INALCA is already present.

The project has as its objective the repopulation of bovine herds in the grazing areas of the south, that are territories traditionally suited to this production, but subject to a substantial production decline in recent years. The breeding criteria adopted by INALCA for the production of beef provide for a first phase of grazing and a second in protected farms. From birth up to about 10-12 months, the animal lives at pasture in an extensive breeding context, then it is transferred to barns where it is fed with a more nutritious and energetic diet. **To support this animal husbandry model, INALCA promotes the cow-calf line in the farms participating in the project.**

A type of breeding where the calf is born on the same farm that will carry out the first stages of breeding. In this way the farmer not only manages the grazing animals, but also augments his herd, adapting increasingly to the breeding area and with quality characteristics in line with consumer expectations. Genetic improvement criteria that allow maximum remuneration for the breeder. It is not a negligible aspect, developing **the cow-calf line** is in fact the starting point **for bringing the farm back to its rural**

dimension, adapting the breeding methods and the herds to the specific characteristics of the territory. **It means increasing the biodiversity of the various bovine breeds and improving the integration between humans, animals and the environment.** Ultimately it means ennobling **beef from a mere food product, to a cultural expression of a territory.**

An integrated supply chain model that allows technology transfer activities for the application of sustainable production techniques, precision agriculture and animal husbandry. A boost to innovation supported by INALCA's participation in research bodies and technological platforms that are active and competent in the field of agro-industrial sustainability.

Agricultural systems must in fact have efficient infrastructures capable of enhancing livestock production to allow the farmer the best conditions for accessing the market. The project systematises primary production and subsequent processing to allow small producers to access the most rewarding segments of the market. To this end, INALCA's effort also focuses on the construction of new production and distribution infrastructures in all the regions in which it operates.



INALCA'S COMMITMENT

- Building a resilient infrastructure and promoting innovation and well as fair, responsible and sustainable industrialisation;
- Upgrade infrastructure and modernise industries by 2025 to make them sustainable, with greater efficiency in the use of resources and greater adoption of clean and environmentally friendly technologies and industrial processes;
- Strengthening scientific research by 2025, promoting technological and innovation capacities, especially in developing countries;
- Adapt breeding farms to sustainability and biosecurity criteria;
- Improve the impact and consumption of production plants thanks to a more efficient use of resources;
- Strengthen the partnership with research and innovation bodies by 2025, in all areas where INALCA operates.

The cow-calf line

6. Brands and Products



6.1

The Brands of the Group



In.al.ca (Industria Alimentare Carni) was founded in Castelvetro di Modena in 1963 by Luigi Cremonini. It became the first meat industry in Italy and is today recognised as the undisputed leader and one of the main international players.

INALCA has created a unique business model based on the integrated meat supply chain which is also a virtuous reference for sustainability. The INALCA brand is recognised among sector operators worldwide as being synonymous with excellence and innovation.



The historic Montana brand was born in Lissone in 1953, as the canned meat brand of the Bianchi company. It became famous thanks to the first television advertising intermissions (1966-76) that launched the iconic testimonial of the brand: the Gringo. In 1991 it was purchased by the Cremonini Group which relaunched the brand not only in canned meat but also in fresh and frozen products. Today Montana products are distinguished by the integrated Italian supply chain that guarantees 100% meat from Italian farms, simple and balanced recipes, attention to the needs of all consumer groups (allergen-free, gluten-free). Frozen Natural Hamburgers and Classic Canned Meat are the first in Italy to obtain the Environmental Product Declaration (EPD).



Fiorani was founded in 2004, as a third-party meat processing centre, but immediately developed its own line of high-quality fixed weight products, starting from the company's core business product, sausages. Today it is a processing centre amongst the first players in Italy and since 2018, it has launched its own brand Fiorani which immediately stands out for product innovation, processes, packaging and assortment proposals of the highest value recognised by the large-scale distribution and consumers.



Manzotin was founded in Como, in 1951, by the ICIS company and means "canned beef". In 1960 it appeared on TV with the first advertising commercials. The 1962 commercial with the TV personality Corrado is famous. In 2003, the company was acquired by the Bolton Group and in 2013, it was sold to Generale Conserve and in 2016, to INALCA. The brand recently celebrated its 60th birthday and continues to be appreciated for the taste of its jellied meat and tripe in sauce.



The Mamma Tina line brings together the food and beverage products of the Italian tradition with the best quality - price ratio for professional operators in the food service of international markets worldwide, marketed by Inalca Food & Beverage, an INALCA company specialised in the distribution of Made in Italy products at international level.



The Ibis brand was born in 1962, when in Busseto, in the centre of the Parma countryside, a small plant was established originally dedicated to the production of pancetta, then of salami and mortadella. In the 90s, Ibis produced the first mortadella "autographed" slice by slice with a heart shape: the prestigious "Mortadella Cuor di Paese", which still remains today one of the most recognised and appreciated cured meat products. In 2002, it became part of the Cremonini Group and is today among the first producers of cured and sliced meats in Italy. Alongside the world of traditional delicatessen, the brand has embraced the broader out-of-home market, which today translates into a vast offer: cured meat, snacks and bacon.



The Salumificio Corte Buona brand was born in the early 90s, in Gazoldo degli Ippoliti, in the province of Mantua, and quickly entered the Cremonini Group. In the early years a product was created that would become a symbolic, also the protagonist of a famous TV commercial: the cooked ham "Il Supermorbido", a high-quality cooked ham among the most appreciated by consumers. The production expands in the following years to cover the whole panorama of traditional Italian delicatessen. Since the beginning of 2000, Corte Buona has become the reference brand for international markets.



Born in 2004, the Spanino brand is now a recognised brand with a wide range of sandwiches for the Ho.Re.Ca channel and by a broad range of products and a shelf life of 45 days. The continuous technological and product innovation, the careful selection of raw materials and the certified production process has led Spanino to establish itself as one of the most important on the market and become the official supplier of the most important Italian water and amusement parks.



INALCA, with a production capacity of over 200 million cans per year, is the leading producer of canned meat in Italy and one of the leading companies in Europe.

Production takes place in the Castelvetro di Modena and Rieti plants.

INALCA is specialised in the production of meat preserves in different formats and products: meat in jelly, meat with broth, corned beef, ragù (in classic and Bolognese sauce), pate, goulash, tripe.

The brands with which INALCA exports all over the world (EU, Africa, Eastern Europe, Middle East, Central and South America) are Bill Beef, Texana, Beef Patè, Montex.

6.2

Responsible communication to consumers and customers

INALCA, leader in Italy and global player in the production of beef, is well aware of the responsibilities that this role implies towards the customers and consumers who choose its products every day.

A constant commitment to guaranteeing maximum safety, quality and healthiness, thanks also to the systematic adoption in its production plants of voluntary certifications in the field of food safety, in line with the best international industry standards; safety also means full **traceability** and **retracking of raw materials**, in addition to the management of systematic checks at all production levels and laboratory **analyses carried out on the entire supply chain**. Not only safety, but also strong attention to the consumer which consists in knowing how to interpret, face and anticipate the socio-economic-cultural changes of the world in which INALCA operates. It means knowing how to respond to the new consumption needs that require simple and natural ingredients, a balanced nutritional intake, transparency of the information provided on the label and in advertising communication, websites and social platforms, practicality and service of packaging, sustainability and a fair price. **Aspects necessary to make the product fair and accessible to large groups of consumers, in line with the global goal for sustainable development SDG 2 "Zero Hunger"**. Obtain products with selected ingredients, coming from controlled supply chains, balanced from a nutritional point of view, **with a "short" list of ingredients on the label**; foods that can satisfy the different needs of the consumer, providing all the information necessary for a correct choice on the shelf and thus favouring decisions for an informed diet, on the one hand varied and balanced as suggested by the principles of the Mediterranean Diet, on the other sustainable for their health and for the environment, this is INALCA's commitment. All this is made possible

through INALCA's integrated supply chain model which allows the company to control, and where possible improve, its performances at all levels of the supply chain, applying the best techniques available in livestock production and animal welfare, reuse of waste and by-products according to the principles of the circular economy, control and reduction of energy consumption, monitoring of atmospheric emissions, use of recycled and recyclable packaging and packaging materials. The company's commitment is therefore to reformulate recipes of existing products or develop new ones in line with related needs, for example, the elimination or reduction of additives, such as preservatives and flavour enhancers (**reduced salt content**), promoting those of natural origin and eliminating allergen-carrying ingredients (**gluten-free**). Recipes attentive to a balanced or decreased fat content (**with a reduced rate of fat**), favouring raw materials from a controlled Italian supply chain (**100% meat from Italian farms and organic production**). In addition to the nutritional claims, which enrich the mandatory legal information, the labelling of the products distributed by INALCA contains detailed nutritional tables per portion. All this translates **into a transparent communication and marketing policy**, to allow consumers to understand easily the nutritional contents and ingredients of the products, in order to make the best choice from the shelf. Finally, conscious of the growing importance that **environmental issues** have assumed currently, the company is constantly working to improve and monitor the main environmental impacts of its processes and products, thanks also **to product life cycle analyses** (LCA) carried out on its own supply chain, a constant commitment to innovation, to make the beef production chain ever more sustainable.



Products from Italian supply chains



MONTANA

What distinguishes Montana meat is the all-Italian production chain: from breeding farms to processing plants. The bovine of the supply chain are raised in full respect of animal welfare, following the principles of the 5 freedoms formulated by the FAWC (Farm Animal Welfare Council). The internal document "Manual of the Good Breeder" is available.



FIORANI



In the course of 2021, the INALCA Pork Welfare Chain (Filiera Benessere Suino - FBA) was developed, a vertically integrated chain from birth to the finished product. The supply chain of pigs born and reared in Italy is based on the principles of animal welfare according to the Classyfarm standard, on structural and behavioural biosecurity guarantees and is now present on the Fiorani product line and on the Ibis branded cheek cuts.

BIO products



FIORANI

Fiorani is certified as an organic operator, and produces a BIO range of anatomical cuts, ground, portioned and elaborated from agricultural and organic farms. The process is certified by the CCPB control body and complies with EC Reg. 834/2007.

PDO and PGI products



In the heart of the Po Valley, in Busseto di Parma, there is the Ibis plant where the processing of traditional Italian delicatessen products can vaunt the Protected Designation of Origin (PDO) and the Protected Geographic Indication (PGI) certifications. The PDO range include Culatello di Zibello and Salame Cacciatore, while the PGI range include Mortadella di Bologna, Coppa di Parma, Salame Felino and Bresaola della Valtellina.

Products with Environmental Declaration



MONTANA



The Frozen Natural Hamburgers and the Meat in Jelly Classic Line Montana have obtained the environmental product declaration EPD: an innovative, independent and internationally recognised system that allows the evaluation of all the characteristics, performances and environmental impacts of the product and to communicate them in an objective, comparable and verifiable way. The Statement uses the Life Cycle Assessment following the standards of the ISO 14040 series and makes it possible to analyse and quantify energy and natural resources used in production and distribution processes, CO2 emissions into the atmosphere, the quantity of packaging and waste deriving from the production cycle.

Gluten-free products



Italia Alimentari was the first company in Italy to launch gluten-free sandwiches: the peculiarity consists in a soft and tasty bread but prepared with totally gluten-free flours and ingredients. The products have the AIC (Italian Celiac Association) barred corn ear on the pack.



The traditional Emilian Ibis Coppa made with a careful selection of the best pork coppa, inserted into natural and gluten-free gut casings.



All Fiorani products are gluten-free, in particular the Fiorani and Benessere Fiorani lines have the AIC barred corn ear logo, in plants where the entire transformation process excludes any possible contamination of the meat.



The Montana canned meat line that includes Beef in jelly (classic line and gold line), Chicken in jelly, Ragù alla Bolognese, Jambonnet are gluten-free. All products are registered in the AIC handbook.

Products with a reduced salt content



The Ibis Light Slices are cured meat cuts made with a reduced percentage of fat and a low sodium content in the variants: cooked ham, raw ham, roast chicken and turkey.



Ibis Natura Buona cooked ham is a high-quality cooked ham, obtained from the selection of the best European pork legs. It contains only antioxidants and preservatives of plant origin, and is low in sodium (compared to INRAN nutritional data, updated to 2010, in collaboration with the Experimental Station for the Food Preserving Industry - SSICA)..



The Bovine Meat in jelly Linea Oro line has a reduced rate of salt compared to the average Montana canned meat.

Products without glutamate



MONTANA

The Classic line of beef in jelly is glutamate-free, enriched by the natural flavour of the broth resulting from the cooking of the meat itself. To preserve its taste and natural properties.

Lactose-free or milk-derived products



ibis SALUMI

The Ibis Culatta di Busseto is a prestigious cured meat produced exclusively in the municipalities of Busseto and Soragna, still made with the artisanal method of a maturation of 14 months.



6.3

Quality, food safety and responsible communication

Food safety is the fundamental pre-requisite on which each phase of the INALCA production and distribution process rests. In this respect, the company's long presence on strictly regulated markets, such as the **European Union, Russian Federation, USA, Canada and Japan** and the adoption of the main voluntary food safety standards, have allowed INALCA to develop the most modern and advanced hygiene and risk prevention techniques in the food sector and an integrated management system that covers all the Group's production plants. The system as a whole is therefore based on the identification, within each manufacturing process, of the critical control points and provides for the actions necessary for the elimination or reduction to an acceptable level of the significant hazards for food safety, according to the HACCP model (Hazard Analysis and Critical Control Points). Below are the INALCA's principles of food safety adopted at all levels of the supply chain:

Principle 1 - CENTRALITY

An optimal level of food safety is considered as a prerequisite for all company production and is assessed with the risk analysis methodologies..

Principle 2 - DEMONSTRABILITY

All business activities and processes that can affect food safety must be managed, monitored and documented, according to a defined hierarchy of references: laws and regulations, international technical standards, specific requirements of entities using the company's products.

Principle 3 - GOVERNANCE

The specific positions and the governance system of food security are clearly identified.

Principle 4 - TRANSPARENCY

The information regarding food safety must be clear, understandable and accessible by customers, consumers and supervisory authorities.

Principle 5 - CONTROLS

In the criteria of control the company uses internal auditing activities, external audits of client companies and, where present, certification audits according to voluntary technical standards and independent international bodies. The control and accuracy of the information managed in the company's product identification and traceability system is a fundamental element in support of every action taken for quality, food safety and communication to the consumer.

Similarly, to food safety, also in the field of labelling and communication to the consumer, INALCA adopts controls **carried out by independent third parties** aimed at verifying the truthfulness, transparency and accessibility of information regarding products placed on the market.

In 2021, INALCA launched a project to consolidate the culture of food safety (CsA) internally, as required by the main GFSI certification schemes and by the new version of the Codex Alimentarius. The CsA is based on the set of behaviours and values that the company and all employees must adopt to produce safe food.

“ 240,000 laboratory analyses per year ”

MANAGEMENT SYSTEMS FOR SUSTAINABLE DEVELOPMENT

The management system implemented by INALCA for the protection of quality, safety and sustainable development complies with the main international voluntary standards on the subject: a common language adopted on an international scale to pursue the best production, environmental and worker protection standards, communication to consumers and stakeholders. Rules and procedures verified by independent controls, confirming the effectiveness of the actions implemented by INALCA in these fields.

The adoption of certified systems verified by third parties ensures truthfulness and transparency in the choices regarding product claims and, more generally, the information provided to the consumer in promotional and advertising communication. INALCA adopts the following management systems in the fields of quality, safety and sustainable development.

SAFETY AND PRODUCT LIABILITY
IFS - INTERNATIONAL FEATURED STANDARD (FOOD)
ISO 17025 - GENERAL REQUIREMENTS FOR THE COMPETENCE OF TEST LABORATORIES
PRIVATE STANDARDS FOR THE MANAGEMENT OF FOOD SAFETY ELABORATED BY MARKET LEADING COMPANIES
ISO 9001 - QUALITY MANAGEMENT SYSTEM
VOLUNTARY PRODUCT CLAIMS CERTIFICATIONS - (MEAT FROM ITALIAN FARMING, PDO, PGI)
ISO 22005 - TRACEABILITY SYSTEM IN THE FOOD SUPPLY CHAIN
ORGANIC PRODUCTION CERTIFICATION
ENVIRONMENTAL RESPONSIBILITY
ISO 14001- ENVIRONMENTAL PROTECTION IN THE PROCESSES
EPD - ENVIRONMENTAL PRODUCT DECLARATION
SOCIAL RESPONSABILITY
ISO 45001 - ENVIRONMENTAL PROTECTION IN THE PROCESSES
LD 231/2001 - ADMINISTRATIVE LIABILITY OF COMPANIES
PRIVATE CODES OF CONDUCT - ADOPTED IN THE SUPPLY CHAIN
ECONOMIC, SOCIAL AND ENVIRONMENTAL SUSTAINABILITY
GRI STANDARD GUIDELINES

6.4

Integrated bovine supply chain

INALCA directly controls 4 breeding farms owned by Corticella Azienda Agricola, which also owns breeding farms in agistment for a total of 200,000 head per year. Inalca also owns a stake in the share capital of a further 5 agricultural farms. The bovine of the supply chain are raised in full respect of animal welfare, following the principles of the 5 freedoms formulated by the FAWC (Farm Animal Welfare Council). Breeders adopt a conscious use of veterinary drugs as well as high standards of biosecurity, in order to reduce the phenomenon of antibiotic resistance, according to the "One Health" approach. All breeders also have at their disposal the "Manual of the Good Breeder", which is periodically revised in the light of new scientific

discoveries and regulatory updates. In order to correctly communicate these activities to the consumer, INALCA holds the Disciplinary of Optional Labelling of Beef IT 001 ET recognised by M.I.P.A.A.F. Currently 554 breeders who share INALCA's principles, values and objectives adhere to its supply chain. These include respect for animal welfare, which is evaluated by freelance veterinarians through the Italian evaluation system Classyfarm (developed by the National Reference Centre for Animal Welfare). In the year 2021, **475 control checks** were also carried out by specialised technicians and **3,214 laboratory analyses at all levels of the supply chain** (from farm feed to the finished product placed on the market).



6.5

Integrated pork production chain

During the year 2021, the INALCA Pork Welfare Chain (Filiera Benessere Animale - FBA) was developed, a **vertically integrated supply chain from birth to the finished product**, which includes 9 breeding farms all located in Emilia Romagna for a total of about 100,000 pigs per year.

The supply chain of pigs born and reared in Italy is based on the principles of animal welfare according to the *Classyfarm* standard, on structural and behavioural biosecurity guarantees, on the responsible use of the drug and in December 2021 obtained certification from the third party AQD. (Agri-food Quality Department). INALCA, which does not actuate pig slaughtering activities,

annually carries out analytical and self-control inspection checks on the breeding farms, during the transport phases of the animals and at the **3 external qualified and certified** slaughterhouses according to the animal welfare standards set by the North American Meat Association. As for the bovine supply chain, participation in a certified wellness supply chain also allows breeders to receive a specific reward, as well as guaranteeing product market penetration capable of enhancing the principles of the supply chain, as demonstrated by the specific product line with the FIORANI brand. For all product and supply chain certifications, please refer to chapters 6.2 and 7.3.



6.6

Fiorani a virtuous path from the supply chain to the consumer

Fiorani & C., is a company specialising in the processing of beef and pork with a strong presence in large-scale distribution, organised distribution and discount stores in Italy. The brand is synonymous with high quality, product innovation and attention to sustainability. The company, founded in Piacenza and managed by the family of the same name for four generations, is 51% controlled by INALCA (Cremonini Group), and manages 3 plants in Emilia-Romagna producing a complete range of portioned and ready-made beef products and pork. The philosophy of the Piacenza company is to combine the experience and knowledge of the meat sector with the constant search for product innovation, packaging and production processes. The products developed aim to provide high quality, fresh and tasty meat, packaged in practical packaging in line with the new dietary needs: easy-to-cook recipes with packages designed to maintain the freshness of the product for several days and promote respect for the environment, such as packaging in “skin”, able to guarantee a longer shelf-life, with a high level of service. In 2021, Fiorani, with the support of INALCA, started the project of an FBA certified pork supply chain (Filiere Benessere Animale - FBA) with the aim of enhancing Italian pork production through a certified system of

controls that guarantees well-being at all stages of the supply chain, animal feed sustainability and safety, responsible use of veterinary drugs (absent in the last 120 days of breeding) and the highest biosecurity standards. Considering that today consumers are increasingly sensitive to sustainability, Fiorani has also created a logo dedicated to the new FBA certified supply chain to help buyers make more informed choices. Starting from the second half of 2021, Fiorani launched an important plan for the reduction of packaging materials which involved saving paper and plastic in “skin” packaging, reducing the size and weight of the cardboard used, with savings equal to 27,000 kg of paper and 12,140 kg of plastic. The paper used for the packaging of its “skin” products is FSC and ATICELCA certified. Remaining on the subject of sustainable packaging, Fiorani has also reduced the size of its secondary packaging, saving 19% of paper for each individual package; this new packaging has FSC certification and are made with 100% recycled compound of 70%.



Fiorani Plant - Piacenza (PC)



PAPER
- 27,000 KG

PLASTIC
- 12,140 KG

100%
RECYCLED
MATERIAL
Secondary packaging: FSC certification
of all tray packaging and 100% recycled
eco-sustainable packaging

6.7

Consumption models: INALCA and its commitment to responsible communication

Worldwide, the demand for products of animal origin, according to FAO estimates, is growing: in particular in developing countries where food consumption is increasing, while it has stabilised in industrialized countries.

The share of animal products, vegetable oils and sugars present in the diet of developing countries today represents 29% of total calories, 20% more than thirty years ago. And this share is expected to be 35% by 2030. In perspective, the question of a balanced and sustainable diet for health and the environment arises globally. Also bearing in mind the variability of dietary regimes at a global level, a rebalancing of quotas to achieve balanced nutritional targets for the entire world population could contribute to greater global efficiency in the food system. Another relevant issue with respect to food balances in the world is the reduction of food waste. It is estimated that at least one third of the food produced is wasted from the field to the

table, even if the meat supply chains are among the most virtuous.

One of the areas of greatest waste in the Western world is domestic consumption, which accounts for nearly 50% of all wasted food. In developing countries, food waste occurs mainly in the processing phase (40%).

In the case of meat, the greatest losses occur in the production phase, especially in sub-Saharan Africa due to poor animal health. Limiting waste, considering regional priorities, would improve efficiency and sustainability. It is also important to underline the existence of virtuous situations, such as Italy, where the percentage of waste of meat and fish is only 5%, compared to 24% of fresh foods, 16% of long-life ones and 13% of fruit and vegetables (from the research of the Polytechnic of Milan "Feeding the hungry", in Garrone P. and others, Guerini & Associates, Milan 2012).

INALCA promotes the balanced consumption of all foods, in line with the nutritional indications provided by the main research bodies and following the principles of the Mediterranean diet. The **"Sustainable Meat"** Association, owned by Assocarni, to which INALCA is associated, in 2018, published the third report on the sustainability of meat in Italy (Ed. Franco Angeli).

<https://www.carnisostenibili.it/en/documents/>

It is a complete and updated document that summarises the state of scientific knowledge and information on the 5 fundamental themes of meat sustainability in the Italian context: **safety, nutrition, environment, economy, food waste**. The report aims to constitute a clear and documented basis for discussion and comparison of meat producers, without pre-established or intransigent truths. In fact, various organisations and stakeholders with different motivations participate in the debate on the subject of meat:

animal welfare and environmental associations as well as the media, which base their criticisms on data and information from different contexts, often from countries overseas and which are not always adaptable to the Italian context. **"The sustainability of meats and cured meats in Italy"** (Ed. Franco Angeli) highlighted how a balanced consumption of meat also constitutes a fundamental contribution to the protection of people's health and does not cause significant impacts on the environment.

The publication also highlighted how the real per capita consumption of meat in Italy is substantially almost in line with the portions indicated by INRAN (now CREA), according to the most recent consumption data. As a result of all the above assumptions, **the Environmental Hourglass** was born, which graphically shows how eating meat in a balanced way is sustainable for health and the environment.

GUARANTEE SUSTAINABLE MODELS OF PRODUCTION AND CONSUMPTION

By 2030, extend the sustainable production model along the supply chain also in Africa and Poland by enhancing and locally applying precision agriculture and animal husbandry techniques for an efficient use of natural resources.

Encourage companies in the INALCA supply chain to adopt sustainable practices.

By 2030, strengthen responsible communication in the food sector so that people around the world have relevant information and awareness on sustainable development and eating lifestyles.



6.8 Partnership for research and innovation

Production development is closely linked to organic collaborations with universities, research bodies and technological platforms, the most important of which are:



SAI - Sustainable Agriculture Initiative Platform - is the main initiative of the food & beverage industry, which promotes the development of a sustainable agriculture around the world. During 2016, INALCA implemented a pilot project for the analysis of sustainability in Italian bovine farms based on the SAI Platform standard called "Farmer Self-Assessment" (FSA). The Farmer Self-Assessment was conceived for the European context and is expected to be adapted to the Italian context. The pilot project, called "Sustainable Breeding", is managed in Italy together with Coldiretti and AQD - Agri-food Quality Department - in the context of the new European ERBS platform.

<https://www.saiplatform.org/activities/working-groups/beef/beef-fsa-pilot>



CLAN - National Agrifood Cluster - is a multi-stakeholder community that operates at Italian level to defend and increase the competitiveness of the national agri-food chain in all its components, through the stimulation of innovation, the enhancement of scientific and technological research activities, collaboration between research bodies, companies, institutions and public administration. In this context, INALCA contributed to defining the national research agenda, for the part of sustainability in the agrifood sector.

<https://www.clusteragrifood.it/it/>



GRSB - The Global Roundtable for Sustainable Beef - is a global multi-stakeholder platform developed to advance continuous sustainability improvements across the bovine value chain, through stakeholder leadership, science, engagement and collaboration. In addition to defining sustainability principles and practices in the bovine sector, GRSB plays a role in promoting and coordinating the main regional platforms, namely the European, Canadian, US, Brazilian and Australian platforms. In this context, INALCA participates in and promotes the improvement of sustainability in the bovine sector on a global, as well as a European scale.

<https://grsbeef.org/>



EIT FOOD - INALCA, together with the University of Bologna and other companies in the region, has launched the participatory project on the EIT Food platform of the European Union. A research and innovation community with the aim of accelerating the transformation of the food sector towards more sustainable production through the aggregation of companies and research institutions.

<https://www.eitfood.eu/>



Sustainable Meats - In 2012 a group of operators in the livestock sector, which includes the three main trade Associations Assocarni, Assica and Unaitalia, founded Sustainable Meats, (Carni Sostenibili) an Association created with the aim of supporting scientific studies which, in a logic of pre-competitive transparency, have in addition to the publication of the scientific document "The sustainability of meats and cured meats in Italy" (published by Franco Angeli), launched the "Sustainable Meats" project and, therefore, the web portal. The site aims to treat in a transversal way all the topics related to the world of meat: an unprecedented project, in Italy, which with a training approach, wants to contribute to balanced information on health, nutrition and sustainability.

<https://www.carnisostenibili.it/>



EnelX - The Enel group company dedicated to the development of products and technological solutions related to energy and decarbonisation, is becoming a key stakeholder for INALCA in this transition, positioning itself as an accelerator of circularity by providing sustainable solutions to companies for research and innovation. A Circular Economy Report is expected for 2021, a tool that measures in detail the current level of circularity of the company and proposes a roadmap of innovative solutions to be able to increase it, with consequent savings in environmental, energy and economic terms.

<https://www.enelx.com/it/it>



7

Value Distribution and Sustainable Supply Chain



7.1

Economic performance

ECONOMIC RESULTS 2021

In the year 2021, the consolidated production value amounted to 2,370 million Euro against the 2,155 million Euro reported in the previous year, and therefore recorded an increase of 9.9%.

Although the period in question therefore continues to be, albeit partially, influenced by the negative effects of the pandemic in progress, as well as by the inflationary effects on the factors of production that heavily influenced the result especially in the second half of the year, the Group continues to pursue its growth objectives with a far-sighted and expansive policy that has led it to control over sixty companies that daily aim to achieve leadership in every country where activities are carried out. The significant increase in turnover is mainly attributable to the

Italian Meat segment, characterised by an increase in volumes but above all by an increase in sales prices necessary to offset the significant increase that occurred starting from the second half of the year in the cost of all the factors of production, particularly in the cost of bovine and energy products.

To be observed there is also a worsening in absolute value of the net financial position, also in consideration of the fact that the company burdened upon itself the costs associated with the financing of a greater net working capital, deriving from the increase in activity, without offloading these on other producers in the value chain, such as breeders, already affected by the increase in raw materials.

CONSOLIDATED INCOME STATEMENT

<i>(in thousands of Euro)</i>	YEAR 2020	% INCIDENCE	YEAR 2021	% INCIDENCE
TOTAL REVENUES	2,123,621	100%	2,394,912	100%
EBITDA	166,322	7.83%	175,697	7.34%
EBIT	96,687	4.55%	104,450	4.36%
NET PROFIT PERFORMANCE OF THE GROUP	52,600	2.48%	57,769	2.41%
CAPEX	88,589		106,086	
NET FINANCIAL POSITION	(407,207)		(528,195)	
NET GROUP EQUITY	464,165		508,930	

BREAKDOWN OF REVENUES BY GEOGRAPHICAL AREA

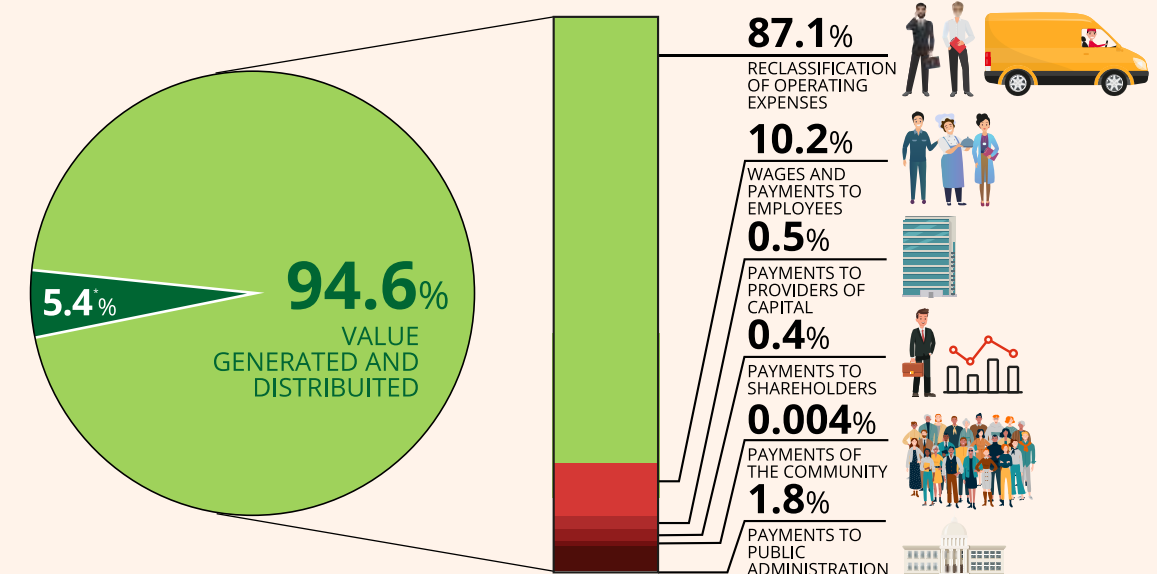
<i>(in thousands of Euro)</i>	31.12.2019	%	31.12.2020	%	31.12.2021	%
ITALY	1,395,188	62%	1,411,604	66%	1,545,335	65%
EUROPEAN UNION	271,023	12%	218,505	10%	218,505	9%
RUSSIA - AND THE EUROASIAN REPUBLICS (+ KAZAKHISTAN)	314,027	14%	226,600	10%	269,900	11%
AFRICA	166,620	7%	115,600	5.4%	119,200	5%
EU EXTRA OTHER REGION	100,093	4%	151,312	7%	214,641	9%
TOTAL	2,246,951	100%	2,123,621	100%	2,367,581	100%

ECONOMIC VALUE GENERATED AND DISTRIBUTED

The generated and distributed value (EVG & D) represents the first basic indicator of the value that the company has created for its stakeholders. In the food sector, due to the low added value of production processes, the high incidence of raw materials and personnel in the company's income statement, the value transferred externally is particularly significant. In other words, INALCA's business activity is considered to have a high rate of economic sustainability, as the value distributed externally is particularly high. As shown in the

graph, the distributed economic value represents 94.2% of the total value generated by Inalca. The meat supply chain is therefore among those that transfer the most value to the outside, as the incidence of agricultural raw materials is particularly high. In the financial year*, the value generated by the INALCA Group remained at the levels of the previous year and the value distributed to breeders, staff, suppliers, public administration and the financial world remained stable.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED 2021



*Economic value retained.

7.2 Sustainable supply chain

The supply chain of INALCA S.p.A. is wide and articulated, varying according to the type of product and geographical area of production. The subscription by Inalca's suppliers of the code of ethics and the code of commercial conduct are essential for the start of the supplier relationship. They are the guiding tools for monitoring suppliers with regard to respect for human rights, the environment and labour laws. In compliance with the global standards of management systems, a risk assessment is carried out for each supplier that qualifies according to its ability to meet business needs; the evaluation criteria are identified by INALCA for each class to which the supplier belongs and shared with the relevant purchasing department.

Suppliers are subjected to an initial qualification through different types of questionnaires or cloud platforms, based on the class they belong to. Subsequently, all suppliers are subjected to periodic monitoring to express the critical issues according to their product/service and the related operating results. For some classes of suppliers INALCA has implemented specific requests for monitoring and evaluating ethical performance.

Since 2019, INALCA has joined the Sedex system (Sedex Information Exchange), an Association based in the United Kingdom and spread globally that provides companies with an online platform for responsible procurement with the aim of creating ethical chains along the entire supply chain and thus improve the transparency of the activities carried out by the companies that decide to join it. Currently INALCA has registered its three main production plants on the Italian territory on the platform (Castelvetro, Rieti and Ospedaletto).

The main areas evaluated by Sedex for a company to have a positive impact on workers are:

- Gender equality and equal opportunities;
- Child Labour and Forced Labour;
- Sustainable working conditions and livelihoods;
- Trade union relations and worker representation.

In addition, INALCA subjects its main production plants both in Italy and abroad to social ethical audits. These audits conducted by independent third-party companies are based on principles in line with the values adopted by INALCA itself in its code of ethics and include requirements in the areas of human rights, environmental management and business management.



SUPPLIERS OF BOVINE ANIMALS

Italy has always been characterised by bovine breeding carried out mainly in the barn.

In fact, our country does not have large pastures, but in the Po Valley, it has one of the most fertile lands in the world, capable of producing food with high nutritional value. In fact, over 60% of the Italian bovine herd is concentrated in this region and it is the area where INALCA's main production plants are located. The bovine farms that converge in the INALCA chain come mainly from this fertile land, and are basically of two types: dairy bovine farms (cows) and beef cattle farms (calves, heifer, calves). Dairy bovine breeding develops entirely in the barn and INALCA from this supply chain can count on over 18,000 Italian breeding farms. To pursue its own supply chain policies, INALCA makes use of the contribution of the agricultural organisations that directly represent this large and fragmented channel. The expression of these agreements is the **"Sustainable farms"** project: developed in partnership with Coldiretti, which represents the main tool for the production integration between the milk supply chain (to which these farms refer directly) and that of meat. In beef cattle farms, the animal is raised on pasture until weaning and then in the barn. From this supply chain INALCA can count on about 500 controlled breeding farms, including owned farms in agistment or by third parties, all subjected to direct controls by INALCA for aspects concerning good agricultural practices,

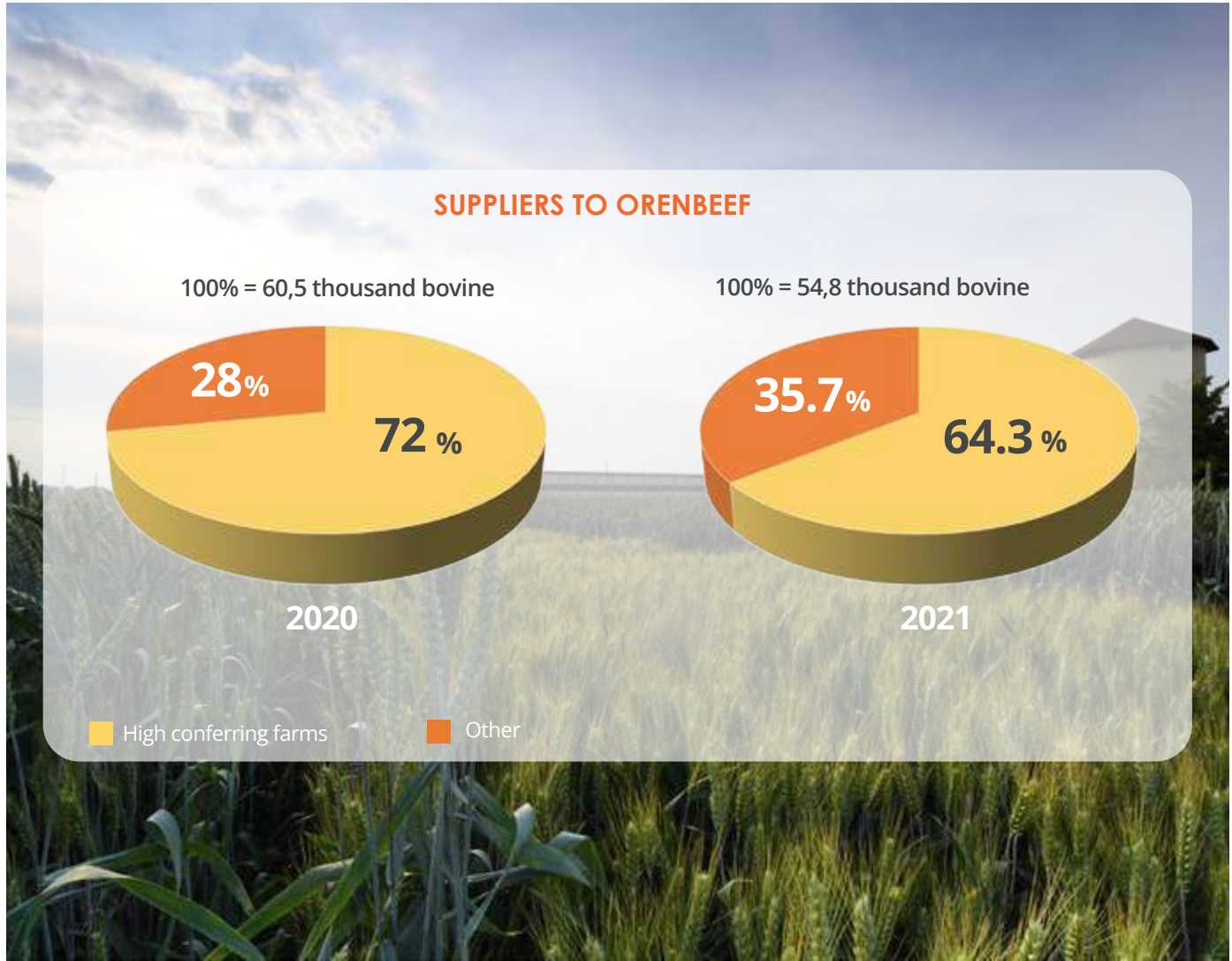
animal welfare, the prudent use of veterinary drugs, livestock nutrition and the qualitative characteristics of reared bovine. The control and technical assistance activities on the farm are carried out by INALCA by a dedicated group of veterinarians and experts in the sector. For INALCA this supply chain represents a direct supply chain without intermediaries, which covers, on average, 30% of its needs (see details in the table beside).

RUSSIAN FEDERATION

In the Russian Federation, important breeding activities have been launched in the context of an integrated and sustainable local supply chain. The supply of bovine takes place exclusively through local suppliers; the Orenbeef plant has 20 breeding farms in agistment that have supplied more than 6,000 head during the year. In addition to agistment, during 2021, the selection of the other breeding farms in the supply chain continued, in order to ensure constant products from a qualitative and quantitative point of view to customers and consumers. The graph below shows the percentage breakdown of high conferring farms (number of annual head conferred in the year > 1,000) compared to the total.



INTEGRATED PRODUCTION OF ANIMALS IN THE INALCA 2021 SUPPLY CHAIN								
CATEGORY	TOTAL SLAUGHTERING ITALY	PRODUCTION FROM INALCA SUPPLY CHAIN						
		AZ. AGRICOLA CORTICELLA S.r.l.	BONIFICHE FERRARESI S.p.A.	LA TORRE SOC.COOP	PARMA SERV.	MARCHESINA	CREMOVIT	%
CALVES	137,530	22,831	6,679	6,338	1,111	5,475	186	30.73%
HEIFERS	86,225	16,869	2,217	1,318	2,667	1,002	659	33.24%
WHITE MEAT CALVES	155,946	-	-	-	-	-	57,342	36.77%
DAIRY CATTLES	268,669	-	-	-	-	-	-	-



SUPPLIERS OF MEAT

INALCA is a global operator in the food sector and its meat suppliers are also selected in every continent and country suited to exporting this product. Our meat suppliers have various geographical origins and supply products with different qualitative characteristics depending on the type of animals and farming systems used. Different categories of producers can be identified: for the production of meat intended for industrial processing, such as canned meat produced in Italy, INALCA, in addition to its own slaughtering facilities, also makes use of other small local plants, in order to enhance the national bovine supply chain used in a typical Italian product, such as jellied meat. For the production of **frozen hamburgers and cuts of meat intended for domestic and international markets**, INALCA uses, in addition to the raw material from Italian breeding farms produced directly in its own national plants, also meat obtained from other Italian and community suppliers. Over time, solid and consolidated relationships have been built up with these suppliers which have allowed a progressive integration and alignment of the voluntary certification systems for food quality and safety in line with INALCA's assessment and qualification systems. **For the fine cuts of meat destined for the Ho.Re.Ca channel, INALCA imports meat from various non-EU countries;** they are products obtained from animals of Anglo-Saxon genetics, such as the well-known **Angus and Hereford breeds**, which are imported fresh. These are high quality cuts aimed mainly at specialised catering, the classic example of which is represented by the USA T-Bone steak, produced in the most important American plants concentrated in the

state of Nebraska belonging to the so-called **"Corn Belt"** region (region of the United States rich in maize mainly intended for livestock). To these are added the **famous Argentine, Australian and Uruguayan meats with both Grass-Fed lines ("grass fed"** literally is the farming system that allows bovine to remain at pasture for their entire life cycle) and **Grain-Fed ("grain fed")**. In this case, INALCA carries out an exclusive distribution activity. The control of this type of supplier focuses not only on food safety aspects, but also on a broader procurement system aimed at defining the qualitative parameters and ethical-social commitments, from breeding in feedlots, to processing and labelling methods at the suppliers' plants, to checks in the final sale phase. In addition to control, INALCA's activities support overseas suppliers in aligning quality standards with the specific regulatory requirements of the countries of destination of the products. As regards the pork sector, in Italy the Group favours national suppliers of fresh meat compliant with the PDO, PGI (Protected Designation of Origin - Protected Geographical Indication) requirements necessary for the production of high-quality cured meats intended mainly for the Italian market. In the case of other products of pork origin destined for European or non-European commercial circuits, such as bacon, national and EU-sourced meats are used instead. Also, for the pork sector, INALCA plans investments in dedicated plants for greater industrial efficiency and production integration in the supply chain.







PROPORTION OF EXPENDITURE TOWARDS LOCAL SUPPLIERS*

INALCA's supply chain includes large globalised producers as well as small local ones. A network of companies that allows the support of the Group's industrial activities, the development of projects with a strong territorial value, as well as the management of large globalised flows of high-quality meat distribution for the Ho.Re.Ca, Food Service and the supply of the Russian market. For industrial production in the Russian Federation there is a complete integrated supply chain that includes breeding

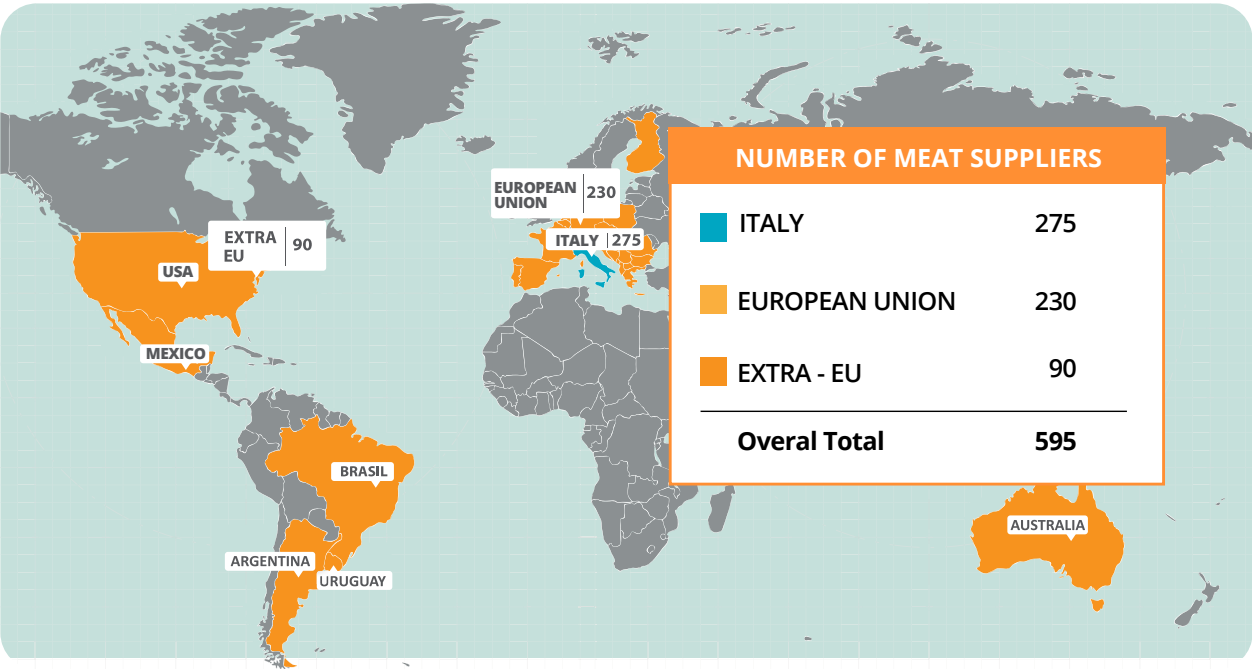
farms, production and logistic structures. INALCA's commitment to increasing the value of local supply chains is evident from the high percentage of local procurement of the main production sites.

Percentage of the procurement budget used on local suppliers having their registered office in the national territory in which each individual business unit operates.

PROPORTION OF EXPENDITURE TOWARDS LOCAL SUPPLIERS

	 ANIMALS	 MEAT	 SUBSIDIARY (Packaging and Ingredients)	 SERVICES (Maintenance and Softwarehouse)
ITALY	98%	33%	96%	92%
RUSSIA	100%	65%	87%	100%

INALCA MEAT PROCUREMENT BY GEOGRAPHICAL AREA 2021



* Geographic definition of the "local" organisation: purchase in the same country of use. Definition used for "significant operating sites": where most of the production activity takes place (Italy and Russia). Supplier categories considered: Animals, Meat, Subsidiary, Services

SUPPLIERS OF PACKAGING MATERIALS

INALCA uses various types of packaging: the main ones are in **plastic material, paper** and cardboard intended for the packaging of fresh and frozen meat, **tinplate and aluminium** are used instead for canned meat. In this field, in Italy, the Group has over 80 suppliers.

The selection criterion of packaging suppliers is based on 3 principles:

- *Technical competence;*
- *Ability to provide assistance and technological innovation;*
- *Consolidated experience with large industrial groups.*

In order to start supplying, packaging suppliers must register on the new INALCA portal and submit the

technical data and information necessary for the validation process of the supplier itself and of each single category of materials that it delivers to each Group plant. These are fundamental aspects that are carefully evaluated by INALCA.

In fact, packaging is an integral part of the product and is responsible for its protection. Small defects in plastic or metal materials can in fact reduce the level of product's protection, so it is essential that the packaging is systematically checked, both during receipt and use. The correct packaging process always involves a combination with a dedicated technology; therefore, the verification of the suitability and integrity of the materials is not enough, the control must extend to the technologies and packaging systems that must adapt perfectly to the packaging purchased.



SUPPLIERS OF INGREDIENTS

INALCA uses various types of ingredients in addition to meat. To this end, in Italy it uses **over 100 suppliers of food** ingredients such as flavourings, vegetables and cereal flours. In this case, in addition to the selection of ingredients from local suppliers, easily recognisable by the consumer, the selection criterion is based on the company's skills, the food safety management system, the absence of allergens, the presence of **certified standards** and the technical characteristics of the substances used. The ability of these suppliers to provide support in corporate innovation projects constitutes a further element of choice and evaluation. All the suppliers of ingredients are systematically subjected to preliminary qualification, those of particular importance also to periodic inspections by INALCA's technicians; all suppliers are also subjected to continuous monitoring of the products carried out at each delivery. In order to improve the collection of information, suppliers of food ingredients must

also use the dedicated INALCA portal, shared between the purchasing office and the quality office, where all the information necessary for qualification and evaluation of suppliers must be uploaded. The company policy on the selection of suppliers of subsidiary material has a clear focus on Italian procurement. **In fact, INALCA prefers local suppliers, located in the territories adjacent to its production plants.** This has allowed the company to have an increasingly integrated supply chain over the years as well as a consolidated loyalty and historicity of its suppliers. Almost 60% of the suppliers of subsidiary material are located between Emilia Romagna and Lombardy, regions where the two main and historic plants of the Group are located. The territorial proximity of INALCA and its suppliers allows the sharing of best practices and facilitates technological innovation paths for continuous industrial and supply chain improvement.



ATTACHMENTS:
CERTIFICATIONS

- Food quality and safety
- Environmental
- Social and Occupational safety

		PLANT LOCATION	IFS	BRC	ISO / IEC 17025	FSSC 22000	ISO 22005	Private standards
ITALY	INALCA S.p.A:	Ospedaletto Lodigiano (LO)	■				■	■
		Castelvetro di Modena (MO)	■		■			■
		Rieti	■					■
		Capo d'Orlando (ME)	■					
		Reggio Emilia						
		Pegognaga (MN)	■					■
		Rossano Calabro (CS)	■					
	Fiorani & C.	Castelvetro di Modena (MO) (Solignano Nuovo)	■					
		Castelnuovo di Rangone (MO)	■					
		Piacenza	■					
	Realbeef	Flumeri (AV)	■					■
	Italia Alimentari	Postalesio (SO)	■	■				
		Gazoldo degli Ippoliti (MN)	■	■			■	■
		Busseto (PR)	■	■			■	■
		Mandatoriccio (CS)		■				
		Castelnuovo di Rangone (MO)	■	■			■	
RUSSIA	MARR	Odintsovo				■		■
	INALCA S.p.A.	Orenburg				■		■

		PLANT LOCATION	UNI EN ISO 9001	Voluntary certifications	Organic	ISO 14001	EPD®	ISO 45001 Workplace safety management
ITALY	INALCA S.p.A:	Ospedaletto Lodigiano (LO)	■	■	■	■		■
		Castelvetro di Modena (MO)	■	■	■	■	■	■
		Rieti	■	■		■	■	■
		Capo d'Orlando (ME)						■
		Reggio Emilia			■			■
		Pegognaga (MN)			■	■		■
		Rossano Calabro (CS)		■	■			
	Fiorani & C.	Castelvetro di Modena (MO) (Solignano Nuovo)						
		Castelnuovo di Rangone (MO)						■
		Piacenza		■	■			■
	Realbeef	Flumeri (AV)						
	Italia Alimentari	Postalesio (SO)						
		Gazoldo degli Ippoliti (MN)			■			
		Busseto (PR)		■	■			
		Mandatoriccio (CS)						
		Castelnuovo di Rangone (MO)	■			■		
RUSSIA	MARR	Odintsovo				■		
	INALCA S.p.A.	Orenburg				■		■

ATTACHMENTS:
HUMAN RESOURCES

DISCLOSURE 102-8: Information on employees and other workers

Total number of employees, by employment type, gender and location, as of December 31			
Employment type ¹	2021		
	Men	Women	Total
ITALY			
Permanent contract	2,981	864	3,845
Temporary contract	262	112	374
EUROPE			
Permanent contract	216	85	301
Temporary contract	38	8	46
AFRICA			
Permanent contract	255	54	309
Temporary contract	28	7	35
ASIA			
Permanent contract	776	447	1,223
Temporary contract	28	23	51
AUSTRALIA			
Permanent contract	19	6	25
Temporary contract	2	0	2
AMERICA			
Permanent contract	4	10	14
Temporary contract	0	0	0
GROUP TOTAL	4,609	1,616	6,225
Permanent contract	4,251	1,466	5,717
Temporary contract	358	150	508

¹ Geographical areas where the main offices are located and where the data was collected.

Total number of employees, by employment type, gender and location, as of December 31			
Employment type	2021		
	Men	Women	Total
ITALY			
Full-time	3,190	862	4,052
Part-time	53	114	167
EUROPA			
Full-time	239	87	326
Part-time	15	6	21
AFRICA			
Full-time	278	61	339
Part-time	5	0	5
ASIA			
Full-time	784	437	1,221
Part-time	20	33	53
AUSTRALIA			
Full-time	16	5	21
Part-time	5	1	6
AMERICA			
Full-time	4	10	14
Part-time	0	0	0
GROUP TOTAL	4,609	1,616	6,225
Full-time	4,511	1,462	5,973
Part-time	98	154	252

Total number of workers who are not employees, by employment contract, gender and location, as of December 31			
External workers	2021		
	Men	Women	Total
ITALY			
Interns and Trainees	23	5	28
EUROPE			
Interns and Trainees	0	0	0
AFRICA			
Interns and Trainees	2	0	2
ASIA			
Interns and Trainees	0	0	0
AUSTRALIA			
Interns and Trainees	0	0	0
AMERICA			
Interns and Trainees	0	0	0
GROUP TOTAL	25	5	30
Interns and Trainees	25	5	30

DISCLOSURE 102-41: Collective bargaining agreements²

UoM		2021	
		Italy	Other countries
Total percentage	%	100%	19%

² Percentages are based on the total number of employees as of December 31, 2021, not including the countries where the legislation does not allow for collective bargaining.

DISCLOSURE 401-1: New employee hires and employee turnover³

ITALY					
NEW EMPLOYEE HIRES					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	198	276	143	617	10%
Women	35	107	52	194	3%
Total	233	383	195	811	13%
Percentage	4%	6%	3%		
EMPLOYEE TURNOVER					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	79	223	164	466	7%
Women	18	82	57	157	3%
Total	97	305	221	623	10%
Percentage	2%	5%	4%		

EUROPE					
NEW EMPLOYEE HIRES					
Number of employees	2021				
	<30	30-50	>50	Total	Percentuale
Men	9	19	14	42	1%
Women	0	7	0	7	0.1%
Total	9	26	14	49	1%
Percentage	0.1%	0.4%	0.2%		
EMPLOYEE TURNOVER					
Number of employees	2021				
	<30	30-50	>50	Total	Percentuale
Men	34	51	13	98	2%
Women	4	11	1	16	0.3%
Total	38	62	14	114	2%
Percentage	1%	1%	0.2%		

³ The turnover rate is calculated as the ratio between the total number of resources left (total, by gender and by age group) in 2021 and the total number of employees as at 31/12/2021. In the number of resources left, transfers of resources in the various Regions are not included.



AFRICA					
NEW EMPLOYEE HIRES					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	11	7	1	19	0.3%
Women	0	3	0	3	0.1%
Total	11	10	1	22	0.4%
Percentage	0.2%	0.2%	0.1%		
EMPLOYEE TURNOVER					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	7	21	2	30	0.5%
Women	1	5	0	6	0.1%
Total	8	26	2	36	1%
Percentage	0.1%	0.4%	0.1%		

ASIA					
NEW EMPLOYEE HIRES					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	101	194	24	319	5%
Women	29	94	9	132	2%
Total	130	288	33	451	7%
Percentage	2%	5%	0.5%		
EMPLOYEE TURNOVER					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	87	201	24	312	5%
Women	29	82	9	120	2%
Total	116	283	33	432	7%
Percentage	2%	4%	0.5%		

AUSTRALIA					
NEW EMPLOYEE HIRES					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	0	0	0	0	0%
Women	0	0	0	0	0%
Total	0	0	0	0	0%
Percentage	0%	0%	0%		
EMPLOYEE TURNOVER					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	2	9	0	11	0.2%
Women	1	0	2	3	0.1%
Total	3	9	2	14	0.2%
Percentage	0.1%	0.1%	0.1%		

AMERICA					
NEW EMPLOYEE HIRES					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	2	0	1	3	0.1%
Women	1	2	1	4	0.1%
Total	3	2	2	7	0.1%
Percentage	0.1%	0.1%	0.1%		
EMPLOYEE TURNOVER					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	0	0	0	0	0%
Women	0	0	0	0	0%
Total	0	0	0	0	0%
Percentage	0%	0%	0%		

GROUP TOTAL					
NEW EMPLOYEE HIRES					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	321	496	183	1,000	16%
Women	65	213	62	340	5%
Total	386	709	245	1,340	21%
Percentage	6%	11%	4%		
EMPLOYEE TURNOVER					
Number of employees	2021				
	<30	30-50	>50	Total	Percentage
Men	209	505	203	917	15%
Women	53	180	69	302	5%
Total	262	685	272	1,219	20%
Percentage	4%	11%	4%		

DISCLOSURE 405-1: Diversity of governance bodies and employee

Composition of INALCA S.p.A.'s Board of Directors, by gender and age range as of December 31.

100% of the members of INALCA S.p.A.'s Board of Directors are male, 14,29% under 30 years old, 28,57% between 30-50 years old and 57,14% above 50 years old.

Composition of the Board of Directors by gender			
	2021		
	Men	Women	Total
Board members	7	0	7

Composition of the Board of Directors by age group				
	2021			
	<30	30-50	>50	Total
Board members	1	2	4	7

Employees (n) by employee category and by gender as of 31st december			
Number	2021		
	Men	Women	Total
Executives	106	23	129
Managers	118	31	149
Employees	605	643	1,248
Intermediates	97	48	145
Workers	3,652	868	4,520
External collaborators	30	3	33
Travellers	1	0	1
Total	4,609	1,616	6,225

Employees (%) by employee category and by gender as of 31st december			
Number	2021		
	Men	Women	Total
Executives	2%	0%	2%
Managers	2%	0%	2%
Employees	10%	10%	20%
Intermediates	2%	1%	2%
Workers	59%	14%	73%
External collaborators	0%	0%	1%
Travellers	0%	0%	0%
Total	74%	26%	100%

ATTACHMENTS:
HEALTH AND SAFETY

DISCLOSURE 403-9: Work-related injuries⁴

Employees (n) by employee category and by age group as of 31 December				
Number	2021			
	<30	30-50	>50	Total
Executives	11	68	50	129
Managers	10	84	55	149
Employees	164	830	254	1,248
Intermediates	28	86	31	145
Workers	700	2,426	1,394	4,520
External collaborators	1	7	25	33
Travellers	0	0	1	1
Total	914	3,501	1,810	6,225

Employees (%) by employee category and by age group as of 31 December				
Number	2021			
	<30	30-50	>50	Total
Executives	0%	1%	1%	2%
Managers	0%	1%	1%	2%
Employees	3%	13%	4%	20%
Intermediates	0%	1%	0%	2%
Workers	11%	39%	22%	73%
External collaborators	0%	0%	0%	1%
Travellers	0%	0%	0%	0%
Total	15%	56%	29%	100%

GROUP EMPLOYEES	
Work-related injuries	
Injuries	2021
Number of fatalities due to work-related injury	0
Number of high-consequence work-related injuries (excluding fatalities) ⁵	1
Number of recordable work-related injuries	244
Work-related injuries	
Type of work-related injuries	2021
Superficial injuries, open wounds and burns	92
Sprains, dislocations, fractures and strains	146
Amputations	0
Other	6
Number of hours worked	
Total number of hours worked	9,949,906
Injury rate ⁶	
Rate of fatalities due to work-related injury	0
Rate of high-consequence work-related injuries (excluding death)	0.10
Rate of work-related injuries	24.52

⁴The data relating to Health and Safety do not include non-employees who work at the Group's sites and/or under the control of the Group, in consideration of their significance and the availability of such data over which the Group does not exercise direct control.

⁵Injuries at work that have led to damage from which the employee cannot recover, does not recover or it is unrealistic to foresee that he will fully recover and return to the state of health prior the accident within 6 months. The serious occupational injury of 2021 refers to a slip resulting in a fracture of the nasal bones.

⁶ The injury rate was calculated as the ratio between the total number of injuries and the total number of hours worked, using a multiplication factor of 1,000,000. The data includes injuries occurred on the home-work commute only in the event that the transport was managed by the organization.

ATTACHMENTS:
ENVIRONMENTAL DATA

DISCLOSURE 301-1: Materials used by weight or volume

Materials used by weight or volume				
	Total weight of materials used			
	Renewable materials		u.m.	2021
Slaughtered animals	Dairy cattle	Number of slaughtered animals	n	233,124
		Dead weight	t	65,046
	Calf	Number of slaughtered animals	n	156,010
		Dead weight	t	23,589
	Young bull	Number of slaughtered animals	n	137,953
		Dead weight	t	55,769
	Bull	Number of slaughtered animals	n	5,131
		Dead weight	t	2,041
	Adult bovine	Number of slaughtered animals	n	83,414
		Dead weight	t	20,851
	Ox	Number of slaughtered animals	n	65
		Dead weight	t	23
	Heifer	Number of slaughtered animals	n	94,936
		Dead weight	t	27,121
	Buffaloes	Number of slaughtered animals	n	1,656
		Dead weight	t	756
	Cart pulling animal (Biraccio)	Number of slaughtered animals	n	1,569
		Dead weight	t	69
	Hoax	Number of slaughtered animals	n	12,938
		Dead weight	t	3,299
	Z Young bull	Number of slaughtered animals	n	6,798
		Dead weight	t	1,472
	Castrated	Number of slaughtered animals	n	4,882
		Dead weight	t	1,275
	Pork	Number of slaughtered animals	n	0
		Dead weight	t	0
	TOTAL Number of slaughtered animals		Number of slaughtered animals	738,476
	TOTAL dead weight		Dead weight	201,311

Materials used by weight or volume				
	Total weight of material used			
	Renewable materials		u.m.	2021
Farmed animals	Dairy cattle	Number of animals on the farm	n	0
		Live weight	t	0
	Calf	Number of animals on the farm	n	1,830
		Live weight	t	94
	Young bull	Number of animals on the farm	n	6,219
		Live weight	t	2,186
	Bull	Number of animals on the farm	n	0
		Live weight	t	0
	Adult bovine	Number of animals on the farm	n	0
		Live weight	t	0
	Ox	Number of animals on the farm	n	0
		Live weight	t	0
	Heifer	Number of animals on the farm	n	1,918
		Live weight	t	508
	Buffaloes	Number of animals on the farm	n	0
		Live weight	t	0
	Cart pulling animal (Biraccio)	Number of animals on the farm	n	0
		Live weight	t	0
	Hoax	Number of animals on the farm	n	0
		Live weight	t	0
	Z Young bull	Number of animals on the farm	n	0
		Live weight	t	0
	Castrated	Number of animals on the farm	n	0
		Live weight	t	0
	Pork	Number of animals on the farm	n	0
		Live weight	t	0
	TOTAL number of farmed animals		n	9,967
	TOTAL live weight		t	2,788
Purchased meat	Fresh on the bone		t	124,262
	Fresh without the bone		t	84,098
	Frozen		t	63,366
Feed	Feed		t	66,535
TOTAL purchased meat and feed			t	338,262
Packaging	Wood		t	2,535
	Paper / Cardboard		t	10,830
TOTAL packaging			t	13,365



Materials used by weight or volume			
	Non-renewable materials	u.m.	2021
Packaging	Plastic	t	5,974
	Reusable plastic boxes	t	87
	Steel	t	1,860
	Aluminum	t	850
TOTAL packaging		t	22,139
Ingredients and additives	Ingredients and additives	t	6,192
Chemicals	Products for sanitation	t	553
	Chemicals in general	t	2,372
	Chemicals for wastewater	t	1,903
	Oils and lubricants	t	100
TOTAL Ingredients, additives and Chemicals		t	11,120

DISCLOSURE 302-1: Energy consumption within the organization

Energy consumption within the organization			
		2021	
Energy type	Unit of measurement	Total	Total GJ
Non-renewable fuels	-	-	1,428,810
Natural gas (methane)	Smc	34,194,037	1,364,752
LPG	kg	25,162	1,241
Diesel generator set	L	91,338	3,488
Gas oil for boiler	L	8,012	310
Diesel - Company fleet	L	1,407,523	53,750
Petrol	L	153,323	5,269
Renewable fuels			513,000
Biogas	m³	6,222,566	157,288
Cast fat	kg	9,587,940	355,713
Electricity purchased		137,711,142	495,760
from renewable sources	kWh	0	0
from non-renewable sources	kWh	137,711,142	495,760
Electricity self-produced and sold to the grid		27,755,960	99,921
Total Electricity self-produced		115,740,397	416,665
from renewable sources (TOTAL)	kWh	39,251,037	141,304
from photovoltaic panel	kWh	1,237,445	4,455
from biogas	kWh	13,401,800	48,246
from fat casting	kWh	24,611,792	88,602
from non-renewable source	kWh	76,489,360	275,362
Total energy consumption		/	2,342,152
Renewable energy		/	517,455
% Renewable energy of the total	%	/	22%

DISCLOSURE 305-1: Direct (Scope 1) GHG emissions

Direct (scope 1) GHG emissions ⁷ - 2021						
	Unit of measurement	Breeding	Slaughterhouses / processing	Logistic	Other	TOTAL
Natural gas	tCO ₂ eq	94	75,185	1,247	-	76,526
LPG	tCO ₂ eq	-	82	-	-	82
Diesel generator set	tCO ₂ eq	-	13	233	2	248
Gas oil for boiler	tCO ₂ eq	-	22	-	-	-
Diesel - Company fleet ⁸	tCO ₂ eq	340	1,857	1,551	21	3,768
Gasoline	tCO ₂ eq	-	188	175	-	363
Biogas	tCO ₂ eq	42	185	-	-	227
Cast Fat	tCO ₂ eq	-	6,241	-	-	6,241
Emissions from animals ⁹	tCO ₂ eq	10,927	-	-	-	10,927
Total emissions Scope 1	tCO ₂ eq	11,403	83,773	3,205	23	98,404

OUTSIDE OF SCOPE Emissions (Scope 1) ¹⁰ - 2021						
	Unit of measurement	Breeding	Slaughterhouses / processing	Logistic	Other	TOTAL
Biogas	tCO ₂ eq	5,296	23,500	-	-	28,795
Cast Fat	tCO ₂ eq	-	36	-	-	36
Total emissions Scope 1	tCO ₂ eq	5,296	23,536	-	-	28,831

⁷ The enteric emissions which fall within the Scope 1 direct emissions have been calculated using the GRSB tool (developed by Blonk consultant on the basis of the document "IPCC 2019 Refinement to the IPCC 2006 Guidelines for National Greenhouse Gas Inventories").

⁸For farms, this is diesel used by tractors.

⁹Enteric fermentation process + manure management.

¹⁰To ensure completeness of reporting, CO2 emissions deriving from the combustion process of biogas and from grease pouring , which do not fall within the reporting perimeter of Scope 1, Scope 2, Scope 3 and which are considered "Emissions outside of scope" (Source of the methodology: DEFRA - UK Government GHG Conversion Factors for Company Reporting) are quantified. For the calculation of the resulting outside-of-scope emissions from the biogas combustion process, equal to 28,795 tons CO2e in 2021, an emission factor for 2021 equal to 0.659 kgCO2e / kWh (Ecoinvent 3) was considered, for the calculation of the outside of scope emissions deriving from fat casting combustion process, equal to 35.6 tons CO2e in 2021, an emission factor for 2021 was considered equal to 0.000004 tCO2e / kg (Ecoinvent 3).

DISCLOSURE 305-2 : Energy indirect (Scope 2) GHG emissions

Indirect GHG emission from energy consumption ¹¹ (Scope 2) - 2021						
	Unit of measurement	Breeding	Slaughterhouses / processing	Logistic	Other	TOTAL
Electricity purchased Market based	tCO ₂	205	53,901	8,107	661	62,875
Electricity purchased Location based	tCO ₂	117	30,671	4,613	376	35,777

DISCLOSURE 305-3: Other indirect (Scope 3) GHG emissions¹²

Other indirect GHG emission (Scope 3) ¹³ - 2021						
	Unit of measure-ment	Breeding	Slaughterhouses / processing	Logistic	Other	TOTAL
Purchased goods and services	tCO ₂ eq	2,791,056	242,393	45	996	3,034,490
Fuel and energy related activities not included in Scope 1 and 2	tCO ₂ eq	129	30,243	3,033	167	33,572
Upstream transportation and distribution	tCO ₂ eq	-	-	88,958	-	88,958
Waste generated in operations	tCO ₂ eq	-	4,969	52	419	5,440
Downstream transporation and distribution*	tCO ₂ eq	0,5	1,572	4	9	1,586
Total emissions Scope 3	tCO ₂ eq	2,791,186	279,177	92,092	1,592	3,164,046

Type of emissions Scope 3 ¹⁴ - 2021		
	Unit of measurement	Breeding
Fossil + Land use	tCO ₂ eq	1,909,002
Gas of biogenic origin (emissions and absorptions) ¹⁵	tCO ₂ eq	1,255,044
Total	tCO ₂ eq	3,164,046

¹¹The "Location-based" approach involves the use of average emission factors for the specific national energy mix of electricity generation. The "Market-based" approach involves the use of emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual agreements between the Organization and the electricity supplier (e.g., purchase of guarantees of origin), the emission factor for the national "residual mix" was used for the "Market-based" approach. Scope 2 emissions are expressed in tons of CO₂, however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂equivalents) as can be deduced from the technical reference literature.

¹²Scope 3 was calculated using the SimaPro v9.3 software and the Ecoinvent v3 and AgriFootprint v5 databases contained therein. In addition, data from the literature were also used, in particular data published in the EPD of Inalca meats. The calculation method used that allows to process the primary and secondary data entered in the software and transform them into Global Warming Potential is the IPCC 2013 GWP 100a method, based on the IPCC Fifth Assessment Report (AR 5 100 year).

¹³1) The data shown in the table show both "inside of scope" emissions and "Outside of scope" emissions (biogenic emissions and CO₂ sequestrations) in an aggregate manner.

¹⁴The table shows the emissions of Scope 3 divided into "Fossil + Land use" which fall into "Inside of Scope", and into "Gas of biogenic origin (emissions and absorptions)", ie biogenic emissions and CO₂ sequestrations from the atmosphere fera, which fall "Outside of Scope". The values shown in this table represent the breakdown by type of emission of the table "DISCLOSURE 305-3: Other indirect (Scope 3) GHG emissions".

¹⁵The biogenic emissions reported include both CO₂ emissions from the combustion process or from the biodegradation of biomass, and biogenic CH₄ emissions, attributable for example to methane from enteric fermentation. The calculation method currently adopted does not allow for the separate quantification of biogenic CO₂ and biogenic CH₄ emissions from the item "Biogenic emissions". The methodology will come refined in the year to come in order to include biogenic CH₄ in the "Inside of scope" emissions item and isolate only biogenic CO₂, to be counted as "Outside of scope."

GJ Conversion Factors			
Energy source	Unit of measurement	Value	Source
Electric/thermal energy	GJ/kWh	0.0036	DEFRA 2021
Natural gas	GJ/ton	49.89	DEFRA 2021
Natural gas (density)	kg/m3	0.8	DEFRA 2021
Gas oil	GJ/ton	45.29	DEFRA 2021
Gas oil (density)	litri/ton	1,171	DEFRA 2021
Diesel (average biofuel blend)	GJ/ton	45.13	DEFRA 2021
Diesel (average biofuel blend) (density)	litri/ton	1,181.8	DEFRA 2021
LPG	GJ/ton	49.33	DEFRA 2021
LPG (density)	litri/ton	1,887.69	DEFRA 2021
Petrol (average biofuel blend)	GJ/ton	46.18	DEFRA 2021
Petrol (average biofuel blend) (density)	litri/ton	1,343.79	DEFRA 2021
Burning oil	GJ/ton	46.17	DEFRA 2021
Burning oil (density)	litri/ton	1,246	DEFRA 2021
Biogas	GJ/ton	21.98	DEFRA 2021
Tallow-derived burning oil	GJ/kg	0.0371	Biograce
Conversion factors in kWh			
Type of consumption	Unit of measurement	Value	Source
Biogas	da GJ a kWh	0.0036	DEFRA 2021
Conversion factors in kg			
Type of consumption	Unit of measurement	Value	Source
Biogas	da m³ a kg	1.15	DEFRA 2021
Conversion factors in L.			
Type of consumption	Unit of measurement	Value	Source
LPG	Lt/kg	1,887,96	DEFRA 2021

Emission factors - Scope 1			
Type of consumption	Unit of measurement	Value	Source
Gas oil	tCO ₂ eq/l	0.00268	Ecoinvent 3
Natural Gas	tCO ₂ eq/m3	0.00224	Ecoinvent 3
LPG	tCO ₂ eq/l	0.00167	Ecoinvent 3
Biogas	tCO ₂ eq/kWh	0.005	Ecoinvent 3
Cast Fat	tCO ₂ eq/kg	0.001	Ecoinvent 3
Gasoline	tCO ₂ eq/l	0.00237	Ecoinvent 3
Emission factors - Out of scope			
Type of consumption	Unit of measurement	Value	Source
Biogenic - Biogas	kgCO ₂ eq/kWh	0.659	Ecoinvent 3
Biogenic - Cast Fat	tCO ₂ eq/kg	0.000004	Ecoinvent 3
Emission factors ¹⁶ - Scope 2			
Type of consumption	Unit of measurement	Value	Source
Electric energy - Location based	kgCO ₂ /kWh	0.259	ISPRA 2021
Electric energy - Market based	kgCO ₂ /kWh	0.456	AIB 2021
ITA electric energy of GO	kgCO ₂ eq/kWh	0.003	Ecoinvent 3

¹⁶ With regard to Scope 3, the emission factors for the calculation of the “Purchased goods and services” category are based on the Ecoinvent v3, Agrifootprint v5 databases and on literature data (source: EPD studies on Inalca meats). The emission factors for the calculation of the categories “Fuel and energy related activities not included in Scope 1”, “Upstream Transportation and Distribution”, “Waste Generated in Operations” and “Downstream Transportation and Distribution” are based on the Ecoinvent v3 database. The method used for the calculation of the factors is based on IPCC Assessment Report n 5.



DISCLOSURE 303-3: Water withdrawal

Water withdrawal			
Source	Unit of measurement	2021	
		All areas	Areas with water stress ¹⁷
Surface water (total)	MI	0	256
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	0	256
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	0	0
Groundwater (total)	MI	3,030	35
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	2,850	35
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	180	0
Sea water (total)	MI	0	0
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	0	0
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	0	0
Water produced (total)	MI	0	0
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	0	0
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	0	0
Third - party water (total)	MI	169	127
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	169	127
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	0	0
TOTAL WATER WITHDRAWAL	MI	3,200	418

¹⁷ To identify areas subject to water stress of the Group it was used the Aqeduct Tool developed by the World Resources Institute available online at: <https://www.wri.org/aqueduct>.

DISCLOSURE 303-4: Water discharge

Water discharge			
Destination	Unit of measurement	2021	
		All areas	Areas with water stress ¹⁸
Surface water (total)	MI	1,844	140
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	1,844	140
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	0	0
Groundwater (total)	MI	156	0
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	156	0
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	0	0
Sea water (total)	MI	0	0
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	0	0
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	0	0
Third-party water (total)	MI	860	162
Fresh water (≤1,000 mg / l of total dissolved solids)	MI	824	162
Other types of water (> 1,000 mg / l of total dissolved solids)	MI	36	0
TOTAL WATER DISCHARGE	MI	2,860	302

¹⁸ To identify areas subject to water stress of the Group it was used the Aqeduct Tool developed by the World Resources Institute available online at: <https://www.wri.org/aqueduct>.



DISCLOSURE 306-3: Waste generated

Waste generated			
Types of hazardous waste (H)		2021	
		Waste directed to disposal	Waste diverted from disposal
TOTAL (H)	ton	35	149
Of which packaging	ton	4	42
Of which digestible	ton	0	0
Of which plastic	ton	0	0
Of which paper	ton	0	0
Of which wood	ton	0	0
Of which glass	ton	0	0
Of which metal	ton	0	0
Of which derived from food manufacturing	ton	0	0
Of which derived from anaerobic digestion and wastewater treatment	ton	0	0
Of which paints and inks	ton	4	0
Of which from maintenance activities	ton	22	79
Of which electronics and exhausted batteries	ton	4	5
Of which chemicals and lab-derived	ton	1	24
Types of non-hazardous waste (NH)		2021	
		Waste directed to disposal	Waste diverted from disposal
TOTAL (NH)	ton	7,083	73,539
Of which packaging	ton	256	3,839
Of which digestible	ton	645	68,000
Of which plastic	ton	0	5
Of which paper	ton	0	8
Of which wood	ton	0	199
Of which glass	ton	0	0.3
Of which metal	ton	0	342
Of which derived from food manufacturing	ton	3,799	141

Of which derived from anaerobic digestion and wastewater treatment	ton	580	29
Of which paints and inks	ton	0	0.2
Of which from maintenance activities	ton	1,803	600
Of which electronics and exhausted batteries	ton	0.2	0
Of which chemicals and lab-derived	ton	0	0
Total waste products		7,118	72,852

SUPPLY CHAIN

DISCLOSURE 204-1: Proportion of spending on local suppliers¹⁹

Spending on local suppliers (in millions of €)			
	2021		
	ITALY	RUSSIA ²⁰	TOTAL
Expenditure on local suppliers	890	252	1,142
Total purchases	1,088	309	1,397
% spent on local suppliers' purchases	82%	82%	82%

¹⁹ Geographical definition of the "local" organization: purchased in the same country of use.

²⁰ Definition used for "significant operating locations": where most of the production activity takes place (Italy and Russia). Supplier categories considered: Animals, Meat, Subsidiary, Services. In the ruble-euro conversion, the exchange factor of 0.01176 as at 31/12/2021 was used.

Table of Environmental Impact

MATERIAL TOPICS	GRI TOPICS	IMPACT PERIMETER	
		Where the impact occurs	Group's involvement
Animal Welfare	N/A	Group and farmers	Caused by the Group and related to the Group through its commercial relationships
Waste management and circular economy	Waste	Group	Caused by the Group
Sustainable management of the supply chain	Procurement practices Social and environmental as- sessment of suppliers	Group	Caused by the Group
Occupational health and safety	Occupational Health and Safety ²¹	Group's personnel	Caused by the Group
Sustainable packaging	Materials	Group	Caused by the Group
Ethics, business integrity and anti-corruption	Anti-Corruption, Anti-Compet-itive Behavior, Socio-Economic Compliance	Group	Caused by the Group
Process and product innovation and R&D	N/A	Group	Caused by the Group
Consumer protection, food quality and safety	Customer Health and Safety	Group	Caused by the Group
Energy consumption, emissions and climate change	Energy, Emissions	Grop and electric/ thermal energy suppliers	Caused by the Group and related to the Group through its commercial relationships
Training, development and well-being of workers	Employment Training and education	Group's personnel	Caused by the Group
Economic performance and fiscal transparency	Economic Performance	Group	Caused by the Group
Integration in the territory in which INALCA operates	Local Communities	Group	Caused by the Group
Diversity, inclusion and equal opportunities	Employment, Diversity and Equal Opportunities	Group	Caused by the Group
Corporate Governance	Governance structure	Group	Caused by the Group
Protection of human rights	Compliance assessment of human rights Child labor Forced labor	Group	Caused by the Group
Water resource management	Water and water discharges	Group	Caused by the Group
Responsible marketing & communication	Marketing and labeling	Group	Caused by the Group

²² The Group is considering to conduct a more in-depth analysis of the significance of its “other workers”, in order to evaluate whether to collect data from the employers of agency workers and suppliers who work at the Group's plants, assessing the quality and the accuracy of the data over which does not have any control.

ATTACHMENTS: GRI CONTENT INDEX

GRI Standards	Disclosure	Page/Note	Omission
GRI 102: GENERAL DISCLOSURES (2016)			
Organizational profile			
102-1	Name of the organization	40	
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102-3	Location of headquarter	40	
102-4	Location of operations	14-21	
102-5	Ownership and legal form	40	
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102-14	Statement from senior decision-maker	1	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	42; 43	
Governance			
102-18	Governance structure	40	
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102-40	List of stakeholder groups	26-27	
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102-43	Approach to stakeholder engagement	26	
102-44	Key topics and concerns raised	26	
Reporting practice			
102-45	Entities included in the consolidated financial statements	2	
102-46	Defining report content and topic Boundaries	2	
102-47	List of material topics	29-34	
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102-50	Reporting period	2	
102-51	Date of most recent report	october 2021	
102-52	Reporting cycle	2	
102-53	Contact point for questions regarding the report	163	
102-54	Claims of reporting in accordance with the GRI Standards	2	
102-55	GRI content index	151-158	
102-56	External assurance	159-161	
TOPIC-SPECIFIC STANDARDS			
Material topic: Corporate governance			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	116; 117	
103-3	Evaluation of the management approach	116; 117	
Material topic: Ethics, business integrity and anti-corruption			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	42-48; 105	
103-3	Evaluation of the management approach	42-48; 105	
GRI 205: Anti-corruption (2016)			
205-3	Confirmed incidents of corruption and actions taken	No cases and/or reports of corruption were recorded during the year 2021.	
GRI 206: Anti-competitive Behavior (2016)			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During 2021 no legal actions against the Group were recorded concerning anti-competitive practices and/or violations of anti-trust laws and monopolistic practices.	
GRI 419: Socioeconomic Compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	During 2021 there no incident of no cases of non-compliance with laws and regulations in the social and economic area.	
GRI 307: Environmental Compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	During 2021, no fines or other non-monetary sanctions for failure to comply with environmental laws and regulations, were recorded.	

Material topic: Economic performance and fiscal transparency			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	50-51; 116-117	
103-3	Evaluation of the management approach	50-51; 116-117	
GRI 201: Economic Performance (2016)			
201-1	Direct economic value generated and distributed	117	
GRI 207: Tax (2019)			
207-1	Approach to tax	50-51	
207-2	Tax governance, control, and risk management	50-51	
207-3	Stakeholder engagement and management of concerns related to tax	50-51	
207-4	Country-by-country reporting	Data relating to the indicator GRI 207-4 “Country-by-country reporting” is not available at the moment. Activities to structure the disclosure of the related information are underway. The Group commits to prove a full disclosure for the Sustainability Report relating to the year 2022.	
Material topic: Consumer protection, food quality and safety			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	104-105	
103-3	Evaluation of the management approach	104-105	
GRI-416: Customer Health and Safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During 2021, there were no incidents of non-compliance concerning the health and safety impacts of products and services.	
Tematica materiale: Process, product and R&D innovation			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	104-105; 112-113	
103-3	Evaluation of the management approach	104-105; 112-113	
Tematica materiale: Energy consumption, emission and climate change			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	54-57	
103-3	Evaluation of the management approach	54-57	
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	141	

GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	142	
305-2	Energy indirect (Scope 2) GHG emissions	142	
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Tematica materiale: Water resource management			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	66; 67	
103-3	Evaluation of the management approach	66; 67	
GRI 303: Water and Effluents (2018)			
303-1	Interactions with water as a shared resource	66; 67	
303-2	Management of water discharge-related impacts	66; 67	
303-3	Water withdrawal	145	
303-4	Water discharge	146	
Material topic: Waste management and circular economy			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	70; 71	
103-3	Evaluation of the management approach	70; 71	
GRI 306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	71	
306-2	Management of significant waste-related impacts	71	
306-3	Waste generated	146; 147	
Material topic: Sustainable packaging			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	68-69	
103-3	Evaluation of the management approach	68-69	
GRI 301: Materials (2016)			
301-1	Materials used by weight or volume	138-140	
Material topic: Occupational health and safety			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	45; 47; 79; 105	
103-3	Evaluation of the management approach	45; 47; 79; 105	
GRI-403: Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	47; 79; 105	
403-2	Hazard identification, risk assessment and incident investigation	79	

403-3	Occupational health services	79	
403-4	Worker participation, consultation, and communication on occupational health and safety	79	
403-5	Worker training on occupational health and safety	78	
403-6	Promotion of worker health	79	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	79	
403-8	Workers covered by an occupational health and safety management system	79	
403-9	Work-related injuries	137	
Material topic: Diversity, inclusion and equal opportunities			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	42; 79	
103-3	Evaluation of the management approach	42; 79	
GRI 405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	134-136	
GRI 406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	During 2021 there have been no incidents of discrimination.	
Material topic: Training, development and well-being of workers			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	46; 78	
103-3	Evaluation of the management approach	46; 78	
GRI-401: Employment (2016)			
401-1	New employee hires and employee turnover	131-134	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	78	
GRI-404: Training and education (2016)			
404-1	Average hours of training per year per employee	78	The data are currently not available for the entire reporting perimeter and for the breakdown by gender and professional category. The Group is committed to providing complete disclosure for the Sustainability Report for the year 2022.

Material topic: Responsible marketing & communication			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	42; 47-48; 96; 105	
103-3	Evaluation of the management approach	42; 96	
GRI 417: Marketing and Labeling (2016)			
417-2	Incidents of non-compliance concerning product and service information and labeling	In the course of 2021 there was a case of formal notice to a Group company, due to a typo in a product captions, with notice of removal of the wording and suspension of the marketing until correct labeling of the product. As per requested, the company has removed the labeling typos within the required time frame, with subsequent closure of the formal notice procedure by the Ministry of Agricultural Food and Forestry Policies.	
Material topic: Human rights protection			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	48; 78; 118	
103-3	Evaluation of the management approach	78; 118	
GRI 412: Human rights assessment (2016)			
412-2	Employee training on human rights policies or procedures	78;118 The risk is linked in particular to operations and to the Group's suppliers that operate in countries where the legislation in this area it is less stringent than to the Italian one.	Data and information relating to point a. "number of total hours, in the reporting period, dedicated to training on human rights policies or procedures that are relevant to the assets" are not currently available. The Group does undertake to provide a full disclosure for the Sustainability Report relating to the financial year 2022.
GRI 408: Child labor (2016)			
408-1	Operations and suppliers at significant risk for incidents of child labor	20; 118	
GRI 409: Forced or compulsory labor (2016)			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	20; 118	

Material topic: Integration in the territory in which INALCA operates			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	42; 82-83	
103-3	Evaluation of the management approach	82-83	
GRI 413: Local communities			
413-2	Operations with significant actual and potential negative impacts on local communities	As depicted in the chapter Inalca and local communities, support and local community development are fundamental objectives that the Group pursues by putting in act multiple activities each year. To this end, it is noted that the Group has always been committed and active to limit the risk of generate negative impacts, current or potential, on the community.	
Material topic: Sustainable management of the supply chain			
GRI 103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-34; 149	
103-2	The management approach and its components	118-124	
103-3	Evaluation of the management approach	118-124	
GRI 204: Procurement practices			
204-1	Proportion of spending on local suppliers	122-124	
GRI 414: Supplier social assessment (2016)			
414-1	New suppliers that were screened using social criteria		The Group promotes and adopts social and environmental criteria in the selection stages of its suppliers through the Code of Ethics and Code of Business Conduct. Social and environmental criteria in the evaluation of suppliers are not currently adopted, but the Group is carrying out several activities and projects in such sense related to the supply from sustainable farms, packaging and alimentary ingredients.

GRI 308: Suppliers environmental assessment			
308-1	New suppliers that were screened using environmental criteria		The Group promotes and adopts social and environmental criteria in the selection stages of its suppliers through the Code of Ethics and Code of Business Conduct. Social and environmental criteria in the evaluation of suppliers are not currently adopted, but the Group is carrying out several activities and projects in such sense related to the supply from sustainable farms, packaging and alimentary ingredients
Material topic: Animal welfare			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundaries	30-34; 149	
103-2	The management approach and its components	45; 84-86	
103-3	Evaluation of the management approach	84-86	



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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Inalca S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of Inalca Group (hereinafter also "Group") as of December 31, 2021.

Responsibility of the Directors for the Sustainability Report

The Directors of Inalca S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), as stated in the paragraph "Methodological Note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Inalca Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma
Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166
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Responsabilità della società di revisione

È nostra la responsabilità di esprimere, sulla base delle procedure svolte, una conclusione circa la conformità del Bilancio di Sostenibilità rispetto a quanto richiesto dai GRI Standards. Il nostro lavoro è stato svolto secondo i criteri indicati nel *"International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (di seguito "ISAE 3000 Revised"), emanato dall'*International Auditing and Assurance Standards Board* (IAASB) per gli incarichi di *limited assurance*. Tale principio richiede la pianificazione e lo svolgimento di procedure al fine di acquisire un livello di sicurezza limitato che il Bilancio di Sostenibilità non contenga errori significativi.

Pertanto, il nostro esame ha comportato un'estensione di lavoro inferiore a quella necessaria per lo svolgimento di un esame completo secondo l'ISAE 3000 Revised (*"reasonable assurance engagement"*) e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di tale esame.

Le procedure svolte sul Bilancio di Sostenibilità si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della Società responsabile per la predisposizione delle informazioni presentate nel Bilancio di Sostenibilità, nonché analisi di documenti, ricalcoli e altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti procedure:

- 1) analisi del processo di definizione dei temi rilevanti rendicontati nel Bilancio di Sostenibilità, con riferimento alle modalità di identificazione in termini di loro priorità per le diverse categorie di stakeholder e alla validazione interna delle risultanze del processo;
- 2) comparazione tra i dati e le informazioni di carattere economico-finanziario riportati nel paragrafo "Performance economica: valore generato e distribuito" del Bilancio di Sostenibilità e i dati e le informazioni incluse nel bilancio consolidato del Gruppo;
- 3) comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative significative incluse nel Bilancio di Sostenibilità.

In particolare, abbiamo svolto interviste e discussioni con il personale della Direzione di Inalca S.p.A. e con il personale di Ges.Car. S.r.l., Italia Alimentari S.p.A. e Fiorani & C. S.p.A. e abbiamo svolto limitate verifiche documentali, al fine di raccogliere informazioni circa i processi e le procedure che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni di carattere non finanziario alla funzione responsabile della predisposizione del Bilancio di Sostenibilità.

Inoltre, per le informazioni significative, tenuto conto delle attività e delle caratteristiche del Gruppo:

- a livello di capogruppo e società controllate:
 - a) con riferimento alle informazioni qualitative contenute nel Bilancio di Sostenibilità abbiamo effettuato interviste e acquisito documentazione di supporto per verificarne la coerenza con le evidenze disponibili;
 - b) con riferimento alle informazioni quantitative, abbiamo svolto sia procedure analitiche che limitate verifiche per accertare su base campionaria la corretta aggregazione dei dati;
- per le seguenti società e siti, sede e sito produttivo di Castelvetro di Modena (MO) e sito produttivo di Ospedaletto Lodigiano (LO) per Inalca S.p.A., siti produttivi di Gazoldo degli Ippoliti (MN) e Busseto (PR) per Italia Alimentari S.p.A., che abbiamo selezionato sulla base delle loro attività, del loro contributo agli indicatori di prestazione a livello consolidato e della loro ubicazione, abbiamo effettuato visite in loco e riunioni da remoto nel corso delle quali ci siamo confrontati con i responsabili e abbiamo acquisito riscontri documentali su base campionaria circa la corretta applicazione delle procedure e dei metodi di calcolo utilizzati per gli indicatori.

Conclusioni

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il Bilancio di Sostenibilità del Gruppo Inalca relativo all'esercizio chiuso al 31 dicembre 2021 non sia stato redatto, in tutti gli aspetti significativi, in conformità a quanto richiesto dai GRI Standards come descritto nel paragrafo "Nota metodologica" del Bilancio di Sostenibilità.

DELOITTE & TOUCHE S.p.A.



Silvia Dallai
Socio

Bologna, 26 settembre 2022

SUSTAINABILITY REPORT 2021

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