



SUSTAINABILITY REPORT

2023





INALCA Group Sustainability Report 2023

Prepared in accordance
with the GRI-STANDARDS
“In accordance” option

INALCA GROUP

Sustainability Report 2023

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Luigi Cremonini
President

Letter to Stakeholders



Dear Stakeholders,

It is with great satisfaction that we present the tenth edition of the INALCA Sustainability Report, an important objective achieved, an effective synthesis of the vision that guides the company towards an increasingly sustainable development.

It's most certainly an important result, but also a new starting point, for further aspiration towards a constant improvement that has always characterised the company's activities.

In fact, well before any sensitivity towards sustainability became an urgent topical issue, INALCA for well over 25 years has been focusing on some key points for the meat business: an integrated and sustainable supply chain, monitoring and control of consumption and impacts, sharing value with the agricultural world, management and transparency in business processes. These are values perfectly aligned with the most recent objectives defined by the United Nations in Agenda 2030.

For us, 2023, was once again a year of growth, with important investments that allowed significant progress in sustainability, with the inauguration of new plants for the production of green energy as well as making our processes increasingly more circular. On the industrial front, it is worth mentioning the full start-up of the new factory in Poland, which is strategic for development in central and eastern Europe. Furthermore, investments in the primary sector continued, with the restructuring and modernisation of our farms, which are becoming a point of reference for the sustainable livestock farming of the future.

For this new edition of the Sustainability Report, the reporting perimeter has therefore been expanded, continuing at the same time with the integration of processes, both vertically - from breeding to the finished product - and horizontally, with industrial synergies with other economic entities in different sectors. It is worth remembering that, in addition to the traditional meat product, the circular and regenerative economy model of the entire bovine supply chain adopted by INALCA allows it to range across many different sectors, such as from biomedical, feed, fertilisers, pet food, up to bioenergy.

The year 2023, also marked the 60th anniversary of the company's foundation: conscious and proud of our journey, we want to continue to be responsibly pioneers and a point of reference for the meat sector which, like the entire food sector, is called upon to face the great challenge of feeding an ever-increasing number of inhabitants on our planet with food of quality.

Finally, heartfelt thanks to all those who contribute daily, with constant commitment and a great sense of belonging, to the pursuit of our company's ambitious objectives.

Luigi Cremonini
President



Methodological Note

This Sustainability Report, the tenth of the INALCA Group, refers to the period 1st January – 31st December 2023 and has been prepared in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” defined by the GRI - Global Reporting Initiative, according to the “In accordance” option. As required by the GRI Standard, INALCA has applied the GRI Sector Standard 13: Agriculture, aquaculture and fishing sectors (2022). Considering the first year of application, INALCA has assessed the availability of data and information for the reporting year and is committed to developing a structured system for the collection of data and information that are currently unavailable. The Group’s Sustainability Report is subject to a limited review (“limited assurance engagement” according to the criteria indicated by the ISAE 3000 Revised principle) by Deloitte & Touche S.p.A.

The Report is published annually. The selection of aspects and indicators useful for defining the contents to be reported was carried out through the materiality analysis, considering the impacts and the related issues relevant for the INALCA Group and its Stakeholders; for details regarding the materiality analysis conducted by the Group, please refer to chapter 2 - “Sustainability for INALCA”. In drafting the Sustainability Report, INALCA adopted the following geographical classification of the territories in which the Group is present with production plants, logistics infrastructures and commercial offices: Italy, Europe, Africa, Asia, Australia and America. The geographical aggregation identifies the macro-regions in which the historical progression of INALCA has developed most according to its business model. The reporting scope of the economic-financial data and information corresponds to that of the Consolidated Financial Statements at 31st December 2023 of the INALCA Group. The scope of data and information relating to human resources is composed of the companies consolidated with the integral method within the Consolidated Financial Statements, while the scope of data and information relating to health and safety includes all the companies in the Consolidated Financial Statements with the exception of 12 companies*.

The environmental data and information include 30 companies of which: 6 production companies, 2 live-

stock farms, 22 distribution platforms, 1 agricultural waste recovery plant and 1 fat-to-energy transformation plant. The scope of environmental data and information does not include 15 companies* of the Group consisting mostly of distribution platforms and commercial offices (4 service companies, 3 distribution centres, 4 production companies, 3 livestock trading companies and 1 animal feed company) as they are deemed not significant with respect to environmental impacts.

The comparative data relating to the 2022 financial year are reported in this document where available. During the 2023 financial year, with reference 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 consolidation perimeter:

- Sara s.r.l.
- Montana Farm Sp. z.o.o.

The following legal entities are also excluded from the scope of consolidation, whose activities are transferred to other companies included in the scope of consolidation following a merger or sale of a branch of business: Itaus PTY., IF&B Queensland Ltd., Parma Capel and Mille Sapori Gdansk SP Zoo.

New subsidiaries consolidated on a line-by-line basis:

- INALCA Food & Beverage China Holding Ltd
- IF&B Beijing Holding Ltd
- IF&B Beijing Co. Ltd
- Royi Wine & Spirit (China) Limited
- IF&B Australia Pty Ltd (Fresco Gourmet)
- Host Inns Pty Ltd

Since the end of October 2022, INALCA S.p.A. has been wholly owned by Cremonini S.p.A. following the repurchase of the minority stake corresponding to 28.4% that had been held since 2014, by IQ Made in Italy Investment Company S.p.A. (IQMIIC), a special purpose vehicle jointly owned by Cassa Depositi e Prestiti and the sovereign fund of Qatar. It should also be noted that no significant changes have occurred in the supply chain. To ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if present, are appropriately reported and based on the best available methodologies.

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

1. Group's identity



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.



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**
Borghy 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
 - Acquisition of the plant in Capo d'Orlando (ME)
- 2010**
Inauguration of a modern hamburger production plant in Moscow
- 2013**
The Cremonini Group celebrates 50 years since INALCA's foundation
- 2014**
 - Inalca Food & Beverage (IF&B) is born: specialised in the international distribution of Made in Italy products
 - 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
- 2022**
 - Meat production activity has started in InNALCA's brand new and ultra-modern slaughterhouse in Sochocin, Poland
 - Termination of Joint Venture with Cassa Depositi e Prestiti (CDP), resulting in total reacquisition of the company shares by INALCA.
- 2023**
Inauguration of the new biomethane production plant, in collaboration with Hera



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)	■
FIORANI & C. Srl	Via Federico Coppalati, 52, 29122 Piacenza (PC)	
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 (PR)	■ ■
MACELLO DI PARMA S.R.L.	Str. del Taglio, 6 - Parma (PR)	
UNITEA S.r.l.	Via Taliercio, 3 - Mantua (MN)	■
LA TORRE SOC. AGR. CONSORTILE A R.L	Via Crosoncino 4, - 37063 Isola Della Scala, (VR)	
TECNOVIT S.r.l.	Strada Boccacina, 1 - 46048 Roverbella (MN)	■ ■
EUROPEAN UNION		
ITALIA ALIMENTARI DEUTSCHLAND	Kirschstrasse 20 80999 - Monaco - Germany	■
INALCA POLAND	Jana Pawła II n. 80, Warsaw, Poland	
COMIT COM. ITALIANA DE ALIMENTACION	Camino Real de la Orotava, 215, El Hortigal - La Laguna Santa Cruz de Tenerife - Spain	
HOSTERIA BUTTARELLI S.L.	Calle Herraje s/n Neve 29, Sector P3 Norte Poligono industrial de Arinaga 31119 Aiguimes Las Palmas - Spain	
MSP TRANSPORT Sp. Z.o.o.	Kazimierza Gierdziejewskiego 7	■
MILLE SAPORI PLUS Sp. Z.o.o.	ul. Gierdziejewskiego, 7, 02-495 Warszawa, Poland	
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	
PARMA CAPEL	Saint Jal - 19700 Le Pradel	■ ■

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

■ Companies not included in the scope of environmental data.

AFRICA

INALCA F&B Cabo Verde Lda	Cidade de Santa Maria Ilha do Sal, Rua Amilcar Cabral 1° Andar do Predio Argos Cape Verde	■
INALCA ANGOLA L.t.d.a.	Rua Dom Manuel Nunes Gabriel s/n°, Bairro Palanca, Município do Xilamaba Kiaxi, Luanda	
INALCA ALGERIE S.a r.l.	08, Rue Chérif Hamani 16000 Algiers	
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	
INTER INALCA ANGOLA Ltda.	Lda Rua Dom Manuel Nunes Gabriel s/n°, 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

ITALIA ALIMENTARI CANADA LTD	Brampton, Ontario – Canada 116, Nuggett Court	■
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ASIA

AGROSAKMARA LLC	Dorozhnaya str.50, Cherniy 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, Moscow	■
MARR RUSSIA LLC	Ul.Vostochnaia, 5 143000 Odintzovo, Moscow	
INALCA F&B MALAYSIA SDN BHD	151B, Jalan Batu Tiga Lama, Taman Rashna, 41300 Klang, Selangor Malaysia,	
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.	■
BRIGHT VIEW TRADING HK Ltd	Chai Wan, Wah Shing Centre, 5 Fung Yip Street, Hong Kong	
ROYI FINE WINE (SHANGAI) LTD	4fl,N158 Xuxiang Road Qingpu District, Shanghai	■
INALCA FOOD & BEVERAGE CHINA HOLDING	Suite 2301, 23rd Floor, 1-13 Hollywood Road, Chinachem Hollywood Centre, Hong Kong	■
IF&B BEIJING CO. LTD.	Beijing Logistics Center,2 Beihoujie,Louzhizhuang, Chaoyang	■ ■
IF&B BEIJING HOLDING LTD	Beijing Logistics Center,2 Beihoujie,Louzhizhuang, Chaoyang	■

AUSTRALIA

FRESCO GOURMET PTY LTD	in Unit E1A, 35-39 Bourke Road Alexandria NSW 2015, Australia	■
HOST INNS 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 a strong territorial integration which has proven effective during periods of health crises in the past that have been overcome thanks to the high flexibility demonstrated 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



180,000 
HEAD/YEAR
RAISED DIRECTLY AND
IN AGISTMENT

200 ML 
CANNES OF MEAT
PER YEAR

100,000 
TONS/YEAR
HAMBURGERS

INALCA - Deboning room, Castelvetro di Modena (MO)

1.5 The Group in Italy

INALCA, with over 7,000 employees, is the absolute leader in Italy and one of the major European players in the beef sector, and ranks among the top Italian operators in the pork, bacon, cured meats & snacks sector. Furthermore, the company operates in a leadership position in the business of distributing food products abroad with its own distribution platforms in various emerging countries. In Italy, the company's industrial structure is made up of 16 plants specialised by type of processing, 11 of which dedicated to meat processing (slaughter, deboning, processing, packaging and distribution) and 5 dedicated to the production of cured meats, snacks and bacon.

With reference to farms, the Group has further consolidated its territorial presence by means of directly controlled farms, thanks to Società Agricola Corticella S.r.l., with offices located in the province of Modena and Reggio Emilia, Società Agricola Cremovit S.r.l., owner of the head present at the Castelfranco Emilia (MO) head office, and to the newly consolidated La Torre Soc. Agricola A.R.L. based in Isola della Scala (VR). Furthermore, thanks also to livestock farms, the Group is able to satisfy an annual capacity of 180,000 reared head.

“ Our facilities are located in areas where 68% of Italian bovine herd assets are concentrated ”

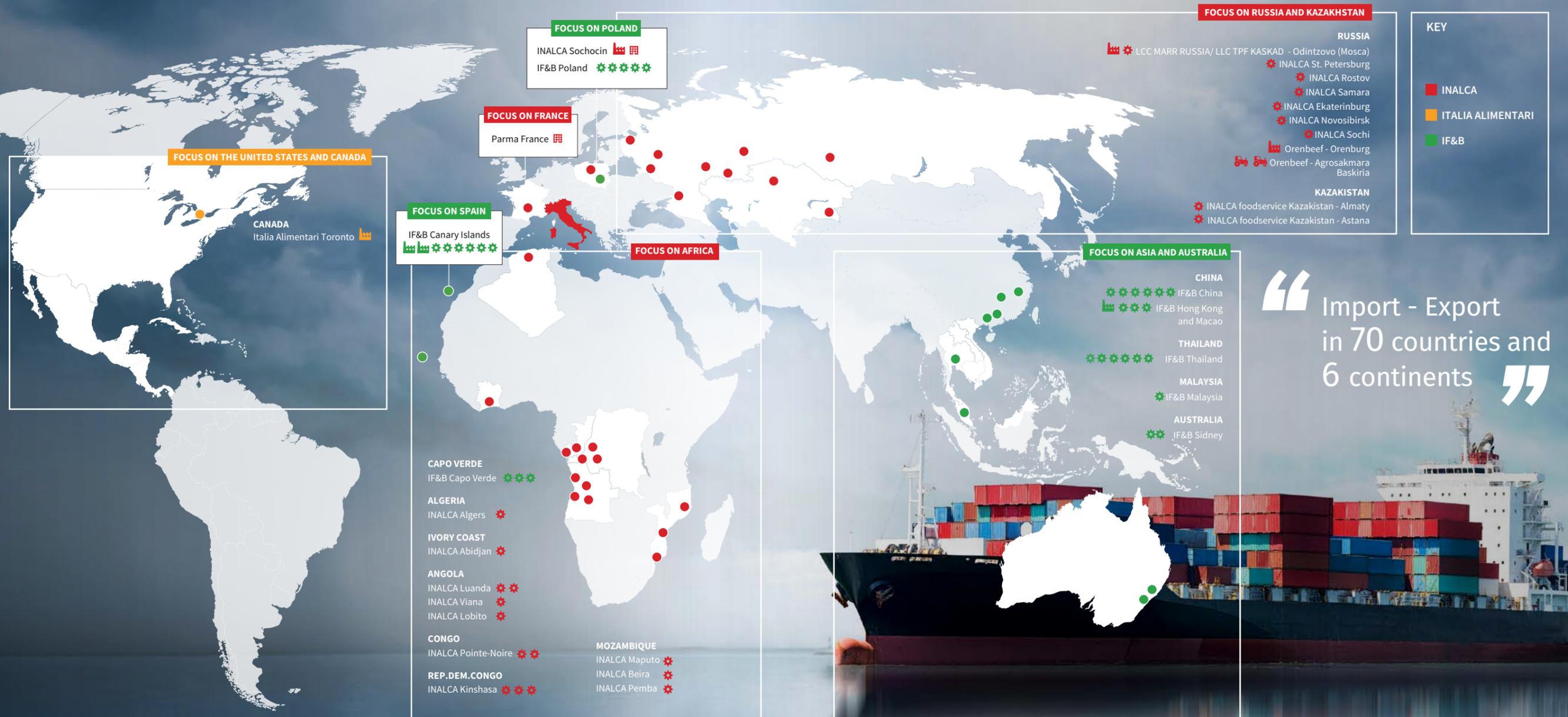
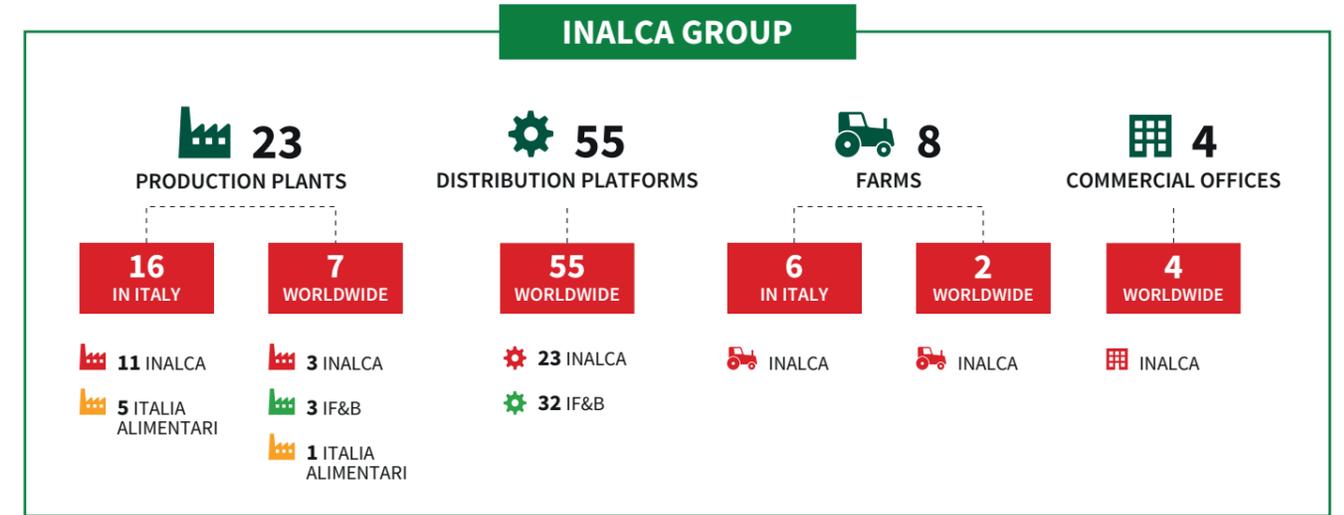


1.6

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 55 distribution platforms, INALCA directly manages 23 distribution centres located in Russia (Moscow, St. Petersburg, Ekaterinburg, Novosibirsk, Rostov, Samara and Sochi), in Kazakhstan (Astana, Almaty) and in Africa (Algeria, Angola, Con-

go, the Democratic Republic of the Congo, Mozambique and the Ivory Coast). The other 32 platforms of the Group are managed by the subsidiary Inalca Food&Beverage (IF&B), specialised in the sale and distribution of Made in Italy food products around the world. In 2023, the slaughtering activity of the plant in Poland - Zakladi Miesne Sochocin was officially launched.



“ Import - Export in 70 countries and 6 continents ”



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.

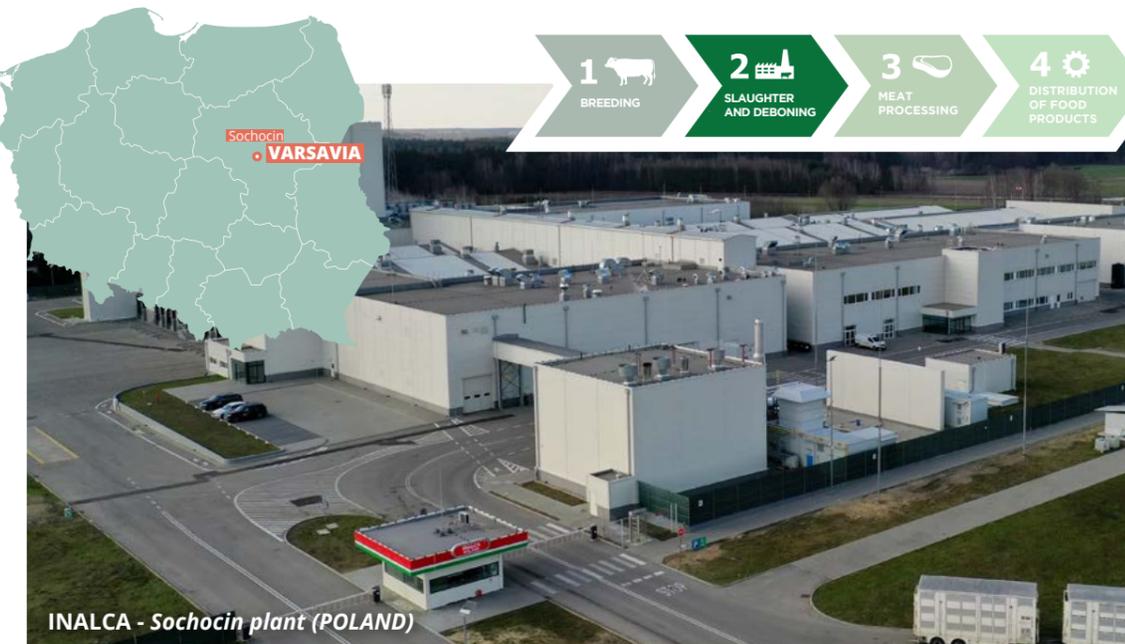
The plant, whose production activity involves the slaughtering of local animals and related processing, including the production of hamburgers for the local market, centralises, in this new production hub, orders and activities previously managed by the Group's Italian plants.

In parallel with the development of the new production plant, INALCA POLAND has replicated the INALCA Integrated Model, entering into long-term supply chain agreements with local breeders, allowing the local agricultural fabric to overcome a traditional model based on commercial intermediaries, with direct delivery from the farm to the industry and with the guarantee of a certain return thanks to the optimal placement of each part of the animal in the local or community market, which includes Italy, a strong consumer of Polish meat, especially in the catering segment.

Furthermore, the internal veterinary supervision of animal production allows the company to maintain the highest of standards, with particular attention to animal well-being. In this context, a Joint Venture with a local breeder was launched at the end of the 2023 financial year, thanks to which a farm with a capacity of approximately 20,000 head was developed.

The company whilst operating has always taken into consideration its responsibility for production, consumption of resources, as well as the best CSR practices followed by the Parent Company in Italy. INALCA POLAND has undertaken a series of initiatives of value, based on the identification of operational interventions aimed at reducing the consumption of resources, environmental impacts and progressive alignment with stakeholder expectations.

INALCA POLAND's future activity is based on the latest technologies, through the implementation of a cogeneration plant, as well as investing in green energy. In accordance with the Group's policy, the Polish plant has started the certification process according to the main Standards and Management Systems already in place within the Group, such as IFS FOOD in 2023, which will be followed by other certification schemes during 2024.



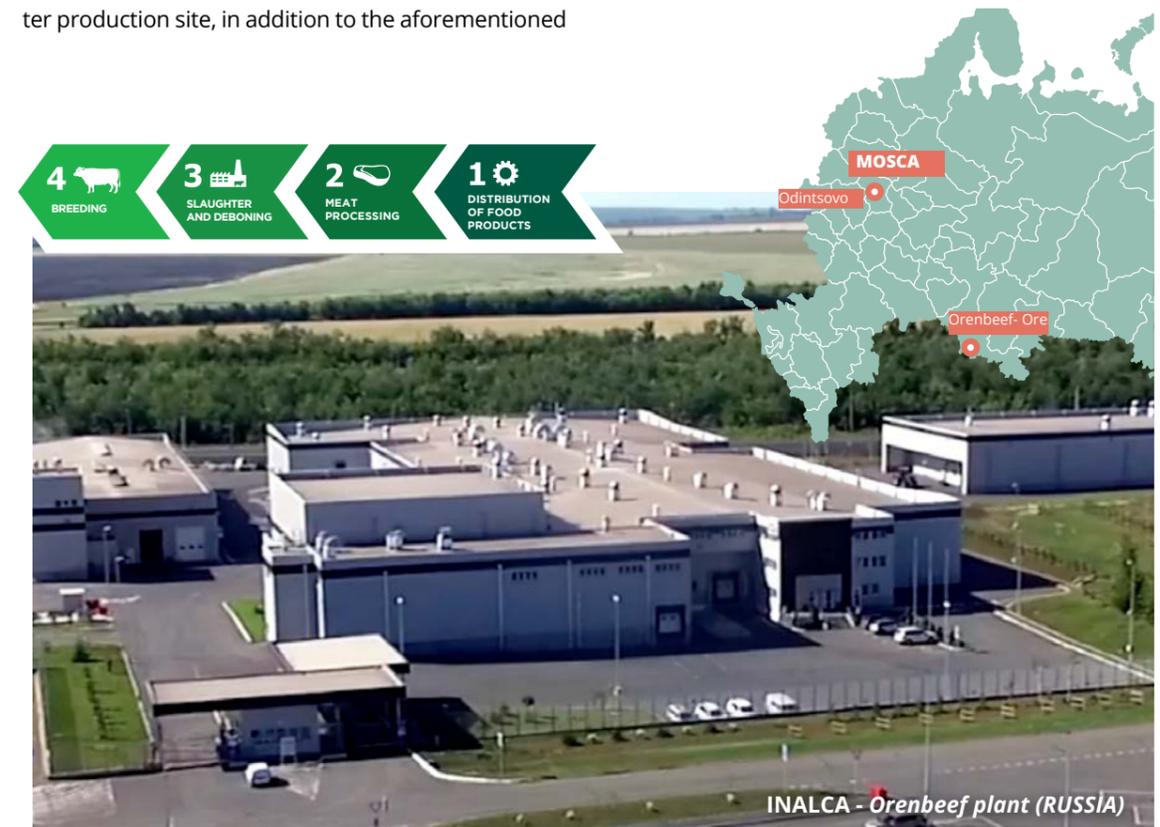
INALCA - Sochocin plant (POLAND)

1.8 Russia and Euro-Asian republics

focus

In the Russian Federation, the Group has been operating for over 40 years in the food distribution, industrial meat production and food production sectors and along with the development of the livestock sector has effectively completed the integration of the "Upstream" supply chain. The distribution activity is carried out through a complex system of platforms and logistic infrastructures that covers a large part of the country, whose main operating base is located in Odintsovo, in the Moscow metropolitan area. Industrial production is structured according to an integrated supply chain that includes the production plant in Orenburg, in the region with the same name that has a strong agricultural vocation, which is responsible for the primary activities of slaughtering and cutting, production of anatomical cuts intended for local distribution and industrial processing in the second plant in Odinstovo (Moscow). In this latter 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 (the pork intended for bacon processing is entirely supplied by local suppliers). The production and commercial integration between the two plants has allowed the increase in the share of locally produced meat, reducing dependence on foreign imports, made difficult by the strong regional geopolitical instability and complexity. This is an important result that contributes to the development of the territory and the rationalisation of the local agricultural supply chain. In the development process of the local beef supply chain through the Agrosakmara company, the livestock sector has been expanded in the territory, in the regions of Orenburg, Chelyabinsk, Bashkortostan and Tatarstan.



INALCA - Orenbeef plant (RUSSIA)

1.9 Africa

focus

INALCA started its business in Africa in the early 1980s and today operates steadily with subsidiaries in several countries: Algeria, Angola, Ivory Coast, Mozambique, Republic of Congo and Democratic Republic of Congo.

The first phase of development on the continent began with the export of meat, canned meat, and meat products supplied to local governmental bodies. Subsequently, the second phase of development began, consisting of the creation of food distribution platforms with the "cold chain" at its core. From foreign exporter to local operator: INALCA has in fact built its own refrigeration plants and food warehouses also suitable for industrial production. In Africa, the company now has over 400 employees and has 15 modern distribution platforms located in the various countries in which it operates. During the year 2023, INALCA placed around 65,000 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 broadest segment of the population.

In all the countries in which it operates, INALCA undertakes to respect the sustainable development goals (OSS/SDGs, Sustainable Development Goals) aiming in particular to put an end to poverty, defeat hunger, fight against inequality and develop the social and economic fabric. INALCA undertakes to protect workers' rights, adopting the necessary measures to prevent forms of child labour and forced labour, promoting a safe work environment for all its employees and collaborators at all levels of the supply chain, from production to transformation and distribution of products, in particular at Group offices and suppliers in countries at greater risk, or with legislation that is not equivalent to the Italian one. First of all, INALCA ensures a decent and lasting salary for its employees. The business model developed in Africa by INALCA allows over 400 employees to have regular employment contracts, as well as to hold a bank account or something similar, thus helping to improve the working conditions of the population as well as contributing

to social-economic stability. INALCA offers to all of its employees complete access to medical insurance, private treatment and dedicated services in terms of health and prevention. Consistent with its business model and in full strategic alignment with the policies of the governments of African countries that place particular emphasis on the development and enhancement of local production, INALCA has started a process of diversification of its business in recent years by investing in industrial infrastructures for the processing, transformation and packaging of meat products, in addition to the opening of cash & carry for direct sales.

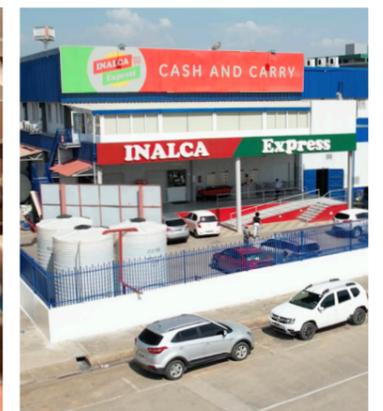
In Algeria, the company has completed a major investment with the construction of the most modern and advanced cutting and boning room in the country.



Just like in Angola, where starting from January 2024, the company inaugurates in Luanda a modern structure dedicated to the production, processing and packaging of beef and pork and relative processed products, in which internationally recognised certifications such as ISO 9001, 14001, 45001 will be implemented. Last but not least, in the context of the valorisation of production and the development of the activity of small producers in the local agri-food supply chains, INALCA acts as a strong driver of growth by financing local operators in the exercise of their production processes and subsequently guaranteeing the purchase, valorisation and distribution of the finished product. INALCA also places particular importance on the development of local communities through direct support to social entities and for emergencies in the form of donations, among which are the Cuerama association in Angola.

From the point of view of economic sustainability, the investments that INALCA is making in the Continent represent an innovative model, potentially replicable in other countries. INALCA's future commitment, through its own 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 in the phases of industrial production, local transformation, as well as the development of the distribution network, infrastructure 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 major efforts to reach acceptable levels.



INALCA - Luanda Branch

2. Sustainability for INALCA



2.1 The 4 Sustainability pillars of INALCA

For the INALCA Group, sustainable development is represented by all company 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 Stakeholder expectations and the sustainable development objectives (SDGs) adopted by the United Nations. The Sustainability Report, developed by the Sustainable Development Department on the basis of the strategic guidelines and values identified by the BoD and with the active and systematic involvement of the senior Managers responsible for the main corporate processes, such as Chief Executive Officers, Administration and Finance, Communication and Marketing, Human Resources, Production and Legal Affairs, Compliance, therefore represents the tool of 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 **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**).



INTEGRATED AND SUSTAINABLE SUPPLY CHAIN



SHARING VALUE WITH THE AGRICULTURAL WORLD



CONTROL OF CONSUMPTIONS AND IMPACTS



MANAGEMENT AND TRANSPARENCY IN COMPANY PROCESSES



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”) **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 2022. 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 2022, 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. In 2022, INALCA tabled specific discussions with breeders’ associations and organisations active in the field of animal well-being. A substantial contribution came from INALCA’s active participation in debates and working groups in the trade and sector 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 infographic on the side shows the details of the Stakeholders identified during the process described.



2.3 Materiality analysis

According to the GRI Standard methodology, a sustainability thematic is relevant if it is related to significant impacts of the organisation (impact materiality) – negative or positive, current or potential – relative to the economy, the environment and/or people, including their human rights, caused by the organisation’s activities and investments, its products and/or services or its value chain, in the short, medium and long term. The significance of impacts is measured by considering their severity as well as the probability of their occurrence.

The updating of the Group’s materiality analysis was carried out in 2022, in line with the provisions of GRI 3 Material topics 2021. The process was developed in the following phases:

1. Understanding and assessment of the context (business, environment, social/political) in which the Group operates, as well as updating relevant Stakeholders;
2. Based on this context, identification of the current and potential positive and negative impacts that the Group, with its activities, generates or could generate on the economy, the environment and people, including their human rights, in the scope of the Group’s activities and business relationships;
3. Evaluation of impacts through the involvement of top management and a sample of nine categories of Stakeholders, both internal and external (Employees, Consumers, Scientific community, Suppliers, Customers, Economic community and sector organisations, Local communities and civil society, Breeders, Media);
4. Prioritisation of impacts and aggregation into material topics;

In order to carry out the assessment and prioritisation of the identified impacts, a workshop was held involving the Group’s top management, during which the impacts were submitted to a vote. Subsequently, a sample of Stakeholders was engaged who were asked to evaluate, by completing a questionnaire, the seriousness and probability of occurrence of the previously identified positive and negative impacts that the Group’s business could generate. Following the assessments collected, the impacts were prioritised and those found to be relevant, i.e., above a significance threshold, were aggregated into material topics. The final results were then discussed and carefully evaluated by the top management and by the entire working group involved in the process.

The material topics reported in this Sustainability Report and the related impacts are shown below. From the comparison with the material issues of the 2021 Sustainability Report, the 2022 materiality analysis revealed that “Biodiversity and soil health” was the only additional issue. The “Corporate Governance” thematic was not included in the materiality analysis as it is considered an essential element for the correct management of sustainability issues and more generally of the Group’s activities, and for this reason it is, in any case, subject to disclosure. The topic “Protection of human rights” has been incorporated into the topic “Sustainable management of the supply chain”, as the impacts relating to this aspect are included inside it. Furthermore, the “Marketing & communication” subject was also found to be non-material at the end of the update of the materiality analysis and therefore no longer present in the 2022 Sustainability Report.

IMPACTS	MATERIAL ISSUES 2023 INALCA GROUP
Recycling and reuse of production by-products and waste generated	Waste management and circular economy
Waste generation	
Training and development of workers	Training and development of workers
Generation and distribution of economic value	Economic performance
Technological innovation of processes and products	Process and product innovation, R&D
Reduction of animal welfare	Animal welfare
Excessive use of antibiotics in breeding	
Nutrition and well-being through quality products	Consumer protection, quality and food safety
Food contamination and reduced consumer safety	
Ineffective management of traceability of raw materials and products	
Reduction of customer and final consumer satisfaction	
Misleading communications to customers and end users	Energy consumption, emissions and climate change
Energy consumption	
Generation of direct and indirect energy GHG emissions (Scope 1 and 2)	
Generation of indirect GHG emissions (Scope 3)	
Polluting emissions in the atmosphere	Water resource management
Reduction in the availability and quality of water	
Fair remuneration for employees	Protection and well-being of workers
Reduced employee satisfaction and well-being	
Workplace injuries	
Local development and relations with the community	Integration in the territory where Inalca operates
Impacts of crops and livestock on ecosystems and soil health	Biodiversity and soil health
Consumption of food raw materials for production	Management of raw materials
Negative social and environmental impacts related to suppliers	Sustainable management of the supply chain
Unethical Business Conduct	Ethics, business integrity and anti-corruption



2.4

Material topics for INALCA and areas of development

SDG's (sustainable development goals)	MATERIAL TOPICS	IMPACTS	DESCRIPTION
	ETHICS, BUSINESS INTEGRITY AND ANTI-CORRUPTION	Unethical business conduct	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.
	ECONOMIC PERFORMANCE	Generation and distribution of economic value	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)	MATERIAL TOPICS	IMPACTS	DESCRIPTION
	CONSUMER PROTECTION, QUALITY AND FOOD SAFETY	<p>Nutrition and well-being through quality products;</p> <p>Food contamination and reduced consumer safety;</p> <p>Ineffective management of traceability of raw materials and products;</p> <p>Reduction of customer and final consumer satisfaction;</p> <p>Misleading communications to customers and end users</p>	<p>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.</p> <p>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.</p> <p>Implementation of a non-compliance reporting system dedicated to customers and consumers.</p> <p>Development of eventual analyses on corporate reputation with a specific focus on sustainability issues. Development of policies for information transmission and responsible commercial communication.</p>
	PROCESS AND PRODUCT INNOVATION, R&D	Technological innovation of processes and products	Process innovation for the minimisation of environmental impacts. Research and development activities aimed at developing new, more sustainable products.
   	ENERGY CONSUMPTION, EMISSIONS AND CLIMATE CHANGE	<p>Energy consumption;</p> <p>Generation of direct and indirect energy GHG emissions (Scope 1 and 2);</p> <p>Generation of indirect GHG emissions (Scope 3);</p> <p>Polluting emissions in the atmosphere</p>	<p>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.</p> <p>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.</p>

SDG's (sustainable development goals)	MATERIAL TOPICS	IMPACTS	DESCRIPTION
 	WATER RESOURCE MANAGEMENT	Reduction in the availability and quality of water	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.
	WASTE MANAGEMENT AND CIRCULAR ECONOMY	Recycling and reuse of production by-products and waste generated; Waste generation	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.
	MANAGEMENT OF RAW MATERIALS	Consumption of food raw materials for production	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.

SDG's (sustainable development goals)	MATERIAL TOPICS	IMPACTS	DESCRIPTION
	PROTECTION AND WELL-BEING OF WORKERS	Workplace injuries	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.
 		Fair remuneration for employees; Reduced employee satisfaction and well-being;	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. Reduced employee satisfaction and well-being due to the failure to adopt corporate welfare practices, conciliate work-life balance and well-being.
 	TRAINING AND DEVELOPMENT OF WORKERS	Training and development of workers	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.

SDG's (sustainable development goals)	MATERIAL TOPICS	IMPACTS	DESCRIPTION
	INTEGRATION IN THE TERRITORY WHERE INALCA OPERATES	Local development and relations with the community	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	Negative social and environmental impacts related to suppliers	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	Reduction of animal welfare; Excessive use of antibiotics in breeding	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"). Adoption of good practices regarding the controlled use of antibiotics.
	BIODIVERSITY AND SOIL HEALTH	Impacts of crops and livestock on ecosystems and soil health	Impacts on biodiversity and the quality of natural ecosystems, including soil erosion and/or reduced soil fertility, due to intensive farming and livestock practices, also associated with pesticide use. Use of sustainable agronomic practices.



2.5 Sustainability goals and objectives

Of all the impacts deemed significant, identified as those that received a rating of more than 3.25 among the interviewees (see table "Significant impacts and material issues 2022 INALCA Group"), INALCA selected 14 issues to which it has assigned priority intervention and which is discussed in the following chapters of this Report. Among these, INALCA has planned specific activities for the time horizon 2022-2026, expressly aimed at the realisation of its commitment in certain and planned objectives, on which the company intends to concentrate 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 supply chain, taking as reference the Key Performance Indicators (KPIs) as reported by specific GRI indices, as well as being in line with the requirements of the Carbon Disclosure Project (CDP).

With regards to 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 reported for the first time in the 2021 Budget.

Subsequently, always in the same context and in line with the requirements of current regulations and the Paris Agreement of 2015, INALCA set itself the objective of further efficiency from the point of view of energy resources from renewable sources, as evidenced by the desire to extend its share of self-produced energy from photovoltaic panels, as well as from 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 installation from scratch 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 emissions of GHG (Scope 3) ✓
- **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 headquarters in Castelvetro di Modena, is wholly controlled by Cremonini S.p.A. following the repurchase, which took place at the end of 2022, of the minority stake corresponding to 28.4% which had been owned since 2014, by IQ Made in Italy Investment Company S.p.A. (IQMIIC), vehicle company held jointly by Cassa Depositi e Prestiti and the sovereign wealth 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 Directors, chaired by Luigi Cremonini, has the power to define the strategic guidelines, ordinary and extraordinary management.

POSITION	MEMBER	EXECUTIVE / NON-EXECUTIVE	OTHER RELEVANT POSITIONS
President	Luigi Cremonini	Executive	x
CEO	Paolo Boni	Executive	x
Vice President of the Board	Serafino Cremonini	Executive	President of Assocarni
Counselor	Luigi Pio Scordamaglia	Non-executive	Managing Director of Filiera Italia
Counselor	Riccardo Zani	Executive	x
Counselor	Luigi Cremonini Jr.	Executive	x
Counselor	Giosuè De Nigris	Non-executive	x

The Board of Directors in office as at 12/31/2023, was appointed on 10/21/2022 and will remain in office until the approval of the financial statements as at 12/31/2024. The Vice President of the BoD, as an executive member, exercises the powers to direct and regulate with full responsibility the activities of the commercial management. It should be noted that none of the members of the Board of Directors has the characteristics of independence. With regard to the criteria used for the appointment and selection of the members of the highest governing body, since there is no specific procedure, the competence regarding the activity and the sector in which the INALCA Group operates is taken into consideration.



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 of statutory auditors	Alberto Baraldi
Statuary Auditor	Mario Lugli
Statuary Auditor	Eugenio Orienti
Alternate Auditor	Luca Rossini
Alternate Auditor	Francesca Orienti

The Board of Statutory Auditors was appointed on 21/10/2022 and will remain in office for 2 years until the shareholders' meeting for the approval of the financial statements as at 31/12/2023.

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
External 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. With regard to the mitigation and prevention of any conflicts of interest concerning the highest governance body, the Compliance Department is responsible for distributing a self-declaration form of any cases that may lead to conflicts of interest. To date there are no members of the BoD belonging to other BoDs of competitors. The power of control is currently held by Cremonini S.p.A., of which INALCA is a sub-holding, together with the associated companies Chef Express and MARR.

SUSTAINABILITY GOVERNANCE

With a view to Sustainability Governance, the BoD delegates the responsibility for managing the organisation's impacts, as identified through the materiality analysis, to the Sustainable Development Department. The Sustainable Development Department informs, through the Management Review - Quality, Environmental Review, Health and Safety Review and the Sustainability Report, the Board of Directors regarding the trend and reporting of the aforementioned impacts. In addition, the BoD is an integral and constituent part of the process of updating the material issues of the Organisation and related impacts, actively participating in the updating activities of the aforementioned.

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. In 2023 there were no ascertained cases of discrimination, corruption and legal actions against the Group with reference to anti-competitive practices and/or violations of regulations on antitrust and monopolistic practices.

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.



INALCA - Production area of Castelvetro di Modena (MO)

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. Once the principles and rules have been defined, the Model must be communicated and shared, since only accurate information and an understanding by all can guarantee the effectiveness of the Model itself and the exemption from liability of the "Company" as a whole. For this reason, INALCA S.p.A, as the parent company, has provided for a complex informative dissemination system to all internal and external stakeholders through:

1) illustration of the Model, as a whole and on specific topics, at the time of hiring;

- 2) publication of the documents on the home page of the company website: www.INALCA.it;
- 3) placement of the documentary part in the SIMPLE-DO «Company Repository»;
- 4) availability of paper copies of the Model at the Personnel, Internal Audit and Compliance Offices;
- 5) inclusion in contracts with third parties of specific clauses regarding compliance with the regulations and knowledge of the Model.

WHISTLEBLOWING

In order to allow all INALCA Stakeholders to report behaviours that are not in line with the Code of Ethics, the Anti-Corruption Commercial Code of Conduct, the Organisational, Management and Control Model 231/2001, a Whistleblowing system (reporting procedure) has been introduced which consists of dedicated communication channels, consultable on the website: <https://www.inalca.it/it/corporate-governance/>.

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 anonymity and confidentiality of the identity of the reporting party and of the information in each phase relating to 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)



- 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

3.3 Risk management activities

INALCA has developed systems for analysis, evaluation and mitigation of main risks interconnected to its corporate activities within every geographical area where the Group. Such risks are periodically verified by the company.

TYPE OF RISK	RISK	MEASURES	OPPORTUNITY
CORPORATE	RISKS ASSOCIATED WITH INTEREST RATES	MEDIUM 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.	HIGH Stipulation of specific contracts and continuous monitoring of the Group’s Net Financial Position Dedicated internal procedures for monitoring regulatory compliance
	CURRENCY EXCHANGE RISKS	LOW The risk is mainly present in the Angolan market, whose currency has undergone heavy and continuous fluctuations, passing from a phase of progressive loss of value until mid-2021, to a subsequent phase of revaluation, thanks to the improvement of domestic market conditions and to external factors (increase in the price of oil), until September 2022, when it again began to show signs of weakness, without however returning to the lows of 2021. The risk is connected to the difficulty of quickly transferring the money to the Parent Company which represents the sole supplier of the Angolan subsidiary. Hedging of the cash surplus is impossible without investments in securities linked to the performance of stronger currencies (usually the US dollar), the risk in inventories can be recovered through sales price adjustments. The 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 (Ruble) and therefore not subject to exchange rate risk.	MEDIUM HIGH Management of exchange rate risk for purchases/sales in currencies other than in Euro through hedging operations linked to third-party transactions Dedicated internal procedures for monitoring regulatory compliance
	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.	HIGH Credit insurance policies Constant monitoring of the economic and financial health of main customers Rapid management of disputes Dedicated internal procedures for monitoring regulatory compliance

TYPE OF RISK	RISK	MEASURES	OPPORTUNITY
CORPORATE	RISK ARISING FROM THE BREACH OR DETERIORATION OF THE CREDIT QUALITY OF CUSTOMERS	LOW 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.	HIGH Credit insurance policies Constant monitoring of the economic and financial health of main customers Rapid management of disputes Dedicated internal procedures for monitoring regulatory compliance
	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.	HIGH Constant monitoring of current and expected liquidity and continuous verification of obligations Dedicated internal procedures for monitoring regulatory compliance
	CREDIT ISSUED WITH UNFAVORABLE BENEFITS	LOW The component of loans benchmarked to ESG ratios is currently very limited. The evolution of these parameters is in any case monitored through ESG Rating / Sustainability Report.	HIGH Development of an ESG reporting system Dedicated internal procedures for monitoring regulatory compliance
	RISK OF CORPORATE CRIMES, RELATED TO THE BALANCE SHEET AND LINKED TO CONTROL BODIES	LOW Dedicated procedures, COM class documents.	HIGH Continuous risk control and development of internal management systems Dedicated internal procedures for monitoring regulatory compliance
	RISK RELATED TO TECHNOLOGICAL EVOLUTION, RESULTING IN HIGHER OPERATING COSTS, DISSEMINATION OF NEW LOW EMISSION TECHNOLOGIES AND FAILURE TO DEVELOP THE RELEVANT MANAGEMENT SKILLS	MEDIUM Continuous investments in new technologies with lower environmental impact, in staff training and in the selection of personnel with specific skills in managing new technologies.	HIGH Constant monitoring of current and expected liquidity and continuous verification of obligations Dedicated internal procedures for monitoring regulatory compliance Establishment of a Group figure dedicated to personnel research and selection

	TYPE OF RISK	RISK	MEASURES	OPPORTUNITY	
CORPORATE	RISK OF REGULATORY EVOLUTION CHANGE IN THE REGULATORY FRAMEWORK REGARDING GREENHOUSE GAS EMISSIONS	MEDIUM	Continuous regulatory oversight with monitoring of the evolution of the greenhouse gas emission authorisation system.	Continuous risk control and development of internal management systems Dedicated internal procedures for monitoring regulatory compliance	HIGH
	IMPOSITION OF ENERGY EFFICIENCY REQUIREMENTS, REVISION OF THE TARIFF FRAMEWORK FOR GREENHOUSE GAS EMISSIONS, RESULTING IN HIGHER OPERATING AND INVESTMENT COSTS				
NATURAL	FAILURE OR INCORRECT PAYMENT OF TAXES	LOW	Dedicated procedures, COM class documents.	Continuous risk control and development of internal management systems Dedicated internal procedures for monitoring regulatory compliance	HIGH
	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.	New risk management, reassessment of flows, flexibility and interchangeability of production plants	MEDIUM HIGH
	EPIDEMICS (EG. COVID-19)	LOW	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.	New risk management, reassessment of flows, flexibility and interchangeability of production plants	MEDIUM HIGH
	RISK RELATED TO LACK OF STAFF				
	CLIMATE CHANGE	HIGH	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.	Monitoring of the climate impacts of the Group's production infrastructure (scope 1-2) and the supply chain (scope 3)	HIGH
RISK RELATED TO THE GOAL OF LIMITING THE INCREASE IN GLOBAL TEMPERATURES AND INTENSIFICATION OF ATMOSPHERIC PHENOMENA					

	TYPE OF RISK	RISK	MEASURES	OPPORTUNITY	
SOCIAL	INSTITUTIONAL CRISIS	LOW	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.	Close collaboration with institutions and local associations	MEDIUM HIGH
	STRIKES	LOW	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.	Stock of finished product always available and good relations with trade unions	MEDIUM HIGH
	RISK RELATED TO LACK OF STAFF				
	RISK OF LOW STAFF SATISFACTION AND LEVEL OF LOYALTY TOWARDS THE COMPANY	HIGH	Signing of second-level agreements with trade unions.	Development of a corporate welfare program including an additional reward system thanks to a dedicated platform	MEDIUM HIGH
	RISK OF LOSS OF COMPANY KNOW-HOW DUE TO STAFF RESIGNATIONS	LOW	The company's economic leverage allows for staff retention.	Company organisation mapping with job descriptions, aimed at establishing development and growth plans for internal professional skills and identifying specific succession plans for key figures	HIGH
	NON-RESPECT FOR HUMAN RIGHTS	MEDIUM	Development of corporate ethical-social policies and a specific management and control system for human resources processes.	Certification according to SMETA standards	HIGH
	BUSINESS CONTINUITY	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.	Opportunity to disseminate information and company policies and share the content of the policies themselves	MEDIUM HIGH
	IMAGE DAMAGE			Better application of the same policies Dedicated internal procedures for monitoring regulatory compliance	
REPUTATIONAL DAMAGE BY TERRITORIAL COMMITTEES ADVERSE TO THE DEVELOPMENT OF THE ORGANISATION	LOW	Management systems. Provide full cooperation to local communities and competent bodies, ensuring complete transparency in information and communication to the outside.	Human resources from surrounding communities Sponsorships and donations to local associations	MEDIUM	
RISK OF PROCUREMENT OF RESOURCES LINKED TO GEOPOLITICAL INSTABILITY (UKRAINE AND THE MIDDLE EAST)	MEDIUM	Research alternative supply channels for energy resources. Management systems. Analysis of energy saving systems.	Invest in technologies for the production of renewable energy Promote the supply of raw materials from national supply chains	HIGH	

TYPE OF RISK	RISK	MEASURES	OPPORTUNITY		
COMPETITIVITY	LOW	REPUTATIONAL DAMAGE	Management systems.	HIGH	
		FAILURE TO COMPLY WITH AUTHORISATIONS / REGULATORY REQUIREMENTS	The organisation carries out continuous checks on the actual and appropriate supply of the requested products.		
		FOOD FRAUD RISK, RELATING TO SOPHISTICATED PRODUCT COUNTERFEITING	The organisation carries out checks on Suppliers through periodic audits scheduled annually.		
		RISK OF REGULATORY COMPLIANCE	The organisation operates by scheduling arrivals ensuring that a critical threshold (so-called under stock) is not exceeded.		
	LOW	AILURE TO COMPLY WITH CONTRACTUAL CONSTRAINTS: REPUTATIONAL DAMAGE / ECONOMIC DAMAGE	Assessment and prevention of direct and indirect risk related to food fraud through the company procedure of Food Fraud P-50.	Application of Management Systems	HIGH
		INTERRUPTION OF BUSINESS CONTINUITY	Dedicated procedures, COM class documents.	Selection, evaluation and qualification of suppliers	
	LOW	LOSS OF MARKET SHARE	Consolidation and expansion of controlled market shares	Technological and IT innovation applied to INALCA production and environmental aspects	HIGH
		RISK OF REGULATORY COMPLIANCE	Management systems, skills in the commercial, production, control and quality assurance areas.	Implementation of dedicated procedures and constant updating of control systems	
MEDIUM	INTERRUPTION OF BUSINESS CONTINUITY	Attention to market demands.	Dedicated internal procedures for monitoring regulatory compliance	MEDIUM HIGH	
	ECONOMIC REVALUATION	Dedicated procedures, COM class documents.	Opening / acquisition of new plants and start-up of new supply chains		
	HEALTH AND SAFETY	The organisation carries out checks on contracts through periodic audits.	Antibiotic animal welfare projects and sustainability indicators		
	REPUTATIONAL DAMAGE	Collection of mandatory documentation in accordance with Article 26 of Legislative Decree 81/08.	Dedicated internal procedures for monitoring regulatory compliance		
HIGH	CHANGE IN THE BEHAVIOUR OF CUSTOMERS ORIENTED TOWARDS GREENER PRODUCTS AND SERVICES, WITH LOWER OPERATING REVENUES	Involvement of the executing companies, stimulating them to correctly manage risks, organising periodic meetings to identify potential risks during activities.	Transparent communication regarding activities undertaken by the organisation in the field of sustainability	HIGH	
	UNCERTAINTY IN THE SUPPLY MARKET, WITH A CONSEQUENT INCREASE IN SUPPLY COSTS	Tender procedure.	Monitoring of opportunities arising from sustainable finance tools		

TYPE OF RISK	RISK	MEASURES	OPPORTUNITY	
PHYSICAL	MEDIUM	RISK RELATED TO SECURITY BREACH, EQUIPMENT / SOFTWARE FAILURE	Risk assessment and mitigation through company procedure and external consultants dedicated to IT security.	HIGH
			Specific training on Cyber Security.	
			Strengthening of anti-intrusion information systems.	
			Sending test phishing emails to test the system.	
	LOW	RISK RELATED TO THE CORRECT DRAFTING OF A SINGLE HEALTH PROTOCOL	Organisation of all Specialist Doctors (after consulting them) operating on the Italian territory to standardise the health protocol as far as possible.	Implementation of dedicated procedures and progressive improvement of control and safety systems
			Increase in IT security levels	
HIGH	RISK CONNECTED TO THE APPLICATION OF THE SHARED PROTOCOL	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.	Development of new, more efficient software	HIGH
			Increased awareness	
MEDIUM	FOOD DEFENCE: RISK RELATING TO VOLUNTARY SABOTAGE OF PLANTS AND FINISHED PRODUCTS	Food Defence and P-45 procedure. Both procedures and control systems include a dedicated risk analysis.	Dedicated internal procedures for monitoring regulatory compliance	MEDIUM HIGH
		Dedicated procedures, COM class documents.		
LOW	HEALTH RISKS RELATED TO NON-COMPLIANCE WITH FOOD SAFETY REGULATIONS	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.	Implementation of dedicated procedures and constant updating of control and safety systems	HIGH
		INALCA has an internal laboratory, ISO 17025 accredited for most of the microbiological analyses performed on finished products, semi-finished products and by-products.	New quarterly reporting	

	TYPE OF RISK	RISK	MEASURES	OPPORTUNITY	
PHYSICAL	RISKS RELATED TO INCORRECT LABELLING AND ADVERTISING OF THE FINISHED PRODUCT	LOW	INALCA adopts the precautionary principle in product labelling and advertising. Each label is subject to an internal authorisation process. All advertising campaigns are covered by voluntary third-party certification or verification by an independent body.	Procedure and dedicated staff for labelling control Regulatory updates through trade associations and reference partners	MEDIUM HIGH
	SAFETY RISK AT WORK	HIGH	Application and management of a specific SGA certified according to ISO 14001.	Continuous improvement, see also document P-02-01-00-00 and attachments	HIGH
	RISKS CONNECTED TO ENVIRONMENTAL CRIMES	LOW	Application and management of a specific SGA certified according to ISO 14001.	Continuous improvement, see also document P-02-01-00-00 and attachments	HIGH
ETHICAL	RISK ARISING FROM CRIMES COVERED IN THE CATALOGUE OF Legislative Decree 231/2001	MEDIUM	Application and management of a specific SGA certified according to ISO 14001.	Continuous improvement, see also document P-02-01-00-00 and attachments	HIGH
	RISK ARISING FROM THE LOSS OF REPUTATION CONNECTED TO A GREATER SENSITIVITY OF PUBLIC OPINION ON CLIMATE CHANGE RELATED ISSUES	HIGH	Participation in national and international initiatives aimed at strengthening the commitment to reducing emissions.	Participation in European and international round tables on climate change	HIGH
	POSSIBLE DISSENT BY STAKEHOLDERS WITH REGARD TO NEW BUILDING WORKS (E.G. NEW INFRASTRUCTURES) DUE TO POTENTIAL NEGATIVE EXTERNALITIES, WITH A CONSEQUENT POSSIBLE DELAYS IN IMPLEMENTATION		Stakeholder engagement initiatives to transparently communicate the possible impacts (positive and negative) of new building works. Monitoring and reporting of the targets defined to combat climate change.	Workshop dedicated to customers and company Top Management regarding the strategies adopted in the field of sustainability	
	LEGAL RISK EXPOSURE TO LEGAL DISPUTES IN THE EVENT OF FAILURE TO ADOPT PROTECTION MEASURES MITIGATION OF NEGATIVE EFFECTS ON CLIMATE	HIGH	Application and management of a specific SGA certified according to ISO 14001. Annual disclosure of its environmental performance through a dedicated online platform, as well as through the Group Sustainability Report.	Monitoring of the climate impacts of the Group's production infrastructures (scope 1-2) and the supply chain (scope 3) Definition of a decarbonisation strategy validated by a third party	HIGH



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. In this context, INALCA has initiated a process of joining tax compliance cooperatives as a Holding and for the companies it controls, with the aim of joining by the end of the year. The INALCA Group's tax management is inspired by the following logics:

- 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 OF VIOLATIONS

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.

Their achievement represents a challenge that unites states, institutions, companies, societies and private citizens. INALCA has been pursuing its commitment to the environment for almost 30 years, thanks to a corporate policy that includes self-production of energy, development of renewable sources, recycling and reuse of materials. The next objectives will be to generate biomethane to reduce dependence on fossil

fuels and address the new community challenges of combating deforestation.

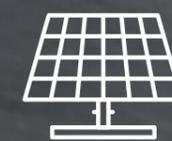
One of the best possible examples of a circular economy, considered among the most effective solutions for safeguarding the planet, comes from the Italian bovine supply chain, in which no component constitutes mere waste. Every part of the bovine, not just the meat, is in fact used, allowing the creation of leather for the world of fashion, furniture, automotive, 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 plants, with a strong integration of industrial processes, particular attention to energy saving and the use of renewable sources.



La Torre farm - Isola della Scala (VR)



20,519
PEAK KW INSTALLED
ON 20 PLANTS



96%
WASTE DIVERTED
FROM DISPOSAL



87,918
M3/YEAR OF
RECOVERED WATER



4.2

Cogeneration, photovoltaic and self-generation 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, manure and dung)
- **solar panels**

Cogeneration systems represent for INALCA the main tool for improving its energy performance. To date INALCA has 6 natural gas-powered cogeneration engines located in 4 of its main Italian plants (Castelvetro di Modena, Ospedaletto Lodigiano, Rieti and Busseto) for a total methane cogeneration power of **14,6 MW**. To these are added **2 cogeneration plants** which include the co-participation, together with the Mantua Tea Group, of a large plant fuelled by animal fats with a power of **4,8 MW**. Cogeneration technology is combined with another virtuous technology consisting of anaerobic digestion, present both in industrial sites and in livestock farms, for a total of **5 biogas plants**, fuelled by sewage sludge and manure, for a **total of 5.83 MW of power**. In industrial plants, this technology allows the recovery of waste and slaughtering by-products with the production of biogas (such as the 1 MW Ospedaletto Lodigiano plant and the 0.53 MW Pegognaga plant) which allows otherwise non-exploitable biomass to be sent for energy recovery - these are organic waste such as sewage sludge and non-edible animal by-products, such as the content of forestomachs, manure resulting from animal transport, which contribute significantly to the production of electrical and thermal energy, in addition to the associated reduction in the consumption of fossil fuels in the same establishments. On 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 (some examples are the plants located in Spilamberto di Modena at Corticella S.r.l. with a power of 0.3 MW, and the two plants located at the agricultural company La Torre with a total power of 2 MW).

Anaerobic digestion systems produce biogas which can be used for the production of heat, electricity and, in the future, bio-methane. **Residual digestate is a fertiliser** capable of enriching agricultural soil with organic matter and reducing the use of chemical fertilisers. The Group's next challenge is represented by bio-methane: an advanced fuel obtained from the refining of biogas capable of powering **agricultural machinery and road fleets for transporting meat**, or to be distributed via direct injection into the network. In fact, the adaptation and modification of the current biogas plants is underway in order to convert them into bio-methane and start production with a view to 2026. INALCA has finally developed green energy through the adoption of photovoltaic panels, specifically thanks to the initiation of the systems present at the sites of **Ospedaletto Lodigiano (INALCA) with 1.3 MW and Gazoldo degli Ippoliti (Italia Alimentari) with 0.63 MW**. During 2023, **4 photovoltaic plants** were initiated, respectively in the Azienda Agricola La Torre (expansion), the Società Agricola Corticella, in the Gualtieri offices in Reggio Emilia and Spilamberto, as well as at the Busseto (PR) office of Italia Alimentari. INALCA has built solar panels on its production plants and farms for a total of **14 photovoltaic systems**, so as to contribute significantly to the production of energy from renewable sources. Starting from 2024, 7 new photovoltaic plants and the expansion of 5 already existing ones are planned, for a total of a further 12.09 MW, which will be added to the 8.35 MW already active.





- INALCA expects the completion of the energy transition towards biomethane of the group's agricultural biogas plants by 2026;
- Strengthening of production of solar energy.

13 CLIMATE ACTION



Biogas Plant

INALCA'S SELF-GENERATION SYSTEM OF ELECTRICITY FROM RENEWABLE SOURCES ARE SHOWN BELOW:

ENERGY PRODUCTION FROM RENEWABLE SOURCES					
PLANT LOCATION	COMPANY NAME	PRODUCTION TECHNOLOGY	MW POWER	PRODUCTION 2023 (MWH)	ENERGY SOURCE
Ospedaletto Lodigiano (LO)	INALCA S.p.A.	Anaerobic digestion	1.00	5919	Slaughterhouse waste
Pegognaga (MN)	INALCA S.p.A.	Anaerobic digestion	0.53	3624	Slaughterhouse waste / Food waste
Spilamberto (MO)	Soc. Agr. Corticella S.r.l.	Anaerobic digestion	0.30	2358	Livestock slurry
Isola Della Scala (VR)	AGRICOLA LA TORRE	Anaerobic digestion	1.00	7924	Livestock slurry
Isola Della Scala (VR)	CA' BIANCA 30%	Anaerobic digestion	1.00	9326	Livestock slurry
Pegognaga (MN)	UNITEA S.r.l.	Endothermic combustion	4.80	11332	Cast fat
Capo d'Orlando (ME)	INALCA S.p.A.	Photovoltaic	0.13	159	Solar energy
Piacenza (PC)	Fiorani & C.	Photovoltaic	0.52	469	Solar energy
Ospedaletto Lodigiano (LO)	INALCA S.p.A.	Photovoltaic	1.30	1349	Solar energy
Rieti (RI)	INALCA S.p.A.	Photovoltaic	0.40	480	Solar energy
Stienta (RO)	INALCA S.p.A.	Photovoltaic	0.05	60	Solar energy
Gazoldo (MN)	ITALIA ALIMENTARI S.p.a	Photovoltaic	0.63	601	Solar energy
Flumeri (AV)	REALBEEF S.r.l.	Photovoltaic	0.19	215	Solar energy
Spilamberto (MO)	TECNO-STAR DUE	Photovoltaic	0.07	92	Solar energy
Castelnuovo Rangone (MO)	Fiorani & C.	Photovoltaic	0.30	360	Solar energy
Isola Della Scala (VR)	AGRICOLA LA TORRE	Photovoltaic	0.99	956	Solar energy
Isola Della Scala (VR)	AGRICOLA LA TORRE	Photovoltaic	0.99	777	Solar energy
Castelfranco Emilia (MO)	Soc. Agr. Corticella S.r.l.	Photovoltaic	0.84	590	Solar energy
Spilamberto (MO)	Soc. Agr. Corticella S.r.l.	Photovoltaic	0.99	632	Solar energy
Busseto (PR)	ITALIA ALIMENTARI S.p.a	Photovoltaic	0.95	427	Solar energy
Piacenza (PC)	Fiorani & C.	Photovoltaic	0.50	from 2024	Solar energy
Gazoldo (MN)	ITALIA ALIMENTARI S.p.a.	Photovoltaic	0.50	from 2024	Solar energy
Gazoldo (MN)	ITALIA ALIMENTARI S.p.a.	Ground-mounted photovoltaic panels	0.69	from 2024	Solar energy
Busseto (PR)	ITALIA ALIMENTARI S.p.a.	Ground-mounted photovoltaic panels	2.10	from 2024	Solar energy
Ospedaletto Lodigiano (LO)	INALCA S.p.A.	Photovoltaic	1.30	from 2024	Solar energy
Castelvetro di Modena (MO)	INALCA S.p.A.	Ground-mounted photovoltaic panels	2.50	from 2024	Solar energy
Pegognaga (MN)	INALCA S.p.A.	Photovoltaic	0.60	from 2024	Solar energy
Castelnuovo Rangone (MO)	CASTELFRIGO LV	Photovoltaic	0.50	from 2024	Solar energy
Campogalliano (MO)	Soc. Agr. Corticella S.r.l.	Photovoltaic	1.00	from 2024	Solar energy
Bomporto (MO)	Soc. Agr. Corticella S.r.l.	Photovoltaic	1.00	from 2024	Solar energy
Gualtieri (RE)	Soc. Agr. Corticella S.r.l.	Photovoltaic	1.00	from 2024	Solar energy
Flumeri (AV)	REALBEEF S.r.l.	Photovoltaic	0.40	from 2024	Solar energy

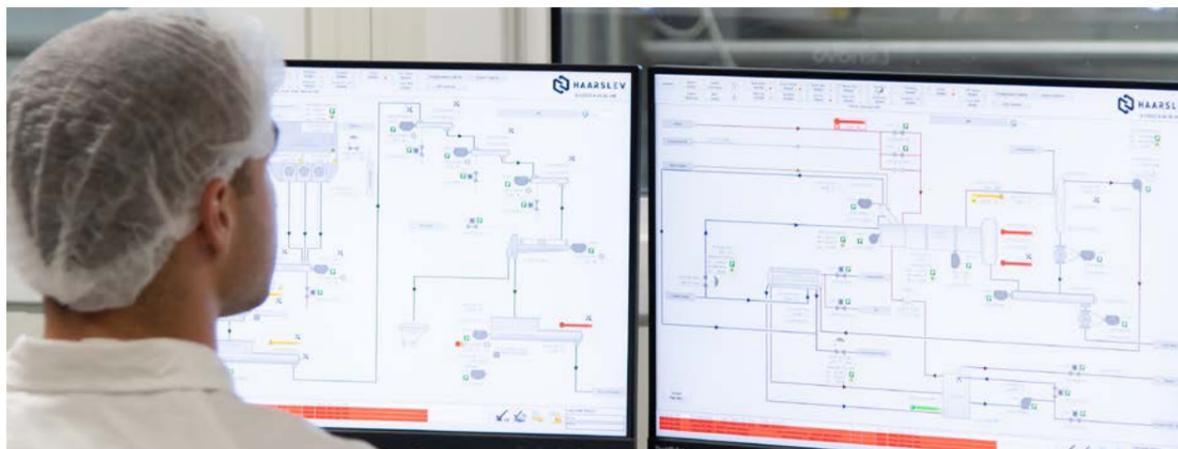
4.3 Regeneration of waste and food by-products

All INALCA production processes are based on the principles of the circular economy. This strategy includes the investment in a new food plant, started in 2021 within the Castelvetro di Modena plant, for fat casting and bone processing, i.e. by-products deriving from the slaughtering and meat processing activity, which were previously sent for uses other than food, with a lower level of recovery value. The new plant allows the raw material (fat and bones) to be valorised both as by-products for the feed and pet food industry, and for food use (for the production of cracklings, ingredients and flavourings), as well as pharmaceutical use (collagen for medicinal capsules).

independent lines, intended for cooking and grinding fats and bones

Specifically, from the processing of fats we obtain cracklings (fat kibbles typical of the peasant food tradition), tallow (a product suitable for feed and pet food), and a component usable for food use (flavourings, ingredients, etc.).

From the processing of the bones, dried and ground, a flour suitable for animal feed is obtained, as well as a useful base for the production of collagen and fertilisers for the pharmaceutical industry for the production of protective capsules for medicines.



Food plant dedicated to fat and bones processing.
Castelvetro di Modena plant

4.4 Reducing the carbon footprint

The development of a correct corporate strategy on decarbonisation cannot ignore the implementation of consistent and internationally recognised emission measurement systems in order to set up adequate corporate strategies. Along with the LCA methodology, there are other ways to monitor your environmental impact, such as the **Greenhouse Gas Protocol Standard** (GHG Protocol). GHG Protocol was born in the late 1990s as an international standard for greenhouse gas reporting, 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 to measure and quantify greenhouse gas emissions. To measure its Carbon Footprint, the INALCA Group has collected the data necessary for the year 2023, 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 tonnes of CO₂ equivalent, applying the **Global Warming Potential** (GWP) coefficients of each compound considered over a 100-year horizon. The result is expressed through three categories: **Scope 1**, which includes all the Group's **direct emissions**, such as those deriving from the use of fuels for energy production, for company vehicles, for the production process and emissions deriving from animals on company-owned farms; **Scope 2**, an indicator representing **indirect emissions** deriving from the use of purchased electricity and by their nature not directly produced within the company boundaries. Since last year, INALCA has also decided to introduce the **Scope 3** indicator, which includes emissions that, although linked to the characteristic and business activity, are **not directly controlled by the Group** but are produced in the INALCA value chain, both upstream (**upstream**) and downstream (**downstream**).



Impianto Biogas - Az. Agricola Corticella (MO)

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	Purchased goods and services (category 1) <i>*Materials</i>	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) <i>*Fuels (net of the combustion process)</i>	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) <i>*Inbound transport (raw materials)</i>	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) <i>*Waste + wastewater</i>	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) <i>*Outbound transport (waste)</i>	Emissions relating to the transport and distribution of products sold outside the "gate" in vehicles and facilities not owned or controlled by the Group. This category includes only outbound transportation carried out by the Group's logistics companies.

- 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 the supply chain through the CDP (Carbon Disclosure Project) platform which was published for the first time in Scope 3 in 2022. Following this first exercise in mapping its emissions, INALCA officially signed the SBTi (Science Based Target initiative) commitment in January 2023, for the establishment of a near-term target. SBTi grants companies a period of 24 months from the signing of the commitment to the eventual validation of the target. For more information, visit: <https://sciencebasedtargets.org/companies-taking-action>.



*This category includes only outbound transports carried out by the Group's logistics companies, therefore INALCA Food&Beverage and subsidiaries.

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

DIRECT GHG EMISSIONS					
	Breeding	Slaughterhouses/Processing	Logistic	Other	TOTAL
Natural gas (methane)	75	72,206	888	-	73,169 ton CO ₂ eq
LPG	191	2	-	-	193 ton CO ₂ eq
Diesel - generator st	-	15	552	0.3	568 ton CO ₂ eq
Gas oil - boiler	-	7	0,2	-	7 ton CO ₂ eq
Diesel - company fleet*	836	2,263	3,153	-	6,252 ton CO ₂ eq
Petrol	-	190	675	-	864 ton CO ₂ eq
Biogas	9	7	-	-	16 ton CO ₂ eq
Cast fat	-	-	-	585	585 ton CO ₂ eq
Emissions from animals**	87,716	-	-	-	87,716 ton CO ₂ eq
Refrigerant gases	-	1,507	-	-	1,507 ton CO ₂ eq
Total emissions	88,826	76,197	5,268	586	170,877 ton CO₂eq
"OUTSIDE OF SCOPE" EMISSIONS (Scope 1)					
Fuels with bio quota	47	137	214	-	398 ton CO ₂ eq
Biogas	8,349	6,087	-	-	14,436 ton CO ₂ eq
Cast fat	-	-	-	8,351	8,351 ton CO ₂ eq
Total emissions	8,395	6,224	214	8,351	23,185 ton CO₂eq

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

INDIRECT GHG EMISSIONS					
	Breeding	Slaughterhouses/Processing	Logistic	Other	TOTAL
Consumed electricity (market - based)	425	63,267	8,058	2,448	74,199 ton CO ₂ eq
Consumed electricity (location - based)	275	40,891	5,208	1,582	47,956 ton CO ₂ eq

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

INDIRECT GHG EMISSIONS					
	Breeding	Slaughterhouses/Processing	Logistic	Other	TOTAL
Materials	3,088,227	245,224	290	383	3,334,124 ton CO ₂ eq
Fuels (net of the combustion process)	1,803	36,696	4,167	3,195	45,861 ton CO ₂ eq
Inbound transport (raw materials)	4,579	-	8,023	-	12,602 ton CO ₂ eq
Waste	3	4,361	124	0.1	4,488 ton CO ₂ eq
Outbound transport (waste)	1	393	10,298	0.02	10,691 ton CO ₂ eq
Scope 3 - TOTAL	3,094,614	286,674	22,902	3,577	3,407,767 ton CO₂eq

DISCLOSURE 305-4: EMISSIONS INTENSITY

	Scope 1 + Scope 2 emissions ¹	Scope 3 emissions	Products placed on the market ²	Scope 1 and 2 emissions / Products placed on the market	Scope 3 emissions / Products placed on the market
	tonCO ₂ eq	tonCO ₂ eq	ton	tonCO ₂ eq/ton	tonCO ₂ eq/ton
2022	213,195	3,308,247	549,307	0.39	6.02
2023	245,075	3,407,767	674,592	0.36	5.05

DISCLOSURE 302-3: ENERGY INTENSITY

	Total energy consumption ³	Total energy consumption from renewable sources ³	Products placed on the market ²	Total energy consumption / Products placed on the market	Scope 3 emissions / Products placed on the market
	GJ	GJ	ton	tonCO ₂ eq/ton	tonCO ₂ eq/ton
2022	2,663,311	777,518	549,307	4.85	1.42
2023	2,902,336	850,924	674,592	4.30	1.26

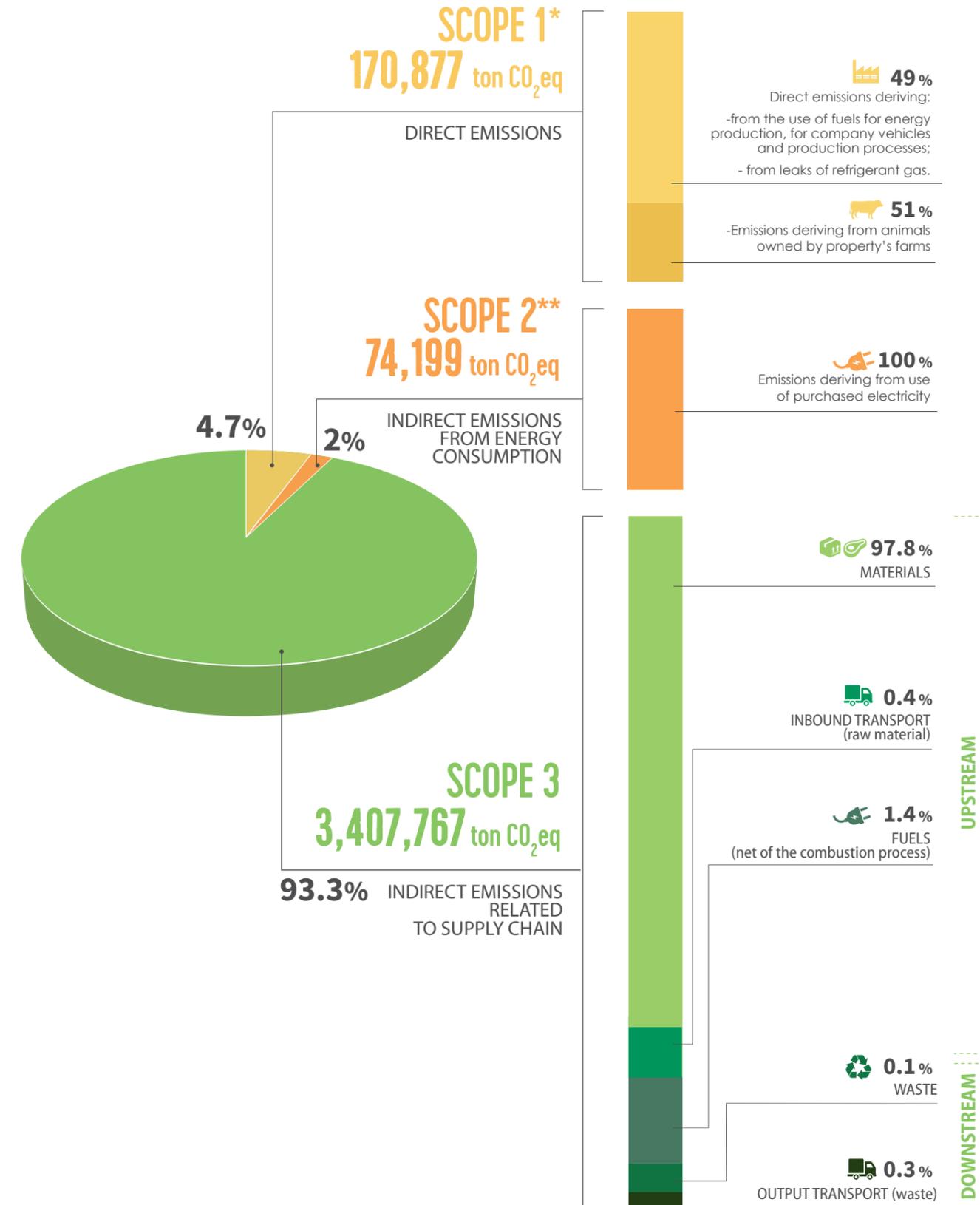
*Greenhouse gases of biogenic origin (and, as such, outside of scope) include: CO₂ emissions (from the combustion process or from the biodegradation of biomass), biogenic CH₄ emissions (attributable, for example, to methane from enteric fermentation), CO₂ absorption by biological processes (CO₂ uptake). The calculation methodology 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 item "Inside of scope" emissions and isolate the other two components, to be counted as "Outside of scope".

⁽¹⁾ With regard to Scope 2, the emissions according to the Market Based approach were taken as a reference.

⁽²⁾ This calculation includes the activities of INALCA (Ospedaletto Lodigiano, Castelvetro di Modena, Rieti, Pegognaga, Reggio Emilia), FIORANI (Piacenza, Castelnuovo Rangone, Solignano), ITALIA ALIMENTARI (Gazoldo, Busseto, Postalesio), REALBEEF, PARMA SLAUGHTERHOUSE and CASTELFRIGO and, starting from 2023, the new INALCA Poland plant (Sochocin). The 2022 energy intensity has been restated following a change in the denominator used. For previously published data, please refer to the 2022 Sustainability Report.

⁽³⁾ The total energy consumption and the relative portion deriving from renewable sources are consistent with what is reported in table GRI 302-1 in the Annex section of this Report.

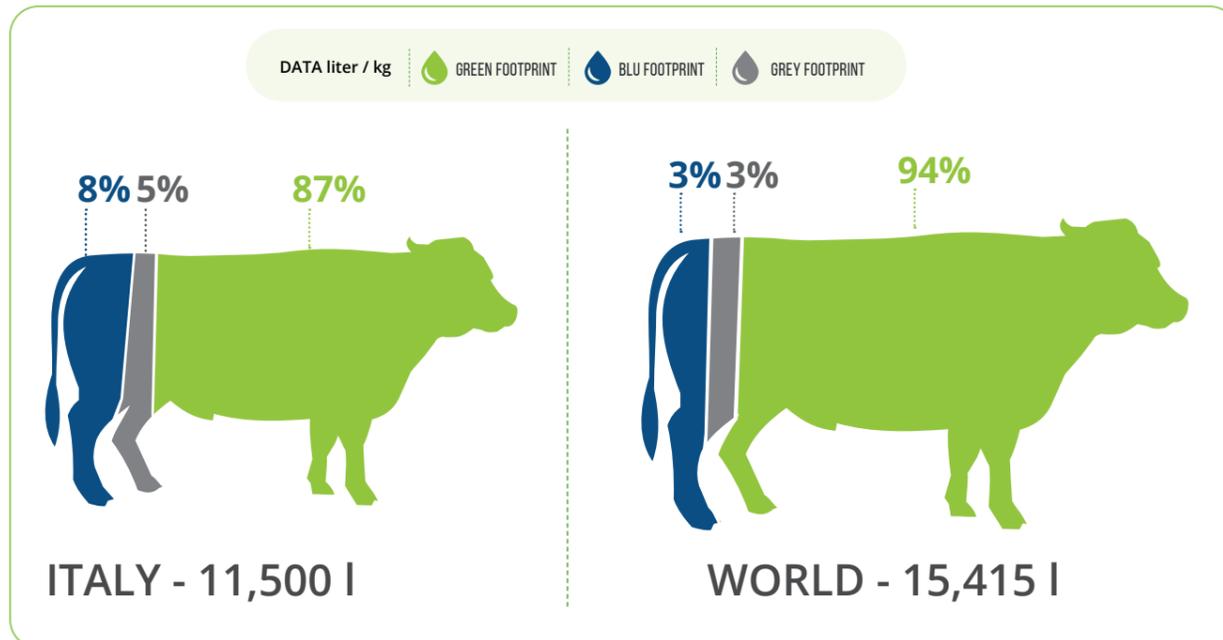
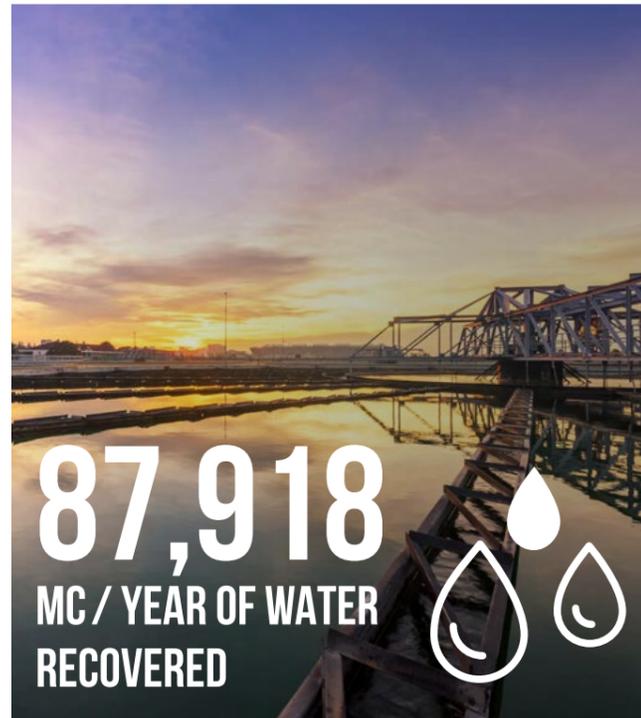
EMISSIONI DIRETTE ED INDIRETTE DI GAS EFFETTO SERRA (GHG)



*The "Outside of Scope" emissions are not reported in the total calculation of GHG emissions, as indicated in GRI 305-1.
**The Scope 2 emissions in question refer to a "Market-Based" approach.

4.5 Water recovery and reuse

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



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

them easily purified, given a balanced relationship between the so-called chemical oxygen demand (COD) and the biological oxygen demand (BOD).

GREEN, BLUE AND GREY 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 evaporated 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 15.415 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% grey and 8% blue.

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.*

FOCUS BIODIVERSITY

In 2022, an analysis was carried out on the positioning of all INALCA Group offices with respect to protected natural areas or areas with a high biodiversity value. This analysis allows the organisation to reduce possible environmental impacts, ensuring correct management of any direct and indirect effects on biodiversity caused by its activities.

The analysis carried out showed that respectively 3 production sites are located in an external position and not directly adjacent to sites and/or protected areas, or areas with a high biodiversity value. The headquarters of INALCA S.p.A. in the municipality of Ospedaletto Lodigiano (LO), which deals with bovine slaughter, is located about 7 km from the SCI-SPA IT 2090001 - Monticchie Regional Reserve site, in an external position and not adjacent to that site. With regard to the headquarters of ITALIA ALIMENTARI S.p.A. in the municipality of Postalesio (SO), which mainly deals with the production of bresaola, is located about 6 km from the site of the Piramidi di Postalesio Nature Reserve¹, in an external position and not adjacent to that location. Finally, the CORTICELLA farm located in Galvana, in the province of Castelfranco Emilia (MO) is located 10 km from the SICZPS IT 4050016 site - Abbazia di Monteveglio Regional Park (BO), in an external position and not adjacent to that area.

For further details on this analysis, please refer to the “Annex” chapter of this Sustainability Report.

¹It is specified that for this Nature Reserve it was not possible to identify any identification code.

*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 2023, in continuity with previous reporting periods, particular attention was paid to the increasingly widespread use of single-material packaging, to actions aimed at reducing thicknesses as well as to the use of materials with a high recycled plastic content. Regarding plastic, starting from January 2023, the Reggio Emilia plant, thanks to the replacement of a packaging film made possible the saving of 1.9 tons of material. The Ospedaletto Lodigiano and Castelvetro plants, on the other hand, made possible the saving of another 1.5 tons of stretch film, thanks to the replacement of a thinner one. Again, in the Castelvetro and Rieti plants, thanks to the inclusion of a quota of post-consumer recycled material inside the heat-shrink films (equal to 62%), INALCA was able to save another 8.9 tons of plastic. Finally, starting from 2024, in all plants, thanks to the replacement of the OSB3050 bag with the OSB2050 bag, resulting in a reduction of its thickness equal to 18%, a reduction of 30 tons of plastic is expected. With regards to paper, in the Rieti plant, thanks to a 10% increase in the recycled paper content within the clusters used for canned meat, the quota of 100% recycled paper has been reached within the clusters in question, with a further saving of 25 tons of virgin paper.

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.**

Starting from the second half of 2021, Fiorani has launched an important plan to reduce packaging materials, which involved saving paper and plastic in "skin" packaging, reducing the size and weight of the cardboard used, with a saving of 27,000 kg of paper and 12,140 kg of plastic. The paper used to package its "skin" products is FSC and ATICELCA certified. Remaining on the subject of sustainable packaging, Fiorani has also reduced the size of secondary packaging, saving 19% of paper for each individual package; these new packages have FSC certification and are made with 100% recycled material. It has also started a process to promote the use of returnable pallets, to ensure greater sustainability and reuse of resources. Finally, in 2021, the company favoured the use of single-material trays in PET-1 with a minimum recycled compound percentage of 70%.



* It should be noted that the above KPIs refer to the 37 companies of the INALCA Group included in the scope of consolidation of the environmental data, the list of which is indicated on pages 10-11 of this document. Considering only the 6 plants in Castelvetro di Modena (MO), Ospedaletto Lodigiano (LO), Reggio Emilia (RE), Pegognaga (MN), Rieti and Capo D'Orlando (ME) that correspond to the consolidation perimeter of the environmental data of Sustainability Reports prior to 2019, the data for the year 2023 are equal to 91.3% as regards the percentage of recycled paper used in the production processes and 38.6% in reference to recycled plastic.

4.7 Reduction, recovery and recycling of waste

The combination of biogas and composting treatments allows INALCA the complete and integrated management of its waste: from the production of the waste up to its complete reuse and regeneration into products for sustainable agriculture. Starting in 2021, and finalising 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 biomethane, a 100% renewable fuel (FORSU), and compost from the separate collection of organic waste and agri-food waste, all thanks to a major investment in a site owned by Herambiente in Spilamberto (MO), using the best available technologies to which the already existing and functioning composting plant of Sara S.r.l. has been associated.

Transforming the final waste from beef processing into new organic fertilisers, in an exemplary circular economy cycle. This is the challenge of the NP Sustainable Fertiliser Project in the context of Smart Agrifood and the European Green Deal, which has involved companies and universities with the support of the EIT FOOD community body, whose first phase of research has just ended.

INALCA, in partnership with a leading company in the fertiliser sector, has been able to develop new agronomic solutions, also thanks to the collaboration with various university research institutions. INALCA, in the field of corporate social responsibility, has for many years developed anaerobic digestion plants aimed at the treatment of waste deriving from meat processing. The dried digestate, dehydrated organic material that can be used as raw material for the production of organic fertilisers, for a quantity of about 4,000 tons per year. The project has made it possible to scientifically verify the processes of realisation and transformation of the digestate

into new fertilisers, containing nitrogen (N) and phosphorus (P) in organic form, studying the effects on the soil and the agronomic performances on plants of agricultural interest. Thanks to the project, developed over the two-year period from 2021-2022, the potential valorisation of this raw material was verified by creating organo-mineral fertilisers of great interest for the market. In fact, the project led to the creation of three fertiliser prototypes - two totally organic and one organic-material - both in powder and pellet formulations, with interesting agronomic results. The industrial model of symbiosis, which integrates a producer in the food sector and a company producing fertilisers, can be replicated within the Community and constitutes a concrete example of transition towards ever more advanced forms of circular economy, while increasing the sustainability of the whole beef supply chain.



5. Social



5.1 Group's people

The overall personnel context is one of substantial employment stability: 7,107⁽¹⁾ employees of which 4,608 in the INALCA Italy Group and subsidiaries and 2,499 in foreign branches. In 2023, the Group increased its staff size consequently to the initiation of production activities by the company Zadklady Miesne Sochocin (INALCA Poland).

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.

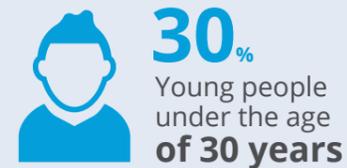
Where present, the INALCA Group applies national sector employment contracts for the sector to which the individual company belongs. Collective sector agreements also contain precise references to the health and safety aspects of workers. Collective bargaining is also applied to workers operating under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

INALCA'S GROUP PERSONNEL 2023 ⁽²⁾	
Breakdown by type and category	
EXECUTIVES	88
MANAGERS	201
EMPLOYEES	1,415
INTERMEDIATES	111
WORKERS	5,270
OTHER CATEGORIES ³	22
TOTAL EMPLOYEES	7,107

FEMALE PRESENCE IN THE STAFF



NEW YOUNG EMPLOYEES



TOTAL NO. OF EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA AS AT 31st DECEMBER			
2023			
Geographic region	MEN	WOMEN	TOTAL
ITALY	3,590	1,018	4,608
EUROPE	454	197	651
EXTRA - EEC	1,241	607	1,848
TOTAL EMPLOYEES			7,107

TOTAL NUMBER OF EMPLOYEES BY GENDER AND EXTRA-EEC GEOGRAPHIC AREA AT 31st DECEMBER			
2023			
Geographic region	MEN	WOMEN	TOTAL
AFRICA	350	70	420
ASIA	850	512	1,362
AUSTRALIA	34	5	39
AMERICA	7	20	27
TOTAL EMPLOYEES			1,848



⁽¹⁾ The figure relating to the total number of Group employees as of 31st December 2023, does not coincide with the figure in the INALCA Group Consolidated Financial Statement, equal to 7,104, due to the use of different criteria in data processing.

⁽²⁾ The representation of the breakdown of personnel by professional classification of INALCA S.p.A. at 31st December 2023 differs from the breakdown present in the Consolidated Financial Statements at 31st December 2023 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.

5.2

Fair work 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 30% 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.*

During 2023, an e-learning portal was implemented in collaboration with a certified training body, within which it was possible to publish customised content created ad-hoc by internal staff. The courses in question focused on three main areas: Legislative Decree 231/2001, principles of safety at work and risks of biomechanical overload of the upper limbs (SBAS). In this regard, 292 hours of training were provided on the platform, for a total of 187 people who took part in the various modules. Specifically, 65 employees completed the module "General Principles - Legislative Decree 231/2001", 35 employees in "Roles and Responsibilities - Legislative Decree 231/2001", while 87 employees completed the course "Risks of biomechanical overload of the upper limbs". Furthermore, in October 2023, 22 members of the INALCA Group's Top Management had the opportunity to participate in a training workshop on the circular economy, entitled "The Beef Ecosystem", for a total of 176 hours provided.

“ 17,916 hours of training in Italy ”

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

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. The constant updating of the risk assessment documents interpolated with the suitability of the workers for the job function within the scope of the health surveillance described above, allows for a detailed mapping of the different establishments and of all the tasks carried out therein, as well as ensuring that the workers are employed in tasks suitable for the physical and health conditions of each employee.

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.

WORK-RELATED ILL HEALTH

Within our organisation, physical risks are certainly those that can give rise to the onset of occupational illness if not properly managed. The main risks that have historically generated occupational illness are those most widespread and linked to meat processing activities and can be identified in Manual Handling of Loads (MMC) and Biomechanical Overload of the Upper Limbs (SBAS); these risks affect a large part of the production population of INALCA plants and for this reason they have been monitored and managed for more than 15 years to progressively reduce exposure levels. The risks mentioned above have been managed primarily by implementing organisational measures such as careful management and division of work pauses and then implementing the redesign of some workstations to make them more ergonomic until arriving at the inclusion of aids that have contributed to lowering and in some cases even completely eliminating the risks mentioned above.

In the reporting period of this financial statement, the MMC risk and the SBAS risk were identified as the cause for the onset of the only two occupational illness recognised in the entire INALCA Italia perimeter.

The trend of occupational illness, their origin and what has been done to progressively reduce the levels of exposure to risks are periodically monitored by management thanks to the quarterly reports drawn up by the coordinator of the safety management system.

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 National Association of Meat and Livestock Industry and Commerce, is the main trade association, belonging to the Confindustria circuit.

<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>



CENTROMARCA, the Italian Brand Industry Association, promotes the culture and values of the Brand in the market and in society. The association is a member of Confindustria and AIM (Association des Industries de Marque), the European association that brings together the brand industry associations present in Europe.

<https://centromarca.it>



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 2023 are summarised here.



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 stay in hospital. INALCA has been supporting the Foundation's activities for several years, through participation in tournaments and charity auctions. Also in 2023, Mc Donald's through the Ronald McDonald Children's Foundation, with the collaboration of Banco Alimentare, franchisees and suppliers, including INALCA, with the "Always ready to donate" project, donated 200,000 hot meals to structures that offer hospitality to people and families in difficulty.

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



Banco Alimentare - The Fondazione Banco Alimentare is an Italian non-profit organisation that collects and recovers surplus food from agricultural and industrial production and redistributes it to charitable organisations spread throughout the country that provide assistance to the neediest people. INALCA has been collaborating with Banco Alimentare for years throughout Italy. In 2023, on the occasion of the celebration of INALCA's 60th anniversary, the company, in collaboration with Banco Alimentare, donated 600,000 meals through the initiative "Solidarity Anniversary: 600,000 meals for INALCA's 60th anniversary".

<https://www.bancoalimentare.it/sedi-locali/emilia-romagna>



ANT - ANT Foundation is the largest non-profit organisation in Italy for free home social-healthcare assistance to cancer patients. INALCA has supported the association for more than 20 years and during 2022, it contributed to the "Basket of excellence" project to support free specialist homecare activities for cancer patients, cancer prevention and accompanying services in the area. Furthermore, thanks to an important contribution, the "Melanoma Project" was supported by offering the citizens of Vignola and Castelvetro free check-ups dedicated to cancer prevention and early diagnosis of melanoma (skin cancer).

<https://ant.it>

ITALY



SAN PATRIGNANO - For over 40 years, San Patrignano has been offering free help to girls and boys with problems of addiction.

San Patrignano is a large family that welcomes people in difficulty, offering them the support they need to be able to walk on their own two feet. To carry out this commitment, over the years the Community has always sought active collaboration with different business entities and INALCA has supported their cause on the occasion of multiple initiatives through donations of food products.

<https://www.sanpatrignano.org>



UNICEF - The United Nations Children's Fund UNICEF works all over the world for the benefit of girls and boys. UNICEF works to promote respect for the rights of minors, to meet their primary needs and to improve their opportunities. INALCA has supported the work of UNICEF for several years through its Modena office with multiple forms of donations.

<https://www.unicef.it/comitati-locali/modena>



UNIMORE - INALCA periodically collaborates with the University of Modena and Reggio Emilia and in 2022, it contributed to the financing of a fixed-term researcher position to be assigned by competition in the competitive sector/disciplinary scientific sector MED/11 of the Surgical, Medical, Dental Department and Morphological Sciences with an interest in Transplantology, Oncology and Regenerative Medicine at the University of Modena and Reggio Emilia.

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



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

<http://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 2023, 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



ASEOP - The Paediatric Haematology Oncology Support Association (ASEOP) is a voluntary association founded in Modena in 1988, on the initiative of a group of parents of children with oncohaematological pathologies. ASEOP was born with the aim of providing assistance to children who are facing cancer and leukaemia, supporting and helping the family both during and after the period of hospitalisation. INALCA in 2023 contributed to supporting the project "Seconda Casa di Fausta".

<https://aseop.it>



AVO - The Association of Hospital Volunteers, founded in Milan in 1975, today has about 240 offices that operate in over seven hundred hospitals and other hospital facilities, spread throughout the country. In 2023, INALCA collaborated with AVO by offering food products to support the populations affected by the flood in Emilia Romagna.

<https://www.avomodena.it>



AUSER - AUSER is a National Volunteer and Social Promotion Association, committed to promoting the active aging of the elderly and increasing their role in society. In 2023, INALCA collaborated in the purchase of a vehicle equipped for the transport of people with motor difficulties for the activities of the AUSER of the Municipality of Spilamberto (MO).

<https://www.ausermodena.com>

PARROCCHIE DI MODENA E PROVINCIA - The Parishes present in the territory of Modena and the Province carry out charitable activities every day for people in difficulty. To contribute to these initiatives, INALCA collaborates with the entities present in the territories in which it operates through significant donations of products and food parcels.



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.

<https://www.caritas.mo.it>

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>



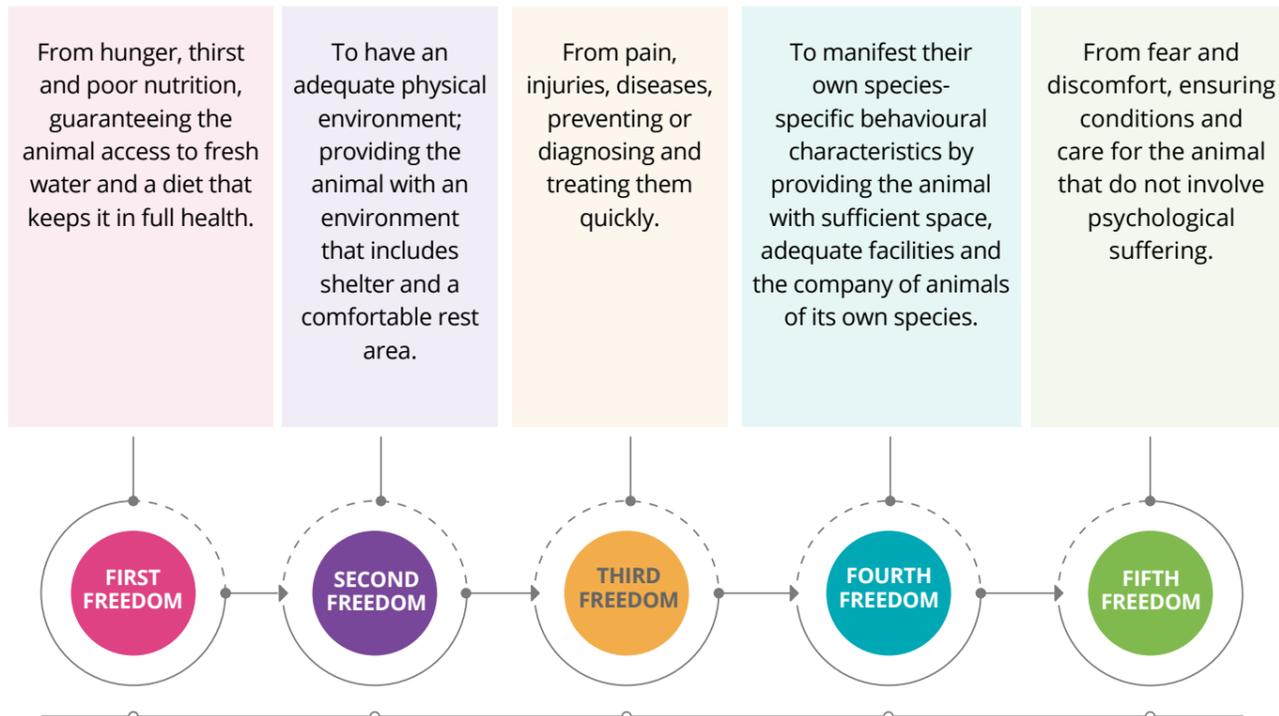
5.5 Health and well-being “one health”

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.

The Manual is subject to periodic technical reviews and updates.

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:

- **A blockchain system was launched during 2022, to track the use of drugs in breeding and support the digital transition of agricultural and livestock activities in the bovine sector. The extension of this platform to the pork sector is expected in the future. In 2023, the project mainly focused on the stables of the subsidiary Società Agricola Corticella (veal and heifer), with completion scheduled for the end of 2024.**



Insights on the manual of the good breeder

RESPONSIBLE USE OF ANTIBIOTICS IN FARMS

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:

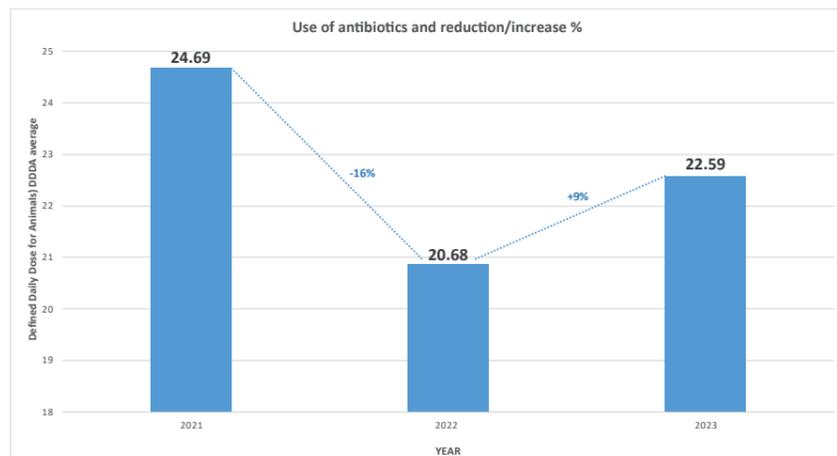
- That the antibiotic and the chosen drug are used exclusively according to the specific indications provided by the pharmaceutical company;
- It is purchased only following a veterinary prescription;
- It is used in the quantities and times expressly indicated in the package leaflet.

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.

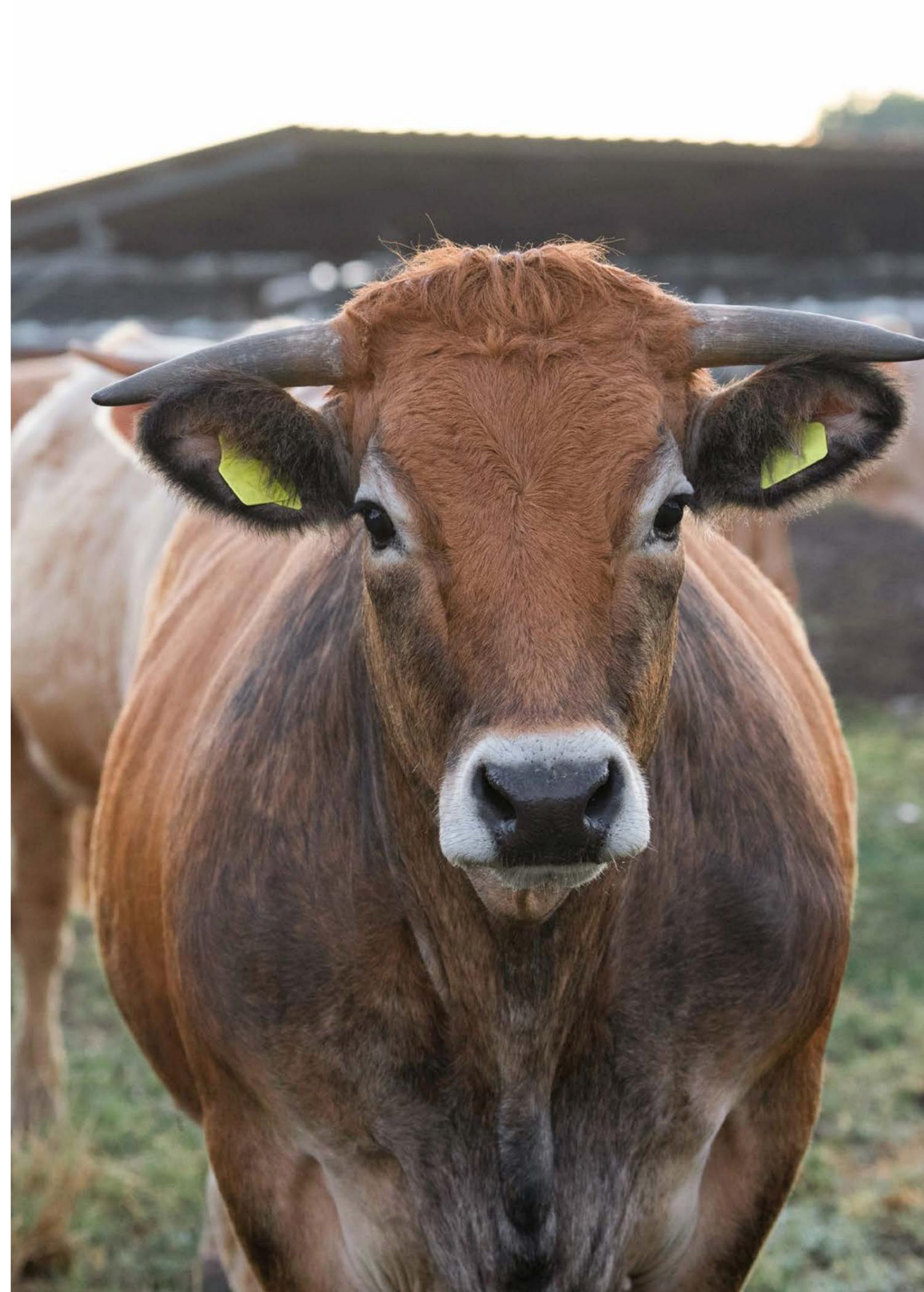
Based on the experience acquired, INALCA has:

- Created production chains in which the absence of the use of antibiotics is guaranteed from weaning to the last stages of fattening. It is the result of a long process of implementing good practices in the use of drugs, the professional growth of company management and the maintaining of high conditions of well-being and biosecurity within the breeding farms;
- 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 supply chain by 8,5% (three-year period 2021-2023)*;
- 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.

Table - Average drug administration trend (expressed in Defined Daily Dose for Animals - DDDA)



* Data relating to the Defined Daily Dose for Animals of the 6 consolidated farms at 12/31/2023. This graph, as well as the reduction percentages, have also been revised in the historical years (2021-2022), so as to also align the comparative data to the new perimeter. For this reason, there is an increase in the average use of antibiotics compared to what was reported in the 2022 Sustainability Report.



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, INALCA has carried out together with **Corteva Agriscience** and the University of Milan, a pilot project with the aim of improving the environmental performance of the forage production phase, intended for feeding beef cattle. Actions were mainly taken to optimise the use of fertilisers, especially nitrogenous ones, which represent an important source of greenhouse gas emissions into the atmosphere. Improving the efficiency of nitrogen fertilisation is possible through the adoption of agronomic strategies oriented towards

the valorisation of livestock manure or digestates produced by livestock farms. Companies that are supported by the use of innovative technologies, such as nitrogen stabilisers. In this field Corteva Agriscience has created "Instinct", a nitrification inhibitor, and has entered into a partnership with INALCA, with the aim of improving the environmental performance of forage production through this solution applied in two companies of the group: Corticella a Spilamberto (Modena) and Marchesina in Rosate (Milan).

Corteva has also activated advanced agronomic services for the mapping of production inputs (soil, digestates) as well as the digitisation of agronomic information referring to agricultural production (cultivation operations, yields and production quality). The "Instinct" nitrification inhibitor, by stabilising the nitrogen distributed with company digestates, has allowed the reduction in the use of synthetic fertilisers, the improvement of crop yields and the reduction of CO₂ emissions from forage production.



SQNZ REGULATIONS

Aware of the growing need to acquire information, especially with respect to supply chains not directly controlled by the Group, INALCA has long been diligent in promoting recognised schemes compliant with the best techniques in the field of sustainability and with the agricultural regulations of the sector, the latest regulation of which is the SQNZ (National Zootechnics Quality System), regulated by the Ministerial Decree of 16/12/2022, in the broader context of the Community legislation of the sector consisting of Reg. (EU) 2021/2115 and Delegated Reg. (EU) 2022/126. This regulation, having a specific focus on environmental sustainability, includes aspects regarding agricultural practices inherent to the optimal management of manure, the adoption of production models inspired by the principles of the circular economy, the production of energy from renewable sources, as well as precision agriculture and zootechnic (PLF) techniques. The document, soon to be adopted in the veal and heifer supply chains, intends to apply INALCA's experiences regarding sustainability to the milk supply chain through an innovative integrated approach. If approved at national level, this tool would allow the breeder access to European funds linked to the CAP (Common Agricultural Policy), as well as transparent forms of communication regarding the breeding methods to the consumer.

The specification was also 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 which 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 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 substantial abandonment in recent decades with consequent decline in production. 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.



Cow-calf line

6. Brands and Products



6.1

The Brands of the Group



In.al.ca (Industria Alimentare Carni), then modified to INALCA, 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 cured meat production, 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 cured meat production. 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. In this sense, we inform you that during 2023 there were no cases of non-compliance in terms of information and labelling of products and services. 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.

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



ibis SALUMI

The Ibis plant is situated in the heart of the Po Valley, in Busseto di Parma, where the processing of traditional Italian cured meat products can boast Protected Designation of Origin (PDO) and the Typical Geographical Indication (PGI). The PDO range include Culatello di Zibello and Salamino Italiano alla Cacciatora, while the PGI range include Mortadella Bologna, Coppa di Parma, Salame Felino and Bresaola della Valtellina.

Products with Environmental Declaration



MONTANA

EPD®

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 tramezzini: the peculiarity consists of a soft and tasty bread, but prepared with flours and ingredients that are totally gluten-free. The products have the AIC (Italian Celiac Association) ear of wheat that is crossed out on the packaging.



In the production of Ibis cured meat, no ingredients containing gluten or derivatives are used. The Mortadella Gran Ducato made with Italian meat is gluten-free.



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 Fette Leggere Ibis are produced with a reduced fat rate and salt rate in the variants: cooked ham, raw ham, roast chicken and turkey.



The Gran Cotto Cuor di Natura Ibis is obtained from the selection of the best Italian thighs. It contains only antioxidants and preservatives of plant origin, and has a reduced sodium rate compared to the nutritional data on the site:

<https://www.alimentinutrizione.it/tabelle-nutrizionali/110410>



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 Culatta di Busseto Ibis is a prestigious cured meat produced in the Busseto plant, by traditional method, and aged for at least 14 months. In the production of Culatta, milk and milk derivatives are not used, as for all the Ibis branded cured meat products.



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. INALCA's production activities are planned in such a way as to ensure the continuity of processes and the supply of products that comply with the specified requirements. The production processes are kept under control by means of documents which identify the operations, controls, equipment and actions to be taken in the event of non-compliance for each production phase. The products detected as non-compliant during the processing activities are clearly identified and managed according to a specific procedure, in order to avoid their involuntary use within the production process and implement specific corrective actions in order to restore process compliance and prevent the recurrence of non-compliant outcomes.

“ 246,000 laboratory analyses in 2023 ”

In case of problems relating to marketed products requiring immediate intervention, the dedicated Operation Instruction ("Withdrawal procedure - Product recall") is applied which describes the methods in which INALCA ensures a rapid and complete withdrawal or recall of the products for which a request has been made, both by the company itself, and by Customers or Competent Authorities in the face of a danger to the health of 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 the products placed on the market.

Since 2021, INALCA has initiated and maintained projects to consolidate the culture of food safety (CsA) within the company, as required by the main GFSI certification schemes, the Codex Alimentarius and European regulations

During 2023, four cases of health alert occurred, two relating to the company INALCA S.p.A. and two to the company FIORANI & C. S.r.l. Following identification of the products in question, market recalls were ordered without any impact on public health, for a total of 5,977 kg.

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
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 6 owned breeding farms, of which 1 of the La Torre agricultural company and 5 of the Corticella agricultural company, which also owns livestock farms for a total of 180,000 head per year. INALCA also owns a stake in the share capital of another 4 farms. The cattle in 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). Farmers adopt a conscious use of veterinary drugs as well as high biosafety standards, in order to reduce the phenomenon of antibiotic resistance, according to the "One Health" approach. All breeders also have the "Manual of Good Breeding Practices" at their disposal, which is periodically reviewed in the light of new scientific discoveries and regulatory updates.

In order to be able to correctly communicate these activities to the consumer, INALCA holds the Optional Labelling Regulations for beef IT 001 ET recognised by the M.I.P.A.A.F. Currently, 425 farmers join the INALCA supply chain who share its principles, values and objectives. These include respect for animal welfare, which is assessed by professional veterinary surgeons through the national Classyfarm evaluation system (developed by the National Reference Centre for Animal Welfare). In 2023, **391 control checks** were also carried out by specialised technicians and **1,486 laboratory analyses at all levels of the supply chain** (from farm feed to the finished product placed on the market).



6.5 Integrated pork supply chain

During the year 2021, the INALCA Pork Welfare Chain (Filiere Benessere Animale - FBA) was developed, a **vertically integrated supply 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, 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 **2 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

Focus Italia Alimentari

Italia Alimentari and its subsidiary Castelfrigo LV, with a core business in cured meat production, operate in the production and marketing of Made in Italy food products. The production sector includes the entire panorama of both traditional and innovative Italian cured meats, in whole, pre-sliced and sliced formats. The company has also embraced the broader out-of-home market, offering today a wide range of snacks, sandwiches, tramezzino sandwiches and ready-made vegetable gastronomy. A business unit is entirely dedicated to the production of bacon, both fresh and IQF pre-cooked, from industrial formats up to the self-service tray.

ENVIRONMENT

A sustainability project

Self-production of energy, implementation of renewable sources, recycling and reuse of materials are the foundations of the continuous commitment to the environment on which all company policies are based. The huge investments implemented over the years have concentrated on more modern and efficient plants and systems, such as to progressively reduce its environmental impact.

The main areas in which the company has invested are:

- **Energy efficiency;**
- **Renewable energy;**
- **Packaging and reduction of its environmental impact.**

ENERGY EFFICIENCY

Over the years, old generation systems with a high environmental impact have been replaced in favour of new and more efficient systems capable of producing energy with a low energy impact. Particular attention was paid to the management of production plants that reduce the consumption of water, driving force and natural gas. Italia Alimentari's environmental sustainability program began in 2008, in the Busseto (PR) plant, with the installation of a gas cogenerator for the production of electricity necessary to power the production plants and for the simultaneous production of thermal energy, useful for systems that cook cured meat.



RENEWABLE ENERGY

In the Gazoldo degli Ippoliti (MN) production plant, the installation of a trigeneration system equipped with an absorber is planned, capable of producing cold from the cogenerator heat. The system can be used to cool the rooms used for maturing and storage, thus reducing the need for electricity deriving from refrigerators and maximising fuel yield, in addition to the additional production of thermal and electrical energy.

Beginning in 2019, photovoltaic panels have been installed at the Gazoldo degli Ippoliti and Busseto plants, autonomously generating part of the energy needs necessary for the plants. Thanks to the results obtained, the company has chosen to invest further in order to progressively increase the installed power: from the current 654 kW, the objective is to reach a power of 2.2 MW over the next 5 years.





PACKAGING AND REDUCING THE ENVIRONMENTAL IMPACT

As the company uses large volumes of plastic material for product packaging, a strategy has been developed to reduce its environmental impact. The first phase involved replacing the disposable core of the paper spools that wrap the film used to form the sliced meat trays. By replacing paper with plastic, one can now return the spools to the supplier to be reused multiple times. With this operation, the total saving was 45,000 kg of paper per year. The company has also gradually replaced the material with which the trays are produced, switching from plastic to barrier paper, a material equally suitable for packaging sliced cured meats but with a minimum amount of plastic material, certified FSC and ATICELCA. The saving, in this case, was approximately 168,000 kg of plastic per year. In particular, for a single reference intended for the German and Austrian markets, it was possible to

completely replace the plastic poly laminate material with a single PET material, thus obtaining certification from the Cyclos-HTP Institute as a 100% recyclable product.

The company constantly pursues improvement and production efficiency from a green perspective, in strong partnership with its suppliers. To date, our plastic packaging is composed on average of 21% post-consumer recycled material, while the percentage of paper packaging has gone from 78% in 2022, to 82% in 2023. This policy allows us to significantly reduce the amount of packaging using virgin material, encouraging an increase in use of recycled material and fuelling the process of circular economy.

QUALITY

The PORK WELL-BEING SUPPLY CHAIN, certified by the third-party Italian body DQA (Department for Quality in Agri-food), implements the most recent developments on well-being, bio-safety and conscious pharmaceutical management hailing from the scientific, breeding and distribution worlds. As is known, the requests of the final consumer are increasingly directed towards a production model that certifies respect for the animal and its characteristics in all phases and which is capable of guaranteeing high standards of bio-safety, combating the antibiotic-resistance phenomena and the healthiness and quality of the final product. The PORK WELL-BEING SUPPLY CHAIN certification aims to be a concrete response to these legitimate expectations and confirms a ten-year commitment to promoting production entities capable of expressing these values in the territory where they operate.



Elements characterising the INALCA PORK WELL-BEING SUPPLY CHAIN:

- Animals of ITALIAN origin (born and raised in ITALY).
- Animals belonging to the PDO circuit of Parma Ham / San Daniele.
- 100% certified and controlled supply chain in all its phases.
- birth, weaning, fattening farms, transportation and slaughter.
- Guarantee of good practices to promote animal physical and behavioural health (for example through materials that encourage the pig's exploratory nature and through adequate spaces and environment).
- Protection from pain with dedicated analgesic and anti-inflammatory protocols in the case of surgical interventions on the pig (possible castration and talectomy).
- Ban on mutilation of animals, NO cutting teeth/ears.
- Informed use of veterinary medicine:
 - no antibiotic treatments in the last 120 / 150 Days
 - good health practices aimed at combating antibiotic resistance and the use of life-saving drugs.
- Biosecurity: prevention of biological risks to counteract the onset and spread of diseases transmissible from animal to animal and from animal to human.
- Food sustainability in breeding.
- Short supply chain, with travel times of less than 4 hours.
- Policy of NO electric prod use during the phases of animal loading and unloading.
- Pre-slaughter spaces increased by 25%.
- Welfare control during slaughter according to the NAMI (North American Meat Institute) standard.
- Traceability guaranteed in all phases of the SUPPLY CHAIN according to the precepts of the ISO 22005 standard.

6.7

Consumption models: INALCA's commitment towards 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 fourth report "Carni e Salumi: le nuove frontiere della sostenibilità" (Ed. Franco Angeli) <http://carnisostenibili.it/documenti/>.

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.

"Carni e Salumi: le nuove frontiere della sostenibilità" (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 worldwide have relevant information and awareness on sustainable development and balanced food models.



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 - Cluster Nazionale Agrifood - 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 agri-food 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/>



Carni Sostenibili - in 2012 a group of operators in the livestock sector, which includes the three main trade Associations Assocarni, Assica and Unaitalia, in a logic of pre-competitive transparency, founded Sustainable Meats, (Carni Sostenibili), an association created with the aim of promoting sustainable production and conscious consumption of meat and cured meats through the publication of scientific studies and research. 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/>



Enel X - 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 was produced in 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 2023

In 2023, the value of total revenues amounts to 2,997 million Euro against the 2,856 million Euro reported in the previous year, and therefore recorded an increase of 4.9%.

Although the period in question continues to be, albeit partially, influenced by the inflationary effects on production factors which, above all in the second half of the year heavily influenced the result, the Group continues to pursue its growth objectives with a forward-looking and expansive policy which has led them to control over sixty companies that aim daily to achieve leadership in each country in which they operate. 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 material.

Concerning the financial assistance, received from the Italian Public Administration, INALCA has transposed 13,430 million euros.

“ 63% in Italy
37% EU and Extra-EU ”

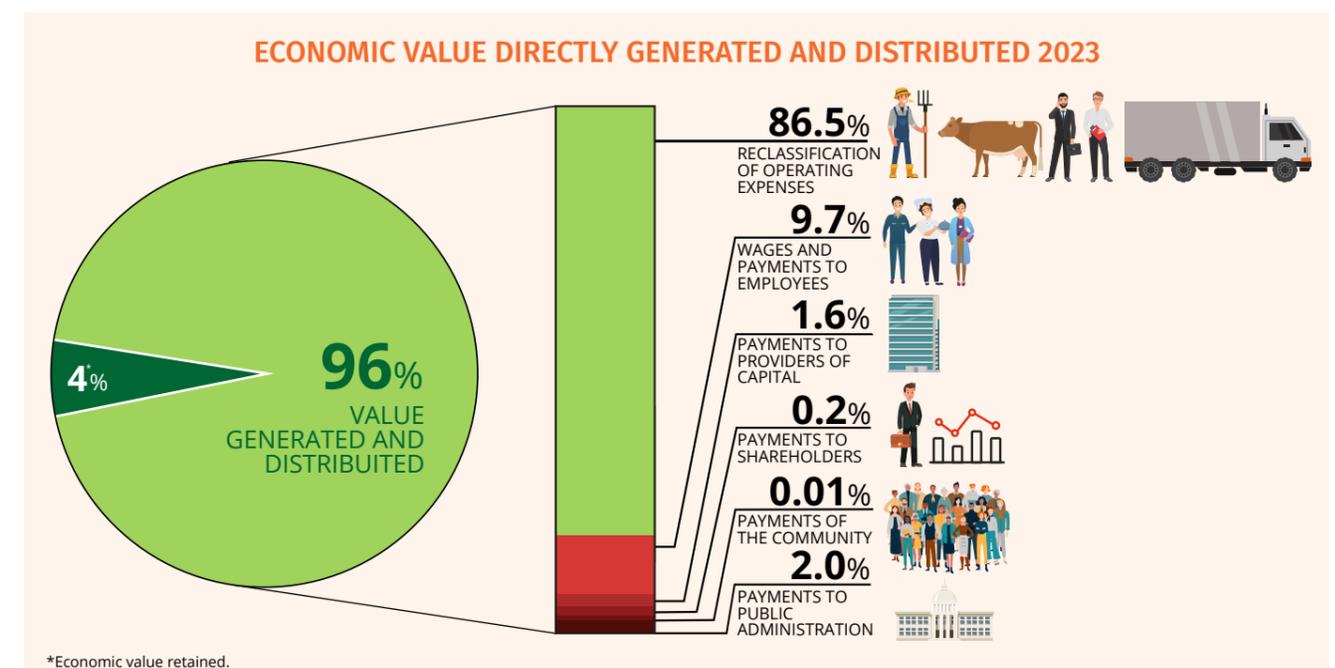
CONSOLIDATED INCOME STATEMENT				
(in thousands of Euro)	YEAR 2022	% Incidence	YEAR 2023	% Incidence
TOTAL REVENUES	2,856,955	100%	2,997,080	100%
EBITDA	223,852	7.84%	235,362	7.85%
EBIT	141,837	4.96%	152,235	5.08%
NET PROFIT PERFORMANCE OF THE GROUP	82,258	2.88%	38,914	1.30%
CAPEX	115,677		124,804	
NET FINANCIAL POSITION	(651,682)		(735,730)	
NET GROUP EQUITY	467,478		457,466	
NUMBER OF EMPLOYEES	6,437		7,107	

BREAKDOWN OF REVENUES BY GEOGRAPHICAL AREA						
(in thousands of Euro)	31.12.2021	%	31.12.2022	%	31.12.2023	%
ITALY	1,545,335	65%	1,804,353	63%	1,898,2121	63%
EUROPEAN UNION	274,374	11%	396,596	14%	466,190	15%
RUSSIA - AND THE EUROASIAN REPUBLICS (+ KAZAKHISTAN)	269,900	11%	311,500	10%	307,200	10%
AFRICA	119,200	5.0%	148,400	5.4%	146,600	4.9%
EU EXTRA OTHER REGION	158,772	6.7%	196,106	7%	178,969	6.0%
TOTAL	2,367,581	100%	2,856,955	100%	2,997,080	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 beef 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 economic value directly generated by the INALCA Group in 2023 is equal to 96%. 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.



7.2

Investments in sustainability, research and innovation

Investments in sustainability, research and innovation - The research trajectories for improving the sustainability of its production chain are aimed in all three ESG directions. In the environmental sector, they mainly concern the fight against climate change, through the adoption of energy efficiency technologies and the production of energy from renewable sources, solar and biomass in particular, in addition to the development of circular economy processes.

In addition, there are further research and innovation activities partly supported by subsidised financing projects, aimed above all at aspects of food safety, technological innovation of processes and products, animal well-being, consolidation and support for the development of national beef supply chains. The table on the side shows the investments made by the Group in the three-year period 2019-2023 and those planned for the subsequent period 2024-2026, broken down by sector of intervention.



Plant for the production of biomethane - Spilamberto (MO)

INALCA GROUP INVESTMENTS IN THE SUSTAINABILITY SECTOR IN ITALY AND ABROAD*

TYPE OF INTERVENTION	AREA	PERIOD 2019/2023	PERIOD 2024/2026	TOTAL
CONSTRUCTION / DEVELOPMENT OF BIOGAS PRODUCTION PLANTS - BIOMETHANE TRANSITION	Energy production from renewable sources	13,074,946	20,000,000	33,074,946
CONSTRUCTION / EXPANSION OF PHOTOVOLTAIC PLANTS	Energy production from renewable sources	2,455,070	10,000,000	12,455,070
CONSTRUCTION OF COGENERATION PLANTS	Energy Efficiency	1,331,283	-	1,331,283
CONSTRUCTION OF TRIGENERATION PLANTS	Energy Efficiency	4,116,516	2,468,896	6,585,412
CONSTRUCTION OF BY-PRODUCT RECOVERY AND VALORISATION PLANTS	Circular economy processes / By-product recovery	17,552,387	-	17,552,387
STUDY ON THE USE OF ADDITIVES IN FARMING TO REDUCE ENTERIC METHANE EMISSIONS	Reduction of carbon footprint	-	100,000	100,000
CONSTRUCTION OF HYDROLYSIS PLANT	Circular economy processes / By-product recovery	16,519,073	14,208,751	30,727,824
TOTAL INVESTMENTS FOR SUSTAINABILITY		55,049,275	46,777,647	101,826,922

INALCA GROUP INVESTMENTS FOR RESEARCH AND INNOVATION

RESEARCH AND INNOVATION CO-FINANCED PROJECTS ADOPTED BY INALCA	OBJECT	PERIOD 2019/2023	PERIOD 2024/2026	TOTAL
PNRR - V° "INALCA NORD" SUPPLY CHAIN NOTICE	Investments in the field of animal well-being in livestock farming, precision agriculture, digitalisation, renewable energy, circular economy	-	50,000,000	50,000,000
DEVELOPMENT CONTRACT	Production efficiency in the cured meats sector	-	49,000,000	49,000,000
IV° SUPPLY CHAIN NOTICE	Consolidation of the Italian bovine supply chain on the issues of animal welfare, drug management, productivity	10,800,000	-	10,800,000
PON - ONE HEALTH AS TOPIC OF FOOD SECURITY	Innovation of food products with reduced additive content	600,000	-	600,000
TAX CREDIT	Innovation of industrial production processes	934,936	-	934,936
TOTAL INVESTMENTS FOR RESEARCH AND INNOVATION		12,334,936	99,000,000	111,334,936

* The investments described are aggregated for each legal entity of the group, including the Participated companies.

7.3

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 (in compliance with the provisions of the Group supplier qualification procedure) or platforms or cloud platforms, based on the class to which they belong. 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.

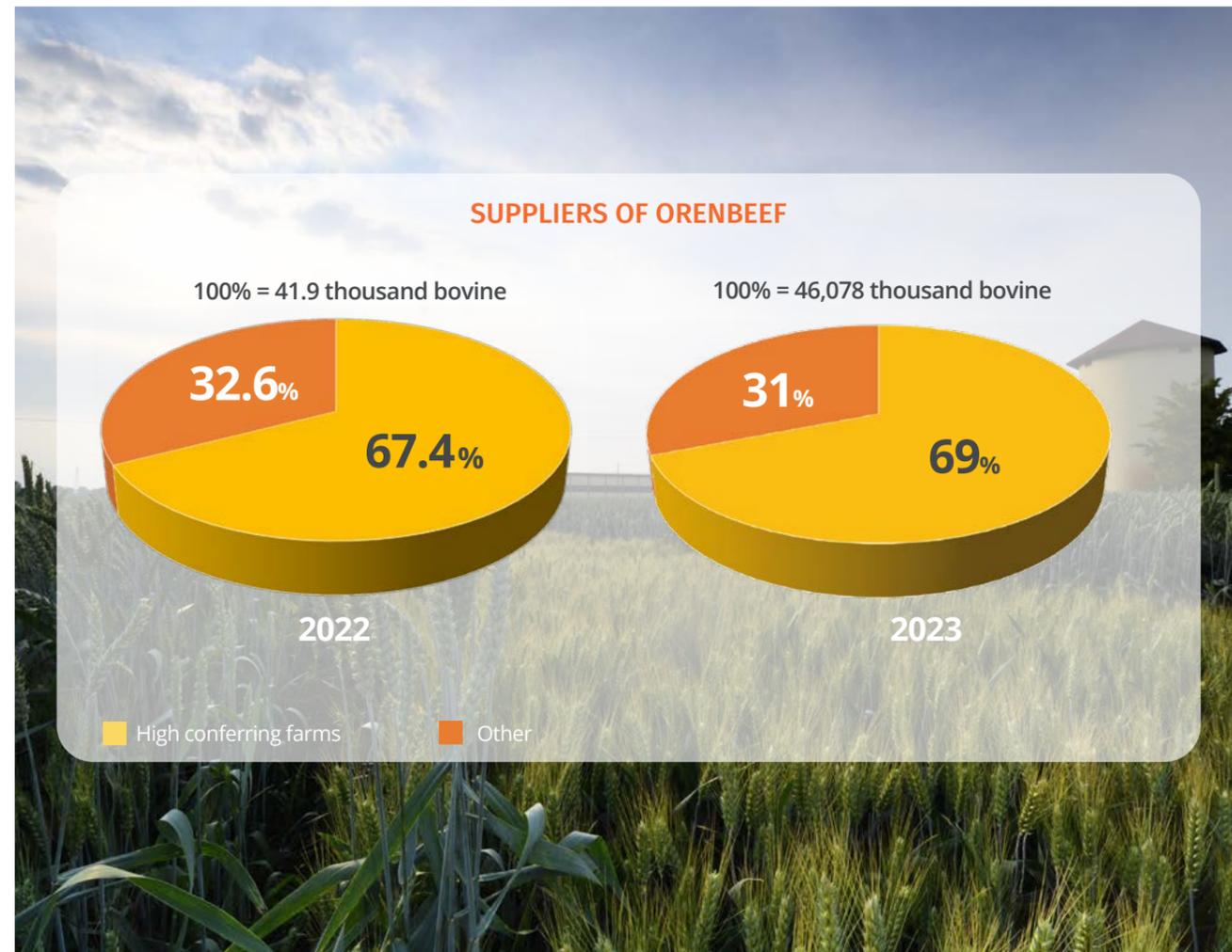
RUSSIAN FEDERATION

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 makes use of 13 livestock farms in agistment that delivered more than 6.304 head during the year. In addition to those in agistment, the selection of other breeding farms in the supply chain continued in 2023, in order to ensure clients and consumers constant products in terms of quality and quantity. The graph on the following page shows the percentage breakdown of high-conferring herds (number of annual head conferred in the year > 1,000) compared to the total.



INTEGRATED PRODUCTION OF ANIMALS IN THE INALCA 2023 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	130,024	18,256	7,240	6,660	5,199	5,795	0	33.19%
HEIFERS	87,054	11,158	0	5,058	7,796	1,289	587	29.74%
WHITE MEAT CALVES	167,579	0	0	0	0	0	63,845	38.10%
DAIRY CATTLES	242,360	-	-	-	-	-	-	-



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.

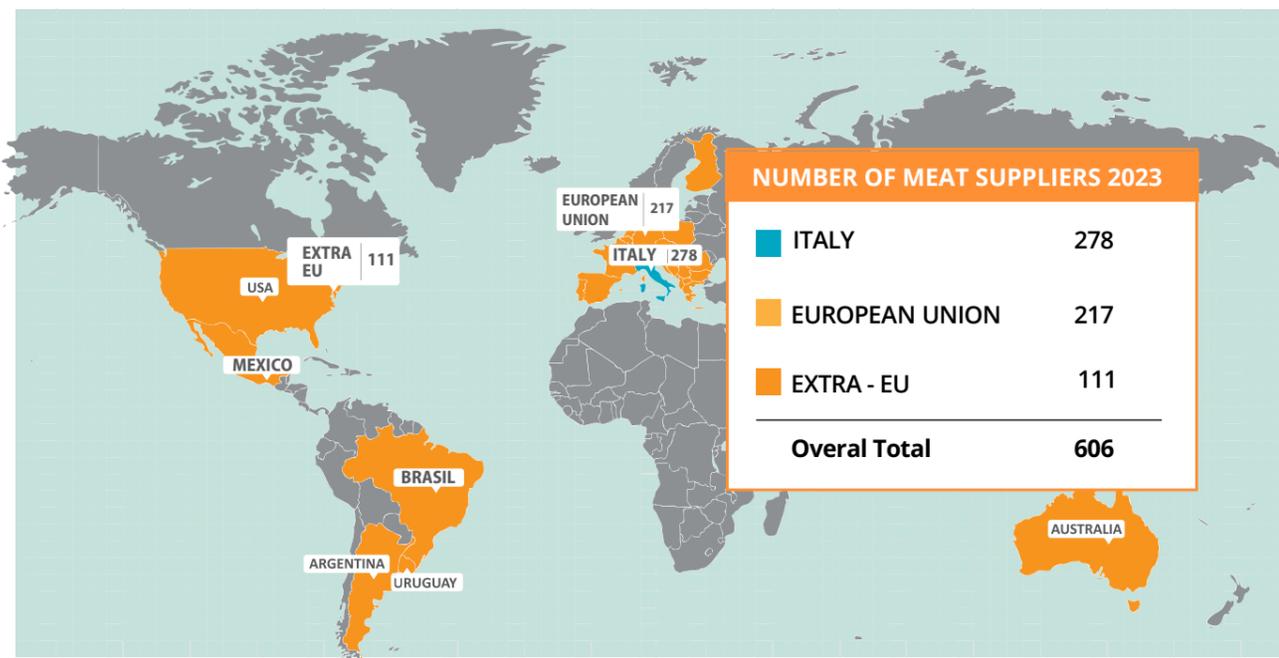
For industrial production in the Russian Federation there is a complete integrated supply chain that includes breeding farms, production and logistic structures. INALCA's commitment to increasing the value of local supply chains is evident from the high percentage of local procurement of the main production sites.

PROPORTION OF EXPENDITURE TOWARDS LOCAL SUPPLIERS

	 ANIMALS	 MEAT	 SUBSIDIARY (Packaging and Ingredients)	 SERVICES (Maintenance and Softwarehouse)
ITALY	96%	27%	97%	93%
RUSSIA	100%	57%	84%	100%

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

INALCA MEAT PROCUREMENT BY GEOGRAPHICAL AREA 2023



* The organization's geographic definition of "local": purchased in the same country of use. Definition used for "significant locations of operations": where the majority of production activity is located (Italy and Russia). The supplier categories considered are "Animals", "Meats", "Subsidiary" and "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 sector, in Italy, the Group avails of about 89 suppliers.

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.

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



SUPPLIERS OF INGREDIENTS

INALCA uses various types of ingredients in addition to meat. To this end, in Italy, it avails of over 100 suppliers of food ingredients such as, for example, flavourings, vegetables, 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 51% of ancillary material suppliers are localised 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

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				■		■
	Orenbeef LLC	Orenburg				■		■
POLAND	INALCA Poland	Sochocin	■					■

		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				■			
	Orenbeef LLC	Orenburg				■		■	
POLAND	INALCA Poland	Sochocin							

ATTACHMENTS: HUMAN RESOURCES

DISCLOSURE 2-7: Employees

Total number of employees, by employment type, gender and location, as at December 31			
Employment type ¹	2023		
	Men	Women	Total
ITALY			4,608
Permanent contract	3,242	917	4,159
Temporary contract	348	101	449
EUROPE			651
Permanent contract	141	66	207
Temporary contract	313	131	444
AFRICA			420
Permanent contract	225	56	281
Temporary contract	125	14	139
ASIA			1,362
Permanent contract	834	492	1,326
Temporary contract	16	20	36
AUSTRALIA			39
Permanent contract	23	3	26
Temporary contract	11	2	13
AMERICA			27
Permanent contract	7	20	27
Temporary contract	0	0	0
GROUP TOTAL	5,285	1,822	7,107
Permanent contract	4,472	1,554	6,026
Temporary contract	813	268	1,081

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 at December 31			
Employment type	2023		
	Men	Women	Total
ITALY			
Full-time	3,497	878	4,375
Part-time	75	139	214
Non-guaranteed hours	18	1	19
EUROPA			
Full-time	446	192	638
Part-time	8	5	13
Non-guaranteed hours	0	0	0
AFRICA			
Full-time	347	70	417
Part-time	0	0	0
Non-guaranteed hours	3	0	3
ASIA			
Full-time	843	507	1,350
Part-time	7	5	12
Non-guaranteed hours	0	0	0
AUSTRALIA			
Full-time	34	5	39
Part-time	0	0	0
Non-guaranteed hours	0	0	0
AMERICA			
Full-time	7	20	27
Part-time	0	0	0
Non-guaranteed hours	0	0	0
GROUP TOTAL	5,285	1,822	7,107
Full time	5,174	1,672	6,846
Part time	90	149	239
Non-guaranteed hours	21	1	22

Disclosure 2-8: Workers who are not employees

Total number of workers who are not employees, by employment contract, gender and location, as at December 31	
External workers	2023
	Total
ITALY	
Interns and Trainees	28
Agency workers	564
EUROPE	
Interns and Trainees	1
Agency workers	0
AFRICA	
Interns and Trainees	0
Agency workers	0
ASIA	
Interns and Trainees	1
Agency workers	0
AUSTRALIA	
Interns and Trainees	1
Agency workers	0
AMERICA	
Interns and Trainees	0
Agency workers	0
GROUP TOTAL	
Interns and Trainees	31
Agency workers	564

DISCLOSURE 2-30: Collective Bargaining Agreements²

	UdM	2023	
		Italy	Other countries
Employees covered by collective bargaining as at 31st December.	N	4.608	690
Total percentage	%	100%	28%

² The percentages are calculated on the total number of employees as of 12/31/2023 by geographical area. The employees covered by collective bargaining are located in the "Europe" and "Africa" regions.

DISCLOSURE 401-1: New employee hires and employee turnover³

ITALY					
NEW EMPLOYEE HIRES					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	279	390	204	873	12.3%
Women	43	114	58	215	3.0%
Total	322	504	262	1088	15.3%
Percentage	4.5%	7.1%	3.7%		
EMPLOYEE TURNOVER					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	144	242	172	558	7.9%
Women	19	97	65	181	2.5%
Total	163	339	237	739	10.4%
Percentage	2.3%	4.8%	3.3%		

EUROPA					
NEW EMPLOYEE HIRES					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	131	152	35	318	4.5%
Women	29	67	20	116	1.6%
Total	160	219	55	434	6.1%
Percentage	2.3%	3.1%	0.8%		
EMPLOYEE TURNOVER					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	53	63	12	128	1.8%
Women	8	27	2	37	0.5%
Total	61	90	14	165	2.3%
Percentage	0.9%	1.3%	0.2%		

Hiring and turnover rates are calculated as the ratio between the total number of resources entering or leaving (total, by gender and by age group) in 2023 and the total number of employees as at 31/12/2023. In the number of resources left, transfers of resources in the various Regions are not included.

AFRICA					
NEW EMPLOYEE HIRES					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	29	58	5	92	1.3%
Women	7	9	0	16	0.2%
Total	36	67	5	108	1.5%
Percentage	0.5%	0.9%	0.1%		
EMPLOYEE TURNOVER					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	4	14	3	21	0.3%
Women	0	0	0	0	0%
Total	4	14	3	21	0.3%
Percentage	0.1%	0.2%	0.04%		

AUSTRALIA					
NEW EMPLOYEE HIRES					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	2	11	3	16	0.23%
Women	1	2	0	3	0.04%
Total	3	13	3	19	0.27%
Percentage	0.04%	0.2%	0.04%		
EMPLOYEE TURNOVER					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	0	0	0	0	0%
Women	1	1	0	2	0.03%
Total	1	1	0	2	0.03%
Percentage	0.014%	0.014%	0%		

ASIA					
NEW EMPLOYEE HIRES					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	85	214	37	336	4.7%
Women	33	100	13	146	2.1%
Total	118	314	50	482	6.7%
Percentage	1.7%	4.4%	0.7%		
EMPLOYEE TURNOVER					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	53	170	32	255	3.6%
Women	15	98	19	132	1.9%
Total	68	268	51	387	5.4%
Percentage	1%	3.8%	0.7%		

AMERICA					
NEW EMPLOYEE HIRES					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	0	2	0	2	0.03%
Women	1	3	1	5	0.07%
Total	1	5	1	7	0.1%
Percentage	0.01%	0.07%	0.01%		
EMPLOYEE TURNOVER					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	0	1	0	1	0.01%
Women	1	1	0	2	0.03%
Total	1	2	0	3	0.04%
Percentage	0.01%	0.03%	0%		

GROUP TOTAL					
NEW EMPLOYEE HIRES					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	526	827	284	1,637	23%
Women	114	295	92	501	7%
Total	640	1,122	376	2,138	30%
Percentage	9%	16%	5%		
EMPLOYEE TURNOVER					
Number of employees	2023				
	<30	30-50	>50	Total	Percentage
Men	254	490	219	963	14%
Women	44	224	86	354	5%
Total	298	714	305	1,317	19%
Percentage	4%	10%	4%		

DISCLOSURE 405-1: Diversity of governance bodies and employees
 Composition of INALCA S.p.A.'s Board of Directors, by gender and age range as at December 31.

Composition (%) of the Board of Directors by gender			
	2023		
	Men	Women	Total
Board members	7	0	7

Composition of the Board of Directors by age group				
	2023			
	<30	30-50	>50	Total
Board members	0	2	5	7

Employees (n) by employee category and by gender as at December 31st			
Number	2023		
	Men	Women	Total
Executives	75	13	88
Managers	165	36	201
Employees	653	762	1,415
Intermediates	75	36	111
Workers	4,296	974	5,270
Other categories ⁴	21	1	22
Total	5,285	1,822	7,107

Employees (%) by employee category and by gender as at December 31st			
Number	2023		
	Men	Women	Total
Executives	1.1%	0.2%	1.2%
Managers	2.3%	0.5%	2.8%
Employees	9.2%	10.7%	19.9%
Intermediates	1.1%	0.5%	1.6%
Workers	60.4%	13.7%	74.2%
Other categories ⁴	0.3%	0.01%	0.3%
Total	74.4%	25.6%	100%

⁴The employees defined as "other categories" are collaborators considered employees for INALCA, as they are treated equally in contractual terms as to the rest of the employees."

ATTACHMENTS: HEALTH AND SAFETY

DISCLOSURE 403-9: Work-related injuries⁵

Employees (n) by employee category and by age group as at December 31st				
Number	2023			
	<30	30-50	>50	Total
Executives	1	41	46	88
Managers	6	123	72	201
Employees	241	925	249	1,415
Intermediates	26	62	23	111
Workers	939	2,806	1,525	5,270
External collaborators	0	3	19	22
Total	1.213	3.960	1.934	7.107

Employees (%) by employee category and by age group as at December 31st				
Number	2023			
	<30	30-50	>50	Total
Executives	0.01%	0.6%	0.7%	1.2%
Managers	0.1%	1.7%	1.0%	2.8%
Employees	3.4%	13.0%	3.5%	19.9%
Intermediates	0.4%	0.9%	0.3%	1.6%
Workers	13.2%	39.5%	21.5%	74.2%
External collaborators	0%	0.04%	0.3%	0.3%
Total	17.1%	55.7%	27.2%	100%

GROUP EMPLOYEES	
Work-related injuries	
Injuries	2023
Number of fatalities due to work-related injury	0
Number of high-consequence work-related injuries (excluding fatalities) ⁵	2
Number of recordable work-related injuries	320
Work-related injuries	
Type of work-related injuries	2023
Superficial injuries, open wounds and burns	112
Sprains, dislocations, fractures and strains	208
Amputations	0
Other	0
Number of hours worked	
Total number of hours worked	11,690,094
Injury rate ⁷	
Rate of fatalities due to work-related injury	0.0
Rate of high-consequence work-related injuries (excluding death)	0.17
Rate of recordable work-related injuries	27.4

⁵ The 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.

⁶ Injuries 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 two serious injuries in 2023, refer to an employee who complained of shoulder pain and a crushed hand.

⁷ 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.

DISCLOSURE 403-10: Work-related ill health

GROUP EMPLOYEES	
Work-related ill health	
Number of work-related ill health	2023
Total number of deaths from work-related ill health	0
Total number of recordable work-related ill health cases	14
Major types of work-related ill health	
Types of work-related ill health	2023
Musculoskeletal disorders	12
Diseases caused by physical agents (e.g. noise-induced hearing loss, vibration-induced illness)	2
Mental illness (e.g. anxiety, post-traumatic stress disorder)	0
Respiratory and skin problems	0
Malignant neoplasms	0
Hours worked	
Total hours worked	11,690,094
Rate of work-related ill health	
Rate of death from work-related ill health	0.0
Rate of recordable work-related ill health	1.2

ATTACHMENTS:

ENVIRONMENTAL ASPECTS

DISCLOSURE 301-1: Materials used by weight or volume

Materials used by weight or volume				
Total weight of materials used				
	Renewable materials		u.m.	2023
Slaughtered animals	Dairy cattle	Number of slaughtered animals	n	242,908
		Dead weight	t	67,227.95
	Calf	Number of slaughtered animals	n	165,057
		Dead weight	t	24,818.88
	Young bull	Number of slaughtered animals	n	132,202
		Dead weight	t	54,870.84
	Bull	Number of slaughtered animals	n	9,363
		Dead weight	t	3,605.08
	Adult bovine	Number of slaughtered animals	n	84,085
		Dead weight	t	22,747.22
	Ox	Number of slaughtered animals	n	45
		Dead weight	t	23.19
	Heifer	Number of slaughtered animals	n	122,163
		Dead weight	t	36,077.43
	Buffaloes	Number of slaughtered animals	n	1,341
		Dead weight	t	466.68
	Cart pulling animal (Biraccio)	Number of slaughtered animals	n	1,223
		Dead weight	t	64.74
	Hoax	Number of slaughtered animals	n	13,661
		Dead weight	t	3,830.58
	Z Young bull	Number of slaughtered animals	n	11,536
		Dead weight	t	2,353.23
	Castrated	Number of slaughtered animals	n	5,892
		Dead weight	t	1,622.64
Pork	Number of slaughtered animals	n	0	
	Dead weight	t	0	
TOTAL Number of slaughtered animals			n	789,476
TOTAL dead weight			t	217,708.45

Materials used by weight or volume				
Total weight of materials used				
	Renewable materials		u.m.	2023
Farmed animals	Dairy cattle	Number of animals on the farm	n	0
		Live weight	t	0
	Calf	Number of animals on the farm	n	7,747
		Live weight	t	400
	Young bull	Number of animals on the farm	n	13,056
		Live weight	t	2,490
	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	7,644
		Live weight	t	2,053
	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	28,447
TOTAL live weight			t	4,544
Purchased meat	Fresh on the bone		t	90,693
	Fresh without the bone		t	88,334
	Frozen		t	68,059
Feed	Feed		t	94,738
TOTAL purchased meat and feed			t	341,824
Packaging	Wood		t	3,296
	Paper / Cardboard		t	16,064
TOTAL packaging			t	19,360

Materials used by weight or volume			
	Not renewable materials	u.m.	2023
Packaging	Plastic	t	10,836
	Reusable plastic boxes	t	109
	Steel	t	4,084
	Aluminum	t	1,246
TOTAL packaging		t	16,275
Ingredients and additives	Ingredients and additives	t	11,335
	Products for sanitation	t	744
Chemicals	Chemicals in general	t	1,393
	Chemicals for wastewater	t	2,814
	Oils and lubricants	t	375
	Other	t	11
TOTAL Ingredients, additives and Chemicals		t	16,672

DISCLOSURE 302-1: Energy consumption within the organization

Energy consumption within the organization			
		2023	
Energy type	Unit of measurement	Total	Total GJ
Non-renewable fuels		-	1,567,367
Natural gas (methane)	Smc	35,895,373	1,448,163
LPG	L	117,440	3,078
Diesel generator set	L	206,072	7,862
Gas oil for boiler	L	2,876	110
Diesel - Company fleet	L	2,488,592	94,120
Petrol	L	412,008	14,034
Renewable fuels			826,393
Biogas	m ³	11,353,422	286,954
Cast fat	kg	14,540,139	539,439
Electricity purchased		162,306,787	584,304
from renewable sources	kWh	0	0.00
from non-renewable sources	kWh	162,306,787	584,304
Electricity self-produced and sold to the grid		27,849,770	100,259
TOTAL Electricity self-produced		109,770,165	395,173
from renewable sources (TOTAL)	kWh	39,399,973	141,840
from photovoltaic panel	kWh	6,814,136	24,531
from biogas	kWh	20,617,565	74,223
from fat casting	kWh	11,968,272	43,086
from non-renewable source	kWh	70,370,192	253,333
Total energy consumption		/	2,902,336
Renewable energy		/	850,924
% Renewable energy of the total		%	29%

DISCLOSURE 302-3: Energy intensity⁸

Energy intensity		
	2023	2022
Energy intensity (GJ/ton)	4,30	4,85

⁸ For the purpose of calculating the energy intensity indicator, the quantity of finished product sold was used as the denominator.

DISCLOSURE 304 -1: Operational sites owned, leased managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Operational sites owned adjacent to protected areas and areas of high biodiversity value outside protected areas					
	Geographic area	Location of the site in relation to the protected area or area with high biodiversity value (km)	Surface area (ha)	Value of Biodiversity	Categorisation of protected status
INALCA S.p.A. Sede di Ospedaletto Lodigiano (LO)	Lombardy	7.1	238	Monticchie Regional Reserve (Somaglia, LO)	ZPS IT2090001
ITALIA ALIMENTARI S.p.A. Sede di Postalesio (SO)	Lombardy	6.4	6	Postalesio Pyramids Nature Reserve (Postalesio, SO)	
SOCIETÀ AGRICOLA CORTICELLA S.r.l. Sede di Galvana (MO)	Emilia Romagna	10	882	Abbazia di Monteveglio Regional Reserve (BO)	ZPS IT2090001

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

Direct (scope 1) GHG emissions ⁹ - 2023						
	Unit of measurement	Breeding	Slaughter-houses / processing	Logistic	Other	TOTAL
Natural gas	tCO ₂ eq	75	72,206	888	-	73,169
LPG	tCO ₂ eq	191	2	-	-	193
Diesel generator set	tCO ₂ eq	-	15	552	0.3	568
Gas oil for boiler	tCO ₂ eq	-	7	0.2	-	7
Diesel - Company fleet ¹⁰	tCO ₂ eq	836	2,263	3,153	-	6,252
Gasoline	tCO ₂ eq	-	190	675	-	864
Biogas	tCO ₂ eq	9	7	-	-	16
Cast Fat	tCO ₂ eq	-	-	-	585	585
Emissions from animals ¹¹	tCO ₂ eq	87,716	-	-	-	87,716
Refrigerant gases	tCO ₂ eq	-	1,507	-	-	1,507
Total emissions Scope 1	tCO₂eq	88,826	76,197	5,268	586	170,877

OUTSIDE OF SCOPE Emissions ¹² - 2023						
	Unit of measurement	Breeding	Slaughter-houses / processing	Logistic	Other	TOTAL
Fuels with bio quota	tCO ₂ eq	47	137	214	-	398
Biogas	tCO ₂ eq	8,349	6,088	-	-	14,436
Cast Fat	tCO ₂ eq	-	-	-	8,351	8,351
Total emissions outside of scope	tCO₂eq	8,395	6,224	214	8,351	23,185

⁹ 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").

¹⁰ For farms, this is diesel used by tractor

¹¹ Enteric fermentation process + manure management.

¹² To 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 14,436 tons CO₂e in 2023, an emission factor for 2023 equal to 1,27 kgCO₂e / kWh (Defra 2023) was considered, for the calculation of the outside of scope emissions deriving from fat casting combustion process, equal to 8,351 tons CO₂e in 2023, an emission factor for 2023 was considered equal to 0.00268 tCO₂e / kg (Defra 2023).

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

Indirect GHG emission from energy consumption ¹³ (Scope 2) - 2023						
	Unit of measurement	Breeding	Slaughter-houses / processing	Logistic	Other	TOTAL
Electricity purchased Market based	tCO ₂	425	63,267	8,058	2,448	74,199
Electricity purchased Location based	tCO ₂	275	40,891	5,208	1,582	47,956

DISCLOSURE 305-3: Other indirect (Scope 3) GHG emissions¹⁴

Other indirect GHG emission (Scope 3) ¹⁵ - 2023						
	Unit of measurement	Breeding	Slaughter-houses / processing	Logistic	Other	TOTAL
Purchased goods and services	tCO ₂ eq	3,088,227	245,224	290	383	3,334,124
Fuel and energy related activities not included in Scope 1 and 2	tCO ₂ eq	1,803	36,696	4,167	3,195	45,861
Upstream transportation and distribution inflow transportation - raw material	tCO ₂ eq	4,579	-	8,023	-	12,602
Waste generated in operations	tCO ₂ eq	3	4,361	124	0.1	4,488
Downstream transportation and distribution outflow transportation - waste	tCO ₂ eq	0.8	393	10,298	0.02	10,691
Total emissions Scope 3	tCO₂eq	3,094,614	286,674	22,902	3,577	3,407,766

DISCLOSURE 305-4: Greenhouse gas (GHG) emission intensity¹⁶

Greenhouse gas (GHG) emission intensity		
	2023	2022
Energy intensity (tonCO ₂ eq/ton)	0,36	0,39

¹³ The "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 (CO₂ equivalents) as can be deduced from the technical reference literature.

¹⁴ Scope 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).

¹⁵ 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. Relative to Scope 3, the emission factors for the calculation of the category "Purchased goods and services" are based on the Ecoinvent v3, AgriFootprint v5 databases and on data from literature (source: EPD studies on INALCA meat). 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 to calculate the factors is based on IPCC Assessment Report n°5.

¹⁶ For the purpose of calculating the emission intensity indicator, the quantity of finished product sold was used as the denominator.

GJ Conversion Factors			
Energy source	Unit of measurement	Value	Source
Electric/thermal energy	GJ/kWh	0.0036	DEFRA 2023
Natural gas	GJ/ton	50.43	DEFRA 2023
Natural gas (density)	kg/m ³	0.8	DEFRA 2023
Gas oil	GJ/ton	45.286	DEFRA 2023
Gas oil (density)	liters/ton	1187	DEFRA 2023
Diesel (average biofuel blend)	GJ/ton	45.412	DEFRA 2023
Diesel (average biofuel blend) (density)	liters/ton	1200.716	DEFRA 2023
LPG	GJ/ton	49.346	DEFRA 2023
LPG (density)	liters/ton	1882.893	DEFRA 2023
Petrol (average biofuel blend)	GJ/ton	45.577	DEFRA 2023
Petrol (average biofuel blend) (density)	liters/ton	1338.072	DEFRA 2023
Burning oil	GJ/ton	46.17	DEFRA 2023
Burning oil (density)	liters/ton	1245	DEFRA 2023
Biogas	GJ/ton	21.978	DEFRA 2023
Tallow-derived burning oil	GJ/kg	0.0371	Biograce

Conversion factors in kWh			
Type of consumption	Unit of measurement	Value	Source
Biogas	from GJ to kWh	0.0036	International system

Conversion factors in kg			
Type of consumption	Unit of measurement	Value	Source
Biogas	from m ³ to kg	1.15	DEFRA 2023

Conversion factors in L			
Type of consumption	Unit of measurement	Value	Source
LPG	from kg to liters	1.786	FIRE - Linee Guida Energy Manager

Emission factors - Scope 1			
Type of consumption	Unit of measurement	Value	Source
Gas oil	tCO ₂ eq/l	0.00276	Defra 2023
Natural Gas	tCO ₂ eq/m ³	0.00204	Defra 2023
LPG	tCO ₂ eq/l	0.00294	Defra 2023
Biogas	tCO ₂ eq/m ³	0.000001	Defra 2023
Cast Fat	tCO ₂ eq/kg	0.00019	Defra 2023
Gasoline	tCO ₂ eq/l	0.00210	Defra 2023

Fattori di emissione - Outside of scope			
Type of consumption	Unit of measurement	Value	Source
Biogenic - Biogas	tCO ₂ eq/m ³	0.00127	Defra 2023
Biogenic - Cast Fat	tCO ₂ eq/kg	0.0028	Defra 2023

Fattori di emissione - Scope 2			
Type of consumption	Unit of measurement	Value	Source
Electric energy - Location based	kgCO ₂ /kWh	0.295	ISPRA 2021
Electric energy - Market based	kgCO ₂ /kWh	0.457	AIB 2022
ITA electric energy of GO	kgCO ₂ eq/kWh	0.003	Ecoinvent 3

DISCLOSURE 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions

Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions		
	Unit of measurement	2023
NOx emissions	kg/year	138,716
SOx emissions	kg/year	31,181
Emissions of Persistent Organic Pollutants (POP)	kg/year	0
Emissions of Volatile Organic Compounds (VOC)	kg/year	3,498
Emissions of Hazardous Air Pollutants (HAP)	kg/year	14
Particulate Matter (PM) Emissions	kg/year	850
Other significant emissions (specify)	kg/year	171
Ammonia	kg/year	1,293
Hydrogen sulphide	kg/year	2,621
Acetic acid	kg/year	0
Oil Mists	kg/year	9
Carbon monoxide (CO) emission	kg/year	119,326
Hydrofluoric acid	kg/year	0

DISCLOSURE 303-3: Water withdrawal

Water withdrawal			
Source	Unit of measurement	2023	
		All areas	Areas with water stress ¹⁷
Surface water (total)	MI	0	0
Fresh water ($\leq 1,000$ mg / l of total dissolved solids)	MI	0	0
Other types of water ($> 1,000$ mg / l of total dissolved solids)	MI	0	0
Groundwater (total)	MI	3,484	320
Fresh water ($\leq 1,000$ mg / l of total dissolved solids)	MI	3,484	320
Other types of water ($> 1,000$ mg / l of total dissolved solids)	MI	-	-
Sea water (total)	MI	0	0
Fresh water ($\leq 1,000$ 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 ($\leq 1,000$ 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	285	27
Fresh water ($\leq 1,000$ mg / l of total dissolved solids)	MI	285	27
Other types of water ($> 1,000$ mg / l of total dissolved solids)	MI	0	0
TOTAL WATER WITHDRAWAL	MI	3,770	347

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	2023	
		All areas	Areas with water stress ¹⁸
Surface water (total)	MI	1,935	150
Fresh water ($\leq 1,000$ mg / l of total dissolved solids)	MI	1,378	150
Other types of water ($> 1,000$ mg / l of total dissolved solids)	MI	557	-
Groundwater (total)	MI	124	-
Fresh water ($\leq 1,000$ mg / l of total dissolved solids)	MI	124	-
Other types of water ($> 1,000$ mg / l of total dissolved solids)	MI	0	-
Sea water (total)	MI	0	0
Fresh water ($\leq 1,000$ 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	991	80
Fresh water ($\leq 1,000$ mg / l of total dissolved solids)	MI	991	80
Other types of water ($> 1,000$ mg / l of total dissolved solids)	MI	0	0
TOTAL WATER DISCHARGE	MI	3,050	230

DISCLOSURE 303-5: Water consumption¹⁹

Water discharge			
	Unit of measurement	2023	
		All areas	Areas with water stress
Water consumption (total)	MI	719	117

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>.
¹⁹ Water storage does not have a significant impact on water resources; therefore, water consumption was calculated by subtracting total water discharge from total water withdrawal.

DISCLOSURE 306-3: Waste generated

Waste generated				
Types of hazardous waste (H)		2023		
		Waste directed to disposal	Waste diverted from disposal	Total waste
TOTAL (H)	ton	85	43	128
Of which packaging	ton	13	13	26
Of which compostable	ton	0	0	0
Of which plastic	ton	0	0	0
Of which paper	ton	0	0	0
Of which wood	ton	0	0	0
Of which glass	ton	0	0	0
Of which metal	ton	0	0	0
Of which derived from food manufacturing	ton	0	0	0
Of which derived from anaerobic digestion and wastewater treatment	ton	0	0	0
Of which paints and inks	ton	0.4	0	0.4
Of which from maintenance activities	ton	60	7	67
Of which electronics and exhausted batteries	ton	9	0	9
Of which chemicals and lab-derived	ton	2.3	23	25
Types of non-hazardous waste (NH)				
		2023		
		Waste directed to disposal	Waste diverted from disposal	Total waste
TOTAL (NH)	ton	77,240	4,164	81,403
Of which packaging	ton	4,782	1,391	6,173
Of which compostable	ton	68,021	998	69,019
Of which plastic	ton	40	0	40
Of which paper	ton	4	0	4
Of which wood	ton	26	0	26
Of which glass	ton	1	0	1
Of which metal	ton	307	0	307
Of which derived from food manufacturing	ton	2,739	94	2,832
Of which derived from anaerobic digestion and wastewater treatment	ton	703	47	750

Of which paints and inks	ton	0.2	0	0.2
Of which from maintenance activities	ton	617	1,629	2,246
Of which electronics and exhausted batteries	ton	0.1	5	5
Of which chemicals and lab-derived	ton	0	0	0
TOTAL waste produced		78,074	3,458	81,532

DISCLOSURE 306-4: Waste not sent to landfill

Total weight of waste not destined for disposal, based on recovery operations				
Recovery options		2023		
		On-site	Off-site	TOTAL
TOTAL (H)	ton	0	85	85
Preparation for reuse	ton	0	0	0
Recycling	ton	0	85	85
TOTAL (NH)	ton	0	77,240	77,240
Preparation for reuse	ton	0	0	0
Recycling	ton	0	77,240	77,240
TOTAL	ton	0	77,325	77,325

DISCLOSURE 306-5: Waste sent to landfill

Total weight of waste destined for disposal, based on recovery operations				
Disposal method		2023		
		On-site	Off-site	TOTAL
TOTAL (H)	ton	0	43	43
Incineration (with energy recovery)	ton	0	13	13
Incineration (without energy recovery)	ton	0	12	12
Landfill	ton	0	18	18
TOTAL (NH)	ton	0	4,164	4,164
Incineration (with energy recovery)	ton	0	738	738
Incineration (without energy recovery)	ton	0	877	877
Landfill	ton	0	2,549	2,549
TOTAL	ton	0	4,207	4,207

SUPPLY CHAIN

DISCLOSURE 204-1: Proportion of spending on local suppliers²⁰

Spending on local suppliers (in millions of €)			
	2023		
	ITALY	RUSSIA ²¹	TOTAL
Expenditure on local suppliers	1,064	242	1,306
Total purchases	1,397	310	1,707
% spent on local suppliers' purchases	76%	78%	77%

²⁰ Geographical definition of the "local" organization: purchased in the same country of use.

²¹ 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 0,01084 (Central Bank) as at 31/12/2023.

IMPACT TABLE

Material Topics	Impacts Generated	Nature of the impact	Current Potential	Where the impact occurs	Group's involvement
Waste management and circular economy	Recycling and reuse of production waste and generated waste	Positive	Current	Group	Caused by the Group
	Waste generation	Negative	Current	Group	Caused by the Group
Training and development of workers	Training and development of workers	Positive	Current	Group's personnel	Caused by the Group
Economic performance	Generation and distribution of economic value	Positive	Current	Group	Caused by the Group
Process and product innovation, R&D	Technological innovation of processes and products	Positive	Current	Group	Caused by the Group
Animal Welfare	Reduction of animal welfare	Negative	Potential	Group and breeders	Caused by the Group and related to the Group through its commercial relationships
	Excessive use of antibiotics in breeding farms	Negative	Potential	Group and breeders	Caused by the Group and related to the Group through its commercial relationships
Consumer protection, quality and food safety	Nutrition and well-being through quality products	Positive	Current	Group	Caused by the Group
	Food contamination and reduction of consumer safety	Negative	Potential	Group	Caused by the Group
	Ineffective management of traceability of raw materials and products	Negative	Potential	Group	Caused by the Group

Consumer protection, quality and food safety	Reduction of customer and final consumer satisfaction	Negative	Potential	Group	Caused by the Group
	Misleading communications to customers and end users	Negative	Potential	Group	Caused by the Group
Energy consumption, emissions and climate change	Energy consumption	Negative	Current	Group and electric/thermal energy suppliers	Caused by the Group
	Generation of direct and indirect energy GHG emissions (Scope 1 and 2)	Negative	Current	Group	Caused by the Group and related to the Group through its commercial relationships
	Generation of indirect GHG emissions (Scope 3)	Negative	Current	Related to the Group through its commercial relationships	Caused by the Group and related to the Group through its commercial relationships
	Polluting emissions in the atmosphere	Negative	Current	Group	Caused by the Group
Water resource management	Reduction in the availability and quality of water	Negative	Current	Group	Caused by the Group
Protection and well-being of employees	Fair remuneration for employees	Positive	Current	Group's personnel	Caused by the Group
	Reduced employee satisfaction and well-being	Negative	Potential	Group's personnel	Caused by the Group
	Workplace injuries ²²	Negative	Current	Group	Caused by the Group
Integration in the territory where INALCA operates	Local development and relations with the community	Positive	Current	Group	Caused by the Group
Management of raw materials	Consumption of food raw materials for production	Negative	Current	Group	Caused by the Group
Biodiversity and soil health	Impacts of crops and livestock on ecosystems and soil health	Negative	Current	Group	Caused by the Group
Sustainable management of the supply chain	Negative social and environmental impacts related to suppliers	Negative	Current	Related to the Group through its commercial relationships	Caused by the Group and related to the Group through its commercial relationships
Ethics, business integrity and anti-corruption	Unethical business conduct	Negative	Potential	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	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1 Organisational details	14 - 17; 40 - 41				
	2-2 Entities included in the organisation's sustainability reporting	10; 11				
	2-3 Reporting period, frequency and contact point	176				
	2-4 Restatements of information	There are no data restatements compared to the previous year				
	2-5 External assurance	172 - 174				
	2-6 Activities, value chain and other business relationships	12 - 21; 108 - 109; 114 - 115				
	2-7 Employees	134 - 135				
	2-8 Workers who are not employees	136				
	2-9 Governance structure and composition	40 - 41				
	2-10 Nomination and selection of the highest governance body	40 - 41				
	2-11 Chair of the highest governance body	40 - 41				
	2-12 Role of the highest governance body in overseeing the management of impacts	26 - 28; 41				
	2-13 Delegation of responsibility for managing impacts	24; 41				
	2-14 Role of highest governance body in sustainability reporting	26 - 28; 41				
	2-15 Conflicts of interest	41				
	2-16 Communication of critical concerns	43				
	2-17 Collective knowledge of the highest governance body	26 - 28; 40 - 41				

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	INALCA is not a listed company, therefore there is no specific procedure regarding the evaluation of the performance of the highest governing body.				
	2-19 Remuneration policies		All indicator requirements	Confidentiality constraints	In order to protect its competitive position, while ensuring compliance with current regulations, the Group has chosen not to disclose this information as it is considered strategic	
	2-20 Process to determine remuneration		All indicator requirements	Confidentiality constraints	In order to protect its competitive position, while ensuring compliance with current regulations, the Group has chosen not to disclose this information as it is considered strategic	
	2-21 Annual total compensation ratio		All indicator requirements	Confidentiality constraints	In order to protect its competitive position, while ensuring compliance with current regulations, the Group has chosen not to disclose this information as it is considered strategic	
	2-22 Statement on sustainable development strategy	1; 24; 36				
	2-23 Policy commitment	42 - 43				
	2-24 Embedding of policy commitments	42 - 43				
	2-25 Processes to remediate negative impacts	44 - 51; 106 - 107				
	2-26 Mechanisms for seeking advice and raising concerns	43				
	2-27 Compliance with laws and regulations	note 23				
	2-28 Membership associations	80; 116 - 117				
	2-29 Approach to stakeholder engagement	26 - 28				
	2-30 Collective bargaining agreements	136				

²³ Regarding significant cases of non-compliance with laws and regulations, in 2023 it was decided to proceed with the inclusion of a non-compliance case involving the Euro 2000 Consortium which resulted in a significant penalty. According to what has already been described in the Management Report about 2023 financial year performance, after the positive conclusion on the penal law perspective, the tax front was open in relation to the alleged non-deductibility of VAT following the requalification of the underlying contracts for labour supply services, as well as in relation to the consequent non-deductibility of the related cost for the purposes of determining the IRAP taxable amount. After the success in the Court of Tax Justice of first instance by the subsidiary Gescar S.r.l., which was followed by an appeal by the Revenue Agency in the second instance of judgment, the negative judgments against INALCA by the Court of Tax Justice followed, both in the first and second instance of judgment. Despite the firm conviction of the Group companies involved about the correctness of their conduct, given the amount's relevance in question, both in terms of taxes but also of the related penalties and interest, and therefore considering the uncertainty inherent in the continuation of the legal case to protect their rights, it was deemed appropriate to close the matter by resorting to the institution of the facilitated settlement of pending disputes. Further details on the case are published in the Management Report.

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS						
GRI 3: Material topics	3-1 Process to determine material topics	28				
	3-2 List of material topics	29 - 34; 158-159				
Waste management and circular economy						
GRI 3: Material topics	3-3 Management of material topics	29 - 34; 70 - 72				13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	72				13.8.2
	306-2 Management of significant waste-related impacts	72				13.8.3
	306-3 Waste generated	156 - 157				13.8.4
	306-4 Waste not sent to landfill	157				13.8.5
	306-5 Waste sent to landfill	157				13.8.6
Training and development of workers						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 47; 78				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	137 - 140				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	78				
GRI 404: Training and Education	404 -1 Average hours of training per year per employee	78 data currently not available for the entire reporting perimeter and for the breakdown by gender and professional category. The Group undertakes to provide complete disclosure for the Sustainability Report relating to the 2024 financial year.				

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Economic performance						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 52 - 53; 120 - 121				13.2.1, 13.22.1
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	120 - 121				13.22.2
	201-2 Financial implications and other risks and opportunities due to climate change	49 - 51				13.22.2
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported		All indicator requirements	Information not available/incomplete.	The company is committed to developing a structured system for data collection in the event that this request is also integrated into future regulatory requirements (CSRD/ESRS).	13.22.3
	203-2 Significant indirect economic impacts		All indicator requirements	Not relevant	Following an internal assessment by the Group, it was concluded that the indirect economic impacts are not significant in the context of the company's activities.	13.22.4
GRI 207: Tax 2019	207-1 Approach to tax	52 - 53				
	207-2 Tax governance, control and risk management	52 - 53				
	207-3 Stakeholder engagement and management of concerns related to tax	52 - 53				

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Innovation of process, product, R&D						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 106-107; 114-115				
Animal welfare						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 45; 86 - 91				13.11.1
GRI 13.11: Animal health and welfare	Report the percentage of production volume coming from the organisation's sites with third-party certification to animal health and welfare standards, and list those standards.	113				13.11.2
Consumer protection, quality and food safety						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 106-107				13.9.1; 13.10.1; 13.23.1
GRI 416: Customer Health and Safety	416-1 Assessment of health and safety impacts of product and service categories	100% of INALCA's product categories are subject to checks and assessments regarding potential impacts on customer health and safety.				13.10.2
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	107				13.10.3
GRI 13.10: Food Safety	Report the percentage of production volume coming from sites certified to internationally recognized food safety standards, and list those standards.	113				13.10.4
	Report the total number of food safety recalls carried out and the related volume of products recalled.	107				13.10.5
GRI 417: Marketing and labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	98				

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Energy consumption, emissions and climate change						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 46; 56-61; 64 - 67				13.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	140				
	302-3 Energy intensity	66; 149				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	66 - 67; 150				13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	66 - 67; 151				13.1.3
	305-3 Other indirect GHG emissions (Scope 3)	66 - 67; 151				13.1.4
	305-4 GHG Emissions intensity	66; 151				13.1.5
	305-5 Reduction of greenhouse gas (GHG) emissions		All indicator requirements	Information not available/incomplete.	The data is not currently available at Group level, the company is committed to developing a structured system for data collection in the event that this request is also integrated into future regulatory requirements (e.g. CSRD/ESRS).	13.1.6
	305-6 Emissions of ozone-depleting substances (ODS)		All indicator requirements	Information not available/incomplete.	The data is not currently available at Group level, the company is committed to developing a structured system for data collection in the event that this request is also integrated into future regulatory requirements (e.g. CSRD/ESRS).	13.1.7
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	153				13.1.8

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Water resource management						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 68 - 69				13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	68 - 69				13.7.2
	303-2 Management of water discharge-related impacts	68 - 69				13.7.3
	303-3 Water withdrawal	154				13.7.4
	303-4 Water discharge	155				13.7.5
	303-5 Water consumption	155				13.7.6
Protection and well-being of workers						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 76 - 79				13.15.1; 13.16.1; 13.17.1; 13.18.1; 13.19.1; 13.20.1; 13.21.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	79; 132 - 133				13.19.2
	403-2 Hazard identification, risk assessment and incident investigation	79				13.19.3
	403-3 Occupational health services	79				13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	79				13.19.5
	403-5 Worker training on occupational health and safety	78				13.19.6

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	79				13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	79				13.19.8
	403-8 Workers covered by an occupational health and safety management system	79; 132 - 133				13.19.9
	403-9 Work-related injuries	143				13.19.10
	403-10 Work-related ill health	144				13.19.11
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	140 - 142				13.15.2
	405-2 Ratio of basic salary and remuneration of women to men		All indicator requirements	Confidentiality constraints	In order to protect its competitive position, while ensuring compliance with current regulations, the Group has chosen not to disclose this information as it is considered strategic	13.15.3
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	42				13.15.4
GRI-407: Freedom of association and collective bargaining (2016)	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		All indicator requirements	Information not available/incomplete.	The data is not currently available at Group level, the company is committed to developing a structured system for data collection in the event that this request is also integrated into future regulatory requirements (e.g. CSRD/ESRS).	13.18.2
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	20 - 21; 76				13.17.2
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	20 - 21; 76				13.16.2

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Integration in the territory where INALCA operates						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 82 - 85				13.12.1
GRI 413: Comunità locali	413-1 Operations with local community engagement, impact assessments, and development programs		All indicator requirements	Information not available/incomplete.	The data is not currently available at Group level, the company is committed to developing a structured system for data collection in the event that this request is also integrated into future regulatory requirements (e.g. CSRD/ESRS).	13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	82 - 85				13.12.3
Biodiversity and soil health						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 69				13.3.1
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	69; 150				13.3.2
	304-2 Significant impacts of activities, products and services on biodiversity	69; 150				13.3.3
	304-3 Habitats protected or restored	The Group has not conducted prevention and restoration activities for natural habitats.				13.3.4
	304-4 IUCN Red list species and national conservation list species with habitats in areas affected by operations		All indicator requirements	Information not available/incomplete.	The data is not currently available at Group level, the company is committed to developing a structured system for data collection in the event that this request is also integrated into future regulatory requirements (e.g. CSRD/ESRS).	13.3.5

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Management of raw materials						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 70 - 71				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	146 - 148				
Sustainable management of the supply chain						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 124 - 130				
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	158				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers who that were screened using social criteria				The Group promotes and adopts social and environmental criteria in the selection phases of its suppliers through the Code of Ethics and Code of Commercial Conduct. Currently, social and environmental criteria are not adopted in the evaluation of suppliers, but the Group is carrying out various activities and projects in this regard linked to supplies from sustainable breeding farms, packaging and of food ingredients.	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria				The Group promotes and adopts social and environmental criteria in the selection phases of its suppliers through the Code of Ethics and Code of Commercial Conduct. Currently, social and environmental criteria are not adopted in the evaluation of suppliers, but the Group is carrying out various activities and projects in this regard linked to supplies from sustainable breeding farms, packaging and of food ingredients.	

GRI Standards	Information	Location	Omission			Ref. No. GRI Industry Standards
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Ethics, business integrity and anti-corruption						
GRI 3: Material topics 2021	3-3 Management of material topics	29 - 34; 42 - 51				13.25.1; 13.29.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		Tutti i requisiti dell'indicatore	Information not available/incomplete.	The data is not currently available at Group level, the company is committed to developing a structured system for data collection in the event that this request is also integrated into future regulatory requirements (e.g. CSRD/ESRS).	13.26.2
	205-2 Communication and training about anti-corruption policies and procedures	78				13.26.3
	205-3 Confirmed incidents of corruption and actions taken	42				13.26.4
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	42				13.25.2

Topics in relevant GRI Industry Standards determined as non-material

Topic	Explanation
GRI 13: Agriculture, aquaculture and fishing sectors 2022	
13.4 Natural Ecosystem conversion	This topic is not material in the context of the company's activities, as the Group does not have sites within natural areas, no expansions are planned and the production activity does not require the conversion of natural ecosystems.
13.5 Soil health	This topic is not material in the context of the company's activities, as the Group's main operations do not involve activities that could be harmful to soil.
13.6 Pesticides use	This topic is not material in the context of the company's activities, as the use of pesticides is residual in the Group's production activities as it is only present in the 6 agricultural companies.
13.13 Land and resource rights	This topic is not material in the context of the company's activities, as the Group operates in countries where the right to land and resources is protected by national laws and regulations or by additional internal procedures established by the Group. Furthermore, the sites owned by the Group are typically located in areas with a high population density where rights to land and resources are not at risk.
13.14 Rights of indigenous people	This topic is not material because the Group operates mainly in countries where the rights of indigenous peoples are not considered to be at risk.
13.24 Public Policy	This topic is not material because the Group does not make political donations.

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, 2023.

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 management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) 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 Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements.

The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the paragraph "Economic performance" of the Sustainability Report with those included in the Group's Financial Statements;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Inalca S.p.A. and with the personnel of Italia Alimentari S.p.A., Gescar S.r.l. and Zakladi Miesne Sochocin SpZoo and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;

- b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Castelvetro di Modena (MO) site and production plant and Ospedaletto Lodigiano (LO) production plant for Inalca S.p.A., Gazoldo degli Ippoliti (MN) and Busseto (PR) production plants for Italia Alimentari S.p.A., Ospedaletto Lodigiano (LO) site for Gescar S.r.l. and Sochocin (Poland) site and production site for Zakladi Miesne Sochocin SpZoo, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Inalca Group as of December 31, 2023 is not prepared, in all material respects, in accordance with the GRI Standards as stated in the paragraph “Methodological note” of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Silvia Dallai
Partner

Bologna, Italy
October 31, 2024

This report has been translated into the English language solely for the convenience of international readers.

SUSTAINABILITY REPORT 2023

INALCA S.p.A.

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