



Press release

**INALCA (Cremonini Group) AT EXPO 2015:
THE INTEGRATED AND SUSTAINABLE BEEF CHAIN,
A MODEL FOR INTERNATIONAL EXPANSION**

Milan, 21st May, 2015 - The **Cremonini Group**, in particular through its subsidiaries Inalca, Italia Alimentari and Inalca Food&Beverage, is present at **EXPO MILANO 2015** in the pavillion "**CIBUS is ITALY**" promoted by Federalimentare. The exhibition is dedicated to narrating the history and values that have represented the key factors of the company's success through the sustainable management of all stages of the production chain: **territory&environment, farming, industry, product and consumer awareness.**

THE WORLD DEMAND FOR PROTEIN IS GROWING

Over the coming years **world population** will increase from **7 billion to 9 billion people by 2050**. This will result in an increased demand for food, which regardless of the nutritional models chosen, will concern both energy intake, consisting mainly of cereals, and proteins such as **meat, milk, eggs and vegetable proteins**. In particular, for proteins of animal origin, the FAO foresees an **increase in demand of 60% by 2050** ("Livestock in food security" - Rome, 2011). In this scenario it is evident that all meat operators must strive in the continuous search for a more efficient use of existing agricultural areas and a concurrent reduction of the environmental impacts of agriculture, industry and distribution, to meet the challenge that is at the base of sustainable food production: **produce more while consuming less resources.**

Inalca, the Cremonini Group company that is the European leader in beef production, is **one of the few Italian companies to control the entire production chain**, from breeding, then to meat processing, up to the distribution of the finished product. In 2014, the company reported revenues of 1.49 billion Euro, of which 50% in export sales, with **11 production facilities** (including 6 in Italy, 2 in Russia, 2 in Angola and 1 in Algeria) and **21 logistic distribution platforms** (6 in Russia, 4 in Angola, 3 in Algeria, 3 in Congo, 3 in the Democratic Republic of Congo, 1 in Mozambique and 1 in the Ivory Coast), over 500,000 tonnes of meat sold every year, 7,200 product references and 3,000 employees.

Consequently, Inalca is involved directly in the dynamics of world food summarised in the theme of Expo Milano 2015 "**Feeding the planet. Energy for Life**": the company from Modena is now the star of a **new model of sustainable production** based on an **integrated management of the supply chain**, wholly created in Italy and replicable in diverse countries around the world.

THE CHARACTERISTICS OF INTEGRATED AND SUSTAINABLE BEEF CHAIN

The meat chain production is composed by the following elements: feed production, breeding, slaughtering, meat processing, distribution and conservation. In the **model developed by Inalca** all these elements are linked to each other and managed according to a common goal that, in addition to ensuring full economic efficiency, **permits to have:**



- **certainty in controls** to guarantee quality and product safety;
- **transparency**, product information that is complete, accurate and accessible by the consumer;
- **environmental protection**, with optimisation of resources, minimising environmental impacts, maximisation of recovery activities and valorisation of waste and by-products;
- **cost reductions** and fair remuneration for all the operators;
- **animal welfare**.

THE "SHORT" BEEF CHAIN

Some data can illustrate the benefits of an integrated supply chain. For example, the **location of processing plants**, concentrated in areas where 80% of the cattle is present: the "short" supply chain guarantees the respect of animal welfare and the reduction of CO2 emissions from transport.

THE VALORISATION OF PRODUCTS

Regarding products, **the enormous production capacities combined with the sales network and the distribution infrastructure on a global scale, allow Inalca to valorise** at best each cut of meat and every one of the 3,000 parts derived from the processing of bovine, placing each individual product in markets where traditions and styles of use allow the maximum valorisation.

GREEN ENERGY: INALCA SELF-PRODUCES 70% OF ITS ENERGY

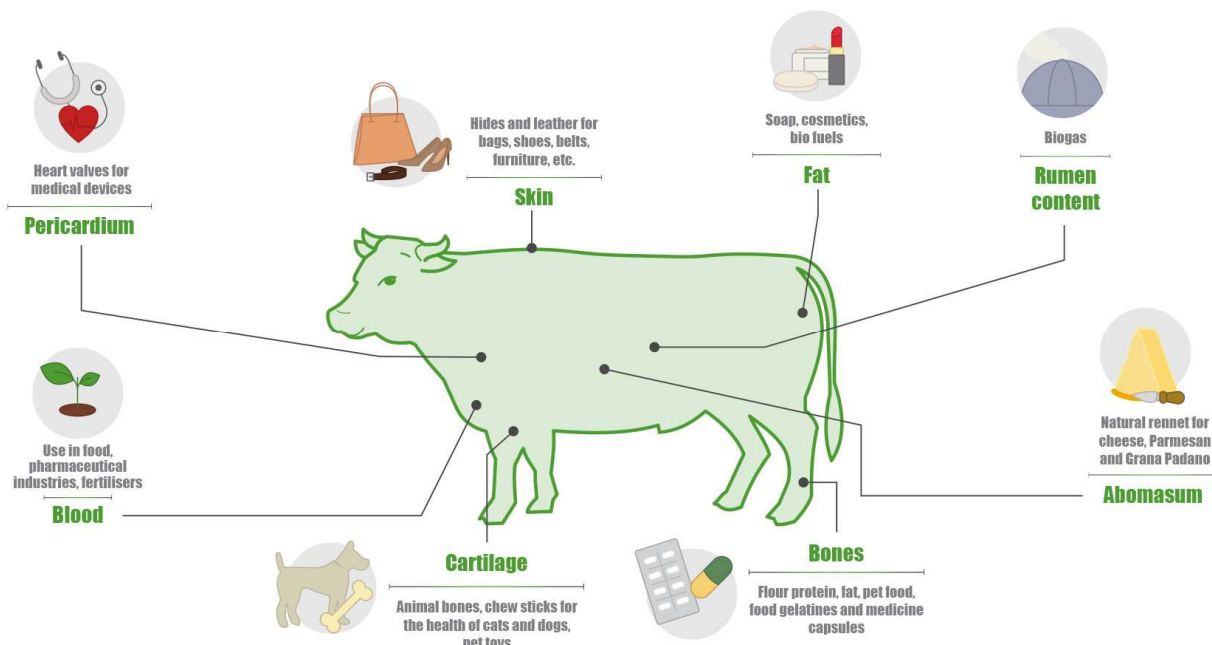
From the **energy saving** point of view and the use of **renewable resources**, Inalca self-produces more than 70% of its energy needs through **industrial cogeneration** and the **production of green energy (biogas)** obtained by processing waste: the production of **green energy is 7.5 GWh** per year and the **overall reduction of CO2 emissions amounted to 7,300 tonnes/year**. This means that in recent years Inalca has steadily reduced emissions despite increased energy requirements.

RECYCLING WASTE

99% of waste is recycled and over **7,000 tonnes/year of compost** are produced and recycled in agriculture as fertiliser.

BOVINE ARE GENEROUS ANIMALS

The integrated process allows Inalca to valorise at best **the hundreds of products resulting from bovine processing**: from bovine not only the meat is used, but also the **skin, bones, cartilage, fat, rumen contents, up to livestock sewage**.



THE ENVIRONMENTAL HOURGLASS: A BALANCED DIET IS ALSO SUSTAINABLE FOR THE ENVIRONMENT

The possibility of controlling the entire beef production chain, has permitted for the first time to gather all the data needed to evaluate the environmental impact of meat production in Italy, making a fundamental contribution to the development of the model of the proposed **Environmental Hourglass** proposed officially as a contribution to the **Charter of Milan**.

To date the *carbon footprint* of the meat industry has been assessed in absolute terms (**CO₂ emissions per unit/kg of meat**). Now, starting with the food pyramid, the representation of the Mediterranean diet proposed by CRA-NUT and today considered by world scientists a point of reference in a **healthy and balanced diet**, the environmental impact of individual foods were calculated, taking into account the **amount and number of weekly portions recommended**.

The result is that the products which have a greater impact are those that, according to a balanced weekly diet, must be consumed in a reduced quantity and frequency compared to all other low impact foods, which on the other hand should be consumed in quantities far higher and more frequently.

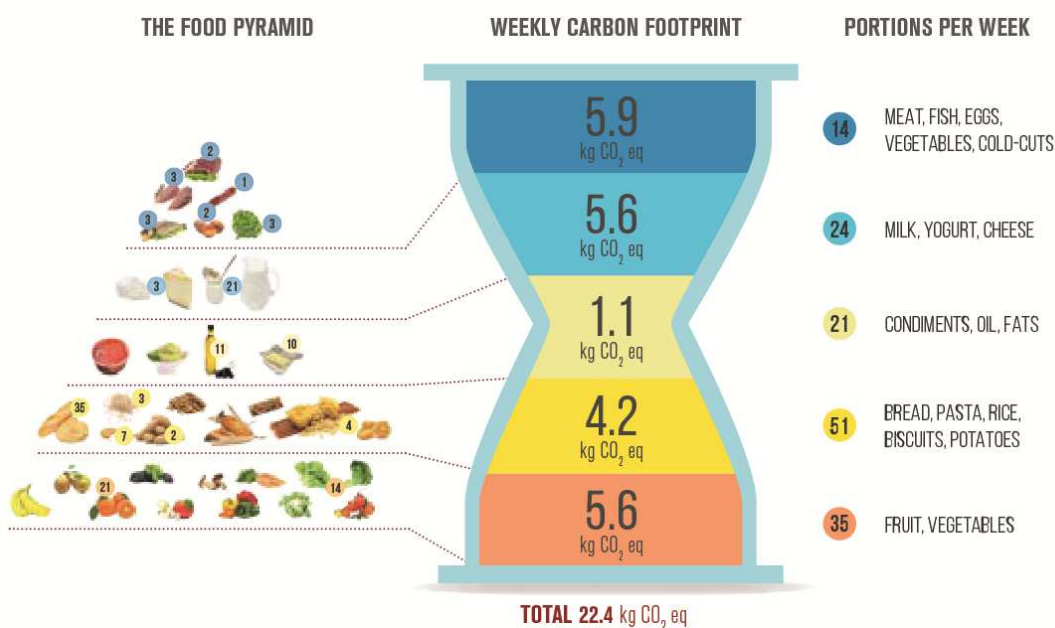
The most important aspect that emerges from this representation is such that, **in a balanced weekly diet, the carbon footprint of foods rich in protein (meat, fish, eggs, beans, sausages)** is decidedly comparable to the impact generated by **foods of plant origin (fruit, vegetables)**. In fact, if taken in the right amounts, **the various foods have an "environmental load" that is very similar, distributed evenly throughout the hourglass.**



This reinforces the view that following a nutrition coherent with the Mediterranean model is useful not only for reasons of ones own health, but also for those of the environment.

THE ENVIRONMENTAL HOURGLASS REPRESENTS THE WEEKLY CARBON FOOTPRINT OF A PERSON THAT EATS ACCORDING TO THE INSTRUCTIONS OF THE MEDITERRANEAN DIET.

THE ENVIRONMENTAL HOURGLASS REPRESENTS THE WEEKLY CARBON FOOTPRINT OF A PERSON EATING ACCORDING TO THE SUGGESTIONS OF THE MEDITERRANEAN DIET MODEL



The hourglass has been updated taking into consideration the nutritional data (portions and frequency of consumption) relative to a diet of 2,100 calories per day recommended for adults with sedentary work and available on current INRAN guidelines (now CRA-NUT), (www.sapermangiare.mobi).

Cremonini, with over 9,000 employees, and a turnover in 2014 of 3.3 billion Euro, of which over 34% in export sales, is one of the largest food groups in Europe and operates in three business areas: **production, distribution and catering**. The Group is leader in Italy in the production of beef, processed meat and cured-meats & snacks (**Inalca, Italian Food and Montana**) and in the marketing and distribution of food products to the foodservice sector (**MARR**). It is leader in Italy in railway stations buffet, vaunts a significant presence in the main Italian airports and in motorway catering and is the first operator in Europe in the management of onboard train catering (**Chef Express**). Lastly, it is present in commercial catering with its steakhouse chain branded **Roadhouse Grill**.

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