

An artistic illustration on a dark blue background. A large, stylized tree with a thick orange trunk and a full, rounded orange canopy stands on a small patch of light green ground. A large, light green hand emerges from the left, supporting the tree's base. A man in a blue suit is sitting on the ground, leaning against the tree trunk. A large, white, textured hand emerges from the bottom right, holding the green hand from underneath. The overall style is modern and symbolic.

# Annual Report

## 2020

ENGLISH VERSION



Annual  
**Report**  
2 0 2 0

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## Letter from the **Board of Directors**

We will remember 2020 as being an extraordinary year from every point of view. We witnessed a new, unexpected and unprecedented crisis, triggered by the COVID-19 epidemic that has totally involved all the countries in the world.

Just like all, we were not prepared for a challenge of such magnitude, leading to still ongoing earthquakes on different levels: from the surge in the cost of agricultural raw materials to a new way of working, from unexpected changes in the openings of distribution channels where we operate to the greatly altered purchasing habits of our consumers.

But we have been able to reinvent ourselves, adapting quickly to ever new situations each day, overcoming increasingly difficult obstacles with tenacity and willpower. We did it due to a sense of responsibility to ensure food for Italy, carrying out our work generously. As a Group we have been called upon to carry out an important social function: that of continuing to guarantee essential food for everyone, even in the toughest moments of lockdown.

It was not easy for anyone to try to understand then organise their activities and lives, in a context that changes quickly from all points of view, day by day.

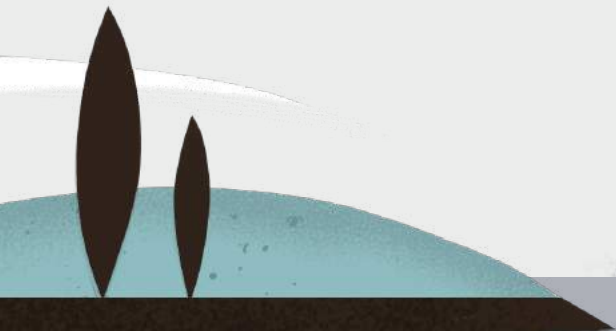
In a year like the last, the results achieved are even more exceptional. Above all, the ingenuity and strength with which the entire supply chain reacted and played its part in its entirety. The effort made to face this situation, seek fast solutions for every new difficulty that arose was unanimous, we did not give up. Our people did not give up.

It is to them that our heartfelt thanks go. Thanks to their great sense of duty and trust in the Group they continued to exercise their profession: on the line in our plants, at home through smart working, united with supply chain farmers to ensure that everything worked smoothly, alongside customers to manage supplies and guarantee the deliveries even in the most critical moments.

The 2020 Sustainability Report should be read from this perspective: the concrete response of our Group and its people to ensure continuity in a context of maximum turbulence. A snapshot of the commitment and dedication with which each person has worked for the good of the company. A concept that we also wanted to represent in the graphics chosen: the Group, portrayed as a tree, was created, living life and continuing to grow thanks to the work of its people (represented by the hand) and generating value, well-being and protection for the people themselves (stylized by a man).

In the pages that follow the story of an extraordinary year is told: from the supervision of the markets that led to turnover closing in growth, to the constant training of people who did not fail even during the pandemic. As well as investments, assured by the Board of Directors as a sign of trust in a team that has never quit, despite the exponential costs incurred to operate this year.

This is because we want to continue being a growth engine for modern agri-livestock and a solid reference point in the national and international food scene, pursuing a development that is increasingly sustainable from an environmental, economic and social point of view.





# The company **structure**

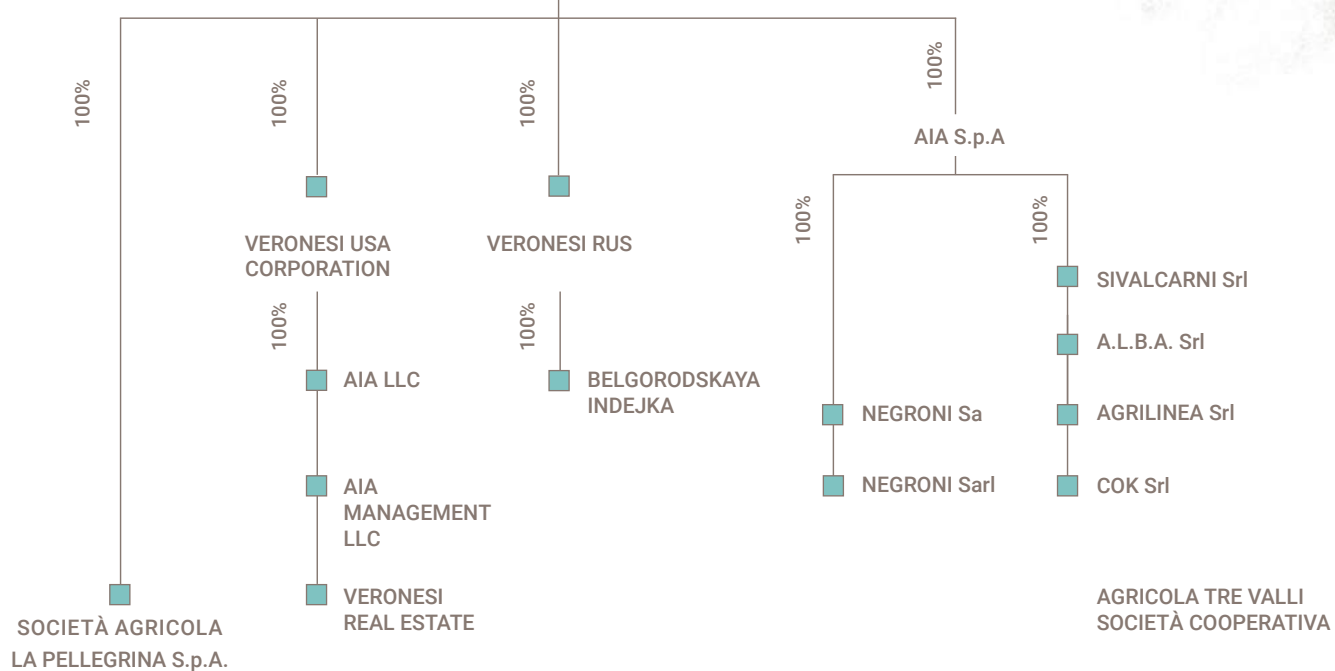
# 02





# Company structure

VERONESI HOLDING S.p.A.



## Board of Directors

TOMMASO VERONESI  
Vice president

ANTONIO NICODEMO  
Vice president

LUIGI FASOLI  
Chief Executive Officer



MARCELLO VERONESI  
Director

MARIO VERONESI  
President

FRANCESCO BALLINI  
Director

## Board of Statutory Auditors

**PRESIDENT**  
Mauro Melandri

**AUDITORS**  
Andrea Castelli, Primo Ceppellini

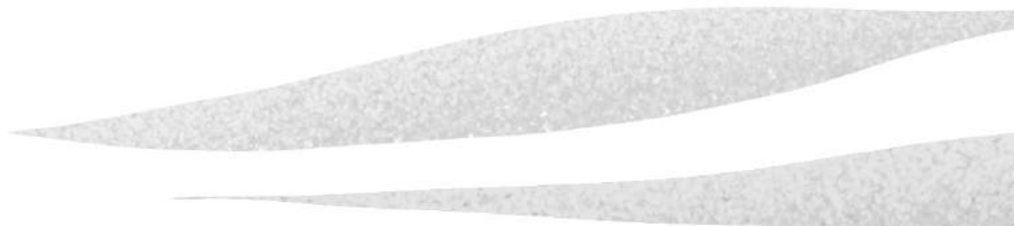
**INDEPENDENT AUDITORS**  
Deloitte&Touche S.p.A.

# Governance

The Corporate Governance model adopted by the Group is based on the so-called Italian “traditional model”, composed as follows :

- **Shareholders’ Meeting** has the task of appointing the Board of Directors and the Board of Statutory Auditors. Shareholders are committed to protecting and increasing the value of the business and capital solidity.
- **Board of Directors** has the broadest strategic directional powers . Its task is the direction of management, laid out in the “Guidelines” shared with top management, the assessment of the adequacy of the organisational, administrative and accounting structures, the assessment of management’s general performance as well as the adoption of resolutions for matters that the Statute reserve to the Board of Directors. The current Board of Directors is composed of 6 directors, each representing the families of the 5 children of the founder Apollinare Veronesi, and an external director who holds the role of Chief Executive Officer.
- **Board of Statutory Auditors** monitors compliance with the law and the Statute , compliance with the principles of proper administration and, in particular, the adequacy of the internal control system. It attends all board of directors’ meetings. Its members are external to the Group in compliance with the law.
- **Independent Auditors** is in charge of the statutory audit of the accounts in accordance with the law. They are also entrusted with the task of auditing the Group’s consolidated financial statements and the financial statements of the main companies of the Group.

The subsidiaries of the Group operate under the direction and coordination of the Parent Company Veronesi Holding S.p.A. The governance of the main Italian subsidiaries is structured in a manner consistent with their operational realities and, in foreign companies, is referred to local law.





## Risk management

The **Organisational Model**, adopted by the Italian Group's companies, is a set of rules, procedures and ways of operating that define the **organisational, management and control system** within the company and aims to prevent or contrast the commission of the offenses sanctioned by Legislative Decree 231/01. Its purpose is to prevent particular types of crimes, apparently committed to the advantage of the Company, which may involve administrative liability.

The Organisational Model also aims to inform all collaborators, internal and external to the Group, about the activities that involve a risk of committing a crime and the resulting sanctions. With this tool, the Group wants to spread and affirm, through control, a corporate culture based on legality and provide for an efficient and balanced organisation.

The body responsible for monitoring compliance with the Organisational Model, in each company of the Group, is the **Supervisory Body (SB)**. The SB is a collegial body made up of three external members to the company and is placed in an apical position within the organisation, in order to ensure autonomy from any form of potential interference.

The Supervisory Body uses two important tools to highlight possible crimes and assess their risk: a differentiated risk mapping for the various Group companies, with the involvement of operational staff from all functional areas; a matrix that crosses the probabilities that the crime may occur with the impact that this crime may generate on the Group.



# Code of ethics

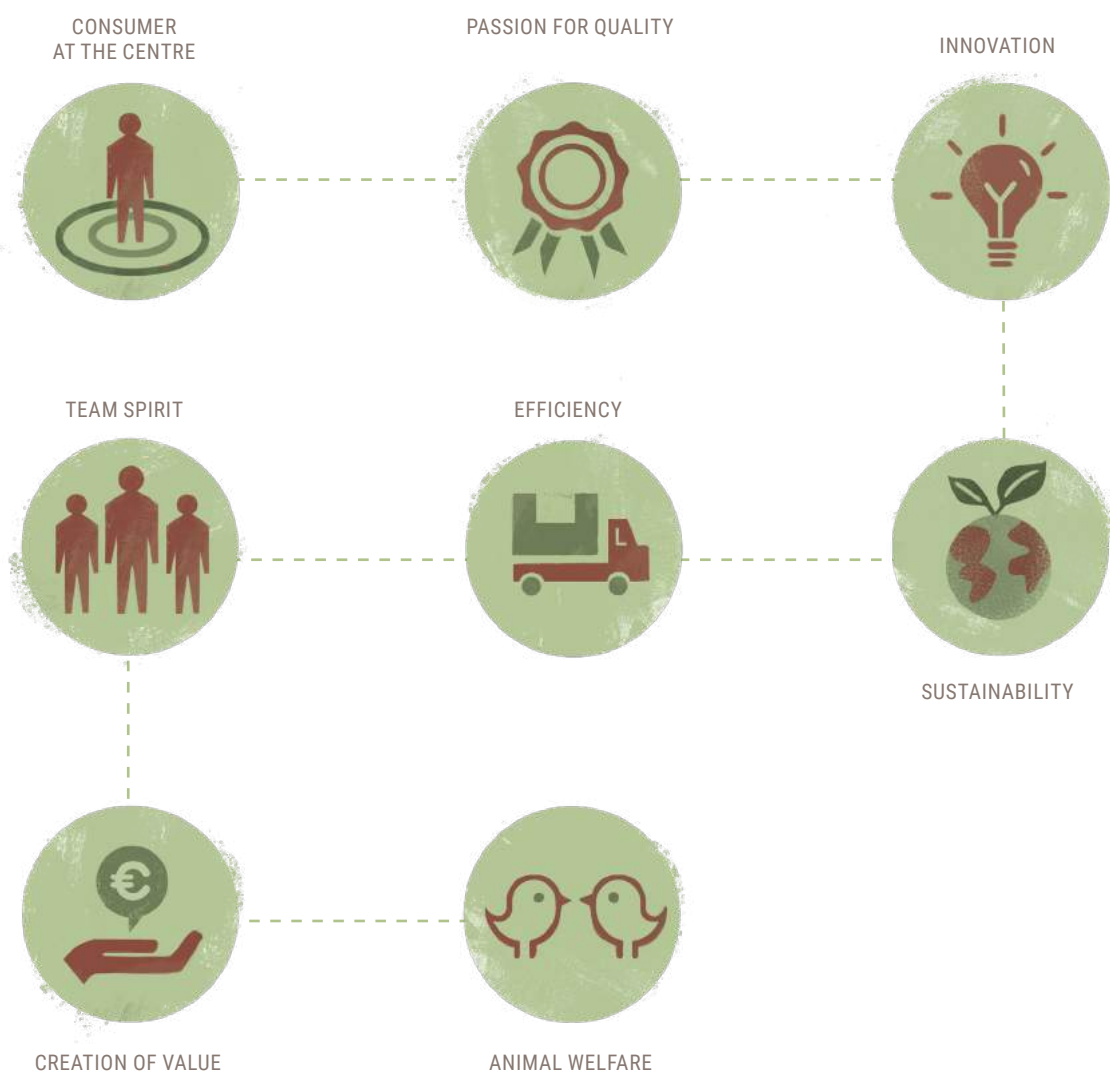
The Code of Ethics is the basis of the Group's Governance structure\* and is the first safeguard of the Organisational Model.

The Code of Ethics contains the values and principles, handed down by our founder, which represent the pillars on which the Group's actions are based and to which every employee is called to respect, well aware that there is no lasting success without ethical conduct.

\* The Group's foreign companies are excluded.



# Values



The serious and/or persistent violation of the rules of the Code of Ethics by its recipients damages the trusts relationship between the Group and those who violate it and can lead to disciplinary sanctions based on the Organisational Model pursuant to Legislative Decree 231/01 and, for cases of serious breach, the termination of the employment relationship.

For further information, please refer to:  
<https://www.gruppoveronesi.it/en/i-nostri-valori-e-i-principi>.



# Covid Emergency

# 03





## The pandemic's challenge, the commitment to recover

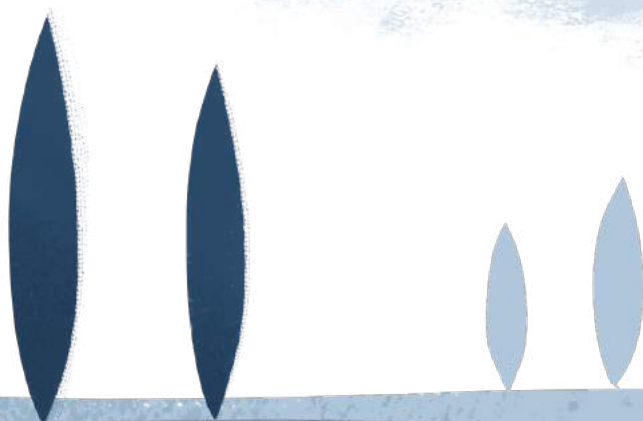
In a 2020 marked by the pandemic, our Group has been called upon to perform an important social function: continue guaranteeing food for all. If essential foods like ours have never been missing on Italian tables, it is because the supply chain has never stopped and people have continued to carry out their work with a great sense of responsibility.

**100% of our people continued to work with a 100% salary guarantee.** As a sign of reassurance the Group also announced in advance the renewal of fixed-term contracts. Besides that, monies made available by public institutions have been advanced, including the extraordinary leave provided for by the Cura Italia Decree.

The Group's Board of Directors has exceptionally allocated over **2 million Euro to support families:** in fact, in April, an extraordinary contribution was recognised for production department personnel and those closely linked to production. A way to make tangible our thanks to those who continued working during the days of the emergency to ensure the functioning of all our plants, an act that reached over 7.500 people and was then extended to cooperatives for their collaborators who worked next to us within the production sites.

As a sign of our pride in being Italian and having supported Italy with our work, we decided to illuminate the external walls of some production plants with the Italian flag, in particular the logistics platform of San Martino Buon Albergo, from where symbolically most of the supplies for the Country begins.

*The choices were guided by the application of the so-called 3 Step Rule - hand sanitisation, use of masks and 1 metre distancing - in all working environments. In all production sites, additional protective devices were distributed to those normally used (in many departments there was already the duty to work with gloves and a mask).*



## First of all **everyone's safety**

Since the beginning of the emergency, our main commitment has been to ensure the best safety conditions to allow our people to operate with the right serenity and continue to carry out a job considered essential for the country, even in the most difficult moments: supplying food.

A **central Covid Committee** was established at the beginning of March, with the task of coordinating all the Group's offices and keeping the Supervisory Body constantly informed of all the activities carried out.

We have overcome moments of great difficulty together with our social partners, working in each plant to review work organisation (plans, departments, hours, break areas, breaks), with the aim of creating the best possible conditions and meeting everyone's needs with the right flexibility. Thanks to the measures taken and the timeliness of this action, all the Group's plants and logistics centres continued to operate regularly.

Over 700 people have been enabled to work in a smart way with access to all company operating systems, thanks to the immediate purchase of appropriate tools.

All the offices have been constantly sanitised and subjected to extraordinary sanitisation; sanitising dispensers were installed, supplies of masks were distributed, face-to-face meetings were forbidden and clear rules were given for the use of the premises and the maximum capacity of the meeting rooms



## Feeling part of a community. **Then proving it**

During the pandemic, attention to the territory was further strengthened: we have in fact launched a series of extraordinary activities to support the community, to name a few:

- Donation of PPE to some healthcare and assistance centre in particular difficulties that have made such requests. Such as white coats, overalls, shoes, masks: we shared what we had, compatible with our availability
- Donation of food to support families in difficulty, through the Civil Protection of Verona
- ATER support for apartments made available to healthcare staff employed in COVID wards
- Support, through the newly founded Apollinare and Cesira Veronesi Foundation, to some non-profit organisations active in the city of Verona (Croce Verde for the purchase of lung ultrasounds for home care teams, Caritas and Associazione Protezione della Giovane for assistance to the population most vulnerable –). Actually, the Foundation was not yet fully operational but, given the situation, it decided to make its own contribution in this moment of great difficulty
- Liberal donations to the public hospitals of Verona, Reggio Emilia and Cremona, working directly with the General Management of the facilities to ensure that our help went where it was most needed

### CUSTOMER **SUPPORT**

*Even after the most acute phase of the emergency, we have not decreased our commitment, supporting customers hit the hardest by the pandemic. In the complex phase of safe recovery of public establishments, **7,000 safety kits** were distributed free of charge throughout Italy, for hand sanitation in delicatessens, butchers and restaurants.*



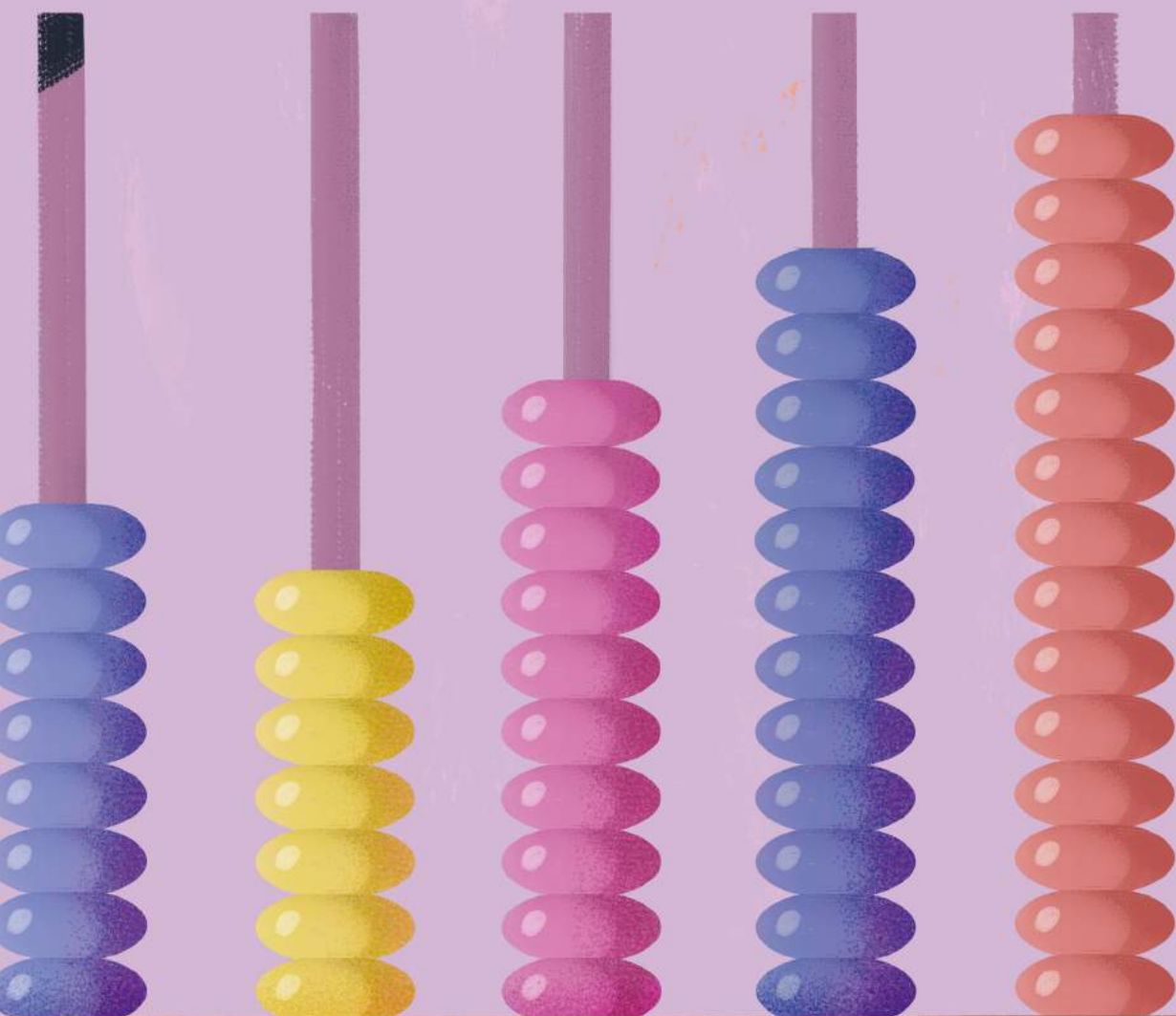






# The Group in **numbers**

# 04



# Main economic data

MAIN ECONOMIC AND FINANCIAL DATA	2018	2019	2020
NET REVENUES	2,972,544,833	3,057,914,692	3,126,602,412
EBITDA	157,771,681	150,129,844	101,750,717
AMORTISATION	83,836,880	87,171,900	92,446,479
NET INCOME	45,055,852	44,395,155	2,266,125
CASH FLOW	128,892,732	131,567,055	94,712,604
INVESTMENTS IN IMMOBILISATIONS	108,189,792	127,874,048	162,058,788
NET FINANCIAL DEBT	373,412,613	397,071,504	398,702,884
NET ASSETS	596,461,348	635,279,255	671,357,019
OPERATING RESULT / INVESTED CAPITAL	3.18%	3.35%	0.47%
NET RESULT / NET ASSETS	7.55%	6.99%	0.34%
NET FIN. DEBT / NET EQUITY	0.63	0.63	0.59
NET FINANCIAL DEBT/EBITDA	2.37	2.64	3.92





## The numbers **of the Group**

**3,13**

Billion Euro  
turnover

more than

**162**

Million Euro  
invested

**16**

Production  
plants

**7**

Feed mills

almost

**9,000**

Persons

almost

**46,000**

Hours  
of training

**16%**

Export

**5**

Anaerobic  
digestion  
plantsplants

**0.1%**

waste sent  
to landfill

**2,000**

Self-regulated  
water analyses

almost

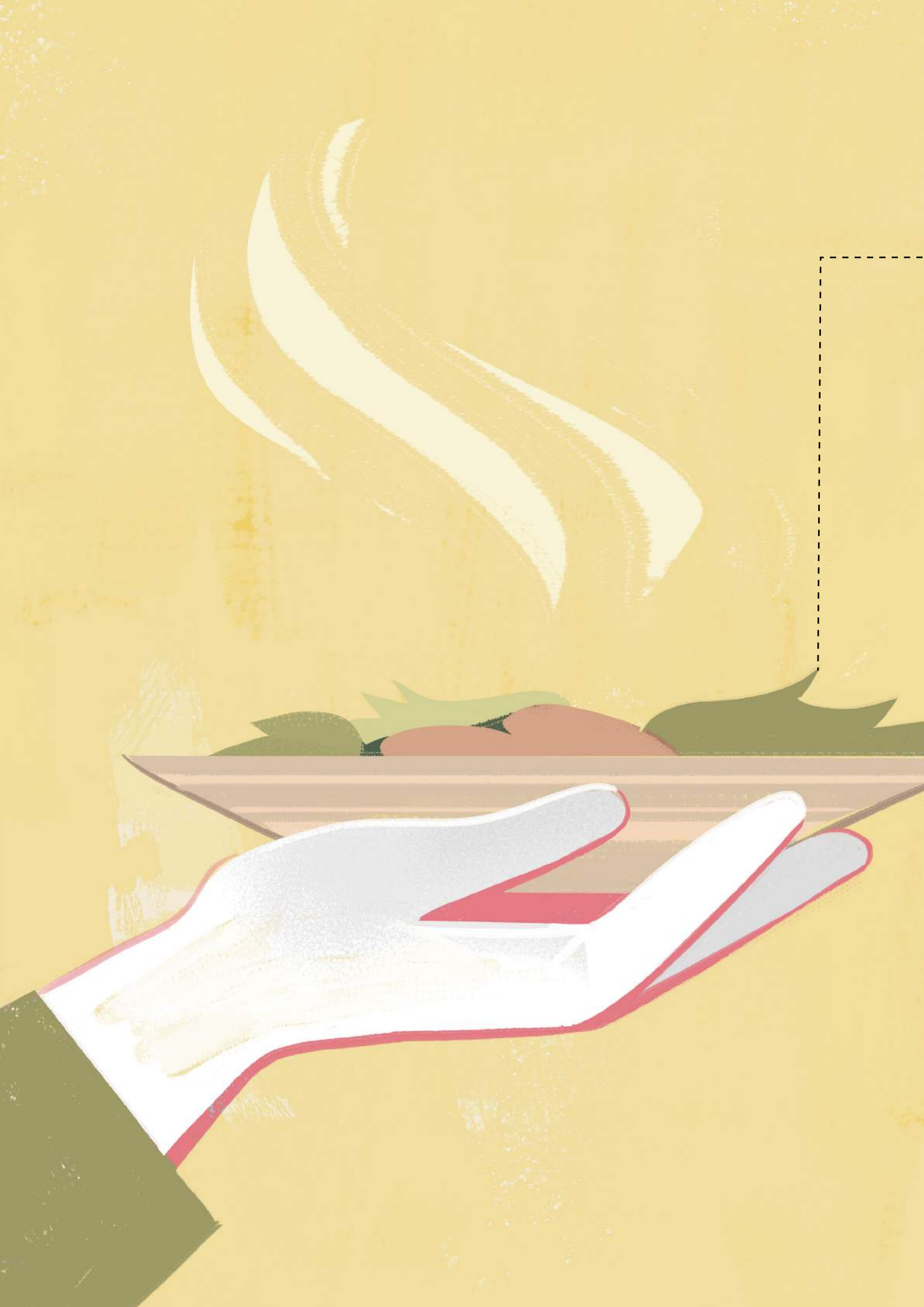
**200**

Persons dedicated  
to quality

**100%**

of poultry sewage  
recovered





# The **markets** 05

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## Our history **of innovation**

Ours is a history that well represents the Italian entrepreneurial genius and the ability to become leaders through innovation applied to every step of the supply chain. The ability to grasp great opportunities from small things. A history of innovation that has opened entire segments and through our brands has guided their development and growth.

1931



### **NEGRONETTO**

A star destined to shine forever was born from an idea by Paolo Negroni: Negronetto, the first branded takeaway salami.

1970



### **MORTADELLA 4 CASTELLI**

The deli-counter Mortadella 4 Castelli is born with an unmistakable aroma and unique flavour, still recognised today as the Emilian tradition.

1984



### **PRONTOCUOCI**

AIA takes up the challenge of bringing quality meat to the Italians' tables in a new, practical format: Prontocuoci. Skewers, chicken nuggets, cutlets and many other ready-to-cook ideas.

1985



### **WUDY**

The AIA offer expands with a product that will seduce the palates and hearts of Italians becoming an icon: Wudy, the first chicken sausage, taste and lightness.



1990

**SPINACINE**

In 1990, AIA created Spinacine: chicken and turkey cutlets with spinach leaf, in a crunchy breading.

1990

**COOKED HAM MONVERO**

The 100% Italian cooked ham symbol of the Veronesi Group's supply chain, the only instance where each product is traced one by one.

1995

**DICED**

In 1995, cured meat in cubes were launched, an innovation that creates a new market segment and defines a new way of consuming bacon, cooked ham and other cured meats as a versatile ingredient for first courses and recipes. Branded initially Montorsi, then Negroni since 2012.

1996

**DURANGO**

Slightly spicy chicken wings: an unmistakable taste for one of AIA's iconic products.

1996

**BONROLL**

A milestone: the first white meats roast, with many different fillings and quick to cook. Even novice cooks can bring a great roast to the table.

2004

**PRESLICED STELLA RANGE**

The Negroni Star labels the quality self-service delicatessen, a wide range going from cooked to dry-cured ham, from salami to mortadella.

2005

**AEQUILIBRIUM**

An invention that opens up a new market: the first presliced poultry, dedicated to those seeking lightness without sacrificing taste.

2007

**BRICK ALBUME AEQUILIBRIUM**

A new idea, dedicated to those who follow a fat-free diet.

2009

**GRAN COTECHINO**

Made with only Italian meats. The tradition is renewed and immediately becomes a great classic in self-service.



2015

**PETALI**

Alongside the classic diced, Petals are born: a new versatile format that enhances taste, to meet the new needs of an evolving market.

2016

**PRESLICED ESSENZA**

The top line from Negroni, 100% Italian. Gran Crudo, Gran Cotto, Salami and Mortadella Riserva, Culatello, Bacon and Coppa of Zibello, the essence of top delicatessen, thinly sliced and prepared in trays. The same quality is dedicated to the foreign market in the Montorsi Chiffonnades line.

2018

**CHICKEN CHIPS**

Chicken "chips", the all-conquering new snack. Tender inside and crunchy outside, another example of AIA's innovation.

2019

**VITAMIN E EGGS**

Under the umbrella of the aeQuilibrium brand we find free-range eggs rich in vitamin E.

2020

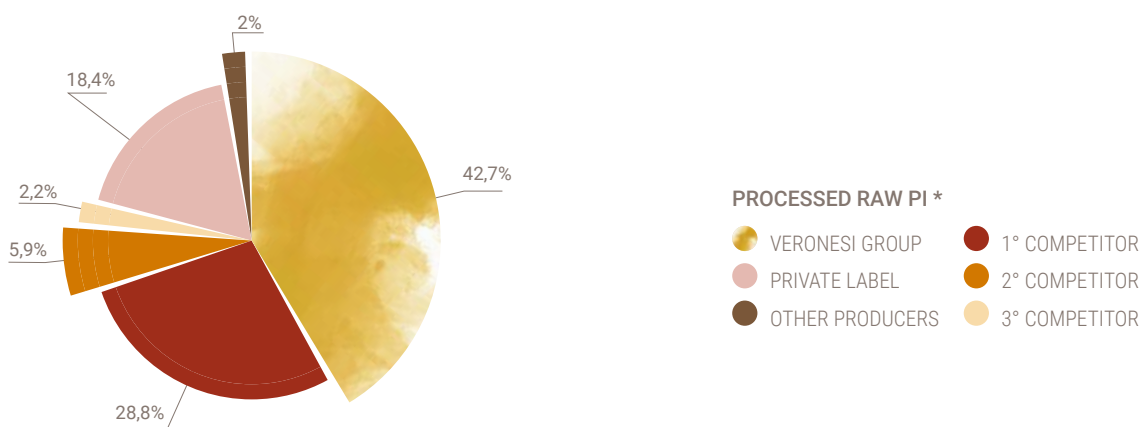
**SEMPLICEMENTE PANATI**

Tender crispy chicken fillets ready in a few minutes and tasty chicken nuggets to make every occasion special. 100% Italian poultry meat. Elected 2021 Product of the Year.

# Food

## Prontocuoci

Prontocuoci is the brand name of the first AIA **poultry products**, born in 1984. Our history of innovation began like this: from the desire to offer a consumer who was changing products with a higher service component. In the face of less time dedicated to preparing food at home, the offer was enriched with skewers, hamburgers, sausages, thus creating the “**raw meat product**” market. Today this market is particularly competitive, characterised by many players and a wide offer, but AIA continues to maintain its leadership.

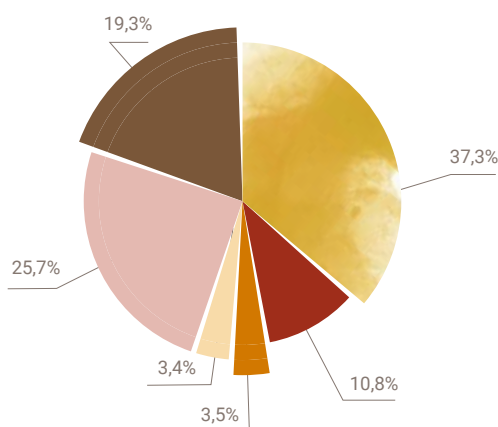




## Wudy

Wudy is not the first sausage launched by the Group. In 1973, AIA had launched its first poultry sausage, hand-filled in the traditional way, oven baked, skinned, packaged and pasteurised. The product was unsuccessful but we didn't give up. In 1985, Wudy was launched on the Italian market, the **first poultry sausage** in Europe, a new way to eat chicken. And it is precisely its lightness, compared to the traditional pork sausage, that inspires the brand's naming: "a wurstel (i.e. sausage) a day " Wudy. The press campaign launch provocatively read "Chicken Today" and featured a smiling child with a sausage.

Today Wudy is the undisputed market leader, has driven growth over the past 2 years and has a volume share of 37.3%.



### WURSTEL\*

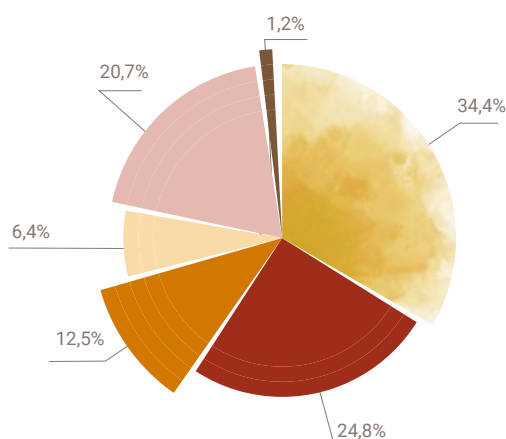
- VERONESI GROUP
- PRIVATE LABEL
- OTHER PRODUCERS
- 1° COMPETITOR
- 2° COMPETITOR
- 3° COMPETITOR

## Spinacine

In 1990, Spinacine was born from the match of chicken meat and spinach leaves. Thanks to the high quality of the product, the **elaborate cooked breaded** market is expanding.

Today next to Spinacine we find a wide range of AIA breaded products: Cordon Bleu, LaMilanese, La Viennese and Chicken Chips to name a few.

In 2020, "Semplicemente Panati" brand is launched: tender 100% Italian chicken fillets covered with a crunchy breading. "**Semplicemente Panati**" by AIA was "Elected 2021 Product of the Year" in the "processed meat" category. Innovation and satisfaction are the criteria that have rewarded the product. Our leading role in the market for baked breaded products is confirmed again this year.



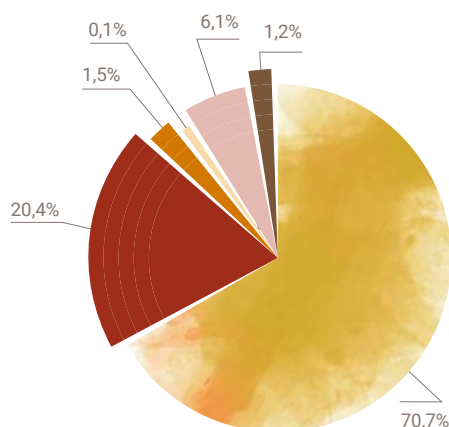
### BREADED PRODUCTS PI\*

- VERONESI GROUP
- PRIVATE LABEL
- OTHER PRODUCERS
- 1° COMPETITOR
- 2° COMPETITOR
- 3° COMPETITOR

\* Source: Information Resources Inc. (IRI). Volume share H + S + FS Ending Year 2020

## Durango

In 1996, Durango was born, the result of one of the overseas trips that our Research & Development team, together with company management, usually do to study the most innovative markets and analyse emerging trends. Today they are a “cult” and one of the best-selling products of the whole AIA brand, representing the first great success in the **non-breaded cooked product** market. Over the years there have been many other launches such as Chicken Salad, Kebab, Roast Turkey. All products characterised by high service and the typical versatility of white meats. AIA is the absolute market leader with a share of approximately 71% by volume.

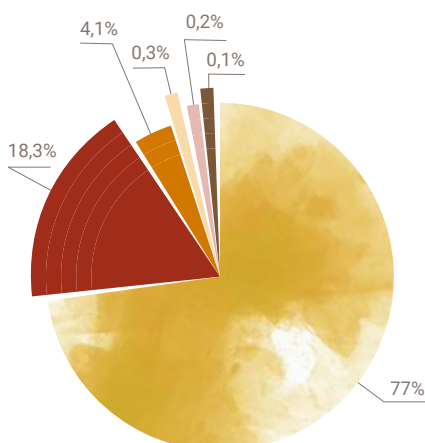


BAKED PRODUCTS NON-BREADED PI\*



## BonRoll

During a visit to Japan, AIA's top management discovers a production plant capable of creating dishes in the shape of stuffed spheres that combined different flavours for the filling and the outer layer. The machine was immediately purchased and, once it arrived in Italy, some products were created but was not immediately successful. The machine was thus forgotten for some time, until 1996, when Production, Research & Development and Marketing departments studied a way to modify the machine in order to create a poultry meat roast. Thus was born BonRoll, the most loved meatloaf by Italians, absolute leader in the category with a share of 77% by volume. From its birth to today, BonRoll is the best-selling processed raw product in Italy. In recent years, the range has been enriched with “**Special Editions**” which, thanks to the creation of specific recipes, want to reward seasonal ingredients. Thus we find two Special Editions a year dedicated to Spring/Summer and Autumn/Winter.



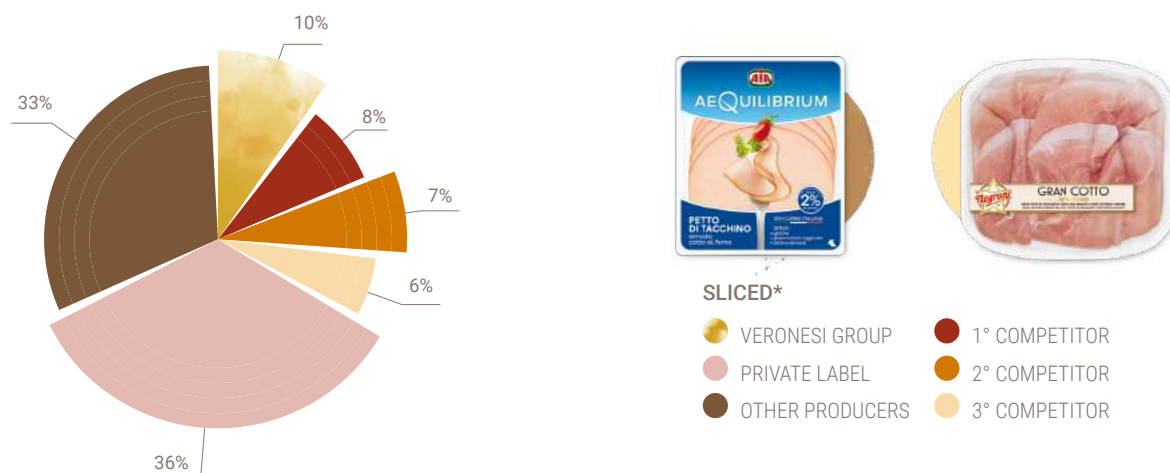
BONROLL\*



\* Source: Information Resources Inc. (IRI). Volume share I + S + LS Ending Year 2020

## aeQuilibrium, Stella, Essenza

Our entry into the cured meats market dates back to the acquisition of Imas in 1985. In the ham factory "The Good Delicatessen" began to be produced, a brand that used to label some poultry delicatessen products. Over the years, poultry cured meat, initially created only for the assisted delicatessen counter, grew in volume and are enriched with presliced portioned products, up to the birth of the aeQuilibrium brand which today represents, in Italy, sliced turkey and chicken into tray par excellence. aeQuilibrium was founded in 2005, when the poultry sliced segment made up just over 1.5% of the market. AIA has led it to become the third most important segment after cooked ham and dry-cured ham. Today alongside the classic line we find the **"Fior di"** line, enriched with the use of only natural ingredients.



At the beginning of 2000, the Montorsi Fresh pack sliced cured meats were born which for 7 days retain the aroma and freshness of the salami as if it had just been sliced on the assisted counter but directly in the tray. This line is the precursor of the current protective atmosphere trays that preserve the organoleptic qualities of traditional cured meats in complete safety in the self-service counter. Montorsi today labels "I Freschi" symbol of Made in Italy and leader of the French market of "Italian charcuterie" with a wide range of presliced specialties. Negroni is the protagonist in the Italian market with the Stella presliced line, characterised by quality and variety and the premium Essenza line, expression of 100% Italian artisan delicatessen.



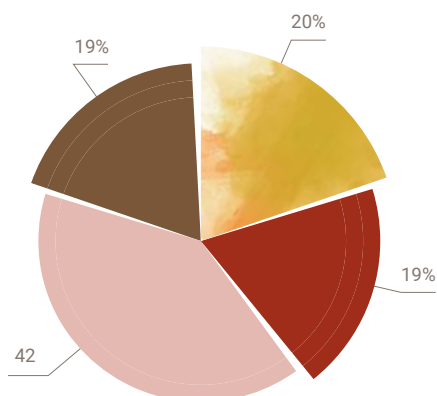
\* Source: Information Resources Inc. (IRI). Volume share H + S + FS Discount Ending Year 2020

## Diced

The acquisitions of important Italian companies in the cured meats sector (Imas, Italsalumi, Daniel, Montorsi and Negroni) bring prestigious brands to the Group and open the challenge to the launch of new products in the traditional pork delicatessen market.

This is how the diced were born in 1995, branded initially Montorsi and then Negroni since 2012. Diced are a very important innovation that has evolved over time, creating thus a market segment that defines a new way of consuming cured meats.

In 2015, in addition to the diced, **cured meats in petals** are born: a new format, thinner and larger, which enhances the taste of some types of presliced such as cheek lard, bacon, speck and responds well to the new trends in the search for innovation in the kitchen.



DICED BACON\*

- VERONESI GROUP
- 1° COMPETITOR
- PRIVATE LABEL
- OTHER PRODUCERS





## Negronetto

With the acquisition of Negroni in 2002, the star of Negronetto enters the Group's portfolio.

It is the first pocket salami in Italian history, small in size but big in taste, the result of 100% Italian know-how and quality. Iconic product of the Negroni house, it is the "most famous salami in Italy" that revolutionised the entire category of cured meats and marked an important date: 1931.

Perhaps not everyone knows that the story of the first branded salami in Italy is the story of a simple but brilliant idea, created in order to find an expedient.

During the Nice International Fair, Paolo Negroni, to overcome the prohibition imposed on Italian producers of slicing salami to offer to guests, invented a new pocket mini-format that still remains unchanged today: he had produced one with reduced dimensions - only 14 centimetres - but with the same quality and the same characteristics of the traditional and legendary Cremona salami, the flagship of cured meats at the time. Since then it has always stood out for its unique and inimitable personality and its unmistakable taste, immediately becoming part of eating habits and bringing with it playfulness, a desire to share and the authenticity typical of Negroni cured meats.

Negronetto is now also available already presliced in practical trays.



\* Source: Information Resources Inc. (IRI) Volume share H + S + FS + Discount Ending Year 2020

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## Cotechino and zampone

We were the first to brand the pre-cooked specials **cotechino and zampone**, the products of the Italian Christmas tradition. With the Negroni and Fini cured meats brands we are currently market leaders with a wide range of 100% Italian products. Zampone and Cotechino Negroni and Fini are synonyms of high quality specialties linked to the best Modena gastronomical tradition, handed down and scrupulously respected for over a century and guaranteed by innovative production technologies.

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## 4 castelli

The recipe for deli-counter **Mortadella 4 Castelli** was born in 1970. With its unmistakable aroma and unique flavour, it is still recognized today as Emilian tradition.: it is no coincidence that the name itself "4 Castelli" is inspired by the four Matildic towers of the region of origin. Born under the aegis of Montorsi, today it boasts the Negroni brand both in the version produced according to the Bologna PGI specification and in the 100% Italian version.

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## Monvero

At the end of the 1990s, Monvero entered the **high quality cooked ham** market with the first cooked ham of supply chain traced and marked by fire on the rind. 100% Italian, synonymous with Montorsi quality in the production of cooked hams and with the transparency and seriousness of the Veronesi Group in the traceability of production. The name derives in fact from the fusion of Montorsi and Veronesi. Even today it remains the reference cooked ham of the cutting counter with the signature of the Negroni brand.

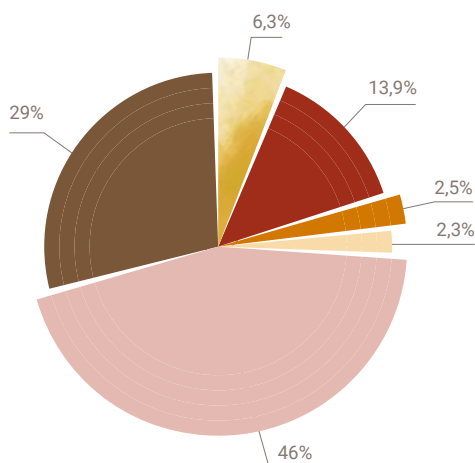
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## Zibello specialties

It is from the beginning of the 50s, with the acquisition by Negroni of Villa Gambara in Zibello - in the lower Parma area - that the unique specialties begin to be seasoned in the cellars of the Villa, the result of so much passion and respect for dry-cured specialties : **Culatello, Coppa and Pancetta di Zibello**. It is no coincidence that Villa Gambara was once a convent, a place of recollection and meditation. The same characteristics seem to be handed down even today when Zibello Negroni cured meats are produced here, in this establishment, which amazes for its small size and the artisanal atmosphere that you can breathe there.

## Eggs

Every day we produce over 3 million eggs and we are the second player in a market that is increasingly oriented towards offering "special" eggs. AIA presents itself as the **egg specialist**, offering the right egg for every occasion: from free range, organic, yellow-fleshed eggs, aeQuilibrium eggs with omega 3 and those enriched with vitamin E.



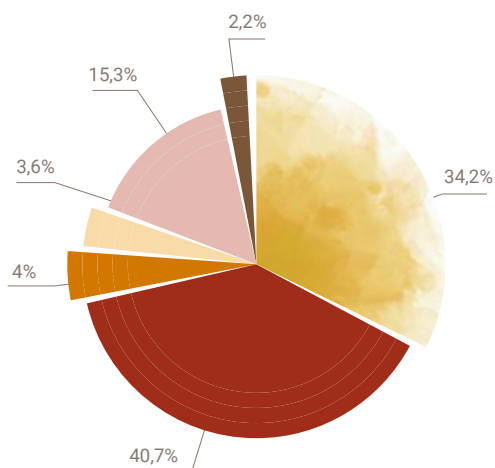
EGGS IN SHELL\*

- VERONESI GROUP
- PRIVATE LABEL
- OTHER PRODUCERS
- 1° COMPETITOR
- 2° COMPETITOR
- 3° COMPETITOR

AIA has been present for over 20 years in the **egg product market** dedicated to **professional channels**, all made with 100% Italian eggs. Confirming the ability to innovate and offer an ever better service, in 2020 "**Nuvola d'albume**" was born, the new reference in 1 kg brick format, with high whipped properties, ideal for gastronomy, pastry and ice cream preparations.

"Nuvola d'albume" is added to the complete range of pasteurised liquid eggs in 1 kg bricks of mixed egg, only egg white or yolk, to meet the specific needs of professionals. With egg products we also serve the large-scale distribution and retail channels, and we are leaders with the egg white brick aeQuilibrium in the shelled egg market.

In 2020, **Omlèt** is born, the line of ready-made omelettes, with the unique and distinctive Italian quality: the practical and tasty "à-porter" omelette. **Omlèt** is available in the 180g format in two variants: with cooked ham and cheese and with spinach and cheese.



SHELLED EGGS\*

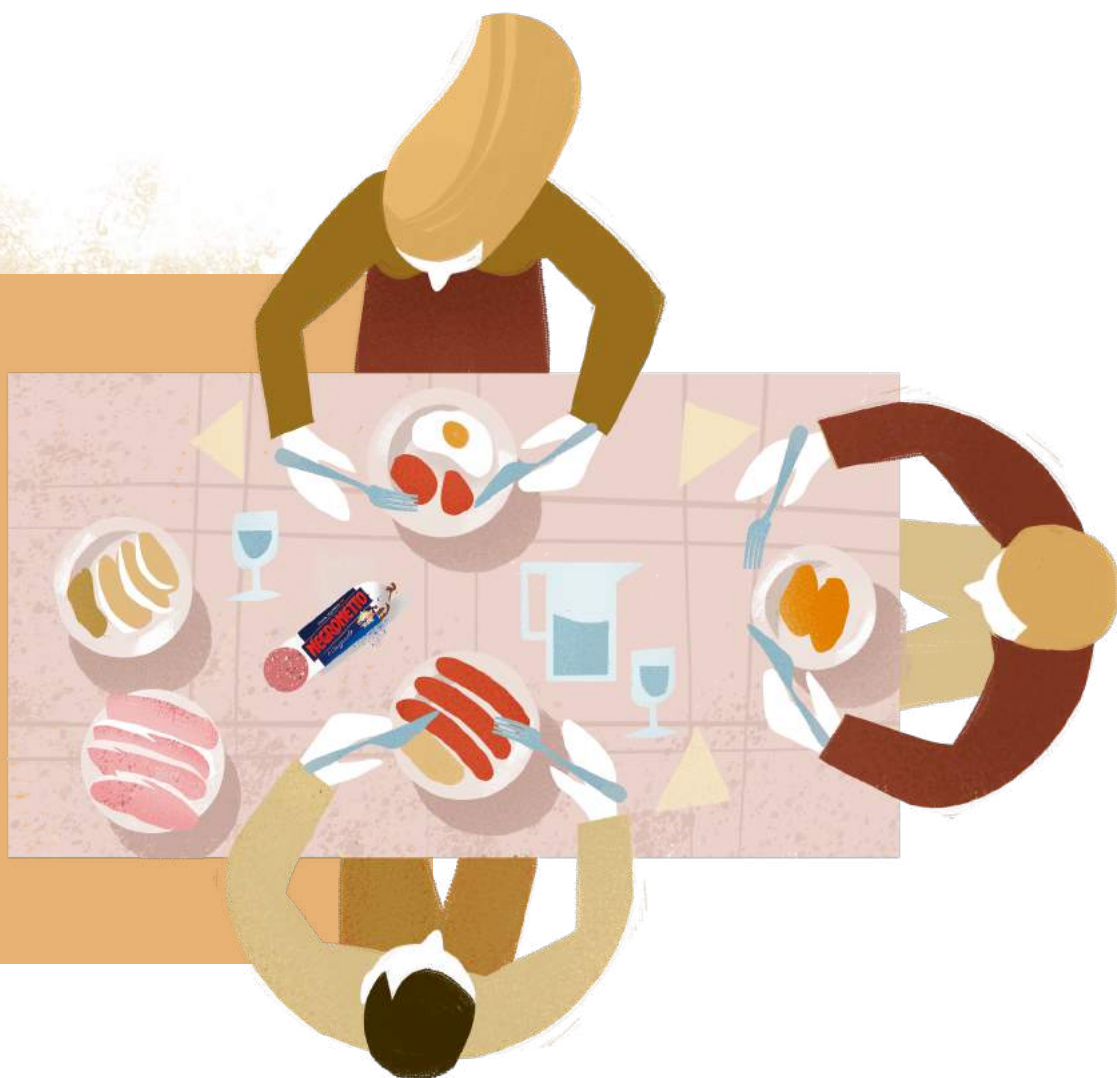
- VERONESI GROUP
- PRIVATE LABEL
- OTHER PRODUCERS
- 1° COMPETITOR
- 2° COMPETITOR
- 3° COMPETITOR

## Other markets

Under the umbrella of the AIA brand, the Group offers not only fresh chicken and turkey products but also **pork, bovine and rabbit**.

We are the leader in the rabbit meat market, with a share of 48.3% by volume (Hyper + super + FS - tot. 2020 - Processed rabbit).

In the red meat market, we reach a share of 7.4% by volume (Hyper + Super + FS - tot. 2020 - Processed red meat). **Carne al fuoco brand** is having great success, thanks to digital communication and the offer of products that meet the tastes of consumers, such as marinated ribs and Scottona burgers and with Parmigiano Reggiano DOP.



In order to view our vast range of products, we invite you to visit our websites [www.aiafood.com](http://www.aiafood.com) and [www.negroni.com](http://www.negroni.com).





# Feed

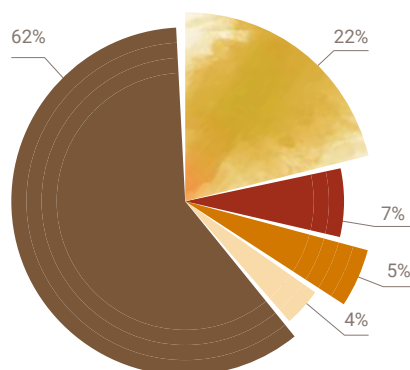
## Thanks to our 7 feed mills **we are present throughout Italy**

Our feed mills were born following the distribution of Italian livestock and supporting the development and growth of our Group. Thanks to the strategic positioning of our seven feed mills, we are able to promptly serve the entire Italian market. As taught at school, the plants must be close to the final recipient of the product, which is why six of our production sites are in the Po Valley, from the far west to the far east, where there are more breeding farms. One in the south, on the other hand, covers supplies for this area of the country.

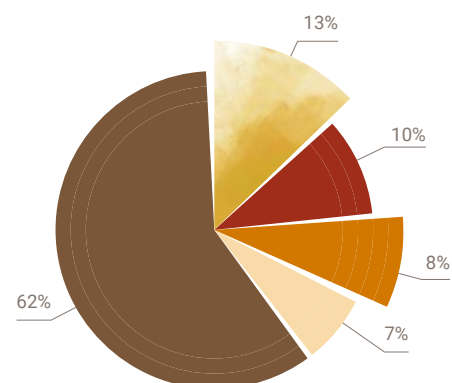
## The Italian market

**VERONESI** is the best-selling feed brand in Italy on the free market - this is what Cerved-Databank reports in its study that every year makes a complete and detailed radiography of the sector in our country. In a sector that appears extremely fragmented, with a mix of national and local companies, specialised or non-specialised feed producers, VERONESI is by far the only Italian operator able to offer feed for any farmed animal species, with a distributed presence over the entire Italian territory.

Thanks to this widespread organisation, VERONESI is not only the largest Italian producer, with an overall share of over 22%, but also leads the ranking of free market sales with a market share of over 13%.



ITALIAN PRODUCTION \*



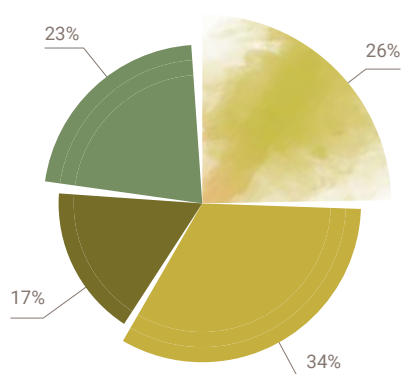
FREE MARKET SALES \*





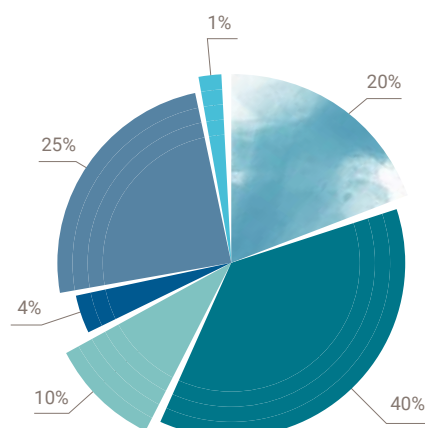
## Free market customers

VERONESI serves more than **7,000 farmer customers** every year throughout the country. 2,000 of these collaborate in our supply chain productions, especially in the poultry, fattening cattle and swine sector. However, there are more than 5,000 free market customers, farmers who choose Veronesi for its quality, for the level of technical and strategic consulting service offered, for the professionalism of all the operators involved. The satisfaction of our customers is the basis of the work of all Veronesi personnel and is confirmed by the fact that most of our farmers have been consolidated customers for many years. There are 1,300 agricultural sale that throughout the country offer VERONESI branded feed, more than 4,000 farmers who rely on us to raise their animals. Among these, those active in the dairy cattle world prevail, followed by fattening cattle and then by swine. There is no Italian region in which the brand is not present.



NIelsen AREA FREE MARKET CUSTOMERS \*

- AREA 1
- AREA 3
- AREA 2
- AREA 4



FREE MARKET CUSTOMERS BY SECTOR \*

- POULTRY
- RUMINANTS
- PIGS
- FISH
- RESALE
- OTHERS

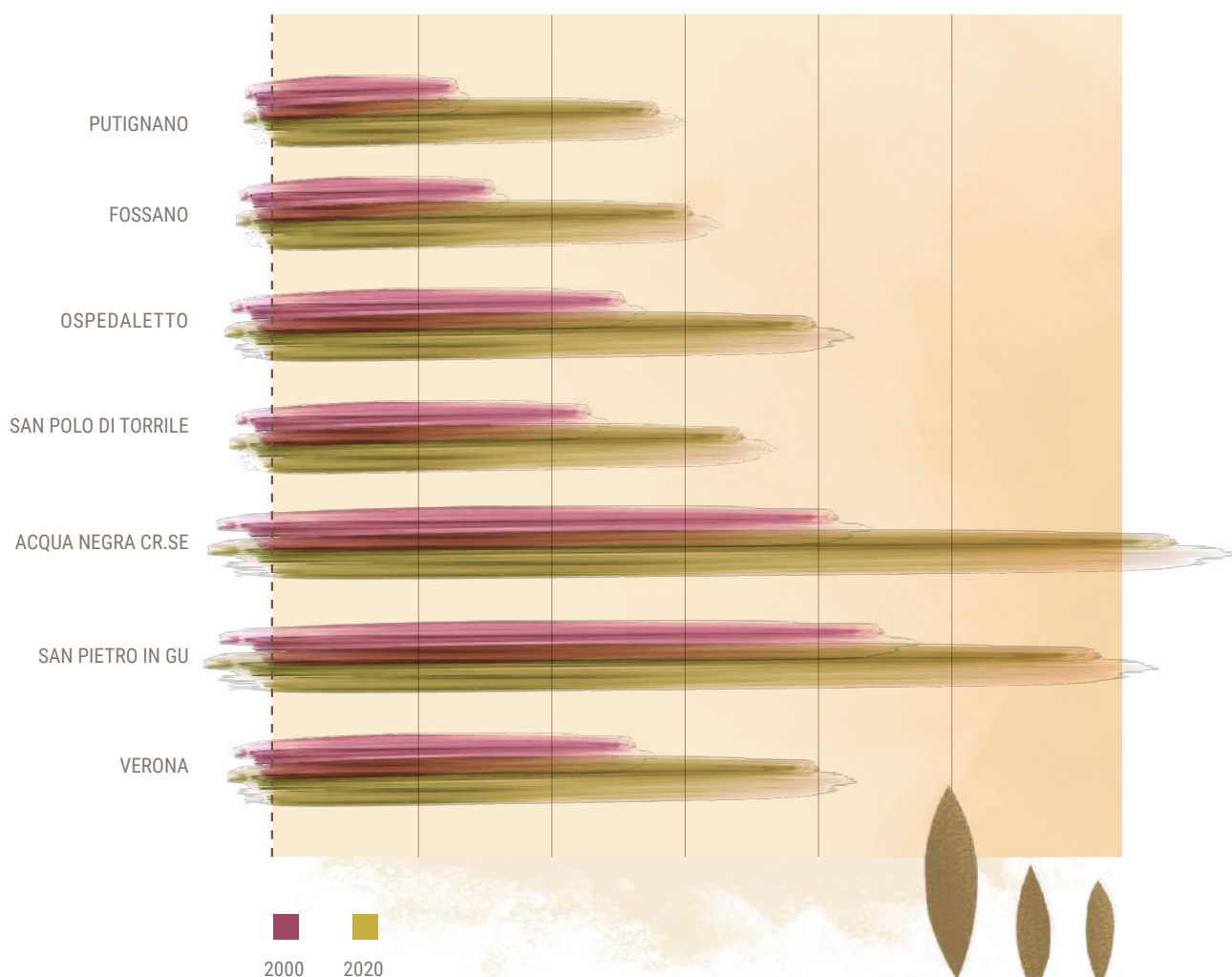


## The production capacity of our feed mills

We produce **100 kg of feed per second** - actually even more, but this is exactly the volume of feed that we can calculate starting from our annual production and considering every single day of the year, whether it be a business day or a holiday on the calendar.

It is an enormous quantity that we achieve thanks to the important investments that are made every year in our plants to guarantee efficiency but also safety, for our workers and of course for our customers, who are guaranteed to receive exactly the product they ordered, thanks to automation that leaves no room for error.

All this commitment has allowed us, over the years, to improve the productivity of our seven plants, in some cases doubling production, while increasing the flexibility that has led us to customise ever more the feed for the various types of animals, ensuring compliance with the characteristics provided for by regulations and contracts and making VERONESI the absolute leader in the production of GMO-free feed, with a market share of over 50%.





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## Feed for dairy cattle

### *We prepare over 130 different formulas just for dairy cattle*

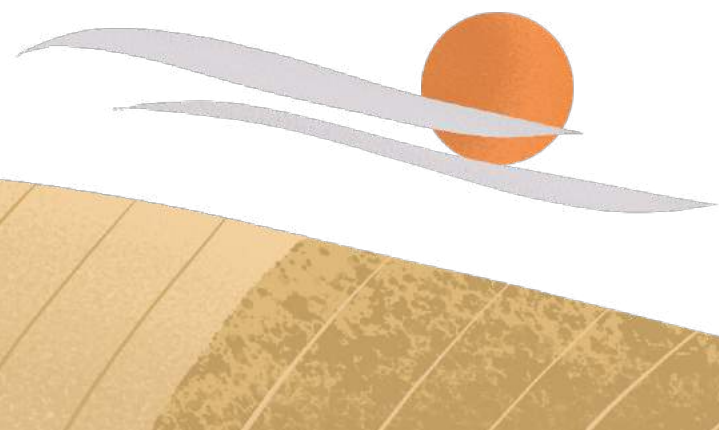
It is a bit like a restaurant menu, we must be able to satisfy every need, every required combination. The dairy cattle is a particularly demanding customer and therefore the **130 formulas** eventually become over **250 finished products**, depending on the physical form in pellets, crumbled or flour and whether it is delivered in bags or in bulk. We want high quality milk and we can only get it by treating and feeding the animals correctly. We care a lot about the welfare of the barn and that of the farmers ; for this we were the first in Italy to introduce an automated system for the timed feeding of dairy cattle, which has evolved over time in both hardware and formulations, ensuring consistency and continuity of quality. Technology is an integral part of the barn and VERONESI is always ready to support it with the most suitable products, as has happened in recent years with the spread of milking robots and the creation of a special feeding line, particularly curated in its physical form as well as in its nutritional aspects.

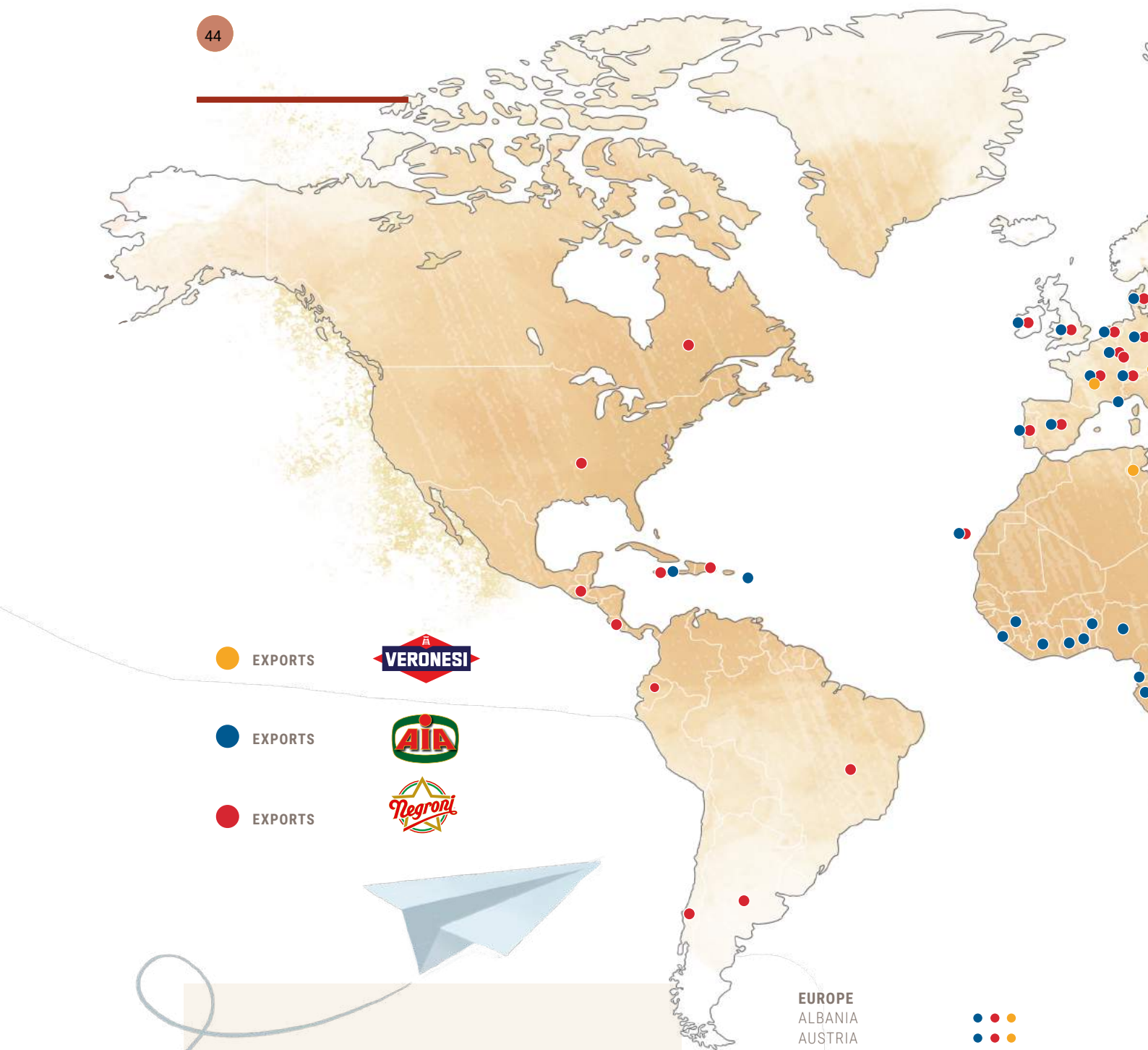
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## Feed for fish

### *Sea you navigate, feed you need... not all fish eat in the same way*

One of the characteristics that fish feed must have is to adapt to the habits of each species in feeding. Sea bass, for example, reared along the coasts of the Adriatic, in the Tyrrhenian or in the Mediterranean Sea, are used to significant depths and are, by their nature, predatory fish, used to moving around to get food. For this reason, when they are given the feed, they prefer to wait for the cube to descend to "capture" it when it reaches the height that suits them best. The trout, on the other hand, whether the one grown in alpine lakes or on farms in central Europe, likes to hunt insects that persist on the surface of the water. For this species, therefore, even the cube must resist a little longer on the surface. In the first case we are talking about **sinking feeds**, in the second about **floating** and making a mistake in each of these cases would mean wasting precious nutritional resources. It is the specific weight that makes the difference and it is achieved thanks to the professionalism of the production staff who know how to manage the flexibility of the extrusion process. A skilful combination of the variables involved makes it possible to obtain a matrix capable of satisfying even the most demanding species.





## Export

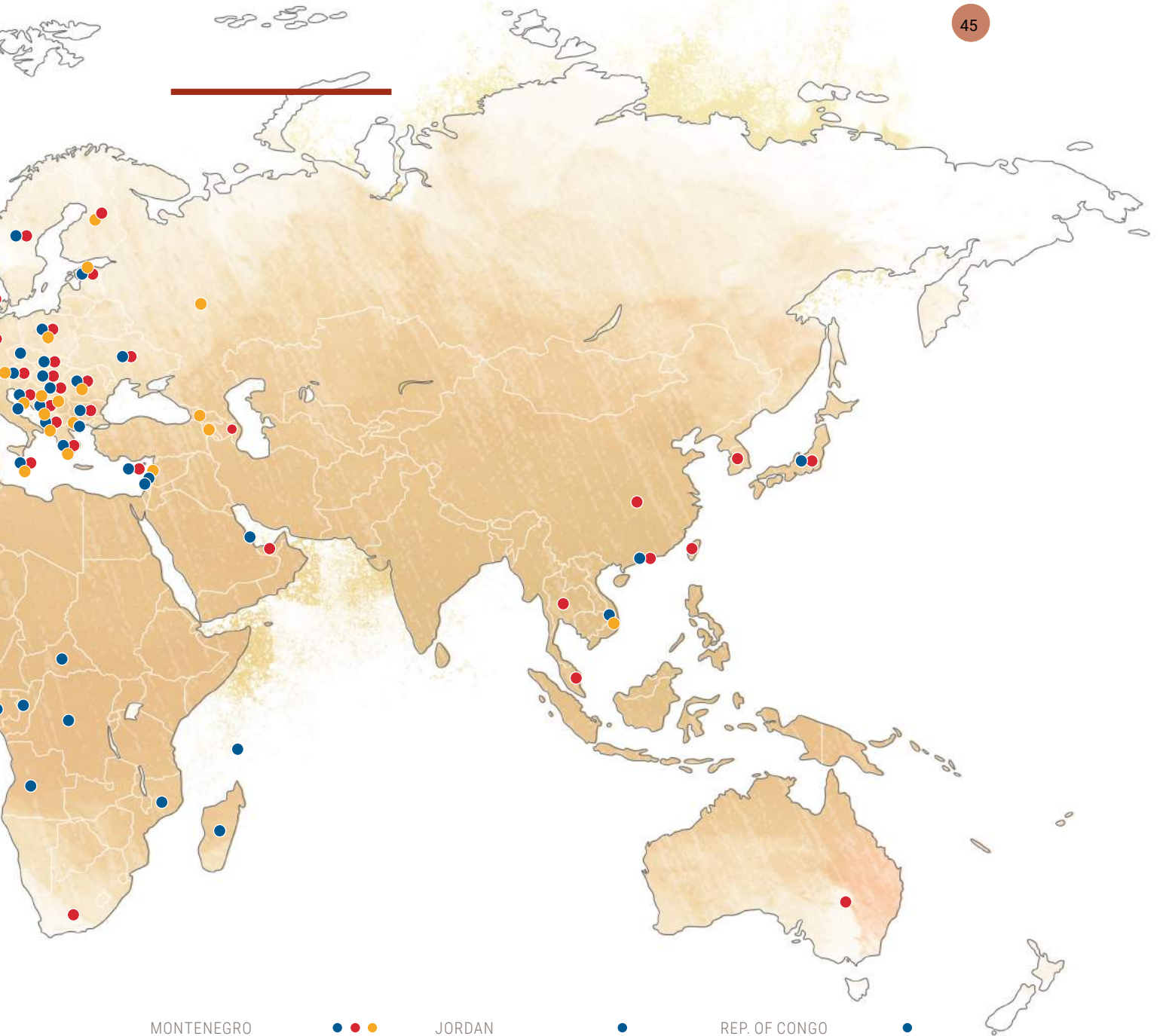
Over the years, the Group's export have become a strategic and fundamentally important channel, and now it represents 16% of consolidated turnover in 2020, exceeding a 500 million Euro turnover for the first time.

It involves all the businesses of our company which, with their specific characteristics, have managed to establish themselves in foreign markets. With our brands we bring our know-how and a piece of Made in Italy agri-food that distinguishes Italy and its production excellence to over 70 countries.

### EUROPE

ALBANIA  
 AUSTRIA  
 BELGIUM  
 BOSNIA HERZEGOVINA  
 BULGARIA  
 CYPRUS  
 CROATIA  
 DENMARK  
 ESTONIA  
 FINLAND  
 FRANCE  
 GERMANY  
 GREAT BRITAIN  
 GRAN CANARIA  
 GREECE  
 IRELAND  
 KOSOVO  
 LUXEMBOURG  
 MACEDONIA  
 MALTA  
 MOLDAVIA  
 MONTECARLO





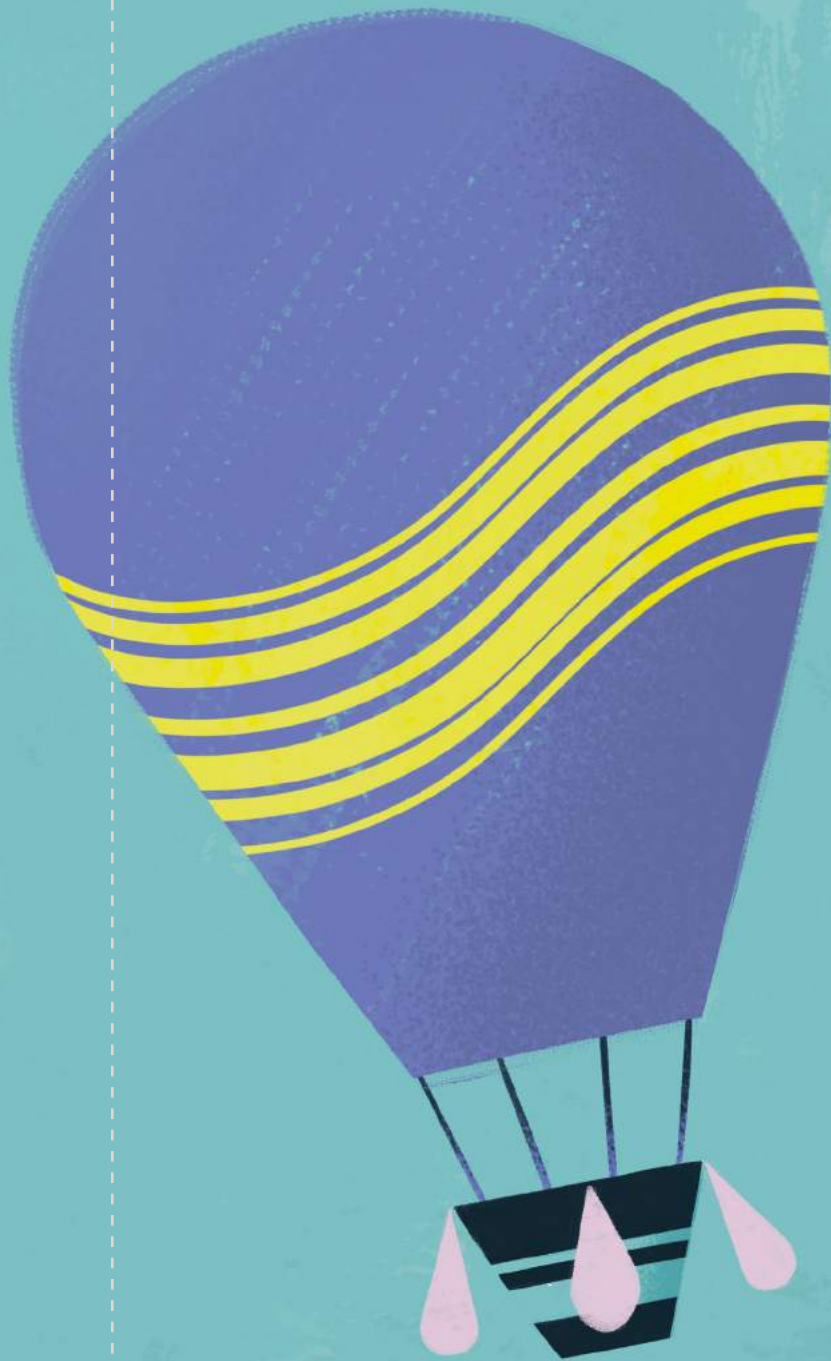
MONTENEGRO	●●●●	JORDAN	●	REP. OF CONGO	●
HOLLAND	●●●	HONG KONG	●●●	SEYCHELLES	●
POLAND	●●●●	LEBANON	●●●●	SIERRA LEONE	●
PORTUGAL	●●●	QATAR	●●	SOUTH AFRICA	●●
CZECH REP.	●●●	PEOPLE'S REP. OF CHINA	●●	TUNISIA	●●●
SLOVAK REP.	●●●	RUSSIA	●●		
SAN MARINO REP	●	SINGAPORE	●●	<b>AMERICAS</b>	
ROMANIA	●●●●	TAIWAN	●●	BRASIL	●●
SERBIA	●●●●	THAILAND	●●	CANADA	●●
SLOVENIA	●●●	VIETNAM	●●●	CHILE	●●
SPAIN	●●●			COSTA RICA	●●
SWEDEN	●●●	<b>AFRICA</b>		ECUADOR	●●
SWITZERLAND	●●●	ANGOLA	●	GUADALUPA	●●
UKRAINE	●●●	BENIN	●	GUATEMALA	●●
HUNGARY	●●●	IVORY COAST	●	CAYMAN ISLANDS	●●
		GABON	●	DOMINICAN REP.	●●
<b>ASIA</b>		GHANA	●	URUGUAY	●●
ARMENIA	●●●	EQUATORIAL GUINEA .	●	USA	●●
AZERBAIJAN	●●●	MADAGASCAR	●		
KOREA	●●●	NIGERIA	●	<b>OCEANIA</b>	
UAE	●●●	REP.CENTRAL AFRICA	●	AUSTRALIA	●●
GEORGIA	●●●	REP. OF GUINEA	●		
JAPAN	●●●	REP. OF TOGO	●		







# A path of **sustainability** 06



## Our sustainability's' path

For some years, the Group has started a structured reporting process of the main sustainability results obtained, using the "Global Reporting Initiative Sustainability Reporting Standards" according to the "in accordance - Core" option. A strategic tool that helps us to communicate the Group's performance to our stakeholders in a transparent way with respect to the relevant issues of economic, environmental and social sustainability. The collected projects, the initiatives developed, the strategic lines of the Group highlight how the company contributes to the achievement of several of the 17 Sustainable Development Goals - SDGs, promoted by the United Nations Organisation to promote sustainable development. Below we have highlighted the SDGs to which the Group contributes most.



# The Group's stakeholders

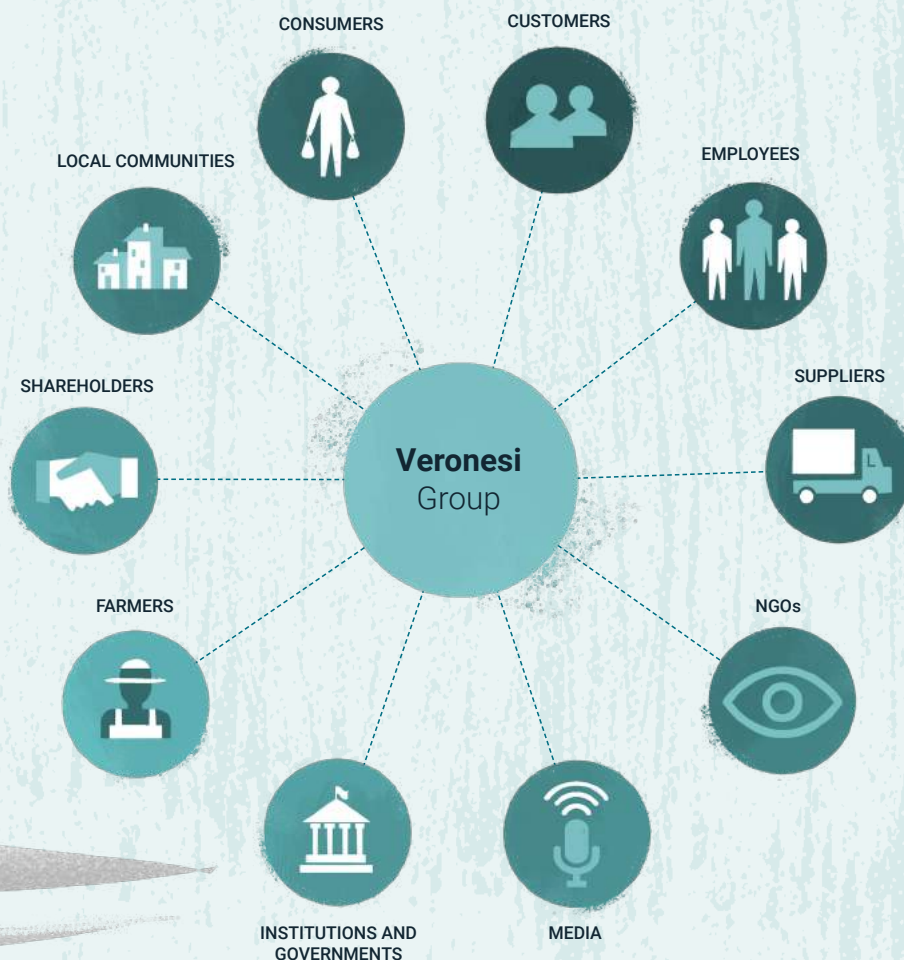
Stakeholders play a fundamental role in the sustainable growth path of our Group. We recognize the importance of creating a transparent, two-way and constructive dialogue with our stakeholders and all those who participate in the life of the organisation. As part of our strategies and our economic, environmental and social objectives, we are committed to taking into account their needs, expectations and requirements with the aim of creating value in a sustainable way.

With this awareness, a materiality analysis process has been launched for years to identify the areas considered most relevant for the Group and its stakeholders in order to create value through a sustainable and responsible approach to business, with a view

to medium-long term sustainability.

Through a structured analysis of the context in which the Group operates, the reference sector and its various activities, we have identified our main stakeholders, listed below. As a Group we have an open dialogue with all the stakeholders who participate in the life of the company, through the daily activities of the relevant offices and participation in debates and working groups in the trade and sectoral associations of which we are members.

For the details of the Associations to which we adhere, see page 122 of 2020 Annual Report, available online at our website [www.gruppoveronesi.it/en/annual-report](http://www.gruppoveronesi.it/en/annual-report).





# Materiality analysis

In accordance with the provisions of the GRI Sustainability Reporting Standards, the Veronesi Group carried out a materiality analysis for the definition of the relevant issues by the stakeholders and the Group itself.

The materiality analysis identifies the main issues that significantly impact the Group's activities from an economic, social and environmental point of view and influence the assessments and decisions of stakeholders.

During 2020, no significant changes occurred such as to change the strategic and operational approach of the Group. The issues that emerged as relevant from the 2018 materiality analysis were found to be in line with the priorities of the Group and its stakeholders also for this reporting year. The 2020 materiality matrix therefore did not undergo any changes compared to the previous year.

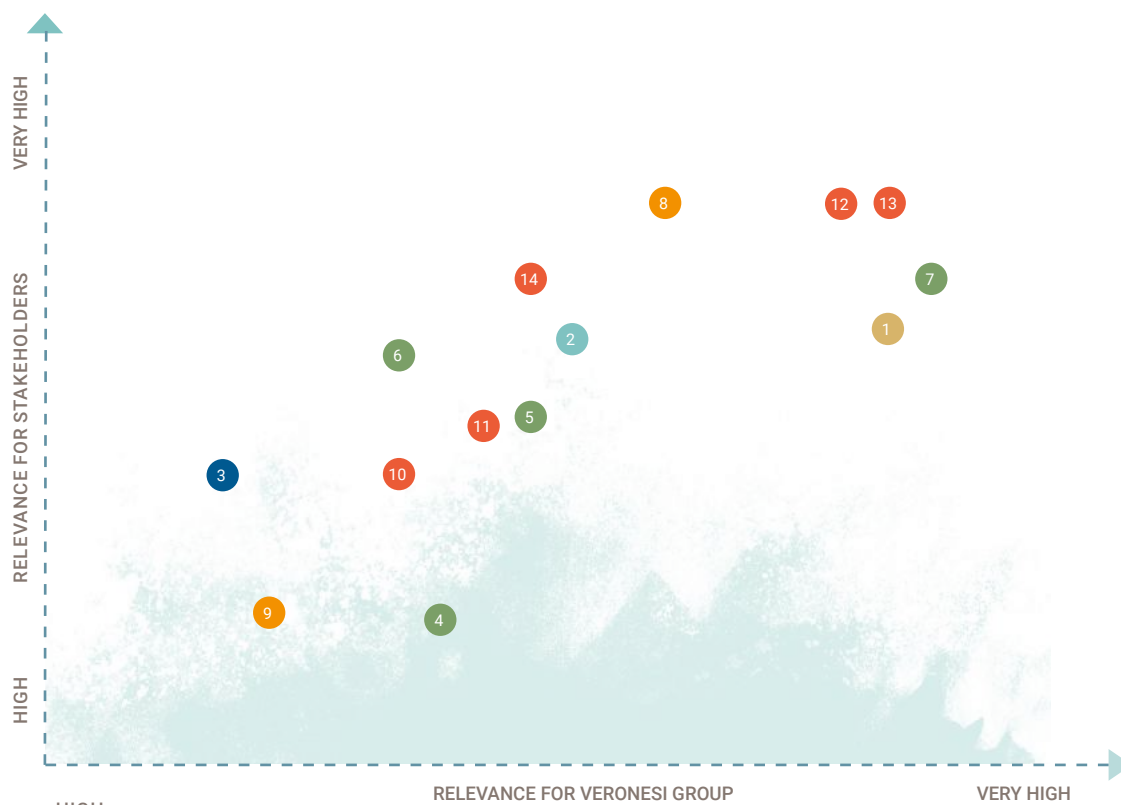
In the materiality matrix shown on the right, the issues considered a priority for the Group and its stakeholders are shown in the upper right quadrant:

- Safety, traceability and quality of products;
- Animal welfare;
- Health and safety in the workplace;
- Ethics and compliance;
- Economic Performance

The Covid-19 emergency has defined new scenarios that have in any case been taken into consideration in the drafting of this Annual Report. In particular, the main factors that influenced the Group's business model in this period of epidemiological emergency were considered, such as health and safety issues in the workplace, remote working, the business continuity that have generated impacts on the financial and non-financial performances of the Group. These topics are discussed in this Annual Report.



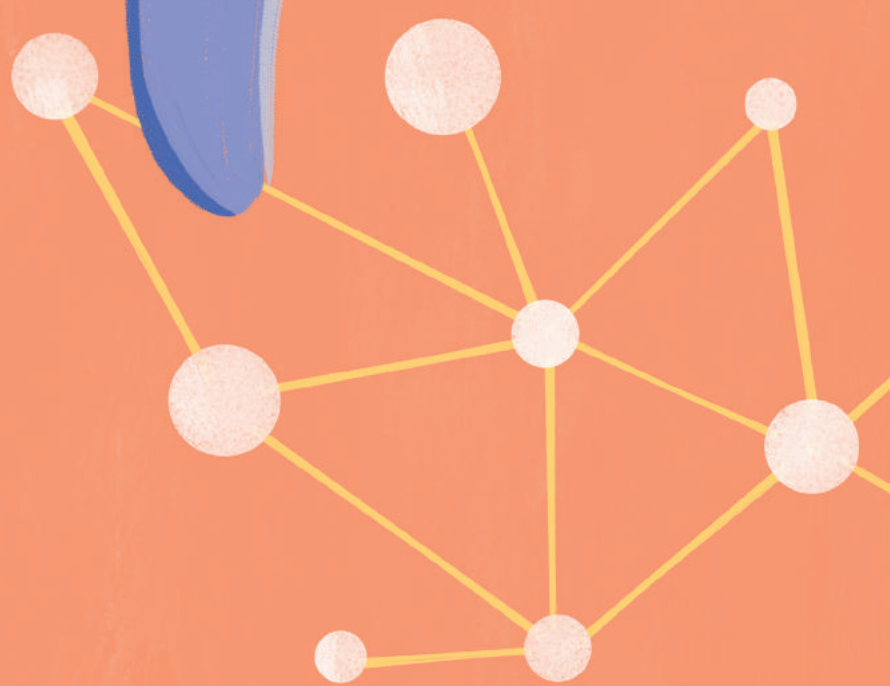




- ECONOMIC RESPONSIBILITY
- ENVIRONMENTAL RESPONSIBILITY
- RESPONSIBILITY TOWARDS SUPPLIERS
- SOCIAL RESPONSABILITY
- GOVERNANCE AND COMPLIANCE
- PRODUCT RESPONSIBILITY

- 1 Economic Performance
- 2 Management of environmental impacts
- 3 Sustainable management of the supply chain
- 4 Development and well-being of employees
- 5 Territorial socio-economic development
- 6 Worker protection
- 7 Health and safety in the workplace
- 8 Ethics and compliance
- 9 Corporate governance
- 10 Responsible consumption and marketing
- 11 Listening to the customer
- 12 Animal welfare
- 13 Safety, traceability and quality of products
- 14 Nutrition and well-being





# A **quality** supply chain

# 07





## A guaranteed supply chain from the first purchase

The first phase of our supply chain is represented by the purchase of cereals, oilseeds and grains: the basic ingredients of our feed.

The work of the purchasing department is characterised by a strong dynamism and a plurality of skills. Indeed, for our colleagues it is important to know the sowing and harvest forecasts in the different cultivation areas, to evaluate the meteorological trends, to understand the global trade flows, keeping both national and international markets constantly monitored. Only in this way it is possible to have a complete view of the possible price trends, and manage the negotiations aimed at defining contracts with Italian and foreign suppliers, finding the best logistics solutions.

The relationship with suppliers is strategic for us. For this reason, over the years we have wanted to accompany them in their certification process and today **the entire supply chain is 100% guaranteed** by internationally recognised standards, such as **FAMI QS, GMP +, QS**. Guided by the desire to collaborate with those who share our values and principles, we have introduced adherence to our Code of Ethics in supply contracts.

In 2020, we activated collaborations with 214 cereal suppliers for a growing turnover (+3% compared to 2019). Where possible, the Group prefers purchases made from local or Italian suppliers in order to create value for the territory in which it operates. In 2020, almost half of the Veronesi Group's purchases of cereals (46%) came from Italian suppliers, in line with 2019.



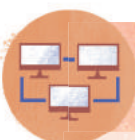


## Attention to quality **as a working method**

Our checks begin during the loading and unloading phases. Once purchased, the raw materials arrive at our feed mills, where they are subject to checks to verify effective compliance with product and contractual parameters, as well as the higher standards set by the Group. All the Group's feed mills have an internal analysis laboratory, where specialised and constantly upgraded personnel carry out all checks for acceptance, from the visual to the analytical ones, producing a physical sample that will be kept for traceability. Only if the outcome meets all the necessary requirements, the raw materials can access the production process.

- 77,490 analyses performed on raw materials, finished products or processes
- 244,203 tested parameters
- 20 people dedicated exclusively to quality

Since 2005, we have adopted the **Hazard Analysis Critical Control Point**, otherwise known as HACCP. It is a system of procedures aimed at analysing the risks along the production process, to ensure the healthiness of the finished product by acting in a preventive perspective. In particular, three departments are involved in the process - **Research & Development, Purchasing** and **Quality** - which approve supplier and product through a strict control procedure. This rigorous process has allowed us over the years to guarantee all our customers a high level of safety in a continuous and constant way.



## **DIGITAL SUPPLY CHAIN**

### BARCODE EAN128 **FOR PACKAGED RAW MATERIALS**

- Guarantees the traceability and safe management of plant operations
- Identifies the product type (GTIN), supplier, lot number and best-before date
- It is adopted on a voluntary basis
- It allows controlled management, even by remote, of unloading, storage and dosing activities

## Support the growth and **development of the Italian territory**

To meet its needs, Italy imports about 55% of the cereals it consumes. The Group, as the first Italian feed producer and eighth in Europe, knows that it has an important impact on the internal production of cereals and has thus contributed to some projects aimed at supporting national agriculture to encourage the development of local production.

- **WHITE CORN:** the support for the cultivation of white corn in Italy was born, over 15 years ago, from a project that saw the collaboration between the Group, CSQA and the main Veneto cooperatives and collection centres. Thus **DTP 112** was born, a specification which, starting from the ISO standards, establishes a sustainability standard based on **3 pillars: economic, social and environmental**. The will was to qualify, through certification, a product that was leaving traditional national agriculture. Italian production today is around 600,000 tons, of which over 50% purchased for the processing of VERONESI branded feed (source: Pioneer®). In terms of energy, corn is very important for feed in the poultry sector. Today, DTP 112 has also been applied to soybean seed, oil and flour, produced in Italy.
- **SORGHUM:** sorghum is one of the most important cereals in the world. Its cultivation in Italy was falling into disuse in favour of the cultivation of wheat, corn and soy. To support it, the Group has entered into agreements with the Emilian cooperatives, which have the important function of collecting the cereal from farmers, always guaranteeing the purchase of a predetermined quantity at a price that also includes a premium to be allocated to producers.
- **YELLOW CORN:** Italy buys about 55% of corn\* to cover its internal needs. To support and return to increasing its cultivation, **supply chain agreements** have been made through the association of feed producers - Assalzoo - guaranteeing a premium to farmers who are committed to cultivating corn by favouring typical regional productions. The contract signed by the associates has in fact allowed the Ministry of Agriculture to set up **funds as an incentive for the sowing of corn**.

\* Source: Pellati Informa sas



## Towards an **ever more sustainable soybean**

Soy is a legume used by our Group, essential for the production of livestock foods by virtue of its protein and energy value, essential for the correct nutrition of animals, in particular for the poultry sector.

Our country, despite being one of the major European producers, unfortunately fails to grow a sufficient quantity to cover national needs, and for this reason our Group, whilst favouring Italian productions for years, must necessarily open up to foreign markets.

We are aware of the role we have in this sector in Italy and of the importance of promoting **sustainable national soybean cultivation**. This is why we have promoted the birth of **DTP 112**: a standard that certifies the traceability requirements of the supply chain, from the field to the final product, with the aim of defining and improving cultivation techniques and guaranteeing the three fundamental pillars of sustainability (environmental, economic and social).

As a Group we have chosen to work with a few high-profile suppliers, who sign sales contracts that explicitly refer to our Code of Ethics and are concretely committed not to commercialise soybeans from areas subject to deforestation. In fact, for a while already these suppliers have publicly made commitments to source **only deforestation-free soybeans**.

In addition, already in 2019, we were the only Italian feed producers to join the ambitious European initiative promoted by **FEFAC** (European Feed Manufacturers' Federation) to use **only 100% of certified sustainable and deforestation-free soy by 2025**. We were part of the group of 11 promoters and first signatories of this initiative, with the aim of guiding change towards increasingly virtuous models.



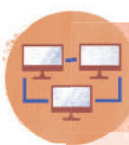
## The excellence of feed **at the service of all**

Our Group was born from feed, thanks to the vision of our founder who wanted to reuse the bran produced in his mill to re-introduce it into the production system: today we would call it circular economy.

In 1958, in Quinto di Valpantena, the first feed mill of the Group was born, which represents the foundations for the next expansion of the business: today we can count on **7 production plants of excellence, all in Italy**, with a strong presence in the north and an important garrison in Puglia, in Putignano.

Our experience as feed producers, gained in managing the Group's supply chain, is naturally also at the service of the free market. Alongside the types of feed intended for the animals in our supply chain (chickens, turkeys, laying hens, pigs, cattle and rabbits), we offer products dedicated to many other species, such as dairy cattle, fish, sheep, buffaloes, horses, etc. We produce more than **800 different formulas**, which give life to **over 2,000 references**, wisely studied and optimised by Research & Development department, based on the animal species, the growth phase, its gender. More often it is up to the feed operator to start respecting the consumer's needs, such as exclusively vegetable feed, without antibiotics or to respect the strict protocols provided for by the main Italian PDO productions, so as to guarantee the quality of our production's food excellence.

We have become **specialists in correct and healthy animal nutrition**, thanks to the technical professionals and veterinarians who look after the farms in the supply chain, and to the over **30 specialists** who follow the different animal species on the free market in Italy and abroad. Our commercial sector often plays the role of consultant to customers and farmers independent of our supply chain, offering its agri-livestock, organisational and economic skills, to guide them in the best management and investment choices. **Sharing our knowledge has one goal: the growth of the entire Italian agri-livestock sector.** The services we offer to our customers include livestock assistance, the development of a correct feeding plan for the different farming stages, analysis on forage and the support of our accredited laboratories.



### DIGITAL SUPPLY CHAIN

#### DIGITAL AGENT

The application allows the commercial agents of the feed area, located throughout the territory, to enter and consult orders (ongoing or processed during the day), facilitate their acquisition and provide useful tools, such as consulting the labels of the different feeds in one environment. Useful information on product lines,

as well as a complete picture of the administrative position of each client are just some of the functions available to our collaborators. The application connects directly to internal management systems and returns data in real time. **"Digital Agent"** works both on smartphones and tablets and on the PC desktop.



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**The plants are automated and equipped with cutting-edge technologies**, to allow efficient controls, greater flexibility, guaranteeing the quality standards that distinguishes us as well as our high reliability. For this reason, all the staff of the feed mills must be able to interface with a complex technological reality.

We are constantly looking for **qualified technical personnel**, all our colleagues have obtained technical diplomas or specialist degrees

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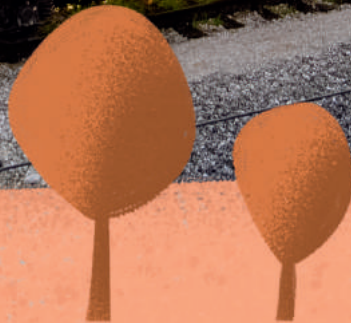
## At the forefront also **in environmental projects**

**NEW TECH AQUA** - In 2020, the European project of which we are partners began. The main purpose is to support European **aquaculture** in terms of expansion and diversification. The areas of the project concern the production of **finfish, molluscs and microalgae** through the development and validation of cutting-edge technologies that have a particular focus on sustainability. Partners and researchers are asked to develop new solutions to:

- Improve the health and disease resistance of fish and molluscs
- Improve the performance and quality of farmed fish and microalgae
- Make the aquaculture sector more sustainable and circular
- Improve effectiveness of the aquaculture production system
- Support the diversification of fish species
- Develop eco-friendly products for fish and molluscs
- Increase awareness and skills in the aquaculture sector through training courses

**RIBESNEST** - We are members of RibesNest, the innovative network of the Veneto region focused on the development of the ecosystem and smart nutrition project. The project we adhere to for the analytical part is **"3S\_4H INTELLIGENT FOOD FOR A SUSTAINABLE FUTURE"**. It is part of the intelligent **Smart Agrifood** specialisation, with reference to the control of raw materials and the subsequent phase of transformation in sectors to which the companies in the partnership refer.







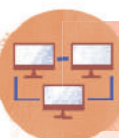
## Less emissions, more speed: **this is sustainable logistics**

More than a quarter of the raw materials destined for the Veronesi feed mills travel on **alternative means of transport** to the road, using rail links and the motorways of the sea, **saving 30,000 trips/trucks**. Furthermore, thanks to an intuition of our founder, four of the seven Veronesi feed mills are connected to allow deliveries by rail, representing a unique situation in Italy in the agri-food sector.

In 2020, in partnership with the rail freight company Rail Traction Company and the international freight forwarder MVC, we tested the **"Supertrain"**, the heaviest international train in the sector ever circulated on the Italian railway network.

With its total weight of 2,500 tons, **it allows the transportation of the equivalent of 75 trucks and reduces carbon dioxide emissions by more than 80%** for the same amount transported. The "Supertrain" will allow us to transport double the quantities normally permitted by traditional trains whilst reducing emissions from food logistics.

There are **200 "Veronesi" trucks** that make 650 deliveries every day, starting directly from our feed mills. We transport over 12,000 tons of feed every day. In order to reduce the environmental impact, we also use liquid methane powered vehicles, which allow a reduction of nitrogen monoxide emissions by 70%, particulate emissions by 99% and CO<sub>2</sub> by 15% compared to an equivalent diesel.

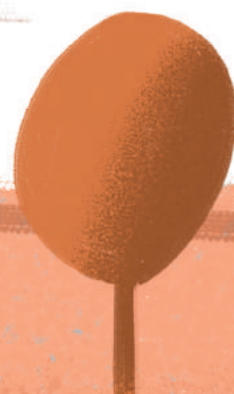


## DIGITAL SUPPLY CHAIN

### JUST IN TIME PRODUCTION

Thanks to a strong collaboration between all company department, the flexibility and reliability of the systems, the high skills and the computerisation of processes, we are able to have a just-in-time production system that translates into:

- minimum stocks of raw materials
- warehouse of finished products close to zero
- processing on customer's order using raw materials as soon as they arrive



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# Farms

We have continually promoted the **development of modern animal husbandry**, contributing to the growth of the territories where we are present and sharing our skillsets with all the farmers in the supply chain.

In fact, the heritage of our Group has always been **the integrated supply chain**: we work with many, all Italian farmers and accompany them on a path of shared growth and constant improvement with the knowledge of how to combine training, animal welfare, biosecurity, competitiveness and innovation, correct management of the different farming facilities and sustainability.

The “in-chain” farmers have the important task of keeping and taking care of animals responsibly according to the standards established by the Group; working together with our technical-veterinary service every day over the years we have achieved important results in the sustainable development of our agro-livestock chains as well as in the entire sector.

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## Our skillsets for **modern livestock sector**

### TECHNICAL AND VETERINARY TEAMS

Our team of **over 80 technicians and veterinarians** are unique in the Italian sector and are divided into teams organised to follow the various animal production managed by the Group. Together with Quality Assurance, they have the important task of guiding farmers in the virtuous management of the business, with a view to developing skills and continually improving all parameters, including animal welfare. The managers report their activities to the CEO of the company La Pellegrina, in charge of managing the farms.





## TRAINING

The development of the sector cannot ignore **sustainable growth** objectives, a growth which also must pass from the awareness of everyone's role in guaranteeing a high quality product on the tables of consumers. This is why it is **essential for us to train all functions involved in the farming phase, whether** they are technicians, veterinarians or farmers. Not only that: issues of this importance, such as animal welfare, are dealt with across the board in all company areas, with training also extending to colleagues in the feed and meat processing sectors.

In 2019, a top management training course began, that ended in 2020, involving all the managers of all animal species.

Over the last few years, almost all of our chicken, turkey and pig farmers have been involved in an important and innovative training course which included a classroom meeting with our technicians and veterinarians and, with the support of our production colleagues, a visit to the Group's production plants. Making farmers ever more involved in our processes has made it possible to concretely highlight how much they can personally contribute to the quality of the final product. From a supply chain perspective, each step plays a fundamental role.

### IN THE LAST YEARS WE HAVE INVOLVED

- 1,218 Farmers
- 60 Technicians
- 4 productive sectors
- 4 meat transformation and processing plants

## RURAL DEVELOPMENT PROJECTS

We believe that the sharing of development projects between farmers, Public Administration and the Group is central to the creation of a modern livestock sector based on sustainability and animal welfare, with an ever-increasing focus on the circular economy.

This is how the RDPs, the **Rural Development Projects**, were born, which saw us take on the role of line leader in the Emilia-Romagna and Friuli Venezia Giulia regions to support the modernisation of the pig chain.

Through the RDPs there are many young farmers who manage to have the possibility of obtaining financial support for the restructuring and growth of their activities with a view to continuous improvement

## Animal welfare is a **primary value**

Respect for animals is one of the founding values of our Group. Every day we are committed to our farmers to ensure animal health through responsible farming practices. We recognise the importance for animals to be free to feed and nourish themselves, to move in an appropriate physical environment and to show the behavioural characteristics of their species. We constantly monitor their level of well-being through the use of different tools such as visits to the farm, the support of Livestock Quality Assurance, the dedicated animal welfare team (Managers of Animal Welfare), responsible use of drugs, monitoring transport times and the latest Web Farm system.

### VISITS TO FARMS

The daily checking of animal welfare is primarily the task of farmers who, trained also by our technicians and veterinarians, inspect the facilities several times during the day and check, through digital monitoring systems, the main parameters such as temperature levels, humidity, CO<sub>2</sub>, and ammonia. The Veterinary Technical Service is available in the area on a daily basis to farmers and animals, representing a concrete point of reference for the area of expertise. During this activity, samples are taken routinely for analysis in order to maintain close monitoring of the entire process.

### WEB FARM

Today, for proper training, innovative models and IT support are required, capable of collecting and managing the data obtained. Web Farm was born from this need: it is a suite of applications dedicated to farmers, technicians and veterinarians for monitoring the main farming indicators.

During 2020, Web Farm was enriched with an application for **self-assessment** campaigns for farmers. The aim of the project is the **increasingly active involvement of the farmer in our system**: we believe that the basis of continuous improvement must be a full awareness of the fundamental role they play within the supply chain. The parameters taken into consideration are biosecurity, animal welfare and the inclusion of the farm in the surrounding environment. The system, through data analysis, also returns all the information necessary to improve performance indicators. The application has a section dedicated to farmers in which there is a self-assessment questionnaire associated with a specific campaign. Farmers, on the basis of the indicators, will be able to make the best decisions for the growth of their business and will be able to evaluate the quality of their work and compare themselves with the companies present in the same context.







### ANIMAL WELFARE TEAM

In the area of animal welfare, we have set up a team of dedicated people who follow the various stages of the animal's growth. The team is made up of the **farm welfare manager** who supervises compliance not only with the norms, but also with the rules and standards shared by the Group, which often exceed legal limits. The control takes place through visits to the farm, reports by technicians and veterinarians and verification of the main parameters through the support of the Web Farm platform. This figure is flanked by two others: the person in charge of **welfare during the transport phase** and the person in charge of **welfare at the slaughterhouse**, who are respectively responsible for checking animal welfare during the transport phase and the arrival phase at the slaughterhouse. To check the welfare status of the animals arriving at the processing plants, evaluation forms are prepared with an indication of the main KPIs. This allows us to constantly monitor the quality of our farmers' work and compliance with the quality standards required by the Group. All the responsible figures are coordinated by the top management in charge of the relevant areas.

### RIGHT TO HEALTH

We recognize the right to health of our animals. For this reason, we adopt practices for a responsible use of drugs, in particular antibiotics, administered only for therapeutic use and never as prophylaxis. Medicines prescribed by our veterinarians are purchased exclusively from our Medicines Purchasing Office.

There is a strict procedure for administering drugs:

- the reference veterinarian issues the prescription, now electronic, to ensure maximum traceability by the competent authorities and the Ministry: all the recipes are registered in the National Bank of the Ministry.
- the prescription arrives at the Purchasing Office which orders the drug.
- the drug is then brought to the farm by selected distributors and administered in the manner indicated by the prescribing veterinarian.

All this allows total control of the use of drugs.

Furthermore, for the poultry sector, we adhere to the **National Plan for the voluntary reduction of drugs** created in collaboration with Unalitalia and the Ministry of Health, which has led the entire Italian poultry sector to become a best practice in the European panorama.

The commitment to increasingly virtuous farm management practices is testified by the continuously decreasing trend in the use of antibiotics, with a further decline of 6% in 2020, reaching - 88% from 2011 to today.

Finally, no growth promoter is used in our farms and we do not adopt genetic cloning or genetic engineering on the races.



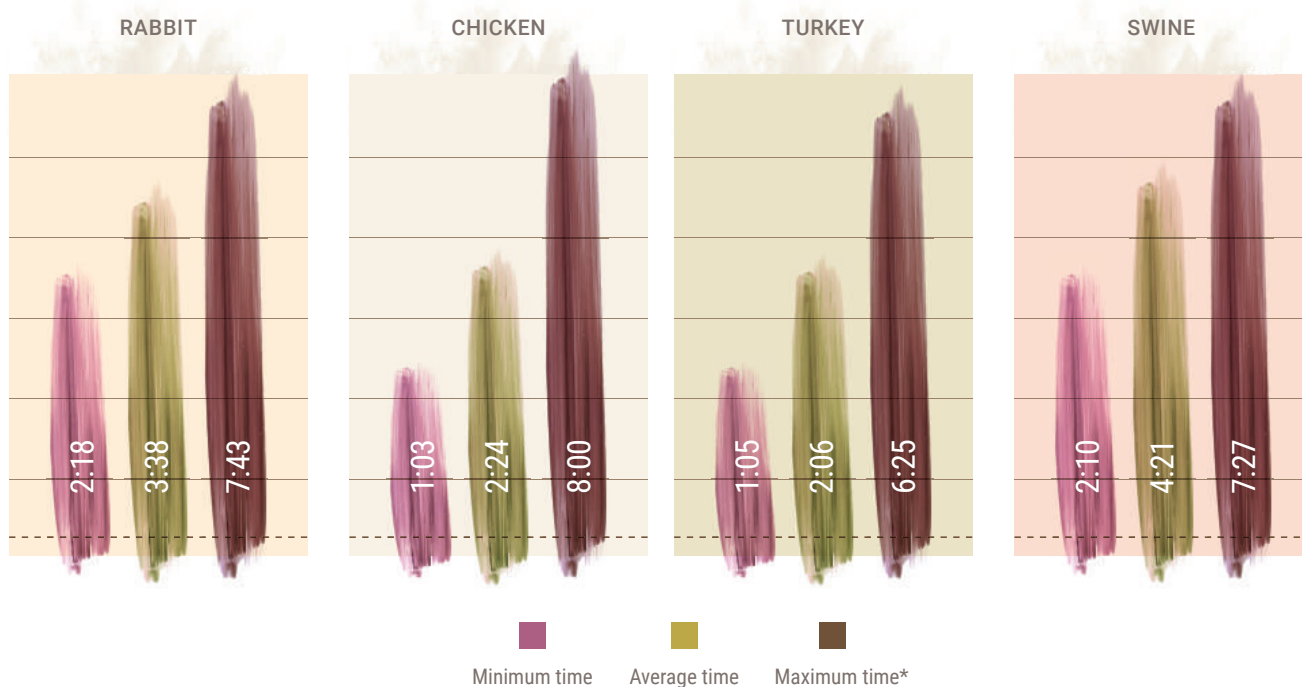


## TRANSPORT TIMES

Transport times are an important element of evaluation for animal welfare and the efficiency of our organisation. This is why we internally have a reference figure who has the task of monitoring compliance with deadlines. The majority of our farms are located in the Po Valley, for over 10 years we have started a growth plan in some regions of Southern Italy such as Molise, Puglia and Campania.



## TRANSPORT TIMES INCLUDING LOADING AND UNLOADING



\*The maximum time covers 99.6% of the trips made. Only 0.4% exceptionally exceeds 8 hours.

## Our **supply chains**

### Poultry chain: **chicken and turkey**

100% of our poultry chain (chicken and turkey) is voluntarily **QS** certified. In addition, a substantial part also meets the requirements of the **Tierwohl** initiative. This important certification system, in addition to establishing requirements that exceed legal limits, provides for the involvement of all the actors involved in the supply chain, from grain suppliers, to the production of feed, to farms, to the processing of meat up to the distribution of the finished products and covers in particular aspects relating to food safety, traceability, biosecurity and animal welfare.

The Group is the only Italian company in the sector to enjoy this complex certification.

The poultry chain develops in 3 distinct phases: breeding farms, hatcheries, finishing farms.

■ **BREEDERS:** The first link in the chain is represented by the breeding farms that supply 100% of our chicken and turkey farms. In our owned companies, every year we make major investments in cutting-edge technologies to continuously improve their management, especially in the area of sustainability and animal welfare.

All our breeding farms are modifying the lighting systems with the introduction of LED lights, which will allow an energy efficiency of 60%. LED, thanks to its anti-flicker characteristics, improves animal welfare, gets closer to natural light and allows, in bad weather or excessive light days, to adjust the light intensity and thus create a more comfortable environment for the animal





- **HATCHERIES:** the second ring of the poultry chain is represented by the hatcheries, where all the fertilised eggs hatch in breeding farms. It is at this stage that the largest investments were made in 2020, in line with industry 4.0, mainly in the new hatchery in Larino, which will be operational in 2022, and in Isorella. The first in ovo vaccination system with the highest levels of biosecurity in the world was launched in Isorella in 2020 for a total investment of around **1 million Euro**. Today in ovo vaccination is the greatest expression of well-being.

The construction works of the new hatchery in Larino (Molise) continued in 2020, an investment of **over 40 million Euro** which includes cultivation with native plants for a lower impact on the landscape, a **photovoltaic system capable of producing 10% of energy needs** and an energy certification for the building with a lower environmental impact. In Larino, a system will be launched that will allow an even more detailed traceability of the eggs than the one currently in use. The plant will be equipped with a system capable of verifying whether the eggs are in the correct position and possibly turning them before incubation and subsequent vaccination in ovo is carried out. This step ensures that the vaccination can take place in the best way and without any risk for the chick.

For a greater well-being of our people during the year we are investing over **200 thousand Euro** to improve the automation and semi-automation of processes, with the aim of significantly reducing workloads. All these systems have been studied in collaboration with our Technical Office, suppliers and consultants and developed in compliance with our specific needs.

- **FARMS:** with the QS certification which covers 100% of our poultry farms, we can count on various elements that exceed the standards required by law. In particular, the commitment and investments of the Group to support this certification concern the following areas of extraordinary monitoring:

- use of the drug
- salmonella
- animal welfare (in particular with the footpad score)
- drinking water and number of drinking troughs per animal
- environmental enrichments

In addition to these standards, there are those relating to Tierwhol certification which envisage, for a part of the supply chain:

- presence of manipulable material
- reduced density to 35 kg/m<sup>2</sup> for chicken and 53 kg/m<sup>2</sup> for turkeys
- monitoring of additional water parameters
- monitoring of environmental parameters







## INNOVATION

THE GROUP DEDICATES SOME OF ITS FARMS TO PROJECTS OF PARTICULAR ATTENTION AND INNOVATION, IN PARTICULAR THE

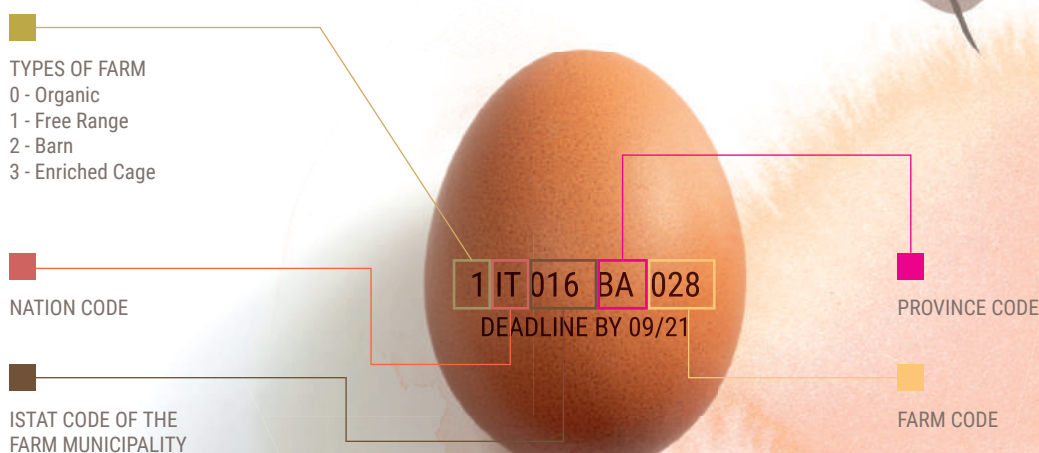
- **AIA Oro Natura:** in these structures the animals grow up without the use of antibiotics from birth, they are fed with vegetable feed and without GMOs, they have more space to move, they are raised in natural light, they can interact with manipulable material.
- **AIA Bio:** the project follows Organic production standard. Provides for the inclusion of farms in a particular environmental context, the animal is fed with organic feed and has a fenced area available outside the structure. To ensure greater safety for animals raised outdoors, we have chosen rural areas in southern Italy as the project development area, an area recognised for greater biosecurity protection.





## Laying hens

In line with the needs of the market, over the years we have developed all types of farms, up to free-range and BIO systems. The type of farming is easily identified by the code on the egg:



As part of our commitment to livestock development, the conversion of our farms into the supply chain has been underway for some years, in order to reach the ambitious goal of decommissioning cages by 2025. To date, 65% of farms are cage-free and 35% in enriched cage.

We are supporting our farmers, also with financial support, in a challenging and complex path, towards ever greater sustainability, animal welfare and people's well-being with the aim of always guaranteeing equal remuneration.

Moreover, today, thanks to a process that began about 10 years ago, almost all of the structures use LED lighting. Technology and innovation are essential for the management and collection of eggs within the farms. A complex system of belts allows the eggs to be collected in compliance with the natural production cycle, which provides for the laying of almost 1 egg per hen per day, and maximum hygiene.

The belts transport the eggs directly to a warehouse where they are selected and packed for dispatch to the Group's packing and shelling centres.

## Swine **Supply Chain**

In order to maintain high standards of animal welfare, the livestock production sectors of the Veronesi Group, since 2004, have voluntarily joined the Global Gap initiative which establishes specific certification schemes recognised throughout Europe.

**100% of the Group's swine supply chain Supply Chain is Global Gap certified**, a voluntary certification standard characterised by the following criteria:

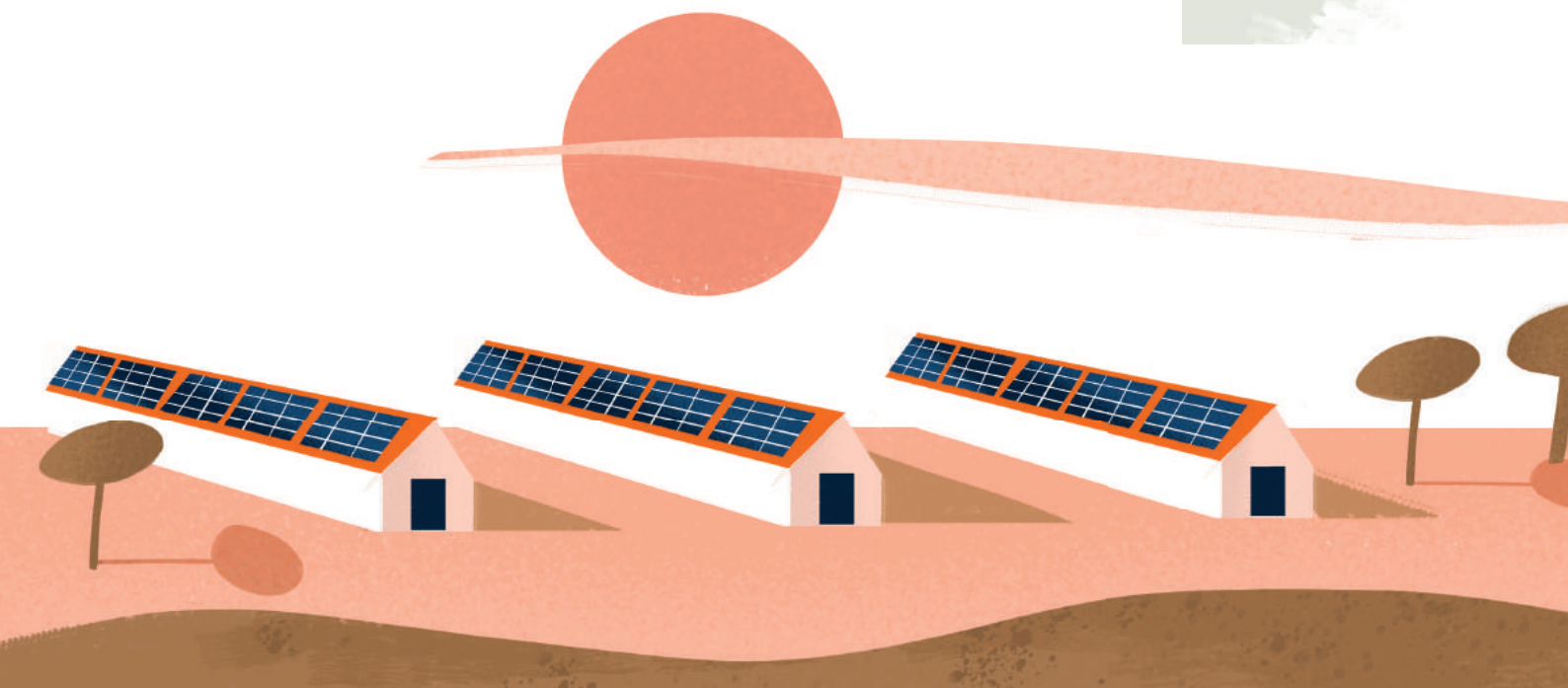
- Full traceability
- Identification
- Control of feed and water
- Control of equipment within the farm
- Presence of manipulable material on the farm
- Training on the farm



### INNOVATION

The supply chain starts with the Parent and Grandparent Centres which represent an excellence in the Italian Livestock Sector and are characterised by the highest levels of biosecurity.

As for the poultry chain, our parents and grandparents satisfy 100% of the farms in the supply chain. We have begun to equip our sows with free farrowing rooms with the aim of extending this system to all facilities owned by the Group.



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As a Group we develop innovation in all sectors of our supply chain, even in pig farms. In fact, we have launched several innovational projects in line with the continuous progress in the livestock field that provide animal welfare standards well above the legal requirements (environmental enrichments, full flooring free or on straw, free gestation of sows, etc.).

The Group, by way of example, has a certified chain of pigs **“raised without the use of antibiotics in the last 120 days of life”** and a **“Animal Welfare on the farm and responsible use of drugs”**, which perfectly represent the results achieved in this sector.

In our farms the teeth of piglets are not clipped.





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# Meat and eggs

## transformation and processing

*"From the field to the table, we seek excellence at every stage of the supply chain and choose partners who share this passion with us":* guided by this value, at the heart of our supply chain is the care and passion we put into the processing of meats and eggs, inside our plants with our cutting-edge **technology, innovation and quality care**.

With a view to continuous improvement, every year we dedicate important resources to bring high quality, good taste, healthy and safe products to the table of our consumers: thanks to this approach, we work to increasingly improve production standards and the culture of food safety, with particular attention to the fight against waste.

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### The pursuit of quality. **In every detail, in every moment**

Our quality assurance and control team has the important task of collaborating and encouraging, with all the functions concerned, the respect of the high quality standards for each phase relative to the production and transformation of meat and eggs into finished products intended for the tables of consumers.

The team is made up of about **70 collaborators** and includes a central staff function that coordinates the quality managers present in each production plant of the Group.

The intervention areas run throughout the supply chain, precisely because **the control takes place at every single stage of the process**, from the purchase of raw materials, to the microbiological and nutritional checks, through the distribution of the product in the points of sale, up to the assistance of its customers and consumers.

Among the various sectors of intervention, the function collaborates in particular in the following 3 relevant areas:

- **Food safety regulations:** updating food legislation is essential with a view to involving all interested parties in the dissemination of the culture of quality and food safety.
- **Voluntary certifications:** in addition to the provisions of EU regulations, we are committed to internationally recognised voluntary certifications on a daily basis, which allow us to further increase the quality and control of processes and products. During the year, the team coordinated 82 audit days at our production sites.
- **Traceability and continuous improvement:** thanks to the systems prepared by ICT and production, every single finished product is identified with specific lots that allow to trace its production process and any components. This system allows the traceability of all products and related controls in order to analyse and define any improvement actions.



For the continuous control of the manufacturing processes, we scrupulously apply the self-control systems (**HACCP**) in order to eliminate or reduce any chemical, physical and microbiological risks within acceptable limits.

The Culture of Safety and Quality is a heritage of everyone within the company and therefore must be constantly nurtured. For this reason, employees are constantly involved in training activities that we have developed even in a difficult year like 2020: **each employee contributes to the quality and safety of products and is continuously trained.**



## CHECKS ARE CARRIED OUT USING DIFFERENT SYSTEMS

- **Visual analysis and sampling:** during the production process, which we submit to analytical checks in our internal and external laboratories. Controls are carried out on products, ingredients and materials in direct contact with the products.
- **Shelf life and organoleptic tests:** These are fundamental analyses that allow the quality of products to be monitored throughout their commercial life.
- **Sensory test:** has been a flagship of the quality path for over 10 years. It is a science that makes it possible to evaluate the organoleptic characteristics of a product through the senses. Throughout the company there are **65 accredited tasters**, real "taste professionals". Thanks to their contribution we can constantly monitor the high standards of food products and guarantee not only quality but also goodness.
- **Consumer service:** quality reports are managed according to two different procedures. A dedicated **Courtesy Service** system is active for products intended for the final consumer. The service manages each report directly with the consumer to understand and satisfy their requests. Each report is recorded and analysed, in collaboration with any corporate functions involved. During 2020 we managed 1,124 contacts, of which about 60%, related to product quality. As regards the management of customer complaints, the sales force collects reports, which are examined with the various competent functions to ensure the best assistance and solution.

Every year we invest about 3 million Euro in analysis to monitor the high standards of our products. In 2020 were carried out:

- **145,661 analytical checks** (135,647 microbiological analyses and 11,100 chemical analyses)
- **389,948 parameters performed** (a single analysis may require research for one or more parameters)

The process of transformation and processing of meat and eggs takes place mainly in our plants where all production lines are designed, through the use of specific layouts, in collaboration with the technical office and with the best national and international suppliers, to respect our specific needs and the different product categories. In fact, the Group can count on **cutting-edge production centres** where we invest significant resources every year to improve competitiveness, quality, safety and efficiency, also for the benefit of the health and safety of our employees.

## Integrated **quality - safety - environment** management system

The food division of the Group applies an Integrated Quality, Safety and Environment Management System developed with the collaboration of the feed and agri-livestock divisions, with the awareness that every choice adopted at every stage of the supply chain has a role in the quality of the products we offer to consumers. **The system is developed along the entire supply chain**, with the aim of generating synergies between the various functions and promoting the participation of all parties, in an organised and dynamic way.

The goals are:

- safety and high quality of products
- innovation
- employee health and safetyenvironmental sustainability
- animal welfare

To confirm the effectiveness of the Quality System, the Group's plants are subjected to third-party certification in relation to the GSFS "Global Standard Food Safety", IFS "International Food Standard" standards. In addition, the main standards adopted for voluntary certifications are: the ISO 9001 Quality Management System and ISO 14001 Environmental Management System.





## DIGITAL SUPPLY CHAIN

### EAM PROJECT (Enterprise Asset Management)

The aim of the project is the standardisation of working methods in the maintenance area. It is one of the most strategic projects for the progressive digitisation of production processes, of the Maintenance service and the best coordination

between it and ICT. The ultimate goal is **"predictive maintenance"**: which is, understanding, based on the data collected, when, how and where an intervention will be required.

## Quality raw materials **for quality products**

To obtain products that meet the Group's high standards, it is essential to carefully select the ingredients and raw materials we use. In fact, only those who are able to ensure the highest quality standards can enter our supplier list.

All our suppliers undertake to respect the principles and values contained in our "Code of Ethics" and in the "Organisation Model 231/01", and to support and respect fundamental principles such as human rights, workers' rights, the environment and the fight against corruption in its operations and supply chain.

In a logic of transparency, all our sites are open to visits from our main stakeholders, to concretely verify the commitment and passion with which we work.



## A large and constantly monitored park supplying

In 2020, we partnered with 1,764 suppliers.

Of these, 595 deal with Services, for a turnover of over 73 million Euro. The most significant category in economic terms (excluding suppliers of cereals previously mentioned) is confirmed to be, also in 2020, that of packaging suppliers represented by 116 companies, for a purchase turnover of 152 million Euro. 28% of purchases concern investments and maintenance for a turnover of approximately 145 million Euro (+ 8% compared to 2019).

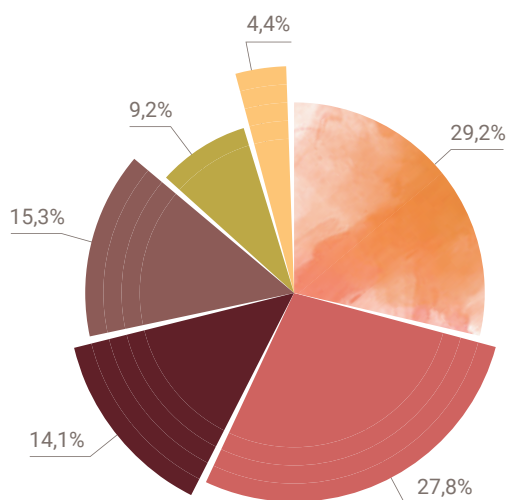
There are 89 ingredient suppliers, for a turnover of over 48 million Euro (+ 5% compared to 2019), while there are 5 energy suppliers that have an impact on turnover of almost 80 million Euro (15%). Purchases of consumables represent a residual share of total purchases (4%).

We purchase various ingredients for the preparation of processed products and cured meats, favouring the purchase of Italian products in compliance with the high standards of the Group. In fact, in 2020, we collaborated with over 1,600 local or Italian suppliers, for a value of purchases from Italian companies equal to 473 million Euro (91% of total purchases), in line with 2019.

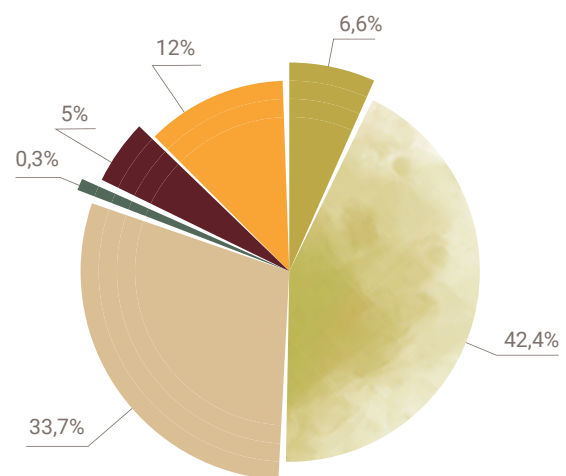
The supplier validation process foresees the involvement of various company departments: Research & Development, Production, Purchasing, Marketing, Quality and Technical Department. Each function applies strict control criteria with the aim of selecting the best companies capable of achieving maximum results in terms of quality and health and hygiene safety. We have always been engaged in auditing activities at our suppliers, in order to monitor the consistency of the quality standards we require.

Through the collaboration of a specialised company, all our suppliers are also assessed on their financial reliability and in compliance with Model 231 (Administrative liability of legal persons).

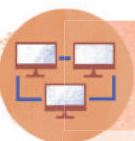
**SUPPLIERS BY PURCHASE TYPE  
IN SPENDING IN 2020  
(excluding cereals suppliers)**



**SUPPLIERS BY PURCHASE TYPE  
IN NUMBER IN 2020  
(excluding cereals suppliers)**







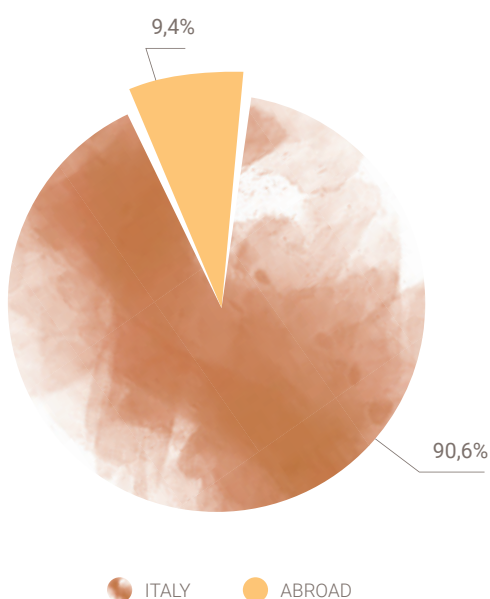
## DIGITAL SUPPLY CHAIN

### SUPPLIER PORTAL

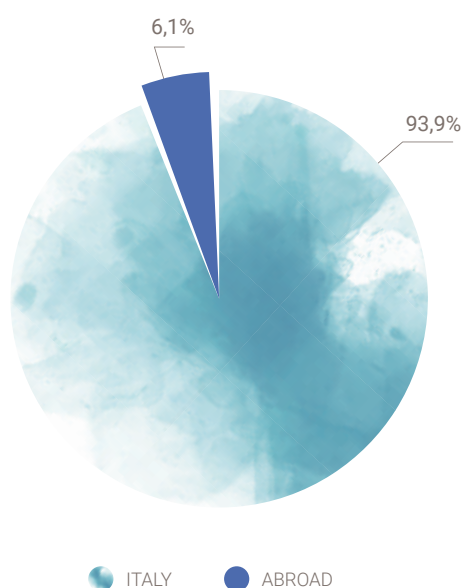
- Optimisation, management and control of supplies
- Structuring of interaction processes
- Repository of relevant information and documents.

The current supplier selection process provides for adherence to general supply conditions which include environmental and social responsibility requirements. The choice of our suppliers does not require an evaluation based on specific social and environmental criteria.

**PURCHASE DISTRIBUTION  
BY GEOGRAPHICAL AREA IN SPENDING IN 2020**  
(excluding cereals suppliers)



**DISTRIBUTION BY GEOGRAPHICAL AREA  
IN NUMBER OF SUPPLIERS IN 2020**  
(excluding cereals suppliers)



## Packaging: a guarantee of safety for the products' hygiene and conservation

Packaging plays a fundamental role in maintaining the healthiness of food products, even more so when it comes to fresh meats and cured meats.

The Group mainly uses two packaging materials:

- 70% paper (60% recycled paper, 40% virgin paper in compliance with current legislation)
- plastic for the remaining 30%

Sensitive to the environmental impact of packaging materials, for a few years we have set up a **working group** that brings together different skills of our company with the aim of re-examining our packaging and **evaluating solutions with a lower impact**, thus contributing to a reduction in food waste.

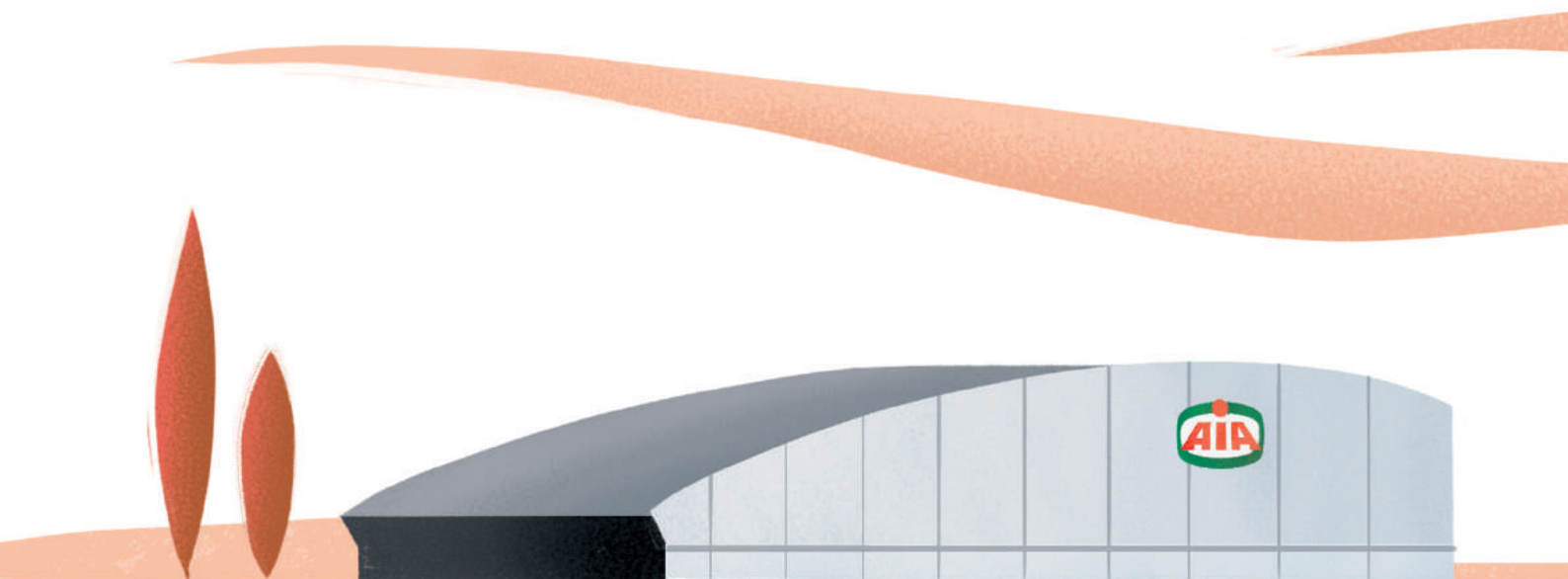
Considering the delicacy of our products, we have been committed for some time to make the best use of packaging materials for a "good packaging", which, for the entire life cycle of the product, is able to guarantee their safety, high quality and lower environmental impact. This is why we make the best choices, changing our packaging only with more innovative ones that guarantee compliance with all these parameters.

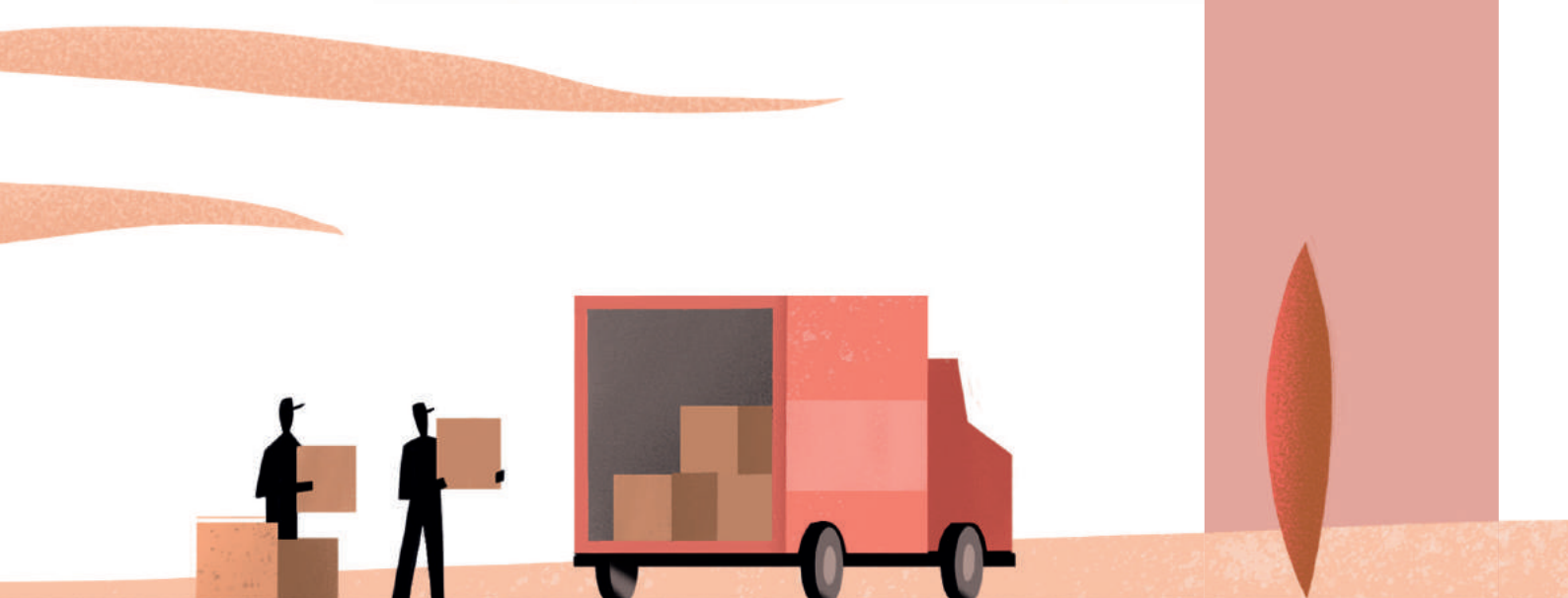
Our commitment is articulated through the following 4 guidelines:

1. Reduction of the material used (through the reduction of the grams of plastic used and the optimisation of packaging)
2. Reduction of coupled materials and use of mono-materials
3. Increase in the use of recycled materials
4. Replacement of plastic with other materials, respecting the shelf life of the products where available technology and know-how guarantee it

The most important reduction projects carried out are:

- The reduction of the plastic material used in the presliced cold cuts trays and trays dedicated to the packaging of some fresh products in ATM (modified atmosphere).
- The replacement of 100% of the plastic packaging of AIA brand eggs with packaging in wood pulp (recycled paper).







## State-of-the-art logistics: more kilometres, less emissions

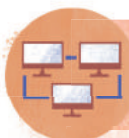
- 2,000 trucks: 30 on green fuel - 80% Euro 6
- 30 distribution centres
- 6 central platforms
- 5,000 locations reached every day between Italy and abroad
- AEOF class AA authorisation: the highest customs approval required by the Customs Code

The path towards maximum quality continues in the last phase of the supply chain: **logistics and transport**, the fundamental link between the production plants and the final consumer. The vehicles, equipped with satellite systems for localisation and temperature control during transport, are an extraordinary logistic machine, born from the skillsets of our people and the companies that have always been our partners.

The challenge is to find alternative and increasingly sustainable transport solutions, respecting punctuality in delivery, which is essential to guarantee the freshness of our products.

**The long-distance intermodality project** is part of this perspective, which involves the combination of different modes to transfer the product from the starting point to its final destination. We use road, railway and sea, for the transport of fresh and ultra-fresh products in the country and in Europe. There are 3 intermodal routes that, starting from the Verona logistics platforms, have so far been tested, for a total of about **720,000 km by road saved**, equal to over **480 tons of CO<sub>2</sub>** not emitted into the atmosphere. The intermodality that combines road and rail is used in some routes arriving in Puglia and Germany; AIA products, on the other hand, reach Sicily using the motorway of the sea after stopping in Campania.

Intermodality is part of a larger work project initiated by AIA, which aims to **introduce new solutions for increasingly sustainable logistics**. There are three paths pursued by the Group to ensure efficiency and at the same time reduce the environmental impact: the renewal of the vehicle fleet with the introduction of low-impact vehicles, intermodality and the digitisation of systems. For example, the path includes the "travel management system" which helps each transporter to optimise deliveries by indicating the most efficient route, or the increase in direct deliveries (which allowed us to save 1 million kilometres) or the more ambitious construction project of the new logistics platform in Vallese di Oppeano.



## DIGITAL SUPPLY CHAIN

### TRAVEL MANAGEMENT SYSTEM

- It suggests the ideal route to respect the sequence of deliveries
- It allows you to confirm the outcome, in real time, of each individual delivery,
- indicating the day and the time
- It is accessible by all our haulage



### ● 18 TRANSIT POINT OUTSOURCING\*

1. TRANSIT POINT IMPERIA
2. TRANSIT POINT TORINO
3. TRANSIT POINT MILANO
4. TRANSIT POINT COMO/VALTELLINA
5. TRANSIT POINT TRENTO
6. TRANSIT POINT TRENTO BERTI
7. TRANSIT POINT NORD EST (GIAVERA DEL MONTELLO)
8. TRANSIT POINT UDINE
9. TRANSIT POINT TRIESTE
10. TRANSIT POINT PARMA
11. TRANSIT POINT FORLÌ
12. TRANSIT POINT FROSINONE
13. TRANSIT POINT ATENA LUCANA
14. TRANSIT POINT LAMEZIA TERME
15. TRANSIT POINT LOCRI
16. TRANSIT POINT PALERMO
17. TRANSIT POINT RAGUSA
18. TRANSIT POINT CAGLIARI

### ● 6 CENTRAL PLATFORMS

1. SAN MARTINO
2. QUADRANTE EUROPA
3. CASELLE
4. UNIFREDDO\*
5. NOGAROLE
6. MAGRETA

### ● 6 DISTRIBUTION CENTRES IN DIRECT MANAGEMENT

1. CEDI ROMA
2. CEDI TERMOLI
3. CEDI NOLA
4. CEDI BARI
5. CEDI CATANIA\*
6. CEDI OLBIA

### ● 6 TRANSIT POINT IN AIA'S DIRECT MANAGEMENT

1. TP VERONA (SMB A)
2. TP GENOVA\*
3. TP FIRENZE
4. TP ASSISI
5. TP CIVITANOVA MARCHE\*
6. TP LECCE

\*They are excluded from the scope of this report as rented and they are neither directly managed by the Group nor owned by the Group.



## Our laboratories **of excellence**

The importance for quality and food safety is actualised in the Group's two internal analysis laboratories, real analysis centres of excellence. Our chemists, microbiologists and researchers play a fundamental role throughout the supply chain: maintaining high quality standards and guaranteeing safe and excellent products to all consumers.

The **Laboratory of Microbiology and Diagnostics** which carries out analyses in the fields of molecular microbiology, serology, diagnostics, food microbiology and diagnostic microbiology can boast **46 accredited tests** for each of which the laboratory responds with certifications (Proficiency Test). The microbiology and diagnostics laboratory performs functions of fundamental importance also in the right to animal welfare, identifying exactly the indicated therapy.

Our **Central Chemistry Laboratory** allows us to perform analyses in multiple areas of the agri-food sector such as water, contaminants in feed and food, process controls, nutritional parameters and additives and is a flagship in our path towards ever greater quality.

The process for the accreditation of the first **6 Test Methods** began in 2019, which ended in October 2020 with the issue of the 1863L certificate by ACCREDIA: the Sole National Accreditation Body that certifies the competence, independence and impartiality of the certification, inspection and verification bodies, and testing and calibration laboratories. Accreditation is an important milestone achieved which certifies the high level of competence of our colleagues and compliance with the most stringent international requirements imposed by the ISO/IEC 17025 standard ("General requirements for the competence of testing and calibration laboratories").

Another important result that the Group achieves in its path to protect food safety, the health and safety of people and environment.



## Our certifications

To offer the best guarantees on our internal quality management systems, we voluntarily adhere to the most important internationally recognized certification schemes.

### ■ SYSTEM CERTIFICATIONS



ISO 9001: 2015<sup>1</sup>



ISO 22000: 2018<sup>2</sup>



ISO 22005: 2008<sup>3</sup>

### ■ ENVIRONMENTAL CERTIFICATIONS



UNI EN ISO 14001: 2015<sup>4</sup>

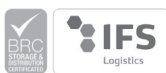
### ■ ETHICAL PRINCIPLES CERTIFICATIONS ALONG THE SUPPLY CHAIN



### ■ PRODUCTION SITE/SUPPLY CHAIN CERTIFICATIONS



IFS<sup>6</sup>  
(International Food Standard)



BRC e IFS logistic<sup>7</sup>



BRC Global Standard  
for Food Safety<sup>8</sup>



ASC Aquaculture Stewardship  
Council<sup>9</sup>



Vegetable feeding



Non-GMO product



GLOBAL G.A.P.  
Global Gap\_CFM<sup>10</sup>



Biological



VLOG "Ohne Gentechnik"  
Standard



QS



Tierwohl



Sustainable cereals and  
oil seeds



GMO-free nutrition



Eggs from laying  
hens raised without  
the use of antibiotics



Swine raised without  
antibiotics



Controlled poultry  
production chain



Livestock products  
obtained from animals  
farmed according to  
defined methods

### ■ DISCIPLINARY



Poultry Meat Labeling  
Regulations

1. Acquaneira Cremonese (CR), Fossano (CN), Ospedaletto Euganeo (PD), Putignano (BA), Quinto di Valpantena (VR), S. Polo di Torriale (PR), San Pietro in Gu' (PD), Caselle di Sommacampagna (VR), Correggio (RE), Cremona (CR), Magreta di Formigine (MO), Nogarole Rocca (VR) Loc. Salette Calette, S. Giorgio in Bosco (PD), S. Maria di Zevio (VR), San Daniele del Friuli (UD), San Daniele del Friuli (UD), San Martino Buon Albergo (VR), Tizzano Val Parma (PR), Vazzola (TV), Verona (VR), Villafranca (VR), Villaganzerla di Castegnaro (VI), Zibello (PR)
2. San Martino Buon Albergo (VR)
3. S. Polo di Torriale (PR), S. Giorgio in Bosco (PD), Caselle di Sommacampagna (VR)
4. Caselle di Sommacampagna (VR), Magreta di Formigine (MO), Nogarole Rocca (VR) Loc. Salette Calette, San Martino Buon Albergo (VR), Verona (VR), Villaganzerla di Castegnaro (VI), Lab. Centrale di Chimica, Lab. Corte Pellegrina
5. Tizzano Val Parma (PR), Correggio (RE), Magreta di Formigine (MO), San Daniele del Friuli (UD), Cremona (CR)
6. Caselle di Sommacampagna (VR), Correggio (RE), Cremona (CR), Magreta di Formigine (MO), Nogarole Rocca (VR) Loc. Salette Calette, S. Giorgio in Bosco (PD), S. Maria di Zevio (VR), San Daniele del Friuli (UD), San Daniele del Friuli (UD), San Martino Buon Albergo (VR), Tizzano Val Parma (PR), Vazzola (TV), Verona (VR), Villafranca (VR), Villaganzerla Di Castegnaro (VI), Zibello (PR)
7. San Martino Buon Albergo (VR)
8. Caselle di Sommacampagna (VR), Correggio (RE), Cremona (CR), Magreta di Formigine (MO), Nogarole Rocca (VR) Loc. Salette Calette, S. Giorgio in Bosco (PD), San Daniele del Friuli (UD), San Martino Buon Albergo (VR), Tizzano val Parma (PR), Vazzola (TV), Verona (VR), Villafranca (VR), Villaganzerla di Castegnaro (VI), Zibello (PR)
9. Quinto di Valpantena (VR)
10. Fossano (CN), Quinto di Valpantena (VR), San Pietro in Gu' (PD), Aquaneira Cremonese (CR), San Polo di Torriale (PR)







Our  
people

08



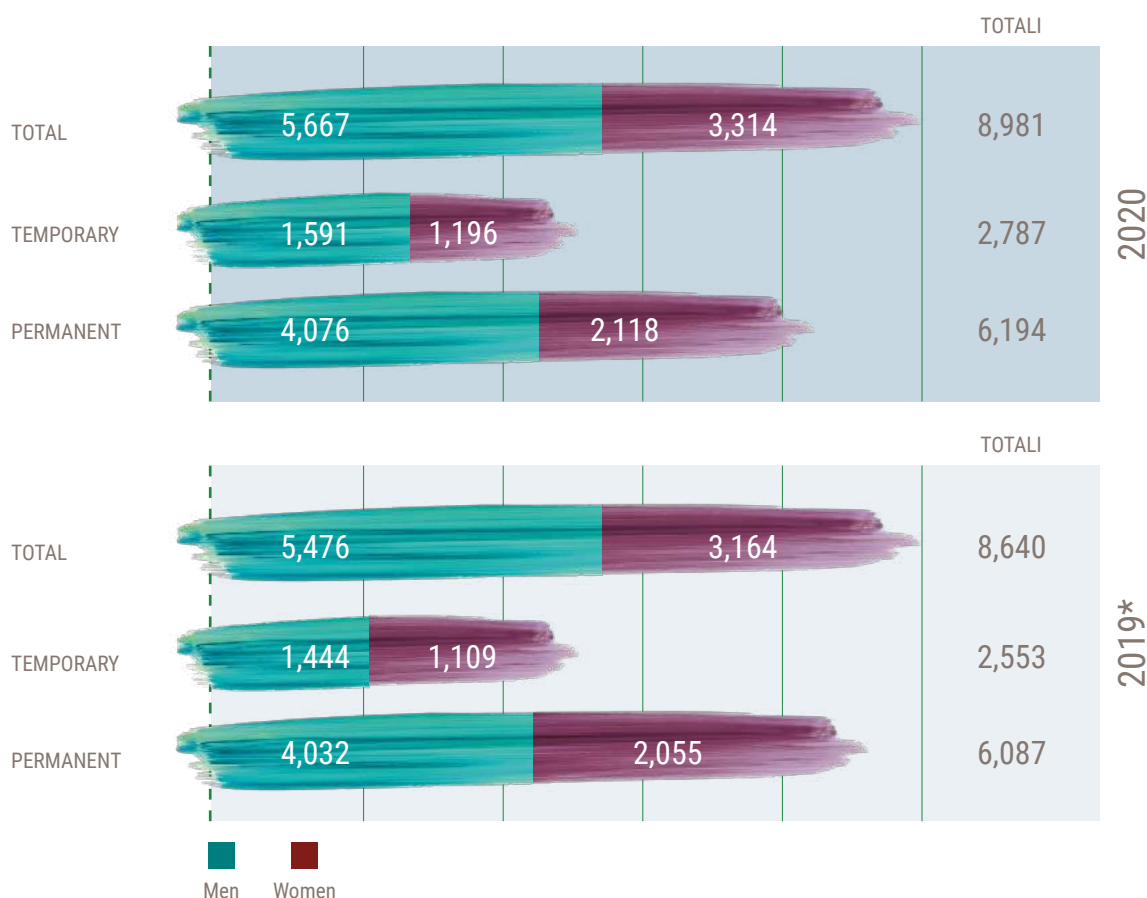
## The strength of our people

Almost **9,000** people contribute to the development of our Group every day with commitment and passion.

The management of an integrated supply chain, such as the one we govern, requires the presence of unique professionals, capable at the same time of facilitating the passage of information between the various links of the same supply chain. Our strength is therefore represented by the plurality of skills and this makes it even more necessary to cultivate talents, planning training courses each year that allow our teams to grow.

In a complex year like 2020, the Group has fielded an extraordinary effort to ensure the right attention to people, with many initiatives implemented to allow the working environment to harmonise ever more working with private life.

**Total number of employees by contract type ( permanent and temporary employment) and by gender as of December 31<sup>st</sup>.**



\*Following a process of improvement of the reporting system and in order to ensure the comparability of data, the data relating to the number of employees by contract type and gender in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/annual-report](http://www.gruppoveronesi.it/annual-report).

## Gender dignity

We take the utmost care to ensure that there is no harassment and violence in the workplace. We widely disseminate the agreement on these issues undersigned by CGIL CISL UIL and Confindustria in 2016. The Human Resources Department

is always present as a reference point for dialogue and listening. Everyone has the opportunity to contact either the trade union party or the competent personnel department to report any situations of violence in the workplace.

## Smart **working**

As an essential activity, in 2020 we were called upon to guarantee continuity in the supply of our food products to the Country even in the hardest months of lockdown.

Together with the reorganization of the activities in the production departments, in March we reviewed the working methods for all the office employees and in a few days we organised ourselves, making all our collaborators safe. Over **700 people** entered **agile work mode** with access to all company operating and management systems, thus guaranteeing the continuity of any activity.



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## Welfare plan

The Group has concluded several agreements in the territories in which it operates, with the aim of obtaining discounted rates for its employees for the purchase of goods and services, in particular medical services at specialised clinics. Also in 2020, the portal of corporate affiliations reserved exclusively for Group employees was reconfirmed (<https://gruppoveronesi.convenzioniaziendali.it>). To support our colleagues in more complex activities, we have also set up services such as the help desk for filling in tax form 730, as well as agreements with insurance companies.

The Group also has two company outlets (San Martino Buon Albergo and Caselle di Sommacampagna) where employees can enjoy dedicated discounts. All the Group's establishments are equipped with canteen services or special agreements with catering establishments


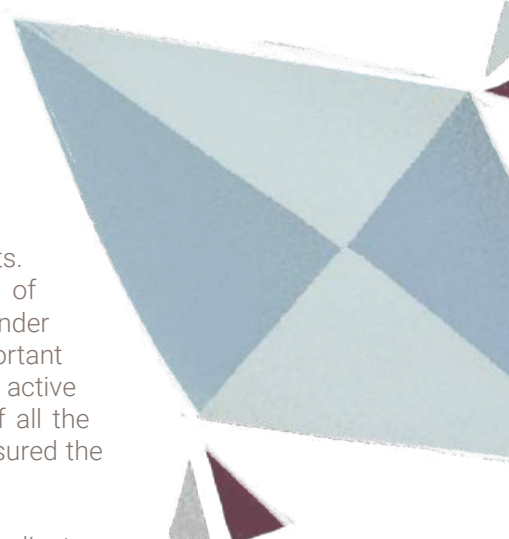
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## Productivity bonus

In 2020 the bonus was awarded to all the Group's production plants. A result that takes on a connotation of exceptionality in a context of unprecedented and extraordinary adversities such as that of the year under analysis. This result is the consequence on the one hand of the important investments made to guarantee safety and keep production always active in all the plants, on the other of the commitment and dedication of all the workers who with responsibility and a spirit of collaboration have ensured the country the constant supply of basic food items.

The amount of the bonus is determined by the achievement of four indicators provided for by the supplementary company agreement signed with the social partners: productivity, product quality, workplace safety and environmental sustainability.

Each plant has declined the measurement of environmental sustainability parameters according to the specific production characteristics. An important recognition is the C4G Recycling Certificate obtained in 2020 from the most important plant of the Group for the excellent progress in waste recycling. In particular, during the year the volumes of recycled paper increased by 24% with a saving of 850 tons of CO<sub>2</sub> (see page 111 "Recovery, recycling, treatment: a strong anti-waste and circular culture").





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## Veroneasy-life platform

VERONEASY-LIFE is the online platform that allows all employees to reconvert the productivity bonus into the purchase of goods or services.

The areas covered by the corporate welfare plan range from health care to social assistance, from education to supplementary welfare to shopping vouchers and petrol coupon, to recreation and sport. The benefits also include tablets for students, baby-sitting, nurseries, free time management. Today the platform is available to almost all of our people.

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## Solidarity leave

We have joined the solidarity leave mechanism on the Magreta site, with the ambition of extending it to other sites in conjunction with the contractual renewals. Solidarity leave are a non-compulsory form of solidarity thanks to which a portion of holidays and individual

leave can be transferred to colleagues who, in order to assist family members in need of constant care, must be absent for a prolonged and unpredictable period from the workplace.



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## Industrial relations: a dialogue always open

The industrial relations model applied in the Group defines a system articulated on three levels – by Group, sector, company - based on bilateralism and participation, in order to combine business objectives and social demands.

Regular meetings with Trade Union Organisations at various levels (national, regional, territorial and company) are a useful opportunity for discussion on topics such as: economic-production trends, investment and restructuring plans, employment trends (youth, female, seasonal), the enhancement, development and training of personnel, occupational safety and environmental protection, work-life balance, corporate welfare.

The constant and punctual oversight of the HR function in the production sites guarantees constructive relationships with the Unitary Trade Union Representatives and the Territorial Secretariats on specific issues of the individual plants.

The discussion with trade unions is significant in the event of structural changes to the work organisation, in order to take into due consideration, the observations and proposals made by the trade union.

*All employees are guaranteed the application of the National Collective Labour Agreement (NCLA) of reference, which is accompanied by a second-level collective bargaining contract specific to the sector to which they belong.*

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### **Marco Biagi foundation** protocol

In order to achieve higher labour protection standards than those prescribed by the procurement law, the company - in addition to the certification of the activities - has developed in collaboration with the Marco Biagi Foundation, an ad hoc protocol for integrated and systematic evaluation of the management of employment relationships. This is an additional audit and certification service of the correct management of personnel by the contractor.







## First and foremost we raise and cultivate talent

The search path for new professional top profiles to hire has not stopped even in the midst of the pandemic. More than **370 new colleagues** joined in 2020, of which **160 are under 30**. In particular, the Group has always tried to valorise the skills and competences of the youngest.

In 2020, an important relationship of collaboration began with the **ITS Mechatronic of Veneto**, a school of high technological specialisation that offers two-year training courses in the field of mechatronics. The courses are characterised by at least 50% of the training hours in our company and by teaching activities oriented towards the development of projects, simulations and laboratories. To date, 4 projects are active on different production sites, 2 in food maintenance and 2 in the management of the feed production plant. From this latest project, the possibility arose to hire, with a contract of **Higher Education and Research Apprenticeship** (Third type Apprenticeship), one of the trainees, who will be able to work and attend lessons at school until graduating in July 2021.

The collaboration with ITS will allow our Group to support the approach of young people towards the workplace by giving them the opportunity to carry out traineeships within the production sites in Veneto. The goal is to extend the project to the other regions where we are present.

Relations with local schools and the academic world continue, allowing us to meet students interested in learning about our reality and being a part of it. 2020 was a special year, which allowed us to implement different but equally innovative and stimulating activities.





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Despite the distance and the inability to move, we were involved in many events with the local universities. We narrated our company history and its opportunities to hundreds of students from the **Universities of Verona, Padua, Brescia and the Cattolica of Milan and Piacenza**, all strictly online.

For the second time we participated in the **Samsung Innovation Camp** project promoted by Samsung in collaboration with Accenture and Randstad, which aims to integrate university education with technology, digital innovation and local businesses. We promoted a project focused on smart working and rewarded a group capable of developing the theme in an innovative way.

The commitment to young people also continues through the **Apprenticeship in production**, a project that in 2020 saw **8 active apprenticeships** aimed at developing skills in the technical food production sector.



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## Welcome at the base of **knowledge**

Our commitment, however, does not end only in finding capable and competent people but also in following them during the early stages of insertion into the company. For some time, we have been organising a path that involves new colleagues with the aim of introducing them all the stages of our supply chain. 2020 could not foresee the usual physical visits to plants or farms, for this reason we started to develop an alternative online path that allowed us to involve new colleagues, creating an ever stronger sense of belonging.



## The ability to innovate also in training

2020, was undoubtedly a very unusual year for the corporate training process. The outbreak of the pandemic blocked all planned training projects and interrupted those just started.

We had to quickly learn a new way to train people, aware of the fact that continuing in the training process was vital for the growth of skills in a supply chain that could not be interrupted. From the physical place of the classrooms we moved to a virtual one.

**Online training** has given us the opportunity to reach people wherever they were, at home or in the office, whilst safeguarding their health.

Since March, in full lockdown, all the plants have managed to hire and train the staff needed for the summer season, providing specific training on safety, quality and the environment with remote courses for a total of **6,300 hours of online training** supplied during the year.

The pandemic and as a consequence the new forms of organisation and working life have put at the centre the need to respond in an unprecedented way to the emergency, to new regulations, to new needs. The "**Safe restart**", the "**Cybersecurity**", the "**GDPR**", "**I stay safe**" are just some of the crucial topics addressed during the training courses of 2020, as well as the training courses for new hiring or the quality course for remote workers were promptly adapted.



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In less than a year, the world of education has undergone an unprecedented revolution. Major training agencies have transformed classroom activities into online learning paths. The proposals for video lessons, training pills, webinars on the most varied topics have multiplied. This allowed us to follow our collaborators without interruptions, being able to verify their participation and evaluate their learning and memorisation through specific tests.

With regard to technical and operational training, we make extensive use of augmented reality and multimedia technologies, so as to be able to share specific contents and procedures of the company and its various functions.

It is important to point out that, in view of the scale of remote activities and despite the evident context difficulties of the pandemic, **40,000 hours of training** were provided **in person**. It is a great result, obtained thanks to the extraordinary commitment of all colleagues, who gave their all in the delicate work of organising the classrooms, sanitising the environments and checking compliance with safety procedures.



# Employee health and safety

## First of all prevention

Ours is a preventive approach: we involve all employees and collaborators to identify effective plans for the prevention and improvement of working conditions. We are constantly committed to reducing the likelihood of accidents and occupational diseases, increasing health and well-being in the workplace, ensuring compliance with applied regulations.

The risk assessment is monitored through periodic targeted audits, which verify the application of regulatory requirements and the effectiveness of the Integrated Quality - Safety - Environment Management System.

The tools used by the auditors are: interviews with management roles, evaluation of records relating to the application of procedures for safety and the environment, evaluation of the effectiveness of management system procedures, evaluation of the application and effectiveness of technical, technological and procedural measures. All the information obtained is contained in a single checklist compiled by the Health & Safety and Environment managers. The results are used to improve and update the programs that each plant develops according to its production and organisational complexity. This criterion is followed by all Food and Feed companies and is being implemented by the Farm.

In 2020, 4 operating units for the safety area and 7 for the environment area were audited.

All employees have an active role in spreading the culture of safety and in gaining awareness of their responsibility.

All business relationships with third parties not directly dependent on the Group are governed by art. 26 Legislative Decree 81/08.





## To be safer, **we train and inform**

A Prevention and Protection Service Manager is appointed in each of the Group Units, flanked by a Prevention and Protection Service Officer (Feed and Food divisions). To spread greater knowledge of Health & Safety, a procedure has been prepared that lists the processes to be activated, specifically information, training and training processes by PPSM (Prevention and Protection Service Manager), PPSO (Prevention and Protection Service Officer), ESMM (Environmental System Management Manager), QAM (Quality Assurance Manager) and HR (Human Resources Training Manager).

The Workers' Safety Representatives (WSR) are involved in the activities of updating the risk assessment, in the training programs, in the presentation of the statistical analyses of accidents, in the annual meeting and in the meetings with doctors in compliance with cogency. In the more complex productive realities the frequency of the meetings is higher than what is foreseen by the law.

All our employees, in line with the 231 law, can contact the Supervisory Body via email anonymously to report any dangerous situations or repercussions.

## Prevention, information, **participation**

Training and information are the basis of our prevention path. Specific security procedures are envisaged for each company role.

In particular, "AIA GOOD PRACTICES" is the compulsory course on Quality aimed at all new hiring in the operating units. The course includes a training module dedicated to safety, to disseminate good production practices and the information necessary to prevent and report any dangerous situations. Training activities are managed by the Prevention and Protection Service in collaboration with the Human Resources of the plant. For the workers the training lasts 12 hours: at the end of the class for new hiring, learning is verified through an assessment test.

Attendance to the courses can be recorded with specially designed modules (if the course is organised internally) or by a certificate (if the course is organised by a third party). In any case, all activities are recorded using the the Group's IT support.

Participation in courses can take place during working hours or, if conditions do not allow it, in accordance with the trade unions, outside working hours.

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## Health **monitored constantly**

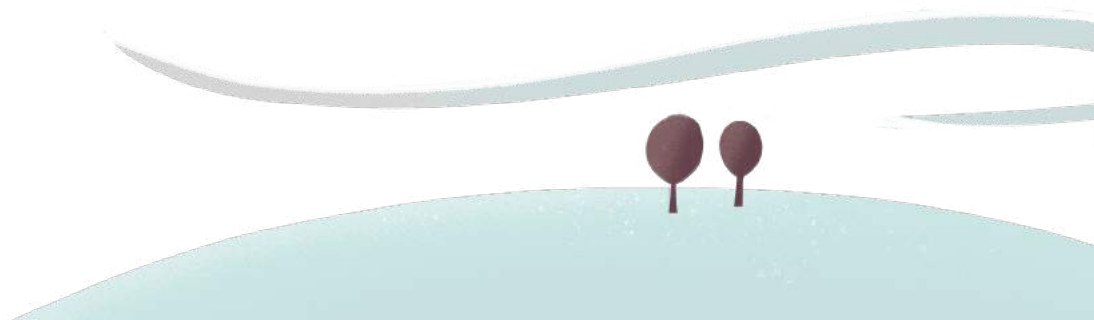
Each plant has an Occupational health doctor who assesses the suitability of employees according to the specific risks of their function. Given the complexity of our structure, a Coordination of Occupational health doctor is envisaged with the appointment of a Occupational health doctor Coordinator. The Occupational health doctor draws up his own Health Surveillance Protocol where he analyses, in a disaggregated way, specific risks - tasks - processing, taking into account the basic Protocol drawn up by the Coordinating Doctor.

Health Surveillance provides: a preliminary visit before hiring, to verify the suitability of the person for the appointed function, a periodic visit to check the state of health and continuous suitability for the role, a visit at each switch of duties and visits at the worker's request. The suitability judgment is recorded in the company applications.

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## Safe work **project**

It is a project started in 2007, in collaboration with INAIL Veneto, and extended to the Lombardy Region, in collaboration with INAIL Lombardy. Its purpose is to increase prevention and awareness in the plants of the two regions, establishing an active supervision of training on safety in the workplace. Compliance, surveillance and implementation of the Occupational Health and Safety Management Systems (OHSMS), in compliance with the UNI-INAIL Guidelines, are constantly checked, through the use of the Operational Guide "Safe Work" Ed. 2011. Some Feed (San Pietro in Gu) and Farm (hatcheries of San Pietro in Gu and Isola della Scala) sites also joined the project with the aim of extending it to all the Group's operating units. In 2017, on a voluntary basis, the verification was extended to include aspects relating to the environmental management system, in particular for plants not certified according to ISO 14001.











# Respect for the **environment** 09

## Protect the environment to defend our future

We are a company rooted in the Italian territory. Our commitment is aimed at **promoting sustainable development from a circular economy perspective**, using the most advanced scientific knowledge available. Aware of our role in society, our goal is to grow the value we generate and, at the same time, reduce the environmental impact of our activities where possible thanks to a responsible and efficient use of natural resources.

We work by involving all business processes, to foster collaboration and a constructive approach in identifying the best techniques available on the market. Proof of this is our Integrated Quality - Safety - Environment Management System, whose validity is guaranteed by international standards (UNI EN ISO 9001, UNI EN ISO 14001). The Integrated Management System is applied by the whole Group with specific guidelines, declined at the individual plants.

**The Integrated Management System is a strategic management tool that allows the Group to have a single vision on the issue of environmental protection as well.** For each business process, key roles have been identified, that are responsible for developing projects and actions for continuous improvement with measurable and quantifiable environmental results.

The application of the Integrated Management System has made it possible to achieve important goals, such as the constant control of production processes and the effectiveness of the technologies in use, through the annual preparation of the Sustainability Report, a tool that allows an increasingly in-depth knowledge of production processes and consequently the environmental impacts. Thanks to the analysis of the environmental data collected in this way, it is possible to search for the **Best Available Techniques** (BAT) for the continuous monitoring of impacts and environmental costs.



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Since 2018, the agri-food centre of San Martino Buon Albergo, the sites of Nogarole Rocca, Magreta and Caselle di Sommacampagna have obtained the **ISO 14001 certification of conformity to the standard 2015 version**. The transition to the new version involved the introduction of a global vision of the system and an extension of the management and monitoring of relations with all interested parties. This upgrade made it possible to give greater emphasis to the results obtained in terms of sustainability and to increase the drive towards continuous improvement, promoting awareness actions within the organisation and sharing with stakeholders. The Group confirms its commitment to extend certification to other plants in the coming years.

The certification indicates the Group's commitment in various areas:

- prevention of all business risks related to the management of environmental aspects
- definition of environmental goals
- identification of performance indicators
- training for the different organisational roles
- monitoring of legislative provisions, prescriptions, commitments and agreements made with the interested parties
- definition of management measures
- definition of emergency management measures
- monitoring and analysis of results



## All our energy **to reduce emissions**

For many years the company has been committed to the **responsible use of energy resources** and develops projects to ensure their constant efficiency.

The processes and systems that involve greater energy consumption are: cooling system, compressed air production, water abstraction from wells, wastewater treatment, artificial lighting, production of steam and hot water.

Through the **energy diagnosis (ED)** tool we analyse the energy sources used (electricity, natural gas, biogas) and consumption for specific functional areas, thereby to identify the critical issues and areas for improvement, also elaborating proposals to improve energy performance.

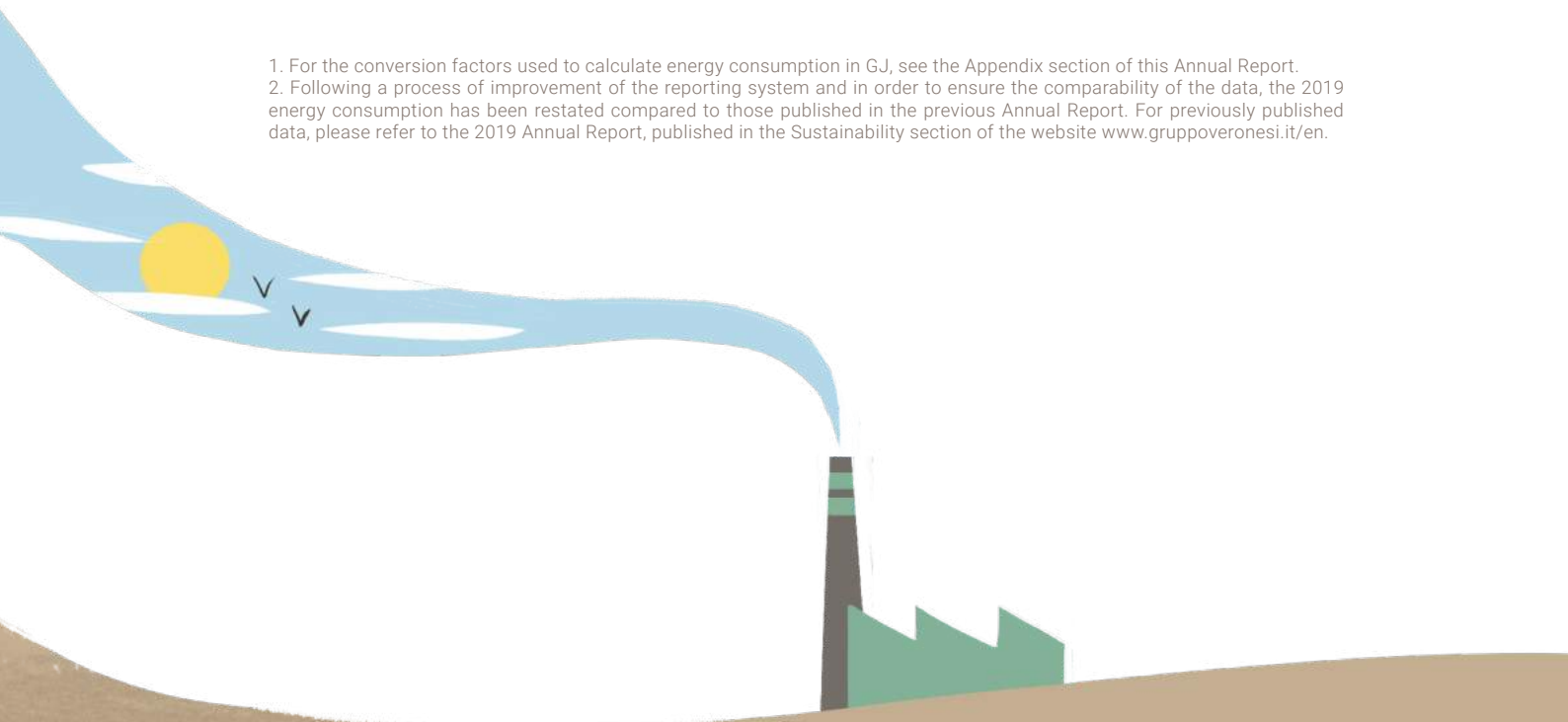
The interventions already carried out are: continuous monitoring of consumption; the installation of machines with high-performance motors; the installation of energy power regulation systems according to the specific process needs (inverter); the reduction of heat losses; the optimisation of energy-intensive processes and use of resources; the use of renewable sources for the production of electricity and heat.

The constant commitment of the Group in optimising energy use according to actual needs, in particular for the cooling system in fresh food production, has been recognised with the achievement, starting from 2006, of approximately **31,000 Energy Efficiency Certificates** (TEE or white certificates) issued by the Electricity Market Operator (EMO), based on the certification of the savings achieved by the Authority. The certificates, equal to a value of 4 million Euro, correspond to a **reduction of about 27,000 tons of CO<sub>2</sub> emitted into the air**.

In 2020, the Group's total energy consumption stood at 3,885,351<sup>1</sup> GJ, a slight increase compared to 2019, equal to 3,869,041<sup>2</sup> GJ (0.4%). These consumptions are composed of the usage of non-renewable fuels such as methane gas, diesel oil, LPG, combustion oil for a total of 1,444,469 GJ, a slight decrease compared to 2019 and of renewable fuels, biogas used to power the boilers for a total of 336,614 GJ, a slight increase of 3.3% compared to the previous year. The remainder corresponds to indirect consumption (purchased electricity) which amounts to a total of 1,478,870 GJ (+ 1.4% compared to 2019).

1. For the conversion factors used to calculate energy consumption in GJ, see the Appendix section of this Annual Report.

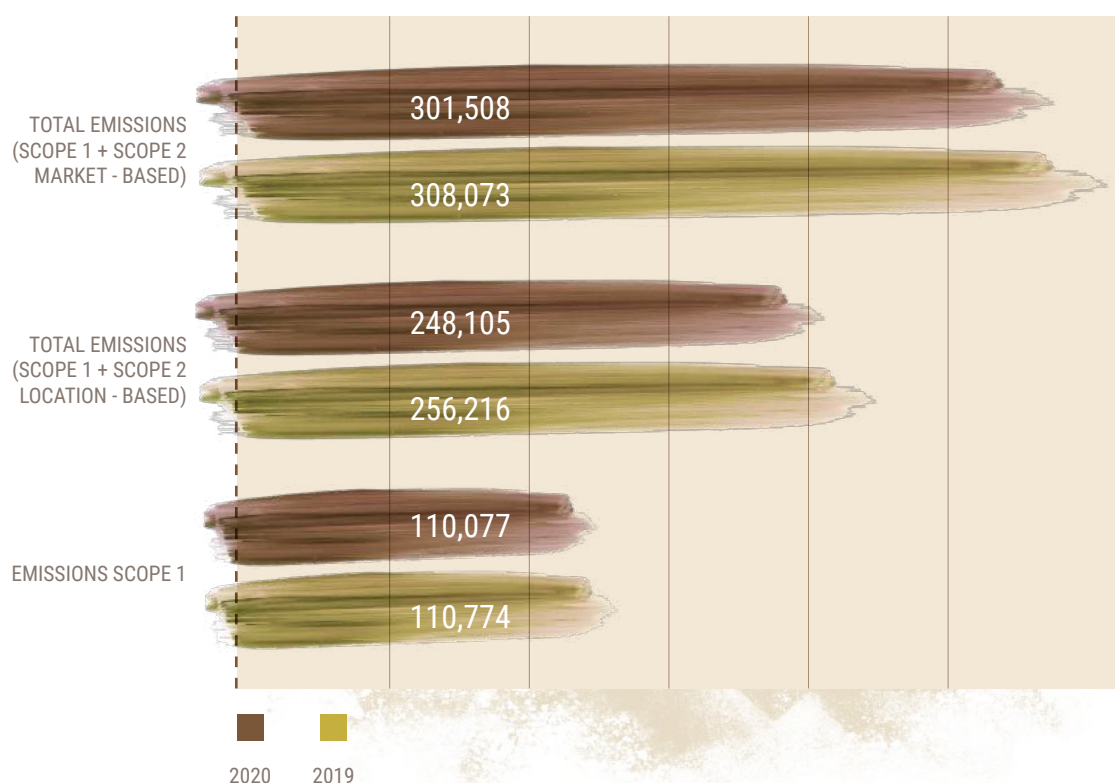
2. Following a process of improvement of the reporting system and in order to ensure the comparability of the data, the 2019 energy consumption has been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).





In 2020, the direct emissions of the Veronesi Group amounted to 110,077 tons of CO<sub>2</sub> equivalent (Scope 1)<sup>3</sup> deriving from the consumption of methane gas, diesel oil, LPG and fuel oil. Indirect emissions (Scope 2)<sup>4</sup>, on the other hand, deriving from the electricity purchased, amounted to 138,028 tons of CO<sub>2</sub> based on the Location-based calculation method and equal to 191,431 tons of CO<sub>2</sub> calculated with the Market-based method. Total emissions (Scope 1 and Scope 2 Location-based) amounted to 248,105 tons of CO<sub>2</sub> equivalent, a slight decrease compared to 2019, when they stood at 256,216<sup>5</sup> tons of CO<sub>2</sub> equivalent (-3.2%).

## Emissioni Scope 1 e Scope 2 (tCO<sub>2</sub>eq)



3. For the emissions factors used for the calculation of Scope 1 and Scope 2, see the Appendix section of this Sustainability Report.

4. The GRI Sustainability Reporting Standards envisage two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methods were used. The Market-based is based on the CO<sub>2</sub> emissions emitted by the energy suppliers from which the organisation purchases, through a contract, electricity and can be calculated considering: Energy Guarantee of Origin certificates and direct contracts with suppliers, emission factors specific to the supplier, emission factors relating to the "residual mix", i.e. energy and non-monitored or unclaimed emissions (methodology used, with Italy 2020 emission factor: 466 gCO<sub>2</sub> / kWh source: AIB - European Residual Mixes 2020). The Location-based method is based on average emission factors relating to energy generation for well-defined geographical boundaries, including local, sub-national or national borders (methodology used, with Italy 2020 emission factor: 336 gCO<sub>2</sub> / kWh - source: Terna International Comparisons 2018).

Scope 2 emissions calculated with the Location-based and Market-based method are expressed in tons of CO<sub>2</sub>, however the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO<sub>2</sub> equivalent) as can be deduced from the technical literature of reference.

5. Following a process of improvement of the reporting system and in order to ensure their comparability, the data relating to the 2019 emissions has been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

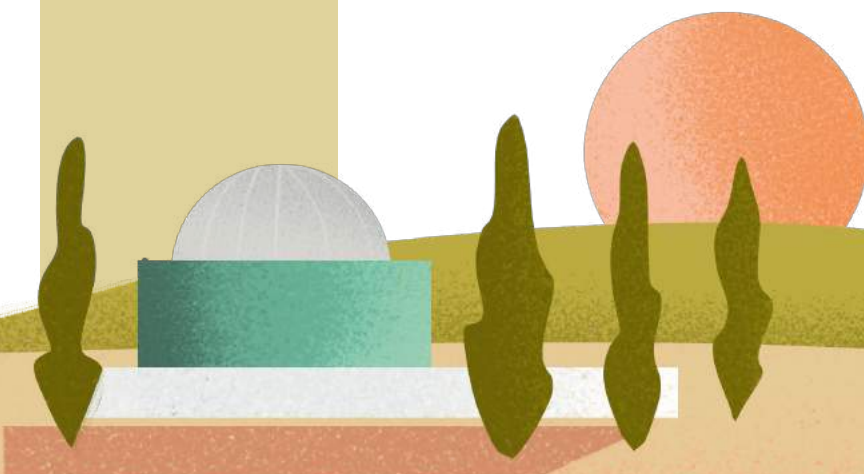


## Energy from renewable sources

The goal that the company has been pursuing for years is to **promote the use of energy from renewable sources**. This decision is reflected in the choice to invest both in the ability to get energy from the biomass obtained within the production process and in solar energy.

In particular, in addition to the purchase from the national grid operator, we have invested in proprietary cogeneration plants that use self-produced biogas, photovoltaic and solar thermal systems as fuel.

Overall, the alternative energy production plants (biogas, photovoltaic and solar thermal) produce energy equal to the **average annual consumption of more than about 7,800 families** and make it possible to avoid the emission of about 6,600 tons of CO<sub>2</sub> into the air.



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## Biogas

Over the years we have **invested over 20 million Euro to build 5 anaerobic digestion plants** in which to produce biogas - to be used as an additional fuel to existing natural gas plants - and saturated steam for production processes.

The plants currently active are in San Martino Buon Albergo, Nogarole Rocca and Villaganzerla. The fifth digester is up and running on 2020. The biogas is used in all electricity production plants through combustion in an eight-cycle endothermic engine (cogeneration). All are highly technological and managed by specialised personnel, according to strict protocols; **together they have a production potential corresponding to 9% of the Group's overall energy needs.**

All the organic wastewater and the washing waters of the production lines flow into the purifiers. In the purification tanks, the water is separated from the organic part, purified and returned to the surface water in full compliance with current legislation. The sludge, i.e. the residual organic component, is then digested in the anaerobic digesters where it is transformed into biogas, used in cogenerators and thermal power plants to produce electricity and heat. Thanks to the anaerobic digestion systems, **100% of the sludge coming from the poultry sector is recovered.** The residual sludge is further centrifuged and dried in two special plants, capable of **drying 65% of the Group's total sludge**, thus reducing the amount of waste to be disposed of by approximately 9,000 tons. A third plant is being planned, which will make it possible to achieve 100% of dried sludge.

Our future commitment in the recovery of organic waste will also involve production sites dedicated to pigs. This will lead to the recovery of 100% of wastewater and to the increase in the production capacity of energy from renewable sources.

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## Photovoltaic and solar thermal

The Group owns **5 photovoltaic plants**, located at the Putignano, Guidonia, Bari, San Quirino and San Michele Extra plants, to which the San Polo di Torrile plant will be added in 2021. Almost all of the energy produced is used on site, the surplus is fed into the network grid. Photovoltaic systems cover, for example, 26% of the energy needs of the distribution centre in Bari and 16% of that in Guidonia.



## Recovery, recycling, treatment: a strong anti-waste and circular culture

The company has been working for many years in a circular way, with the aim **of preventing the formation of waste upstream**, in compliance with current legislation and in line with the requirements of UNI EN ISO 14001 (Environmental Management System).

The Group's initiatives for an increasingly virtuous waste management are numerous:

- production of biogas from sewage sludge and subsequent drying
- correct differentiation of waste, which favours the recovery of certain types (such as: paper and cardboard, nylon, wood and plastic)
- recovery of animal by-products (Reg. EEC 1069/09) generated by the processing of products (SOA), which are transformed into protein flours and animal fats for the pet-food industry
- the installation of mechanical presses as an alternative to compactors, to reduce the volumes of waste outgoing and therefore the traffic induced by the collection process.

The company's commitment has materialised in the introduction, amongst the objectives of the production bonus, of a variable linked to environmental sustainability. In particular, the project for the recovery and recycling of glassine paper (siliconized paper label support) collected in the factories of San Martino Buon Albergo, Nogarole Rocca, Zevio, Magreta and Correggio is of great importance.

*We believe that the correct training of our people is essential to achieve these goals.*

*This is why we have involved all the operating units committed to reducing the production of waste, to reduce its mass and volume thanks to the partial recovery and reuse of waste materials in other processes, to increase recycling, to reduce disposal by favouring recovery solutions.*



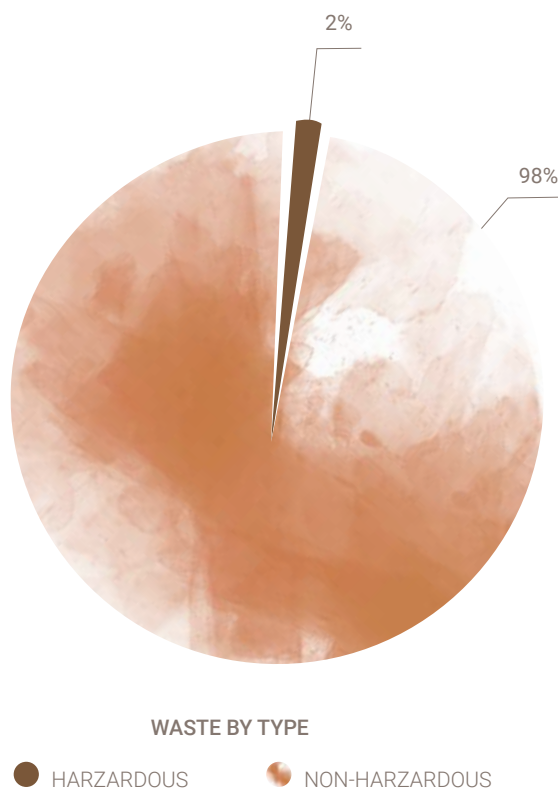


The amount of material collected and recycled (435.9 tons in 2020) with equivalent savings in CO<sub>2</sub> emissions (854 tons CO<sub>2</sub> eq.) was certified by the release of the unique environmental certificate by Cycle4green, an international company specialising in this activity. Furthermore, the **Veronesi Group has been recognised by Cycle4green as the supplier of the year 2020.**

98% of the waste produced is non-hazardous, while hazardous waste represents less than 2% of the total and is scrupulously managed in accordance with the relevant legal provisions.

**The Group pursues an integrated product policy**, i.e. it does not limit itself to optimising waste management, but **introduces sustainability criteria starting from the procurement phases of goods and services.**

In 2020, over 33,248 tons of waste were produced, a decrease compared to 2019 (more than 34.631 t)<sup>6</sup>



6. For 2020 it was decided to proceed with the reporting of waste data using the new Standard GRI 306, published by the Global Reporting Initiative (GRI) in 2020 to replace the version used so far, published in 2016. For comparative purposes, the data relating to 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published on the website <https://www.gruppoveronesi.it/en/annual-report>.



## Water, a heritage to be protected

Water is everyone's heritage and for this reason its protection is important. The Group is currently carrying out an important analysis project to evaluate how the withdrawals and discharges of the individual plants impact on the territory's water resources.

The report will highlight the sources that generate pressure on the Italian water system and the related consequences on the potential water system, thus mapping the areas of greatest stress. The analysis also identifies the quantities withdrawn from distinct sources for each hydro-ecoregion, and the production sectors that impact these systems.

Using the "**Aqueduct Tools**" system developed by the World Resources Institute<sup>7</sup>, only the water withdrawals and discharges from the Putignano site concerned areas with water stress. Among the initiatives implemented by the Group for the protection of water we point out in particular:

- groundwater recharging through the introduction of rainwater into the soil from covered surfaces
- preparation of chemical-physical analysis of the water withdrawn from the wells
- sampling and monitoring of the water coming from the treatment plants before release (**over 2,000 self-checking analyses**)
- use of direct load-collector connections to reduce the risk of flooding
- targeted plant interventions
- management systems and control of the water withdrawn in order to avoid waste in the productive compartments
- adoption of **BAT** technologies (**Best Available Technique**) to reduce waste
- cleaning systems that reduce pressure or the use of calibrated nozzles
- well maintenance

In 2020, the total water withdrawal amounted to 9,339 megaliters, most of which from wells (8,241 ML), a slight decrease compared to 2019 when 9,316<sup>8</sup> megaliters were withdrawn. The Group's objective is to withdraw 100% of water from its wells (today the withdrawal is 88% of the total requirement) in order to reduce or eliminate the marginal impact (1,098 ML) that our business would have on public waters. All of the water withdrawn comes from fresh water (water with a concentration of total dissolved solids equal to or less than 1000 mg/l)<sup>9</sup>.

7. The WRI tool is available online at the web page: <https://www.wri.org/our-work/project/aqueduct>. For the analysis, the results emerged in the "baseline water stress" column were taken into account".

8. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to water withdrawals in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

9. This definition is based on ISO 14046: 2014, the USGS (United States Geological Survey) document, Water Science Glossary of Terms, [water.usgs.gov/edu/dictionary.html](http://water.usgs.gov/edu/dictionary.html), (accessed June 1st 2018) and on the WHO document (World Health Organisation) Guidelines for Drinking-water Quality of 2017.

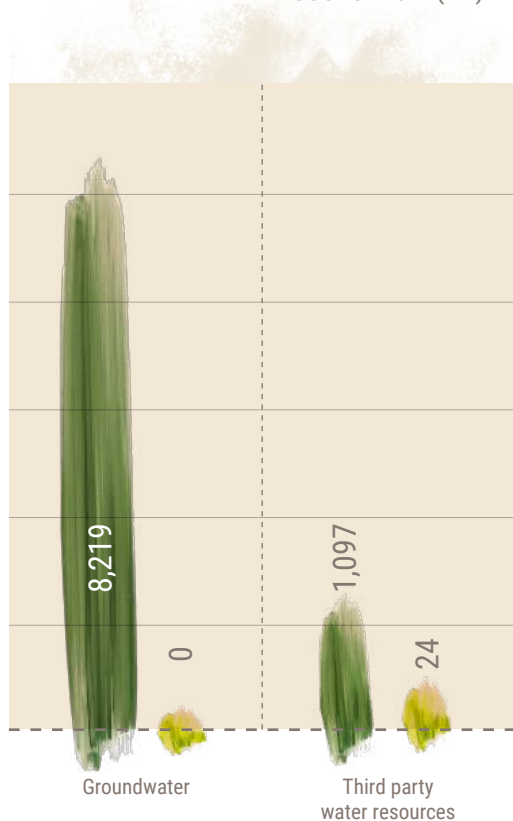


The water discharged in 2020 amounted to 6,398 megaliters of which 4,098 in surface water and 2,299 in the sewer system, a slight decrease compared to 2019 (-4%).

**Almost all of the water used in our sites is treated in our own purifiers and re-introduced into surface waters.**

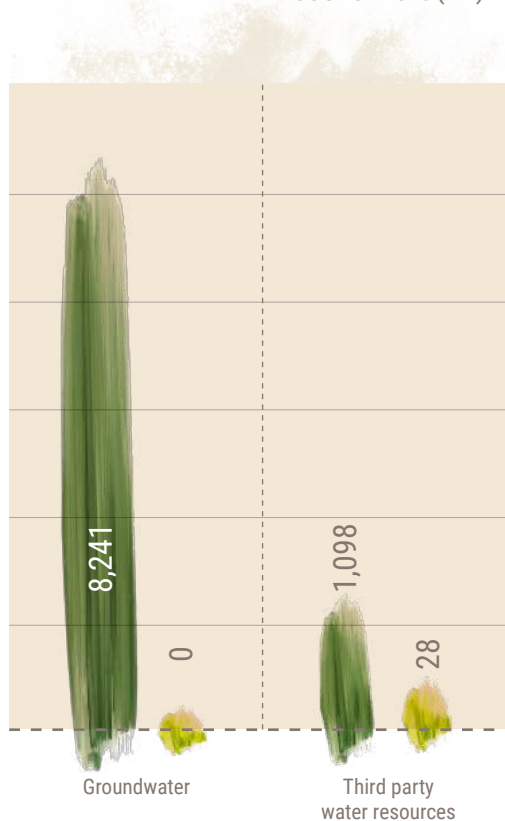
To verify compliance with the legal parameters before the release of the water, sampling points are set up, some of which with the possibility of carrying out independent analyses. The company carries out approximately 2,000 internal analyses every year in the new centralised chemistry laboratory, which allow the management of purification plants in compliance with environmental permits.

WATER WITHDRAWN BY SOURCE 2019 (ML)



■ All areas  
■ Water stress

WATER WITHDRAWN BY SOURCE 2020 (ML)



■ All areas  
■ Water stress

## Attention to biodiversity

Respect for biodiversity is essential to maintain the balance of the current global ecosystem for future generations.

In 2020, an important study began which aims to **identify**, at macro level, **strategies and operating methods for the analysis and protection of biodiversity in the settlement areas**.

Almost all of the production sites are located on large areas owned by the Group. Over the years, this has made it possible to preserve the mainly agricultural land, which take on the function of important buffers and passageways for species of conservational interest. The maintenance of the agricultural function guarantees the conservation of the territorial bio-permeability around the production units.

There are numerous measures we take to limit our impact and protect biodiversity. Among the main ones we can indicate:

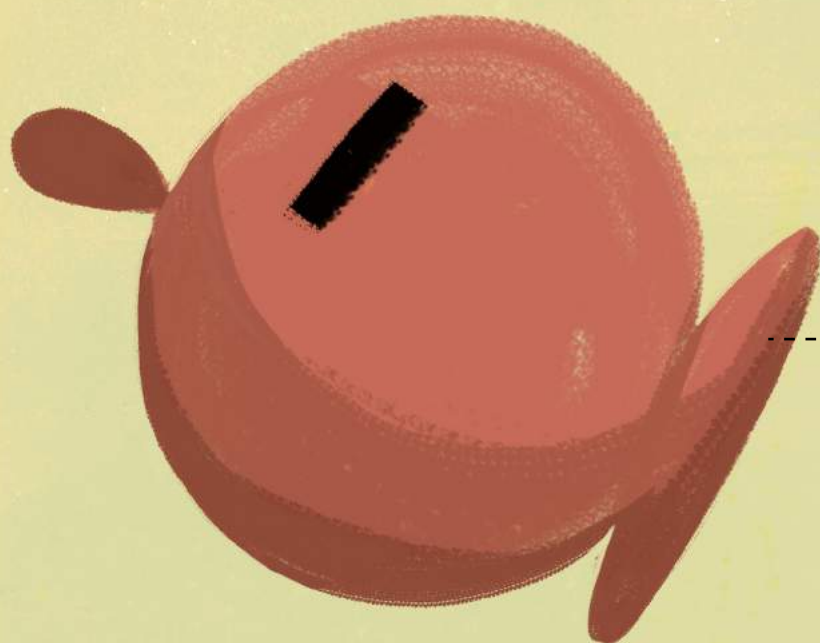
- **analysis of environmental suitability** for the species of community interest whose presence is possible or ascertained in the agricultural areas adjacent to the establishments;
- presence and activation of high-tech environmental safeguards;
- **periodic monitoring** of emissions into the atmosphere, discharges into the water body and the respective regulations;
- prediction of potential significant effects with specific environmental modelling (modelling of pollutants in the atmosphere, modelling of the effects of water discharges in the surface water body);
- **monitoring of receptor water bodies** (IBE index, macrophyte analysis, IFF) to verify their ecological quality status;
- **development and conservation of greenery** within many operating units of the group (census and protection of the arboreal-shrub heritage);
- planting of autochthonous tree and shrub species that are ecologically consistent with the local flora;
- use of lighting systems with low attractiveness for entomofauna and with adjustable current flow.

The analysis carried out revealed that none of the Group's plants are located within protected areas or areas with high biodiversity.





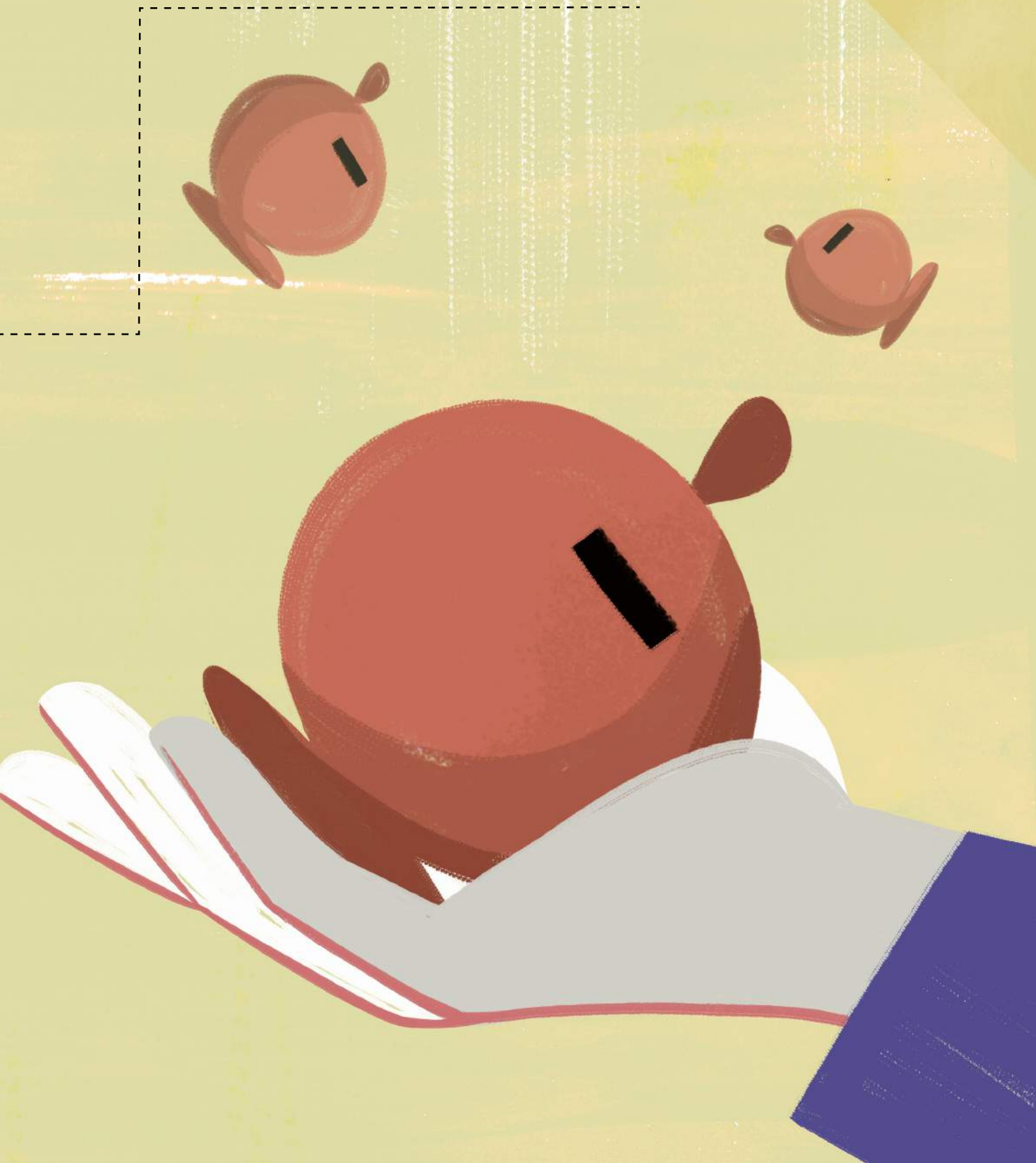






# Economic value and **investments**

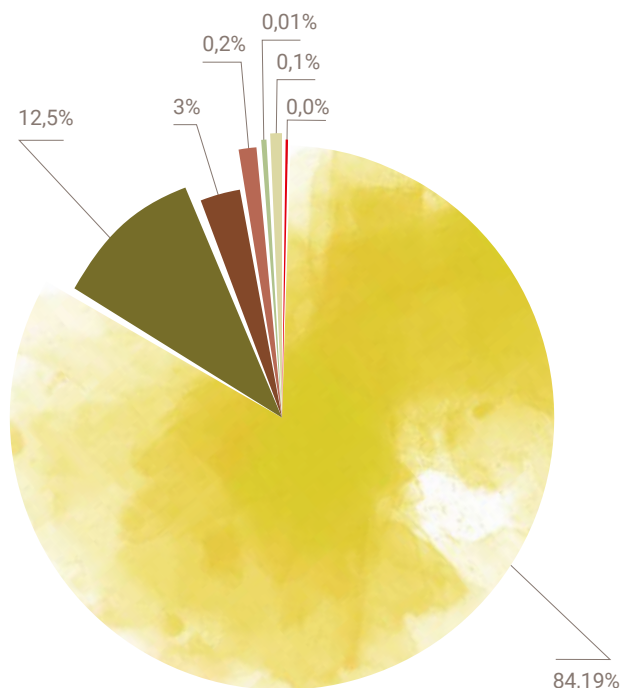
# 10



# Economic Value Generated and distributed

The creation and distribution of value for its stakeholders is a constant commitment of the Veronesi Group. **The economic value represents the distributed wealth produced by the Group and shared with stakeholders** as follows: reclassified operating costs (mainly purchases of raw materials and services), personnel remuneration (direct remuneration consisting of wages, salaries, severance pay and indirect remuneration consisting of social security charge), remuneration of financiers (interest payable), remuneration of the Public Administration (income taxes) and the Community (donations).

The value retained by the Veronesi Group is mainly represented by the profit for the year allocated to reserves, depreciation and provisions.



**PERCENTAGE BREAKDOWN OF THE ECONOMIC VALUE DIRECTLY  
GENERATED AND DISTRIBUTED IN 2020**

- Reclassified operating costs
- Remuneration of personnel
- Remuneration of financiers
- Remuneration of shareholders\*
- Community
- Remuneration of the PA
- Economic value retained

\*During 2020 and 2019, dividends were distributed to the shareholders of Veronesi Holding S.p.A. for an amount of 8,658,168.30 Euro for each year, with withdrawal from the Extraordinary Reserve available in the financial statements.



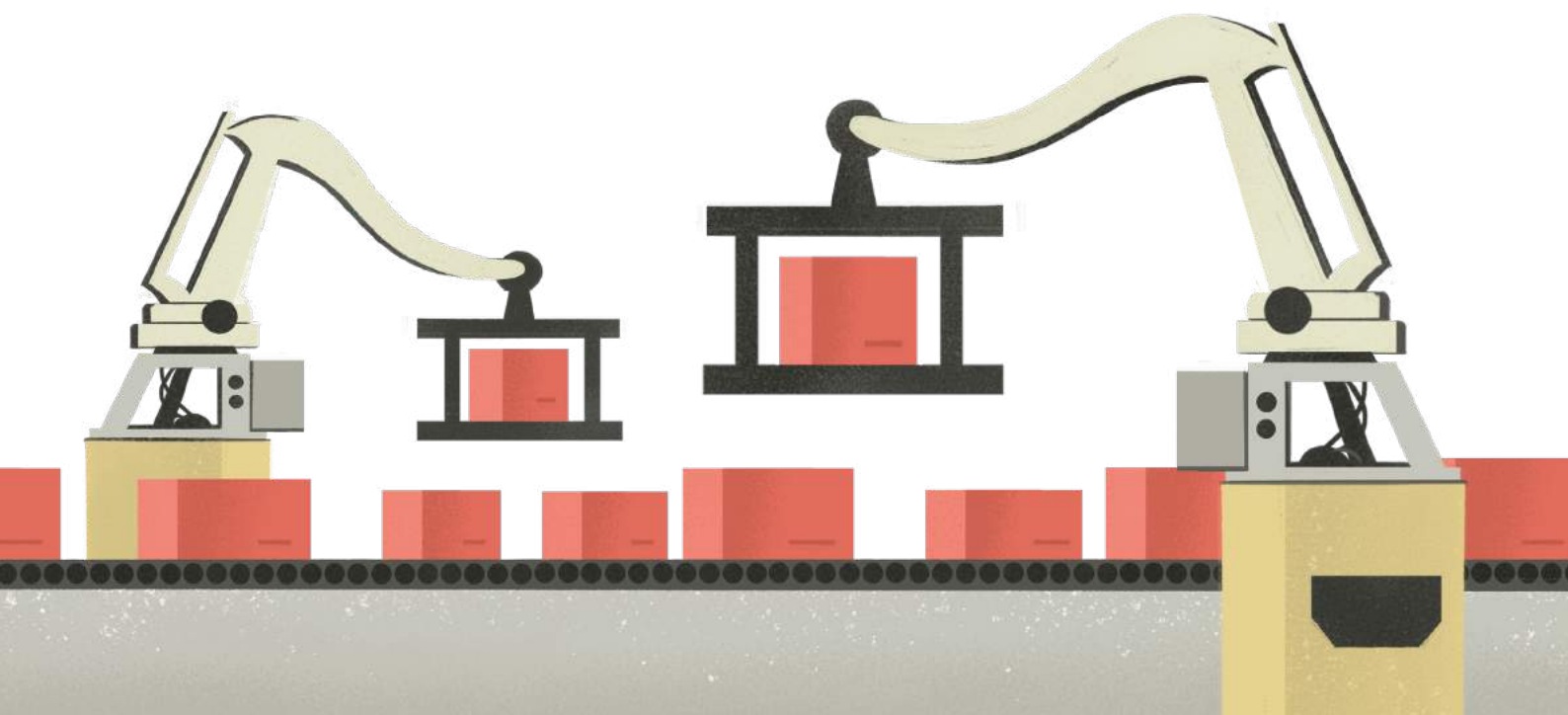
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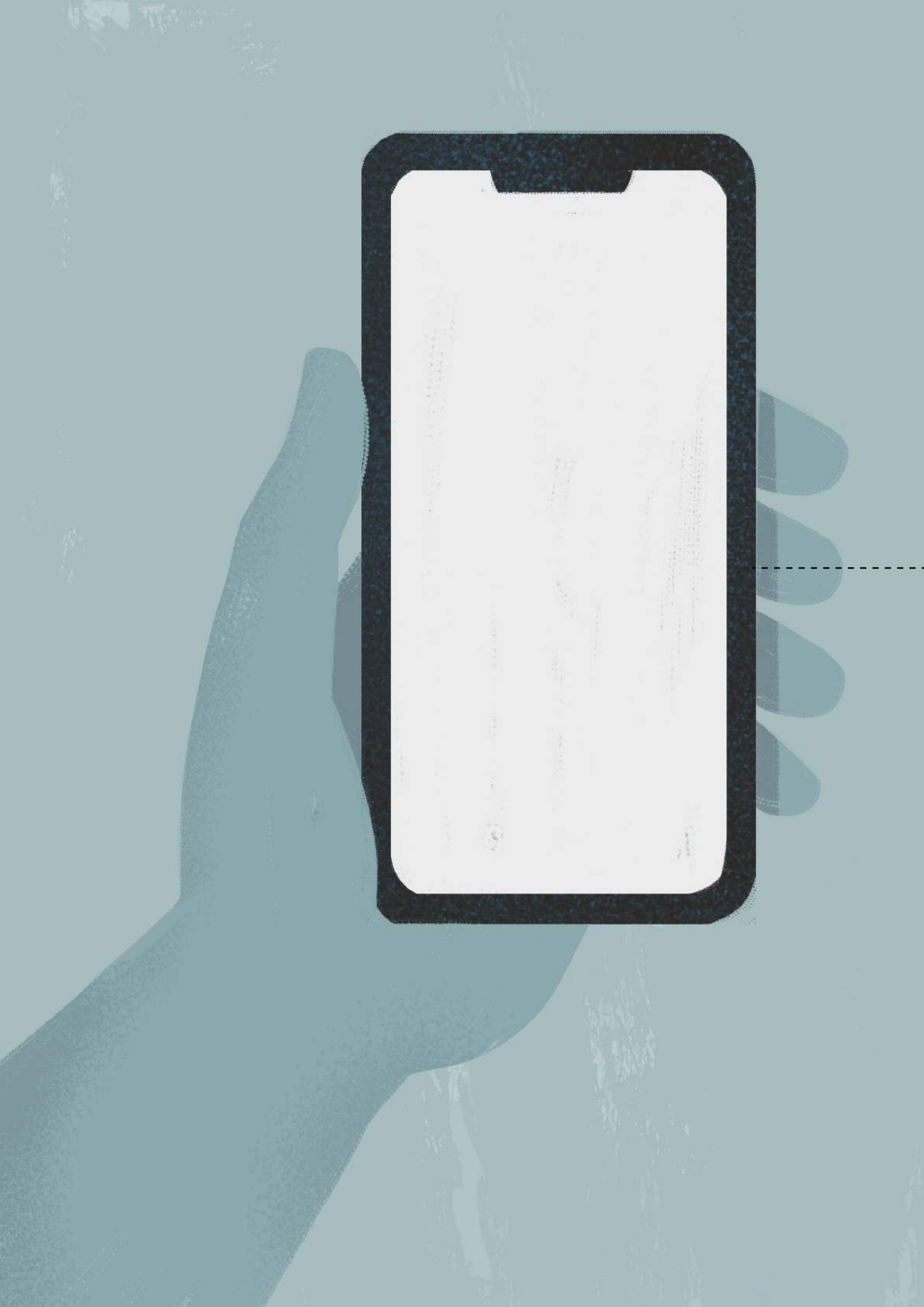
The economic value directly generated by the Veronesi Group in 2020 amounted to **3,195 million Euro**, an increase of approximately 3% compared to 2019, of which the distributed economic value amounts to 3,100 million Euro. Most of this value is represented by reclassified operating costs for a total of approximately 2,690 million Euro followed by staff remuneration (almost 400 million Euro). The remuneration of the Public Administration was equal to over 7 million Euro, while the remuneration to financiers was equal to approximately 4 million Euro. The remuneration to the Community represented over 430 thousand Euro. The value retained in the Company was approximately 95 million Euro.

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## Investments 2020

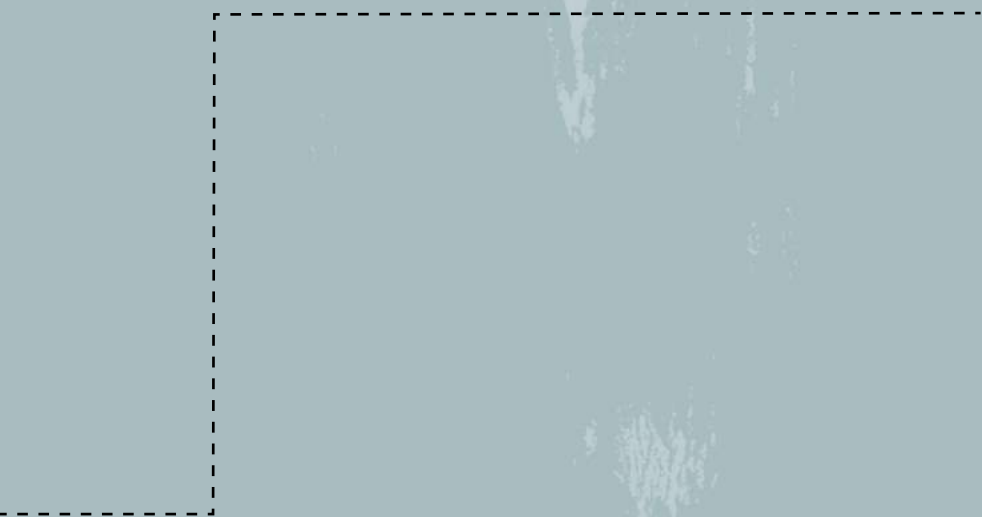
We believe in continuous innovation and growth through the use of the most advanced technologies in the logic that guides **Industry 4.0**. Our Group has always chosen to allocate considerable resources to production sites with the aim of **constantly improving their performance and safety levels**. All our investments are aimed at the ever more careful safeguarding of our people and at increasing the parameters of competitiveness and efficiency. We have allocated over **162 million Euro to our production plants**, along the entire supply chain, to carry out important refurbishments of the buildings and production lines.





# Attachments

11



# Stakeholders **and** materiality

As a Group we have an open dialogue with all the stakeholders who participate in the company's life, through the daily activities of the relevant offices and the participation in debates and working groups in the trade and sectoral associations of which we are members

NATIONAL UNION AGRI-FOOD MEAT AND EGGS CHAIN



NATIONAL ASSOCIATION OF ZOOTECHNICAL  
FOOD PRODUCERS



INDUSTRIAL ASSOCIATION OF MEAT AND CURED MEATS



PROSCIUTTO DI SAN DANIELE CONSORTIUM



PROSCIUTTO DI PARMA CONSORTIUM



MORTADELLA BOLOGNA CONSORTIUM



SALAMINI ITALIANI ALLA CACCIATORA CONSORTIUM



CULATELLO DI ZIBELLO CONSORTIUM





Stakeholder	Channels of dialogue
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Daily report of the Group's commercial offices</li> <li>• Visits organised to the Group's offices</li> <li>• Collaboration and support in the daily activities of farming and management of the structures</li> <li>• Dedicated meetings</li> <li>• Gruppoveronesi.it corporate website, LinkedIn profile</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Daily report of the Group's purchasing departments</li> <li>• Selection of suppliers and performance evaluation in terms of quality, cost of the service and ethical, social and environmental responsibility criteria</li> <li>• Periodic meetings and checks with suppliers</li> <li>• Gruppoveronesi.it corporate website, LinkedIn profile</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Report of the Group's Corporate Communication Function</li> <li>• Constant dialogue with the media</li> <li>• Gruppoveronesi.it corporate website, LinkedIn profile</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Notice boards at the plants and offices</li> <li>• Training and periodic updating activities</li> <li>• Periodic meetings with the social partners</li> <li>• Company intranet</li> </ul>
<b>NGO</b>	<ul style="list-style-type: none"> <li>• Constant dialogue with the main associations</li> <li>• Gruppoveronesi.it corporate website, LinkedIn profile</li> </ul>
<b>Institutions and Governments</b>	<ul style="list-style-type: none"> <li>• Constant collaboration with local and national institutions</li> <li>• Fulfilment of the documentary requests envisaged by the relevant regulations in force</li> <li>• Gruppoveronesi.it corporate website, LinkedIn profile</li> </ul>
<b>Farmers</b>	<ul style="list-style-type: none"> <li>• Collaboration and support in the daily activities of farming and management of the structures</li> <li>• Dedicated training and engagement initiatives</li> </ul>
<b>Consumers</b>	<ul style="list-style-type: none"> <li>• Business relations</li> <li>• Listening and managing of complaints</li> <li>• Sites of the main brands and proprietary social channels</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Contribution to the socio-economic development of the territories in which the Group operates</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Publication of information on request</li> <li>• Section of the Reports and Financial Statements website</li> </ul>

Material issues	Impact perimeter	Involvement of the Group
<b>Safety, traceability and quality of products</b>	Group	Caused by the Group
<b>Health and safety in the workplace</b>	Group employees <sup>1</sup>	Caused by the Group
<b>Economic performance</b>	Group	Caused by the Group
<b>Animal welfare</b>	Group and Farmers	Caused by the Group and related to the Group through its business relationships
<b>Ethics and compliance</b>	Group	Caused by the Group
<b>Management of environmental impacts</b>	Group and electricity Suppliers	Caused by the Group and related to the Group through its business relationships
<b>Socio-economic development of the territory</b>	Group	Caused by the Group
<b>Listening to the customer</b>	Group	Caused by the Group
<b>Worker protection</b>	Group and Suppliers	Caused by the Group
<b>Nutrition and well-being</b>	and to which the Group contributes	Causato dal Gruppo
<b>Responsible consumption and marketing</b>	Group	Caused by the Group
<b>Sustainable management of the supply chain</b>	Group	Caused by the Group
<b>Corporate governance</b>	Parent company	Caused by the Group
<b>Development and well-being of employees</b>	Group employees	Caused by the Group

<sup>1</sup> The Group evaluates widening the analysis with respect to the significance of other non-employee workers, in order to assess the need to collect data from the employers of external collaborators and suppliers who operate at the Group's sites and/or under control of the Group, evaluating the quality and accuracy of such data over which it does not exercise direct control.

# Social sustainability

## DISCLOSURE 102-8 Information on employees and other workers

Workforce by professional category and gender as of December 31 <sup>st</sup> (Headcount)						
Categoria Professionale	2019 <sup>2</sup>			2020		
	Men	Women	Total	Men	Women	Total
<b>Employees</b>	<b>5,476</b>	<b>3,164</b>	<b>8,640</b>	<b>5,667</b>	<b>3,314</b>	<b>8,981</b>
Senior executives	66	2	<b>68</b>	62	2	<b>64</b>
Executive	78	8	<b>86</b>	85	9	<b>94</b>
Employees	941	268	<b>1,209</b>	940	295	<b>1,235</b>
Workers	4,391	2,886	<b>7,277</b>	4,580	3,008	<b>7,588</b>
<b>External collaborators</b>	<b>8</b>	<b>40</b>	<b>48</b>	<b>7</b>	<b>43</b>	<b>50</b>
Administered	8	40	<b>48</b>	7	42	<b>49</b>
Trainees	-	-	-	-	1	<b>1</b>
<b>Total workforce</b>	<b>5,484</b>	<b>3,204</b>	<b>8,688</b>	<b>5,674</b>	<b>3,357</b>	<b>9,031</b>

Workforce by professional category and gender as of December 31 <sup>st</sup> (FTE) <sup>33</sup>						
Professional category	2019			2020		
	Men	Women	Total	Men	Women	Total
<b>Employees</b>	<b>5,200</b>	<b>2,728</b>	<b>7,928</b>	<b>5,302</b>	<b>2,797</b>	<b>8,099</b>
Senior executives	68	2	<b>70</b>	63	2	<b>65</b>
Executive	71	6	<b>77</b>	82	9	<b>91</b>
Employees	949	236	<b>1,185</b>	930	260	<b>1,190</b>
Workers	4,112	2,484	<b>6,596</b>	4,218	2,527	<b>6,745</b>
<i>of which temporary</i>	1,172	861	<b>2,033</b>	1,189	842	<b>2,031</b>
<b>External collaborators</b>	<b>5</b>	<b>22</b>	<b>27</b>	<b>12</b>	<b>39</b>	<b>51</b>
Administered	5	22	27	12	39	<b>51</b>
<b>Total workforce</b>	<b>5,205</b>	<b>2,750</b>	<b>7,955</b>	<b>5,314</b>	<b>2,836</b>	<b>8,150</b>

2. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to the breakdown of employees by professional category and gender in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

3. The data relating to the workforce by professional category and gender of the Veronesi Group expressed in FTE do not include the 7 directors hired under a collaboration contract (co.co.co.) not classified in the professional categories required by GRI 102-8.

Employees by type of contract and gender as of December 31 <sup>st</sup> (Headcount)						
Employment contract	2019 <sup>4</sup>			2020		
	Men	Women	Total	Men	Women	Total
Permanent	4,032	2,055	<b>6,087</b>	4,076	2,118	<b>6,194</b>
Temporary	1,444	1,109	<b>2,553</b>	1,591	1,196	<b>2,787</b>
<b>Total</b>	<b>5,476</b>	<b>3,164</b>	<b>8,640</b>	<b>5,667</b>	<b>3,314</b>	<b>8,981</b>

Employees by type of employment and gender as of December 31 <sup>st</sup> (Headcount)						
Type of employment	2019 <sup>5</sup>			2020		
	Men	Women	Total	Men	Women	Total
Full-time	5,445	2,753	<b>8,198</b>	5,631	2,897	<b>8,528</b>
Part-time	31	411	<b>442</b>	34	419	<b>453</b>
Part-time percentage	0.60%	12.64%	<b>5.12%</b>	0.57%	12.59%	<b>5.04%</b>
<b>Total</b>	<b>5,476</b>	<b>3,164</b>	<b>8,640</b>	<b>5,665</b>	<b>3,316</b>	<b>8,981</b>

Employees by type of contract, gender and geographical area as at December 31 <sup>st</sup> (Headcount)						
Employment contract	2019 <sup>6</sup>			2020		
	Men	Women	Total	Men	Women	Total
<b>North</b>	<b>5,322</b>	<b>3,138</b>	<b>8,460</b>	<b>5,513</b>	<b>3,287</b>	<b>8,800</b>
Permanent	3,880	2,031	<b>5,911</b>	3,925	2,092	<b>6,017</b>
Temporary	1,442	1,107	<b>2,549</b>	1,588	1,195	<b>2,783</b>
<b>Centre</b>	<b>26</b>	<b>4</b>	<b>30</b>	<b>22</b>	<b>4</b>	<b>26</b>
Permanent	26	4	<b>30</b>	22	4	<b>26</b>
Temporary	-	-	-	-	-	-
<b>Islands</b>	<b>22</b>	<b>2</b>	<b>24</b>	<b>22</b>	<b>2</b>	<b>24</b>
Permanent	22	2	<b>24</b>	22	2	<b>24</b>
Temporary	-	-	-	-	-	-
<b>South</b>	<b>75</b>	<b>1</b>	<b>76</b>	<b>77</b>	<b>2</b>	<b>79</b>
Permanent	73	1	<b>74</b>	74	2	<b>76</b>
Temporary	2	0	<b>2</b>	3	-	<b>3</b>
<b>Abroad</b>	<b>31</b>	<b>19</b>	<b>50</b>	<b>33</b>	<b>19</b>	<b>52</b>
Permanent	31	17	<b>48</b>	33	18	<b>51</b>
Temporary	0	2	<b>2</b>	-	1	<b>1</b>
<b>Total</b>	<b>5,476</b>	<b>3,164</b>	<b>8,640</b>	<b>5,667</b>	<b>3,314</b>	<b>8,981</b>
Permanent	<b>4,032</b>	<b>2,055</b>	<b>6,087</b>	<b>4,076</b>	<b>2,118</b>	<b>6,194</b>
Temporary	<b>1,444</b>	<b>1,109</b>	<b>2,553</b>	<b>1,591</b>	<b>1,196</b>	<b>2,787</b>

4. Following a process of improvement of the reporting system and in order to ensure their comparability, the data relating to the breakdown of employees by type of contract and gender in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

5. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to the number of employees divided by type of employment and gender in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website <https://www.gruppoveronesi.it/en/annual-report>.

6. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to the breakdown of employees by professional category, geographical area and gender in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

**DISCLOSURE 102-41 Collective bargaining agreements <sup>7</sup> (%)**

	2019	2020
Dipendenti coperti da accordi di contrattazione collettiva	100%	99,98%

**DISCLOSURE 202-1 Ratios of standard entry level wage by gender compared to local minimum wage**

	2019		2020	
Ratio between the salary of new hires and the local minimum wage <sup>8</sup>	1	1	1	1

**DISCLOSURE 401-1 New employee hires and employee turnover**

New employees by gender, age group and geographical area												
Number of employees	2019											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	105	141	46	<b>292</b>	2	1	-	<b>3</b>	107	142	46	<b>295</b>
Women	53	96	27	<b>176</b>	4	-	-	<b>4</b>	57	96	27	<b>180</b>
<b>Total</b>	<b>158</b>	<b>237</b>	<b>73</b>	<b>468</b>	<b>6</b>	<b>1</b>	<b>-</b>	<b>7</b>	<b>164</b>	<b>238</b>	<b>73</b>	<b>475</b>

Employee rate by gender, age group and geographical area												
Percentuale	2019 <sup>9</sup>											
	Italy				Abroad				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	11.5%	5.4%	2.4%	<b>5.4%</b>	40.0%	6.3%	0.0%	<b>9.7%</b>	11.7%	5.4%	2.4%	<b>5.4%</b>
Women	12.3%	5.8%	2.6%	<b>5.6%</b>	133.3%	0.0%	0.0%	<b>21.1%</b>	13.1%	5.7%	2.6%	<b>5.7%</b>
<b>Total</b>	<b>11.8%</b>	<b>5.5%</b>	<b>2.5%</b>	<b>5.4%</b>	<b>75.0%</b>	<b>4.2%</b>	<b>0.0%</b>	<b>14.0%</b>	<b>12.1%</b>	<b>5.5%</b>	<b>2.5%</b>	<b>5.5%</b>

Employees turnover by gender, age group and geographical area												
Number of employees	2019											
	Italy				Estero				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	17	67	142	<b>226</b>	-	-	-	-	17	67	142	<b>226</b>
Women	7	25	38	<b>70</b>	-	1	-	<b>1</b>	7	26	38	<b>71</b>
<b>Total</b>	<b>24</b>	<b>92</b>	<b>180</b>	<b>296</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>24</b>	<b>93</b>	<b>180</b>	<b>297</b>

7. Second level bargaining. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to employees covered by collective bargaining agreements of 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

8. Please refer to the National Collective Labour Agreement for AGRICULTURAL WORKERS AND FLORA NURSERIES 2018 - 2021.

9. Following a process of improvement of the reporting system and in order to guarantee the comparability of the same, the data relating to the incoming turnover rate for 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it](http://www.gruppoveronesi.it).



Turnover rate by gender, age group and geographical area												
Percentage	2019 <sup>10</sup>											
	Italy				Estero				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	1.9%	2.5%	7.5%	<b>4.2%</b>	0.0%	0.0%	0.0%	<b>0.0%</b>	1.9%	2.5%	7.4%	<b>4.1%</b>
Women	1.6%	1.5%	3.6%	<b>2.2%</b>	0.0%	12.5%	0.0%	<b>5.3%</b>	1.6%	1.6%	3.6%	<b>2.2%</b>
<b>Total</b>	<b>1.8%</b>	<b>2.1%</b>	<b>6.1%</b>	<b>3.4%</b>	<b>0.0%</b>	<b>4.3%</b>	<b>0.0%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>2.2%</b>	<b>6.1%</b>	<b>3.4%</b>

New employees by gender, age group and geographical area												
Number of employees	2020											
	Italy				Estero				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	112	118	18	<b>248</b>	3	1		<b>4</b>	115	119	18	<b>252</b>
Women	52	68	10	<b>130</b>	2		2	<b>4</b>	54	68	12	<b>134</b>
<b>Total</b>	<b>164</b>	<b>186</b>	<b>28</b>	<b>378</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>8</b>	<b>169</b>	<b>187</b>	<b>30</b>	<b>386</b>

Employment rate by gender, age group and geographical area												
Percentage	2020											
	Italy				Estero				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	11.2%	4.4%	0.9%	<b>4.4%</b>	33.3%	7.1%	0.0%	<b>12.1%</b>	11.4%	4.4%	0.9%	<b>4.4%</b>
Women	10.5%	4.0%	0.9%	<b>3.9%</b>	40.0%	0.0%	29.0%	<b>21.1%</b>	10.8%	4.0%	1.1%	<b>4.0%</b>
<b>Total</b>	<b>11.0%</b>	<b>4.3%</b>	<b>0.9%</b>	<b>4.2%</b>	<b>35.7%</b>	<b>4.8%</b>	<b>11.8%</b>	<b>15.4%</b>	<b>11.2%</b>	<b>4.3%</b>	<b>1.0%</b>	<b>4.3%</b>

Employee turnover by gender, age group and geographical area												
Number of employees	2020											
	Italy				Estero				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	16	44	150	<b>210</b>		1		1	16	45	150	<b>211</b>
Women	2	20	50	<b>72</b>		3	2	5	2	23	52	<b>77</b>
<b>Total</b>	<b>18</b>	<b>64</b>	<b>200</b>	<b>282</b>	<b>-</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>18</b>	<b>68</b>	<b>202</b>	<b>288</b>

Turnover rate by gender, age group and geographical area												
Percentage	2020											
	Italy				Estero				Group			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	1.6%	1.6%	7.7%	<b>3.7%</b>	0.0%	7.7%	0.0%	<b>3.1%</b>	1.6%	1.7%	7.8%	<b>3.7%</b>
Women	0.4%	1.2%	4.5%	<b>2.2%</b>	0.0%	42.9%	29.0%	<b>26.3%</b>	0.4%	1.4%	4.9%	<b>2.3%</b>
<b>Total</b>	<b>1.2%</b>	<b>1.5%</b>	<b>6.5%</b>	<b>3.2%</b>	<b>0.0%</b>	<b>20.0%</b>	<b>11.8%</b>	<b>11.8%</b>	<b>1.2%</b>	<b>1.6%</b>	<b>6.8%</b>	<b>3.2%</b>

10. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to the outgoing turnover rate of 2019 has been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

## DISCLOSURE 405-1 Diversity of governance bodies and employees

Number of employees by professional category and gender as of December 31 <sup>st</sup>						
Number	2019 <sup>11</sup>			2020		
	Men	Women	Total	Men	Women	Total
Senior executives	66	2	<b>68</b>	62	2	<b>64</b>
Executives	78	8	<b>86</b>	77	6	<b>83</b>
Employees	941	268	<b>1,209</b>	949	300	<b>1,249</b>
Workers	4,391	2,886	<b>7,277</b>	4,577	3,008	<b>7,585</b>
<b>Total</b>	<b>5,476</b>	<b>3,164</b>	<b>8,640</b>	<b>5,665</b>	<b>3,316</b>	<b>8,981</b>

Number of employees by professional category and age group as of December 31 <sup>st</sup>								
Number	2019 <sup>12</sup>				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Senior executives	0	9	<b>59</b>	<b>68</b>		6	58	<b>64</b>
Executives	0	31	<b>55</b>	<b>86</b>		31	52	<b>83</b>
Employees	108	616	<b>485</b>	<b>1,209</b>	126	620	503	<b>1,249</b>
Workers	1244	3663	<b>2370</b>	<b>7,277</b>	1384	3719	2482	<b>7,585</b>
<b>Total</b>	<b>1,352</b>	<b>4,319</b>	<b>2,969</b>	<b>8,640</b>	<b>1,510</b>	<b>4,376</b>	<b>3,095</b>	<b>8,981</b>

Percentage of employees by professional category and gender as of December 31 <sup>st</sup>						
Percentage	2019			2020		
	Men	Women	Total	Men	Women	Total
Senior executives	1.2%	0.1%	<b>0.8%</b>	1.1%	0.1%	<b>0.7%</b>
Executives	1.3%	0.2%	<b>0.9%</b>	1.4%	0.2%	<b>0.9%</b>
Employees	17.4%	8.5%	<b>14.0%</b>	16.8%	9.0%	<b>13.9%</b>
Workers	80.1%	91.2%	<b>84.5%</b>	80.8%	90.7%	<b>84.5%</b>
<b>Total</b>	<b>63.4%</b>	<b>36.6%</b>	<b>100.0%</b>	<b>63.1%</b>	<b>36.9%</b>	<b>100.0%</b>

Percentage of employees by professional category and age group as of December 31 <sup>st</sup>								
Percentage	2019				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Senior executives	0.0%	0.2%	2.0%	<b>0.8%</b>	0.0%	0.1%	1.9%	<b>0.7%</b>
Executives	0.0%	0.6%	1.7%	<b>0.9%</b>	0.0%	0.7%	1.7%	<b>0.9%</b>
Employees	8.3%	14.5%	16.3%	<b>14.1%</b>	8.3%	14.2%	16.3%	<b>13.9%</b>
Workers	91.7%	84.7%	80.0%	<b>84.2%</b>	91.7%	85.0%	80.2%	<b>84.5%</b>
<b>Total</b>	<b>15.7%</b>	<b>50.0%</b>	<b>34.3%</b>	<b>100.0%</b>	<b>16.8%</b>	<b>48.7%</b>	<b>34.5%</b>	<b>100.0%</b>

11. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to the breakdown of employees by professional category and gender in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

12. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to the breakdown of employees by professional category and age group of 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report 2019, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

Composition of the Board of Directors by gender and age group as at 31st December								
Number	2019				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	0%	50%	50%	<b>100%</b>	0%	17%	83%	<b>100%</b>
Women	0%	0%	0%	<b>0%</b>	0%	0%	0%	<b>0%</b>
<b>Total</b>	<b>0%</b>	<b>50%</b>	<b>50%</b>	<b>100%</b>	<b>0%</b>	<b>17%</b>	<b>83%</b>	<b>100%</b>

### DISCLOSURE 403-9 Employee work-related injuries<sup>13</sup>

GROUP EMPLOYEES		
Injuries at work		
Number of accidents	2019	2020
Total number of deaths due to accidents at work	-	-
Total number of serious work accidents (excluding deaths) <sup>14</sup>	-	2
<b>Total number of recordable occupational injuries</b>	<b>288</b>	<b>238</b>
Main types of injuries at work		
Type of accident	2019	2020
Bruises	129	88
Cutting wounds	48	37
Dislocations/Sprains/Fractures	67	46
Others	44	67
<b>Total</b>	<b>288</b>	<b>238</b>
INJURY RATES <sup>15</sup>		
Rate of deaths due to work accidents	<b>0</b>	<b>0</b>
Rate of serious accidents at work (excluding deaths)	<b>0</b>	<b>0.15</b>
<b>Recordable work-related injury rate</b>	<b>21.65</b>	<b>17.56</b>

13. It should be noted that in the total number of employee accidents, cases of SARS Cov-2 infection are not considered as this type of case does not occur within the workplace in the performance of duties provided for workers, therefore it is not directly controllable and manageable by the employer.

14. Accidents at work that have led to damage from which the worker cannot recover, does not recover or it is unrealistically likely to expect that they will fully recover and return to the state of health prior to the accident within 6 months. Serious workplace injuries in 2020 refer to a contusive multiple trauma with fracture and hematoma and an injury to the finger of one hand.

15. The injury rate was calculated as the ratio between the total number of injuries and the total hours worked, using a multiplication factor of 1,000,000. The data includes accidents during the daily commuting only if the transport was managed by the organisation.

# Environmental sustainability

For 2020, the environmental data perimeter refers to production sites, distribution centres, transit points, warehouses, laboratories, branches, farms with owned or rented hatcheries under direct management of the Group headed by the Italian companies consolidated on an integrated basis within the Consolidated Financial Statements. In particular, 16 food production sites, 5 distribution centres, 7 transit points, 1 warehouse, 2 laboratories and 1 logistics platform in the "Food" business area, 7 feed mills in the "Feed" business area and 8 farms and 5 hatcheries in the "Farm" business area. The branches are considered only for the indicators of energy consumption, CO<sub>2</sub> emissions and waste disposal, as for the other types of environmental impact indicators they are not considered significant with respect to the Group's production activities.

## DISCLOSURE 302-1 Energy consumption within the organisation

ENERGY CONSUMPTION WITHIN THE ORGANISATION					
Type of consumption	Unit of measurement	2019 <sup>16</sup>		2020	
		Total	Total GJ	Total	Total GJ
<b>Non-renewable fuels</b>			<b>2,155,712</b>		<b>2,144,469</b>
Methane gas	Smc	52,525,068	2,091,590	52,554,404	2,085,149
Heating oil	l	237,395	9,181	215,181	8,322
Diesel fuel for automotive	l	352,371	13,442	318,374	12,130
LPG for heating	Smc	306,491	34,750	305,435	34,652
Burning oil	Kg	146,130	6,748	91,270	4,216
<b>Renewable fuels</b>	<b>Smc</b>	<b>12,751,901</b>	<b>325,849</b>	<b>13,207,634</b>	<b>336,614</b>
Biogas	Smc	12,751,901	325,849	13,207,634	336,614
for digester boiler	Smc	11,610	297	70,075	1,786
for ETS Boiler	Smc	2,689,418	68,723	3,154,442	80,395
for ETS Cogenerator	Smc	9,056,532	231,422	8,961,620	228,399
for Torches	Smc	983,513	25,132	793,955	20,235
for Dryer	Smc	10,828	277	227,542	5,799
<b>Electrical energy</b>	<b>kWh</b>	<b>385,410,992</b>	<b>1,387,480</b>	<b>390,074,444</b>	<b>1,404,268</b>
Purchased electricity	kWh	405,130,509	1,458,470	410,797,189	1,478,870
of which from non-renewable sources	kWh	405,130,509	1,458,470	410,797,189	1,478,870
of which from renewable sources <sup>17</sup>	kWh	-	-	-	-
Self-produced electricity from photovoltaic systems	kWh	494,444	1,780	548,501	1,975
Electricity self-produced and sold/given to the network	kWh	20,213,961	72,770	21,271,246	76,576

16. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to energy consumption for 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

17. The Group purchases certified electricity with guarantees of origin. Due to the non-availability, the 2020 and 2019 data are valued equal to Zero. The Group is committed to monitoring for the purpose of reporting for next year.



ENERGY CONSUMPTION WITHIN THE ORGANISATION					
Type of consumption	Unit of measurement	2019 <sup>16</sup>		2020	
		Total	Total GJ	Total	Total GJ
of which from renewable sources - produced by photovoltaic systems	kWh	29,355	106	38,640	139
from renewable sources - produced by biogas plants	kWh	20,184,606	72,665	21,232,606	76,437
from non-renewable sources - produced by methane plants	kWh	-	-		
<b>Total energy consumption</b>	GJ		3,869,041		3,885,351
<b>Renewable energy</b>	GJ		254,859		262,012
<b>Non-renewable energy</b>	GJ		3,614,182		3,623,339
<b>% Renewable energy on the total</b>	%		6.59%		6.74%

## CONVERSION FACTORS IN GJ

Electricity (GJ/kWh)	Methane gas (GJ/ton)	Natural gas (kg/cm)	Heating oil (GJ/ton)	Heating oil (l/ton)	Diesel fuel for automotive (GJ/ton)	Diesel fuel for automotive (l/ton)
0.0036	49,776	0.8	45,2860	1,171	45,4140	1,190,45
Constant	DEFRA 2019	DEFRA 2019	DEFRA 2019	DEFRA 2019	DEFRA 2019	DEFRA 2019

LPG (GJ/ton)	LPG (kg/mc)	Burning oil (GJ/ton)	Biogas (GJ/Smc)
49,296	2.3	46,1810	0.0256
DEFRA 2019	FIRE: Guide lines Energy Manager 2020	DEFRA 2019	DEFRA 2019

Electrical energy /electricity (GJ/kWh)	Methane gas (GJ/ ton)	Natural Gas (kg/ cm)	Heating oil (GJ/ton)	Heating oil (l/ton)	Diesel fuel for automotive (GJ/ton)	Diesel fuel for automotive (l/ton)
0.0036	49,595	0.8	45,2860	1,171	45,321	1,189,54
Constant	DEFRA 2020	DEFRA 2020	DEFRA 2020	DEFRA 2020	DEFRA 2020	DEFRA 2020

LPG (GJ/ton)	LPG (kg/mc)	Burning oil (GJ/ton)	Biogas (GJ/Smc)
49,327	2.3	46,198	0.0255
DEFRA 2020	FIRE: Linee guida Energy Manager 2020	DEFRA 2020	DEFRA 2020

## DISCLOSURE 302-1 Energy intensity

ENERGY INTENSITY - FEED AREA			
	Unit of measurement	2019	2020
Energy intensity	GJ/Ton	0.301	0.294

INTENSITÀ ENERGETICA - AREA FOOD			
	Unit of measurement	2019 <sup>18</sup>	2020
Energy intensity	GJ/Ton	3,514	3,482

18. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to the energy intensity of 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

### DISCLOSURE 303-3 Water withdrawal

WATER WITHDRAWAL					
Source	Unit of measurement	2019 <sup>19</sup>		2020	
		All areas	Areas with water stress <sup>20</sup>	All areas	Areas with water stress
Groundwater (total)	Megaliters	8,219	-	8,241	-
Fresh water ( $\leq 1,000$ mg/l of total dissolved solids)	Megaliters	8,219	-	8,241	-
Other types of water ( $> 1,000$ mg/l of total dissolved solids)	Megaliters	-	-	-	-
Third party water resources (total)	Megaliters	1,097	24	1,098	28
Fresh water ( $\leq 1,000$ mg/l of total dissolved solids)	Megaliters	1,097	24	1,098	28
Other types of water ( $> 1,000$ mg/l of total dissolved solids)	Megaliters	-	-	-	-
Total water withdrawal	Megaliters	9,316	24	9,339	28

### DISCLOSURE 303-4 Water discharge

WATER DRAINS					
Place of water discharge	Unit of measurement	2019 <sup>21</sup>		2020	
		All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	Megaliters	4,570	-	4,098	-
Fresh water ( $\leq 1,000$ mg/l of total dissolved solids)	Megaliters	-	-	-	-
Other types of water ( $> 1,000$ mg/l of total dissolved solids)	Megaliters	4,570	-	4,098	-
Groundwater (total)	Megaliters	0.7	-	0.6	-
Fresh water ( $\leq 1,000$ mg/l of total dissolved solids)	Megaliters	0.3	-	0.3	-
Other types of water ( $> 1,000$ mg/l of total dissolved solids)	Megaliters	0.4	-	0.3	-
Third party water resources (total)	Megaliters	2,116	11	2,299	16
Fresh water ( $\leq 1,000$ mg/l of total dissolved solids)	Megaliters	-	-	-	-
Other types of water ( $> 1,000$ mg/l of total dissolved solids)	Megaliters	2,116	11	2,299	16
Total water discharge	Megaliters	6,686	11	6,398	16

19. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to water withdrawals in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it](http://www.gruppoveronesi.it).

20. For the definition of water stress areas, Aqueduct, a WRI tool, was used, available online at the web page: <https://www.wri.org/our-work/project/aqueduct>. For the analysis, the results emerged in the "baseline water stress" column were taken into account.

21. Following a process of improvement of the reporting system and in order to ensure the comparability of the same, the data relating to water discharges in 2019 have been restated compared to those published in the previous Annual Report. For previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it](http://www.gruppoveronesi.it).

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

The data relating to operating sites owned, leased, managed or adjacent to protected areas and areas with a high biodiversity value outside the protected areas include the Group's production plants. Branches are therefore excluded.

BIODIVERSITY (2020)					
Site	Geographical Area	Location of the site with respect to the protected area or area with a high biodiversity value (km)	Hectares	Value of biodiversity	Secured status categorisation
ACQUANEGRA CREMONESE (CR)	Lombardy	from Adda river bend - distance 2,12	42.0	Morta di Pizzighettone	SIC IT20A0001
		distance from river Po 3.50	1,039.0	"Spinadesco"	ZPS IT20A0501
		distance from river Po 3.50	825.0	Spiaggioni di Spinadesco	SIC IT20A0016
FOSSANO (CN)	Piedmont	closest border distance 4,6	559.0	Pebbly shore and resurgences of the Stura stream	SIC IT1160071
		distance 5	107.0	Wetlands of Fossano and Sant'Albano Stura (loc. san Lorenzo)	ZPS IT1160059
OSPEDALETTO EUGANEO	Veneto	distance 2	13.0	Le Vallette	ZPS IT3260020
		closest border - distance 5	15,096.0	Monti Euganei - Monte Lozzo - Monte Ricco	SIC/ZPS IT3260017
PUTIGNANO (BA)	Puglia	distance 4	61.0	Castellana caves	SIC IT9120001
		distance 8,3	59.0	Pozzo Cucù	SIC IT9120010
QUINTO DIVALPANTENA (VR)	Veneto	distance 2,4	989.0	Val Galina and Progno Borago	SIC IT3210012
		from the river bend - distance 4,5	476.0	Adige river between Belluno Veronese and Verona West	SIC IT32100043
S. POLO DI TORRILE (PR)	Emilia Romagna	distance 1,13	2,622.0	Areas of the Viarolo water-springs, Torrile Basins, Po floodplain area	SIC/ZPS IT4020017
		distance 7,39	601.0	Parma Morta	SIC/ZPS IT4020025
SAN PIETRO IN GU' (PD)	Veneto	From river Tesina - distance 2,7	715.0	Bosco of Dueville and neighbouring water-springs	SIC IT3220040
CASELLE DI SOMMACAMPAGNA (VR)	Veneto	closest point of the river - distance 6,45	476.0	Adige river between Belluno Veronese and Verona West	IT3210043

BIODIVERSITY (2020)					
Site	Geographical Area	Location of the site with respect to the protected area or area with a high biodiversity value (km)	Hectares	Value of biodiversity	Secured status categorisation
CORREGGIO (RE)	Emilia Romagna	closest border - distance 8,5	1,100.0	Valley of Bruciate and Tresinaro	IT4040017
		distance 9,5	1,456.0	Valley of Gruppo	Zps it 4040015
CREMONA (CR)	Lombardy	distance 6,5	825.0	Spiaggioni of Spinadesco	IT20A0016
		distance 6,5	1,039.0	"Spinadesco"	IT20A0501
MAGRETA DI FORMIGINE (MO)	Emilia Romagna	distance 7,5	277.0	Expansion tanks of the Secchia	SIC/ ZPS IT4030011
		distance 9	371.0	Salse of Nirano	SIC IT4040007
		distance 2,5	50.0	Colombarone	IT4040012
NOGAROLE ROCCA (VR) LOC. SALETTE CALETTE	Veneto	distance 4	118.0	Fontanili of Povegliano	IT3210008
		distance 10	111.0	Swamp of Pellegrina	SIC/ZPS IT3210015
S. GIORGIO IN BOSCO (PD)	Veneto	distance 5,5	133.0	Swamp of Onara	ZPS IT3260001
		from the river bend - distance 0.5	3,848.0	Pebbly beach and wetlands of the Brenta	SIC/ ZPS IT3260018
S. MARIA DI ZEVIO (VR)	Veneto	closest point of the river - distance 1,77	2,090.0	Adige river between Verona East and Badia Polesine	SICIT32100042
		distance 2,84	186.0	Rivalunga wallow	SIC/ZPS IT32100019
		distance 6	167.0	Feniletto marsh – Squazzo Vallese	SIC/ZPS IT3210014
SAN DANIELE DEL FRIULI (UD)	Friuli Venezia Giulia	closest point of the river - distance 2,5	2,719.0	Tagliamento pebbly beach-	ZSC/SIC IT3310007
		distance 3	83.0	Ragogna lake	ZSC/SIC IT3320020
		distance 8	62.0	Quadri of Fagagna	ZSC/SIC IT3320022
		distance 8	98.0	Torbiera of Casasola and Andreuzza	ZSC/SIC IT3320021
		distance 8	10.0	Magredi of Coz	ZSC/SIC IT3320024
		distance 10	14.0	Torbiera of Sequals	ZSC/SIC IT3310005



BIODIVERSITY (2020)					
Site	Geographical Area	Location of the site with respect to the protected area or area with a high biodiversity value (km)	Hectares	Value of biodiversity	Secured status categorisation
SAN MARTINO BUON ALBERGO (VR)	Veneto	closest point of the river - distance 2,45	2,090.0	Adige river between Verona East and Badia Polesine	IT32100042
		distance 10	186.0	Sguazzo of Rivalunga	SIC/ZPS IT32100019
		distance 10	989.0	Val Galina and Progno Borago	SIC IT3210012
SAN MICHELE EXTRA (VR)	Veneto	closest point of the river - distance 2,25	2,090.0	Adige river between Verona East and Badia Polesine	IT32100042
TIZZANO VAL PARMA (PR)	Emilia Romagna	closest border - distance 5,5	825.0	Monte Fuso	SIC IT4020015
		closest border - distance 9	424.0	Barboj di Rivalta	SIC IT4020023
VAZZOLA (TV)	Veneto	from the river bend - distance 8	4,752.0	Pebbly beach of river Piave - river Soligo - Fosso of Negrisia	SIC IT3240030
		distance 9	4,687.0	Pebbly beach of Piave	ZPS IT3240023
		distance 9	1,955.0	River area of the Livenza - lower course of the Monticano	SIC IT3240029
VERONA (VR)	Veneto	closest point of the river - distance 2,25	2,090.0	Adige river between Verona East and Badia Polesine	IT32100042
VILLAFRANCA (VR)	Veneto	distance 4,5	118.0	Fontanili of Povegliano	SIC/ZPS IT3210008
VILLAGANZERLA DI CASTEGNERO (VI)	Veneto	closest border - distance 1,6	12,906.0	Colli Berici	IT3220037
		closest border - distance 7,5	15,096.0	Colli Euganei - Monte Lozzo - Monte Ricco	SIC/ZPS IT3260017
ZIBELLO (PR)	Emilia Romagna	from the river bend - distance 1	336.0	Golena of the Po near Zibello	ZPS IT4020019
		distance 2,2	210.0	Bosco Ronchetti	IT20A0015
		distance 2	300.0	Regional Reserve Bosco Ronchetti	ZPS IT20A0401
		distance 4	1,245.0	Meadows and environmental restoration of Frescarolo and Samboseto	ZPS IT4020018
		from the bend of Po - distance 5,3	1,005.0	Basso Taro	SIC/ ZPS IT4020022
AVIANO (PN)	Friuli Venezia Giulia	distance 6,1	261.0	Risorgive of Vinchiaruzzo	ZSC IT3310010

BIODIVERSITY (2020)					
Site	Geographical Area	Location of the site with respect to the protected area or area with a high biodiversity value (km)	Hectares	Value of biodiversity	Secured status categorisation
BELLUNO (BL)	Veneto	from the river bend distance 1,6	212.0	Fontane of Nogarè	SIC IT3230044
		distance 3,1	25.0	Torbiera of Antole	SIC IT3230045
BONDENO DI GONZAGA (MN)	Lombardy	distance 11,28	7.223.0	Viadana, Portiolo San Benedetto Po and Ostiglia	IT20B0501
CASTEGNERO (VI)	Veneto	closest border distance 0.75	12,906.0	Colli Berici	SIC IT3220037
GUARDIAREGIA (CB)	Molise	distance 0.3	978.0	Sella of Vinchiaturò	SIC/zps IT7222296
		distance 0.6	25,002.0	La Gallinola - Monte Miletto - Monti del Matese	SIC/ZPS IT7222287
ISOLA DELLA SCALA (VR)	Veneto	distance 7,76	118.0	Fontanili of Povegliano	SIC/ZPS IT321008
		distance 9	111.0	Pellegrina swamp	SIC/ZPS IT32150015
MORENGO (BG)	Lombardy	distance 2,28	12.0	Fontanile Brancalone	IT2060013
		distance 2,28	12.0	Fontanile Brancalone	IT2060013
		distance 9,8	5.3	Grove of Cascina Campagna	IT2060014
RONCOFERRARO (MN)	Lombardy	distance	25	Chiavica del Moro	ZPS IT 20B0014
S. PIETRO IN GÙ (PD)	Veneto	From river Tesina -distance 2,7	715	Dueville wood and neighbouring water-springs	SIC IT3220040
		from the river bend -distance 7,3	3,848	Pebbly beach and wetlands of the Brenta	SIC/ ZPS IT3260018
S. QUIRINO (PN)	Friuli Venezia Giulia	distance 8,5	10.097	Magredi of Pordenone	ZPS IT3311001
ROSARO DI GREZZANA (VR)	Veneto	closest border -distance 3,5	989	Val Galina and Progno Borago	SIC IT3210012
		closest border -distance 7,5	171	Monti Lessini: Ponte di Veja, Vaio della Marciora	SIC/ZPS IT3210006
		closest border -distance 7	233	Monti Lessini: Molina waterfalls	SIC IT3210002

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

DIRECT EMISSIONS			
	Unit of measurement	2019 <sup>22</sup>	2020
Methane gas	tCO <sub>2</sub> eq	106,654	106,300
Heating oil	tCO <sub>2</sub> eq	655	593
Diesel fuel for automotive	tCO <sub>2</sub> eq	914	811
LPG for heating	tCO <sub>2</sub> eq	2,070	2,065
Burning oil	tCO <sub>2</sub> eq	463	289
Biogas <sup>23</sup>	tCO <sub>2</sub> eq	19	20
Total emissions Scope 1	tCO <sub>2</sub> eq	110,774	110,077

**DISCLOSURE 305-2 Energy indirect (Scope 2) GHG emissions<sup>24</sup>**

EMISSIONI INDIRETTE			
	Unit of measurement	2019	2020
Purchased electricity Location Based	tCO <sub>2</sub>	145,442	138,028
Purchased electricity Market Based	tCO <sub>2</sub>	197,299	191,431

TOTAL EMISSIONI <sup>25</sup>			
	Unit of measurement	2019	2020
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location based)	tCO <sub>2</sub> eq	256,197	248,085
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market based)	tCO <sub>2</sub> eq	308,054	301,489

22. Following a process of improvement of the reporting system and in order to ensure comparability, the data relating to direct emissions for 2019 have been restated compared to those published in the previous Annual Report. For the previously published data, please refer to the 2019 Annual Report, published in the Sustainability section of the website [www.gruppoveronesi.it/en](http://www.gruppoveronesi.it/en).

23. The emissions of Scope 1 relating to biogas were calculated using an emission factor equal to 0.00021 kgCO<sub>2</sub>eq/KWh (DEFRA 2020) which considers the value of CO<sub>2</sub> emissions to be "0" and instead counts the values for the N<sub>2</sub>O and CH<sub>4</sub> emissions (Source of the methodology: DEFRA 2020).

24. The GRI Sustainability Reporting Standards method two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methods were used. The Market-based is based on the CO<sub>2</sub> emissions emitted by the energy suppliers from which the organisation purchases, through a contract, electricity and can be calculated including: Energy Guarantee of Origin certificates and direct contracts with suppliers, emission factors specific to the supplier, emission factors relating to the "residual mix", that is to energy and non-monitored or unclaimed emissions (method used, with Italy 2020 emission factor: 466 gCO<sub>2</sub> / kWh - source: AIB - European Residual Mixes 2020). The Location-based method is based on average emission factors relating to energy generation for well-defined geographical boundaries, including local, sub-national or national borders (methodology used, with Italy 2020 emission factor: 336 gCO<sub>2</sub>/kWh - source: Terna International Comparisons 2018).

The Scope 2 emissions calculated with the Location-based and Market-based method are expressed in tons of CO<sub>2</sub>, however the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO<sub>2</sub> equivalent) as inferable from the technical literature of reference.

25. To ensure completeness of reporting, the CO<sub>2</sub> emissions deriving from the biogas combustion process are quantified, 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).

For the calculation of outside of scope emissions deriving from the biogas combustion process, equal to 18,609 tons CO<sub>2</sub>eq in 2020 and 18,014 tons CO<sub>2</sub>eq in 2019, an emission factor for 2020 and 2019 equal to 0.199021 kgCO<sub>2</sub>eq/kWh was considered. (DEFRA 2020 and 2019).

**EMISSION FACTORS in CO<sub>2</sub>eq**

Methane gas (kgCO <sub>2</sub> eq/cm)	LPG (tCO <sub>2</sub> eq/Ton)	Burning oil (tCO <sub>2</sub> eq/Ton)	Diesel fuel for automotive (tCO <sub>2</sub> eq/Ton)	Heating oil (tCO <sub>2</sub> eq/Ton)	Biogas (kgCO <sub>2</sub> eq/kWh)
(tCO <sub>2</sub> eq/Ton)	Burning oil (tCO <sub>2</sub> eq/Ton)	Diesel fuel for automotive (tCO <sub>2</sub> eq/Ton)	Heating oil (tCO <sub>2</sub> eq/Ton)	Biogas (kgCO <sub>2</sub> eq/kWh)	0.00021
DEFRA 2019	DEFRA 2019	DEFRA 2019	DEFRA 2019	DEFRA 2019	DEFRA 2019

Electric energy Location based (KgCO <sub>2</sub> /kWh) - Italy	Electric energy Market based (kgCO <sub>2</sub> /kWh) - Italy
0.359	0.487
Terna International Comparisons 2017 for Location-based	AIB 2018

**EMISSION FACTORS in CO<sub>2</sub>eq**

Methane ga (kgCO <sub>2</sub> eq/cm)	LPG tCO <sub>2</sub> eq/Ton)	Burning oil (tCO <sub>2</sub> eq/Ton)	Diesel fuel for automotive (tCO <sub>2</sub> eq/Ton)	Heating oil (tCO <sub>2</sub> eq/Ton)	Biogas (kgCO <sub>2</sub> eq/kWh)
2,023	2,93881	3,16532	3,02861	3,22934	0.00021
DEFRA 2020	DEFRA 2020	DEFRA 2020	DEFRA 2020	DEFRA 2020	DEFRA 2020

Electric energy Location based (KgCO <sub>2</sub> /kWh) - Italy	Electric energy Market based (kgCO <sub>2</sub> /kWh) - Italy
0.336	0.466
Terna International Comparisons 2018	AIB 2019

**DISCLOSURE 305-4 GHG emission intensity**

EMISSION INTENSITY - FEED AREA			
	Unit of measurement	2019	2020
Emission intensity	tCO <sub>2</sub> eq/Ton	0.0207	0.0196

EMISSION INTENSITY - FOOD AREA			
	Unit of measurement	2019	2020
Emission intensity	tCO <sub>2</sub> eq/Ton	0.227	0.217



**DISCLOSURE 306-3 Waste generated<sup>26</sup>**

WASTE BY TYPE			
	Unit of measurement	2019	2020
Treatment sludge on site of the effluents	Ton	3,225	3,585
Paper and cardboard packaging	Ton	2,221	2,556
Plastic packaging	Ton	2,111	2,215
Mixed material packaging	Ton	4,475	4,609
Digestate produced by the anaerobic treatment of animal waste	Ton	11,031	6,407
Other non-hazardous waste	Ton	11,007	13,122
Other hazardous waste	Ton	561	756
Total waste produced	Ton	34,631	33,248

26. For 2020, it was decided to proceed with the reporting of waste data using the new Standard GRI 306, published by the Global Reporting Initiative (GRI) in 2020 to replace the version used so far, published in 2016. For comparative purposes, the data relating to 2019 have been restated compared to those published in the previous Annual Report following the update of the GRI 306 Standard. For the data previously published, please refer to the 2019 Annual Report, published on the website <https://www.gruppoveronesi.it/en/annual-report>.

# Economic sustainability

## ECONOMIC VALUE GENERATED AND DISTRIBUTED

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED		
	2019 in thousands of Euro	2020 in thousands of Euro
Directly generated economic value	3,107,582	3,194,648
Economic value retained	131,567	94,713
Distributed economic value, of which:	2,976,015	3,099,935
Operating costs reclassified	2,569,586	2,689,690
Remuneration of personnel	386,165	398,783
Remuneration of financiers	3,646	3,728
Remuneration of shareholders 27 <sup>27</sup>	0	0
Remuneration of the Community	0	434
Remuneration of the PA	16,618	7,300

27. During 2020 and 2019, dividends were distributed to the shareholders of Veronesi Holding S.p.A. for an amount of 8,658,168.30 Euro for each year, with withdrawal from the Extraordinary Reserve available in the financial statements.

## Methodological **note**

This document aims to report and communicate in a transparent way the performance of the Veronesi Group with respect to the relevant issues of economic, environmental and social sustainability, with reference to the 2020 financial year (from January 1st to December 31st) and was prepared in the measure necessary to describe the business activity, its performance, its results and the impacts produced.

The document was prepared in accordance with the GRI Standards: Core option. With regard to the specific GRI Standard 306 (Waste), the most recent version of 2020 was adopted. As required by the GRI Standards, the Veronesi Group has identified the sustainability topics deemed relevant for its stakeholders and for the Group through an analysis materiality, described in the "Materiality Analysis" paragraph of this document.

The reporting perimeter of economic and financial data and information corresponds to that of the Veronesi Group Consolidated Financial Statements on December 31st 2020.

The perimeter of data and social information is made up of companies consolidated with the integral method within the Consolidated Financial Statements. Environmental data and information include production sites, distribution centres, transit points, warehouses, laboratories, branches, farms and incubators owned or rented directly by the Group headed by consolidated Italian companies with the integral method within the Consolidated Financial Statements.

In particular, 16 food production sites, 5 distribution centres, 7 transit points, 1 warehouse, 2 laboratories and 1 logistics platform in the "Food" business area, 7 feed mills in the "Feed" business area and 8 farms and 5 hatcheries of the "Farm" business area. The branches are considered only for the indicators of energy consumption, CO<sub>2</sub> equivalent emissions and waste disposal, as for the other types of environmental impact indicators they are not significant with respect to the Group's production activities. For information relating to the supply chain, all farms in the Group's supply chain fall within the scope of the analysis in this Annual Report, excluding purchases on the free market. Any boundary limitations relating to individual topics or indicators are expressly set out in the text.

In order to allow the comparability of data and information over time and evaluate the performance of the Group's activities, a comparison with the previous year is proposed. In case of restatements of data relating to the previous period, these are expressly indicated. To ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if any, are appropriately reported and based on the best available methodologies. During 2020, there were no significant changes in the size, structure, the ownership structure, nor the supply chain of the Group.

The Veronesi Group adopts a risk-based approach in all its decision-making and operational processes in order to monitor and manage risk situations related to social, environmental, ethics and integrity in the business and regulatory compliance issues. This approach is an integral part of good corporate management and the creation of a responsible business, considered essential for achieving a competitive advantage within markets where attention to sustainability issues grows year by year.

The document is published annually on the Veronesi Group website [www.gruppoveronesi.it](http://www.gruppoveronesi.it). The 2020 Annual 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 audit was carried out according to the procedures indicated in the "Independent Auditors' Report", included in this document. For information on the Veronesi Group Annual Report, you can write to: [aia@aia-spa.it](mailto:aia@aia-spa.it).

# GRI content index

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201-1	Direct economic value generated and distributed	118; 140	
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<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	12-13	
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<b>GRI 205: Anti-corruption (2016)</b>			
205-3	Confirmed incidents of corruption and actions taken	During 2020, there were no cases of corruption and/or reports	
<b>GRI 206: Anti-competitive behavior (2016)</b>			
206-1	Legal actions for anti-competitive behaviour, antitrust and monopoly practices	During 2020, there were no legal actions against the Group with reference to anti-competitive practices and/or violations of regulations on anti-trust and monopoly practices.	
<b>GRI 419: Socio-economic compliance (2016)</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	During 2020, there were no cases of non-monetary sanctions for non-compliance with laws and regulations on social and economic matters.	
<b>Material topic: Socio-economic development of the territory</b>			
<b>GRI 103: Management approach (2016)</b>			
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<b>GRI 302: Energy (2016)</b>			
302-1	Energy consumed within the organisation	106; 130-131	
302-3	Energy intensity	131	
<b>GRI 303: Water and effluents (2018)</b>			
303-1	Interaction with water as a shared resource	112-113	
303-2	Management of water discharge-related impacts	112-113	
303-3	Water withdrawal	112-113; 132	
303-4	Water discharge	113; 132	
<b>GRI 304: Biodiversity (2016)</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas with high biodiversity value outside the protected areas	133-136	
<b>GRI 305: Emissions (2016)</b>			
305-1	Direct (Scope 1) GHG emissions	107; 137	
305-2	Energy indirect (Scope 2) GHG emissions	107; 137	
305-4	GHG emissions intensity	138	
<b>GRI 306: Waste (2020)</b>			
306-1	Production of waste and significant impacts related to waste	110-111	
306-2	Management of the significant impacts associated with waste	110-111	
306-3	Waste generated	111; 139	
<b>GRI 307: Environmental compliance (2016)</b>			
307-1	Non-compliance with environmental laws and regulations	During 2020, no fines or non-monetary sanctions were recorded for non-compliance with environmental laws and regulations.	

GRI Standards	Disclosure	Page	Omission
<b>Material topic: Development and well-being of workers</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	88-91	
103-3	Evaluation of the management approach	88-91	
<b>GRI 401: Employment (2016)</b>			
401-1	New employee hires and employee turnover	126-127	
<b>GRI 405: Diversity and equal opportunity (2016)</b>			
405-1	Diversity in governance bodies and employees	124-125; 128-129	
<b>Material topic: Health and safety in the workplace</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	98-100	
103-3	Evaluation of the management approach	98-100	
<b>GRI 403: Occupational health and safety (2018)</b>			
403-1	Occupational health and safety management system	98-100	
403-2	Hazard identification, risk assessment and incident investigation	98-100	
403-3	Occupational health services	100	
403-4	Worker participation, consultation, and communication on occupational health and safety	99	
403-5	Worker training on occupational health and safety	96-97; 99-100	
403-6	Promotion of worker health	98-100	
403-7	Prevention and mitigation of impacts on health and safety at work within commercial relationships	98-100	
403-9	Work-related injuries	129	
<b>Material topic: Protection of workers</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	88-92	
103-3	Evaluation of the management approach	88-92	
<b>GRI 402: Labor/Management Relations (2016)</b>			
402-1	Minimum notice periods regarding operational changes	The minimum notice period for organisational changes envisaged by the second level collective bargaining agreement for Group employees is 15 days.	
<b>GRI 406: Non-discrimination (2016)</b>			
406-1	Incidents of discrimination and corrective action taken	During 2020 there was an episode of discrimination from which the company distanced itself and took steps by adopting a disciplinary action.	

GRI Standards	Disclosure	Page	Omission
<b>GRI 407: Freedom of association and collective bargaining (2016)</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Considering the operational context of the Veronesi Group, no significant risks have been identified relating to freedom of association and collective bargaining with Group companies or their suppliers.	
<b>Material topic: Safety, traceability and quality of products</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	55; 74-76; 80; 84	
103-3	Evaluation of the management approach	55; 74-76; 80; 84	
<b>GRI 416: Consumer health and safety (2016)</b>			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During 2020, there were no cases of non-compliance regarding the impact on the health and safety of products and services.	
<b>Material topic: Responsible consumption and marketing</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	11-13	
103-3	Evaluation of the management approach	11-13	
<b>GRI 417: Marketing and labelling (2016)</b>			
417-2	Incidents of non-compliance concerning product and service information and labeling	During 2020, there were no cases of non-compliance with regulations and/or voluntary codes with reference to information and communication practices for products and services.	
417-3	Incidents of non-compliance concerning marketing communications	During 2020 there were no cases of non-compliance with regulations and/or voluntary codes with reference to marketing communications, promotion and advertising practices.	
<b>Material topic: Animal welfare</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	62-73; 76	
103-3	Evaluation of the management approach	62-73; 76	
<b>Material topic: Nutrition and welfare</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	55; 74-80	
103-3	Evaluation of the management approach	55; 74-80	
<b>Material topic: Listening to the customer</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management method and its components	75	
103-3	Evaluation of the management approach	75	



GRI Standards	Disclosure	Page	Omission
<b>Material topic: Corporate Governance</b>			
<b>GRI 103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	51; 123	
103-2	The management approach and its components	10-11	
103-3	Evaluation of the management approach	10-11	



## INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT

To the Board of Directors of  
Veronesi Holding S.p.A.

We have carried out a limited assurance engagement on the Annual Report of the Veronesi Group (hereinafter also "Group") as of December 31, 2020.

### Responsibility of the Directors for the Annual Report

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

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

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

### Auditor's Independence and quality control

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

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

### Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Annual 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

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assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Annual 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 (*“reasonable assurance engagement”*), 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 Annual Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Annual 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 Annual 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 value generated and distributed” of the Annual 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 Annual Report.

In particular, we carried out interviews and discussions with the management of Veronesi Holding S.p.A. and with the personnel of A.I.A. Agricola Italiana Alimentare S.p.A. and Agricola Tre Valli Società Cooperativa 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 Annual 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 Annual 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, Quinto di Valpantena site for Veronesi Holding S.p.A., S. Martino Buon Albergo and Nogarole Rocca production plants for Agricola Tre Valli Società Cooperativa, 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 and 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 Annual Report of the Veronesi Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Methodological note” of the Annual Report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Silvia Dallai**  
Partner

Bologna, Italy  
July 22, 2021

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

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